



Market
Intelligence

APRIL 2026

Strategic Working Capital
Optimization in the
Technology sector

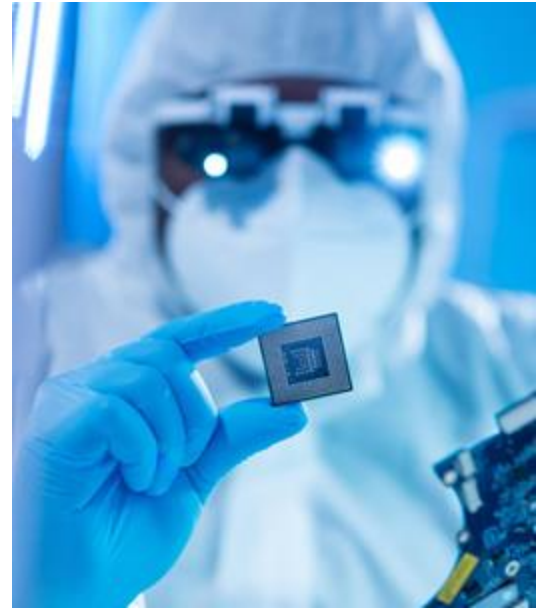
The insight of an industry leader

In an uncertain environment where borrowing costs are rising, increasing internal liquidity generation by modifying supplier payment terms can play a big part in helping firms navigate macroeconomic challenges and fund growth initiatives.

Understandably, procurement teams are often unwilling to adjust payment structures, believing that any modification risks destabilizing supplier relationships and that current terms are at parity with the market. Often, that understanding is based on stale industry data.

C2FO's industry-leading network intelligence, with granular real-time data analysis, can help firms determine where they stand in today's environment. With more than 50 million new unique transactions daily, C2FO captures more than \$14 trillion in actual B2B invoices. Our proprietary benchmarks and quantitative methodologies, explained on the following pages, have helped clients unlock more than \$1.5 billion in working capital.

If you are interested in a tailored analysis for one of your own key industries or would like us to review the overall working capital opportunity in your supply chain, please reach out to info@c2fo.com.



This report utilizes C2FO's proprietary network intelligence, capturing over \$11 trillion in B2B transactions, to provide a high-fidelity analysis of the Industrial and Technology Manufacturers sector. By drilling down from broad Subsector aggregates to granular 6-digit National Industry codes, we identify the structural payment term variances and regional risk profiles that drive modern supply chain liquidity strategies.



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Kelly leads C2FO's Working Capital Optimization practice; a team of data and P2P experts focused on the strategic implementation of our terms benchmarking network intelligence that balances financial objectives with supplier health.

This report utilizes a fully anonymized and aggregated dataset. No individual company, transaction, or personally identifiable information is disclosed. Any data within this report represents collective market statistics and does not constitute legal or financial advice.

