Survey Report

# Moving beyond net terms: A finance leader's guide to trade finance

Flexible trade finance conveys competitive advantage that most leaders miss. Here's how a unified trade finance platform can help support efficiencies, manage risk and strengthen cash flow.

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Survey data shows 67% of organizations still default to net payment terms with suppliers — leaving measurable working capital and resilience gains on the table. Here's how finance leaders can move beyond net terms to unlock trapped cash and build a more strategic, unified trade finance approach.

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In recent years, trade finance options have broadened considerably: Finance leaders can select from a range of trade finance solutions — from dynamic discounting to supply chain finance and receivables finance — to adapt to the organization's needs.

More choices come with new challenges: Leaders must feel confident in their ability to evaluate different trade finance solutions to find the optimal approach for each use case.

"As with anything in life, the easy choice is simplicity and familiarity. Net terms are easy to understand and have been embedded in procurement processes for decades," says Francisca Michielsen, Head of Trade and Working Capital Sales - UK, Europe & MEA, Commercial Banking at Citi. "But while net terms are a tactical payment arrangement, trade finance focuses on strategic working capital solutions, helping leaders work to optimize their balance sheet, improve liquidity, and strengthen supplier relationships."

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# However, many finance leaders still lean on net terms for supplier and customer payments

In April 2026, Citi partnered with Informa TechTarget to better understand finance leaders' strategic considerations when adopting trade finance solutions. Survey results from more than 150 finance leaders reveal that many finance leaders use trade finance to solve for situation specific needs, but that relying most on net terms is still the norm.

## On the AP side:

**67%** use net payment terms with their vendors (e.g. Net30/Net60/Net90)

**While just**

**32%** use short-term working capital loans used for supplier payments

**23%** use inventory or goods-in-transit financing from banks

**21%** use bank guarantees or standby letters of credit

**19%** use corporate or business charge cards used for supplier payments

**17%** use trade finance loans tied to specific purchase orders or shipments.

## On the AR side:

**60%** offer net payment terms to customers (e.g. Net30/Net60/Net90)

**While just**

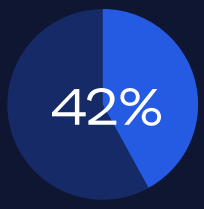
**34%** use invoice factoring

**17%** use receivables-based lending secured by AR

**13%** use export receivables financing

**11%** use supply chain finance programs supported by a bank

## Trade finance awareness & adoption barriers




Just 42% of respondents say they're very familiar with trade finance or documentary trade products, and




27% cite insufficient provider guidance as a barrier to adopting or expanding trade finance solutions.

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# Who are the respondents?

## 152 executives in total

**Role:**

58% - Senior director or director

34% - EVP, SVP, VP

8% - C-Suite (CEO, CFO, COO, etc.)

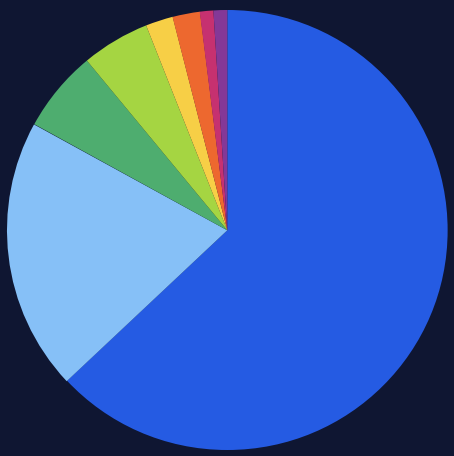
**Revenue:**

29% - $300 million to $499 million

39% - $500 million to $999 million

32% - $1 billion or more

**Function:**



63% - Finance / accounting
20% - Treasury / cash management/ working capital management
6% - Supply chain / logistics
5% - Executive leadership (CFO, VP Finance, etc.)
2% - Risk management
2% - Procurement/strategic sourcing
1% - Operations
1% - Accounts payable

