

Endava Releases State of the Industry Payments Report; Data Shows Organizations Rethinking Conventional Business Processes and Practices

Report reveals the top focuses for companies in the next year are strengthening security, digitizing payments, and improving usage of analytics

LONDON--(BUSINESS WIRE)-- Endava (NYSE: DAVA), a global provider of digital transformation, agile development and intelligent automation services, today released their 2022 Global Payments Study. The report covers the norms of today's business-to-business (B2B) payments on a worldwide scale, the challenges of operating a manual process, the benefits of digitization, and what payments could look like in the future.

"Over the past two years, companies began to challenge their reliance on the legacy systems they were supposedly tied to and wondered how they could improve their daily processes," said Scott Harkey, Executive Vice President, Financial Services & Payments, Endava. "Our data reveals a payments landscape where organizations are no longer satisfied with the status quo and are using modernization initiatives to increase efficiency."

Key insights from the report include:

- Checks and cash are no longer the dominant methods they once were, equaling roughly a fifth of global payment volume combined.
- Paper-based methods comprised less than a third of payments volume for all the regions in the study.
- North America trails APAC, MEA, LatAm, and Europe in payments modernity. North America scores lower due to relatively high check volume (16%).
- Organizations often rely on multiple tools for making payments. Bank-provided bill pay portals are the most widely adopted, but many also use ePayments software.
- The top focuses for companies in the next year are strengthening security, digitizing payments, and improving usage of analytics.

The Future of Payments

To help anticipate the future of B2B payments, Endava asked survey respondents about their organization's top initiatives and how they plan to alter current payment method volume in the future. The highest priority initiative was strengthening security which is congruent with the high number of organizations citing fraud as a top challenge in domestic and international payments.

Digitizing payments was the second highest priority initiative for respondent organizations. To accomplish this, organizations plan on aggressively increasing usage of methods like digital wallets, real-time payments (RTP), cards, virtual cards, and Automated Clearing

House (ACH) and decreasing dated, paper-based ones like checks and cash. Of those currently utilizing them, a sizable percentage of organizations also plan on increasing cryptocurrency usage in the future. However, many organizations identified crypto (as a means of paying vendors) as not applicable to their business.

Insights by Industry

Looking at the study by industry, Endava data shows that retailers were more likely to have issues with payment errors, data management, late payments, and compliance. These issues often come from inconsistencies in the way payments are handled. Compared to the average, companies in the mobility vertical suffer from customer inquiry management, disparate technology, fraud, and payment errors.

Insurers and non-bank finance organizations have more quantifiable challenges than companies in other industries. These include days payable outstanding, lack of visibility into payments, duplicate invoices, and reliance on paper-based processes. Many of these problems are more directly related to invoicing.

Geographic Trends

North America:

- Endava experts assert that both RTP and digital wallets are ripe for growth in North America.
- On the consumer side of things, Americans have mostly moved away from cash and check for their C2B and P2P payments, but this modernization has not yet carried over to businesses.
- Younger generations, who are far more likely to expect a digital payments experience, may cause a shift in these antiquated habits as they assume roles as small business owners and finance professionals.

Europe

- Endava research shows next-day bank-to-bank transfers comprise a larger volume of payments in the EU over any other region.
- Cash and checks are at a lower volume in the EU compared to other regions.
- These payment methods are a rarity in Europe because the digital alternatives for transferring money are easy to use and ubiquitous.

Middle East and Africa

- Parts of the MEA region have some of the largest RTP payment volumes out of all the locales included in the study.
- Saudi Arabia has had rapid adoption in the use of real-time payments despite only introducing the service in 2019.
- The percentage of cash transactions among MEA respondent organizations is high, as is the usage of alternative methods, which can include cash-on-delivery, a popular payment option in both countries.

For more on industry specific and geographical trends from regions including North America, Europe, Middle East and Africa, Latin America, and Asia Pac, download the report at: <https://www.endava.com/en/Industries/Payments/2022-Global-Payments-Report>.

Data Summary

The data for this study comes from a 2022 survey of over 1,000 organizations of all sizes and industry verticals (except for banking institutions). Respondents were at the senior management level and above and possessed intimate knowledge and decision-making capacity on their organization's finance and payments strategy and processes.

ABOUT ENDAVA

Endava is reimagining the relationship between people and technology. By leveraging next-generation technologies, our agile, multi-disciplinary teams provide a combination of product & technology strategies, intelligent experiences, and world class engineering to help clients become digital, experience-driven businesses by assisting them in their journey from idea generation to development and deployment of products, platforms and solutions. Endava collaborates with its clients, seamlessly integrating with their teams, catalysing ideation and delivering robust solutions.

Endava services clients in Payments and Financial Services, TMT, Consumer Products, Retail, Mobility and Healthcare. As of June 30, 2022, 11,853 Endavans served clients from locations in Asia-Pacific, Middle East, North America and Western Europe and delivery locations in Argentina, Bosnia & Herzegovina, Bulgaria, Colombia, Croatia, Malaysia, Mexico, Moldova, North Macedonia, Poland, Romania, Serbia, Slovenia and Uruguay.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20221101006373/en/>

INVESTORS:

Endava Plc

Laurence Madsen, Investor Relations Manager

Investors@endava.com

Source: Endava