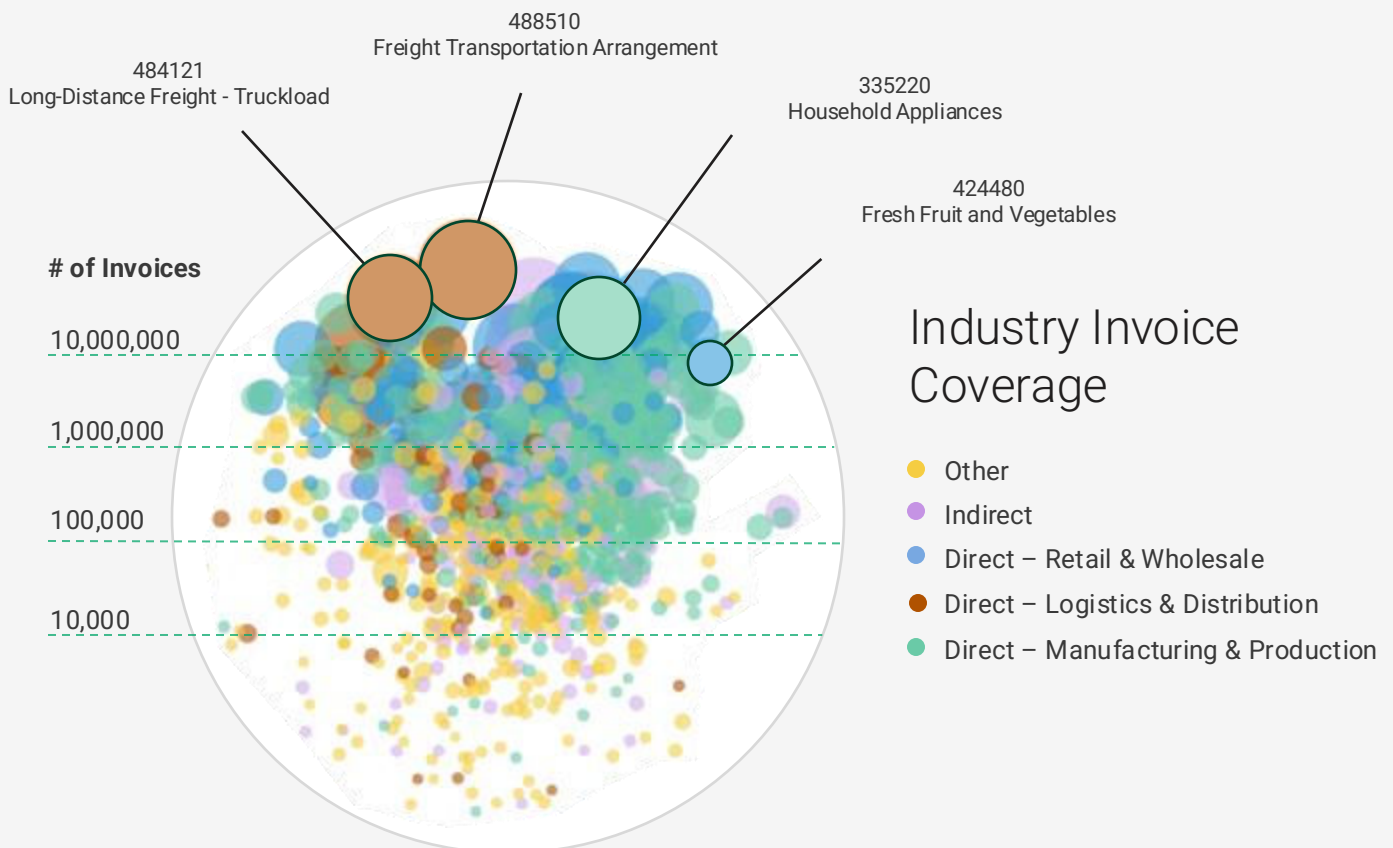
Going in-depth in real-time

Many businesses undermine their working capital initiatives by relying on **stale** benchmarking data this is unfit for strategic decision-making. **Most** third-party sources trail current market conditions by years, failing to reflect the rapidly shifting geopolitical environment. Furthermore, typical datasets lack a representative cross-section of the market, often focusing narrowly on specific supplier tiers while not being able to capture trends unique to other segments. Even with good underlying data, using industry codes that are too high-level can mask critical sub-sector nuances that make precision research impossible, and leads to high-risk guesswork that can jeopardize the stability of your supply chain.

C2FO solves these blind spots. Our data reflects the market's real-time state rather than years-old estimates. We utilize a **highly granular, 6-digit classification system** to reveal the critical variances within sub-industries, replacing broad guesswork with precision.

The chart below visualizes our comprehensive scale, mapping invoice coverage across 1,000 distinct industry codes. This granular visibility is most critical in Direct industries, where complex supply chains create wider terms variance than in Indirect sectors.