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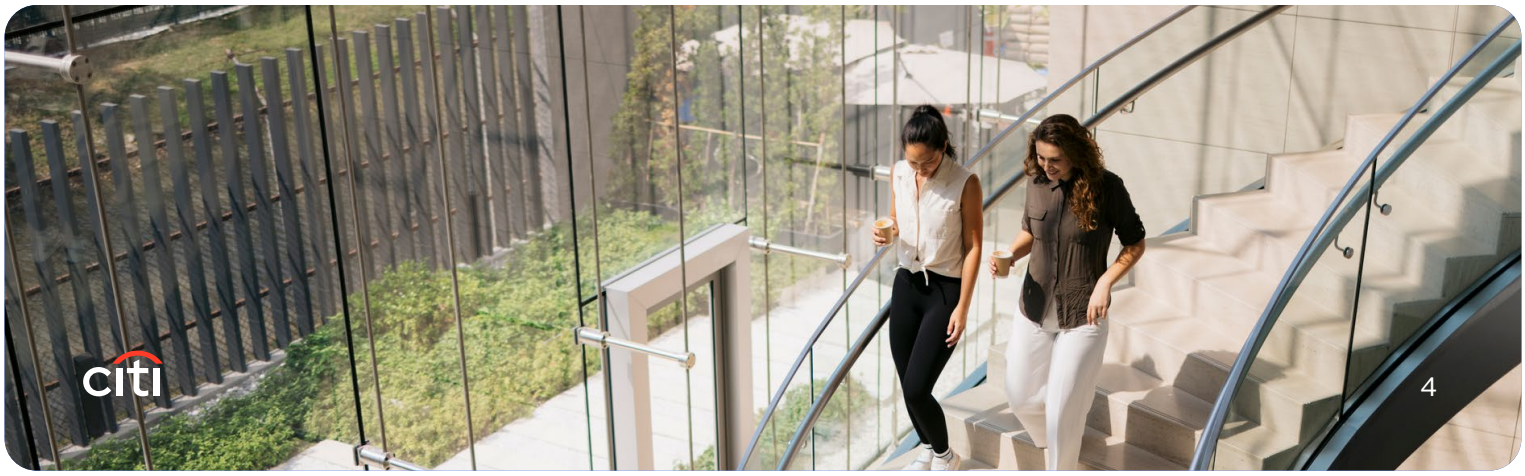

But sticking to what's comfortable comes at a cost, explains Michielsen. "Leaders not only open themselves up to direct costs, like supplier pricing premiums or lost early-payment discounts, but they'll also incur indirect costs: Reduced negotiating leverage or missed strategic opportunities."

The data and our experience largely substantiates this. As economic pressures intensify, the prevailing reliance on net terms increasingly constrains CFOs, underscoring the urgent need to explore more sophisticated trade finance strategies.

CFOs that focus on holistic management of the entire cash conversion cycle, on the other hand, can improve liquidity and help create that robustness in the business that will support strategic growth objectives, Michielsen says. "They focus on unlocking 'trapped cash,' which opens up new possibilities for the organization."'

**Roughly 1 in 3 executives say their organization struggles with...**

- Credit risk exposure or inconsistent credit decisioning
- Slow customer payments or extended days sales outstanding (DSO), and
- Difficulty forecasting cash inflows accurately.

Additionally, **29% struggle with limited visibility** into outstanding receivables and payment timing.

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# What does the path to trade finance maturity look like?

While each organization has its own unique needs with respect to trade finance, shifting to a flexible, unified trade finance strategy typically occurs over three stages:

## **Phase 1:** Reactive trade finance



**In phase one, organizations rely primarily on net terms to manage working capital across AR/AP. With net terms as the default solution, companies may have few or no opportunities to work proactively to manage trade finance — potentially exposing themselves to financial risk as a result.**

### What it looks like:

- Organizations rely heavily or solely on net terms instead of modern trade finance solutions
- Treasury, procurement and AP typically operate independently when it comes to trade finance
- Leaders have limited insights into or control over supplier conditions and payment timing
- Company pays suppliers according to negotiated payment terms, and may attempt to seek extensions when liquidity is tight
- The organization may rely on borrowing only to cover trade-related cash gaps, when they occur.

### How it impacts the organization:

A reactive trade finance strategy is easy to manage — with net terms as the default (or sole) trade finance option, finance teams can work with strategies they are already comfortable with.

### However, these benefits come with significant tradeoffs:

- **Less control over cash flow,** since leaders may need to choose between preserving liquidity and paying suppliers on time.
- **Increased risk**. Companies risk credit exposure or working capital challenges when payment terms change
- **Few opportunities for cross-functional collaboration**, with siloed processes across treasury, procurement and AP.
- **Fewer opportunities to enhance potential value,** since leaders cannot access the unified insights they need for strategic decision-making.
- **Borrowing may be more expensive or less optimal,** since leaders may be forced to quickly secure trade loans in the face of a cash crunch.