The Granular Perspective

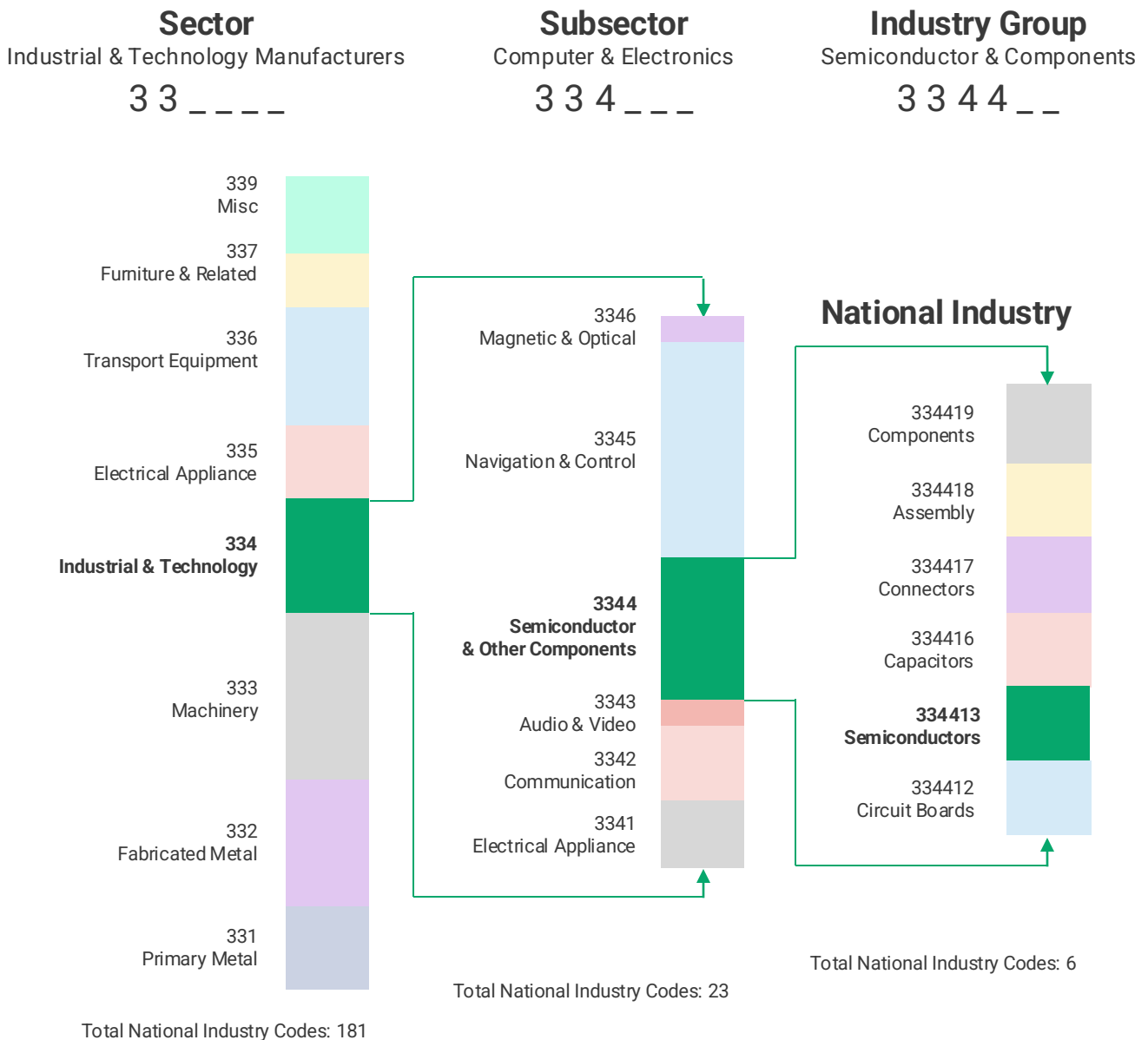


Industry Classification

To transform our proprietary dataset into high-fidelity benchmarks, C2FO employs a five-stage AI enrichment pipeline that maps network suppliers to the North American Industry Classification System (NAICS). This hierarchical, six-digit framework utilizes the initial two digits to define the broad sector, while the complete six-digit string isolates a specific National Industry.

This analysis centers on sector 33 (Industrial and Technology Manufacturing). Our methodology facilitates a strategic "drill-down" from the 181 industry codes within the overarching sector to the precise classification for Semiconductor Manufacturers (334413). Each step down the hierarchy removes noise, isolates the correct peer set, and improves the accuracy of the term target.