## **Phase 2:** Transitional: Broader trade finance strategy, with uneven adoption

**Companies move into Phase 2 when they begin adopting additional trade finance solutions, such as supply chain finance, receivables finance, or dynamic discounting. However, adoption is inconsistent.**

### What it looks like:

- Company has access to a broader range of trade finance solutions, but decisions around trade finance are often made manually or on a case-by-case basis
- Teams manually compare trade finance options to identify the best fit
- Different stakeholders that influence working capital may be misaligned on a common goal For example, procurement may be hesitant to harmonize terms with suppliers in conjunction with supply chain finance, due to fear of price increases.
- Leaders may have access to some reporting, but may lack unified insights across their trade finance solutions.
- Depending on several providers and multiple bank platforms

### How it impacts the organization:

Moving into the transitional stage comes with expanded opportunities to leverage trade finance — and a way to move away from relying exclusively on net terms. But companies still experience pain points:

- **Inconsistent decisioning,** yielding mixed results: Since individual teams with competing priorities can influence outcomes, success can be limited by lack of uniform goal.
- **Limited reporting capabilities:** Insights are often limited and siloed, hindering executives' ability to optimize their trade finance strategies.



## **Phase 3:** Unified trade finance: Driving results with a streamlined, strategic approach

**As companies enter Phase 3, trade finance shifts from a siloed tool to a strategic financial lever. Finance teams can access a suite of solutions through one unified platform that functions as a "control center" for trade finance.**

### What it looks like:

- Team members can access multiple trade finance solutions via a single portal or login
- Treasury, procurement and AP can work collaboratively across the trade lifecycle
- Leaders can access unified treasury reporting to measure performance across their trade finance solutions in real time.

### How it impacts the organization:

With a unified trade finance strategy, finance professionals have the tools they need to step into the most strategic version of their job and work to drive value for the organization. That means:

- **More opportunities to help optimize trade finance:** Team members can quickly and easily access trade finance solutions to quickly capitalize on opportunities when they present themselves.
- **Greater cross-functional collaboration:** Treasury, procurement and AP can work together to standardize processes around trade finance to support the organization's goals
- **Real-time feedback from continuous KPI monitoring:** This allows executives to drive — and demonstrate — value.

### The ideal end results:

- Optimized working capital
- Lower financing costs
- Greater agility
- Stronger supplier relationships
- Data-driven strategy

# Moving toward a more unified trade finance strategy

**These three strategies can help move your organization along the maturity curve.**

## 01

### Start with your pain points

The most successful trade-finance programs start with a business objective, not a product. Leaders should focus on flexibility, ecosystem connectivity — across, suppliers, buyers and financial institutions — and scalability.

Consider reviewing the entire working-capital cycle, not just financing costs, suggests Pauline Kontos, Global Head of Working Capital Advisory at Citi. “There’s always room to grow from there: You can combine traditional trade finance solutions with solutions like supply chain finance or receivables finance and prioritize digital and API-enabled solutions that integrate with ERP and treasury systems. But identifying your biggest pain point at the outset and targeting it specifically helps you gain quick wins and demonstrate value.”

### Citi’s suite of trade finance solutions include:

Kontos recommends looking for a solution provider with a long-standing track record of excellence and a broad spectrum of trade finance options — even if you do not plan to use their full suite of offerings right now.

“Pick a trusted, established and stable partner that will be there for you when you need them and can give your relationship room to scale as your trade finance strategy becomes more complex,” Kontos says. “An established, respected partner also makes it easier to onboard suppliers and other third-party organizations, who want to work with proven solutions and trusted, globally recognizable brands.”



## 02

### Invest in change management to maximize outcomes

While competing organizational priorities can impede progress, leaders can drive trade finance transformation forward by educating stakeholders to foster strategic alignment. “Education should trickle down from leadership across finance, treasury and procurement teams,” says Kontos. “The goal is to gain alignment on each team’s business priorities to get stakeholders on board.”

For procurement teams, that could include education around how more sophisticated trade finance strategies can support commercial negotiations, she suggests. For finance and treasury, conversations might focus on the advantages of working capital management, and the opportunity to work proactively to preserve liquidity.

It’s also important to take steps to get suppliers on board, Kontos says. “Communicate how adopting new trade finance practices can enable you to reinvest in the business and grow — and that this means your suppliers will have an opportunity to grow along with you.”

## 03

### Evaluate trade finance solutions with long-term needs

Many organizations start small when expanding their company’s trade finance capabilities. When evaluating trade finance solutions, consider your long-term needs.

**Key elements to consider when choosing a provider:**

**Access:**
Does the provider service the markets and currencies we need? Can we access the full breadth of trade finance solutions needed to scale our trade finance strategy?

**Integration:**
Can the platform connect with relevant systems in our tech stack, like our ERP, to help support our trade finance strategy?

**Customization:**
Does the platform allow you to tailor workflows, approval rules, finance options, reporting and user permissions to suit your organization’s unique needs?



## What the right provider brings to the table

The ideal solution-focused provider should pair platform capabilities with best-in-class support. “Citi’s global network paired with local expertise and a full range of working capital solutions across the network, mean we can tailor solutions to our clients in all our markets to help promote stability and continuity through different market conditions,” says Michielsen. “Across Payables and Receivables, we take a data-driven approach, combining proprietary market insights, supplier analysis, working capital benchmarking, and advisory services to identify optimization opportunities.”




## Citi’s trade finance solutions

**Trade & Working Capital Loans:**
Including trade loans and data analytics to offer support across the transaction lifecycle.

**Core Trade:**
Including traditional and non-traditional financing such as letters of credit, documentary collections and letters of guarantee.

**Export Agency Finance:**
We help Export Credit Agencies (ECA), Multilateral Agencies and Development Finance Institutions (DFI) globally expand their reach in both developed and emerging markets and deliver medium to long-term, often highly structured financing solutions.

**Receivables Finance:**
Citi helps global suppliers with opportunities to help expand liquidity through Citi Supplier Finance, Dynamic Discounting and other payment options.

**Payables Finance:**
Citi helps global buyers strengthen working capital and simplify complex supply chains with end-to-end digital solutions.

All accessible through CitiDirect®, which provides one-click access to Citi’s global trade finance capabilities using an intuitive and user-centric workflow.

# Move beyond net terms — and reap the strategic benefits of trade finance unification — with Citi

**Adopting a unified trade finance platform directly addresses the immense pressure on finance leaders to strengthen cash flow management and optimize efficiencies.**

"Working capital isn't just about building resilience, it's about setting yourself up to thrive in whatever economic environment comes next," says Kontos. "Challenging environments separate leaders from the rest of the pack. Companies that optimize working capital across their supply chain, suppliers and customer channels are better positioned to weather disruption and be the first to seize growth opportunities when they arise."

## How Citi can help

Citi's 24/7 Digital Trade and Working Capital Solutions Platform equips leaders with the trade finance tools they need to manage working capital, simplify supply chains and bolster resilience across the organization.

## Gain access to:

- **Letters of Credit**
- **Collections**
- **Supply Chain Finance**
- **Purchase Order Finance**
- **Guarantees**
- **Trade Loans**
- **Inventory Finance**
- **Receivables Finance**

And more, via our digital eLoans platform, Receivables Finance and Citi Supplier Finance.

Our team of Trade & Working Capital executives partners with clients—and collaborates with export credit and development agencies—to help assess, structure, and secure the liquidity needed to sustain critical operations during times of disruption.



**Methodology:**

The findings in this report are based on a research survey conducted by Studio by Informa TechTarget on behalf of Citi. The survey was designed to provide insight into how executives are using trade credit solutions across accounts payable (AP) and accounts receivable (AR), as well as the challenges they face.

The survey was fielded from April 1–29, 2026, and received 152 responses. All participants hold titles of Director or above and work for companies with annual revenues between $300 million and $5 billion. Eighty-three percent of participants work in finance, accounting or treasury roles.

Participants represent companies headquartered across 16 countries, with 75% working for companies headquartered in the United States, United Kingdom, Canada, Germany, India or China.


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Citi Services' Trade & Working Capital business helps companies manage their global trade and working capital effectively to bolster the success of their business. Citi's solutions help enable companies to optimize cash flows, mitigate risks, streamline operations and access the financing they need to grow.
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