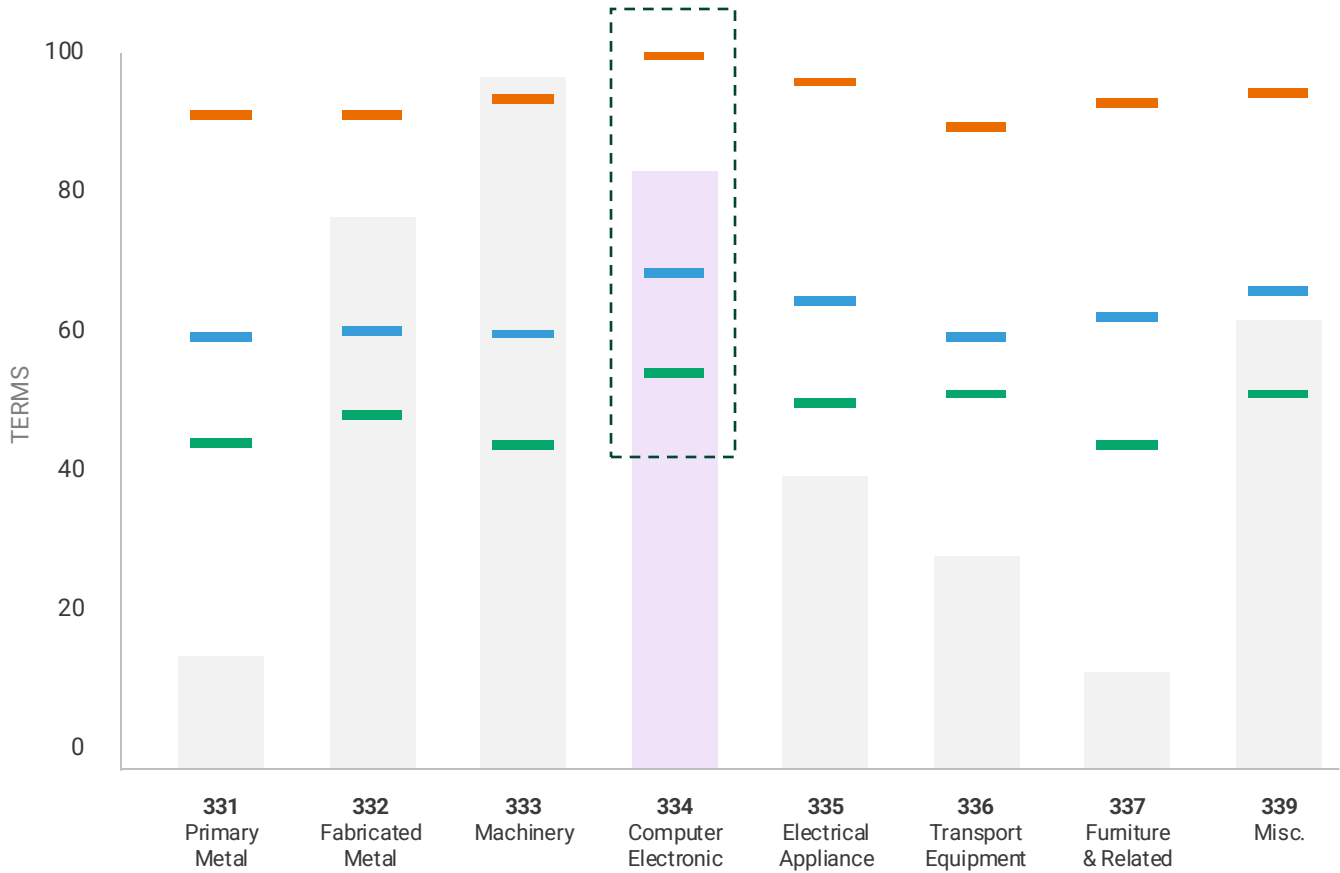
Industry Code Hierarchy



3 3 _ _ _ _ Industrial & Technology Manufacturing

The initial phase of this analysis establishes a high-level baseline at the two-digit sector level, offering a macro perspective of the manufacturing landscape. While this view provides a foundational benchmark, it lacks the resolution necessary to execute a high-precision working capital strategy. By advancing to the three-digit subsector level, we isolate the unique financial profiles of eight distinct supplier cohorts within the broader sector. The data indicates that while most manufacturing benchmarks gravitate toward 45, 60, or 90-day liquidity cycles, subsector 334 (Computer and Electronic Products) consistently exhibits a 10-day extension across all percentiles.

Three-Digit Subsector View



50th Percentile Benchmark
 "Industry Standard" generally a good overall starting target. It ensures you are not funding your competition

75th Percentile Benchmark
 "Recommended" what we generally recommend as a starting target to provide room for negotiations

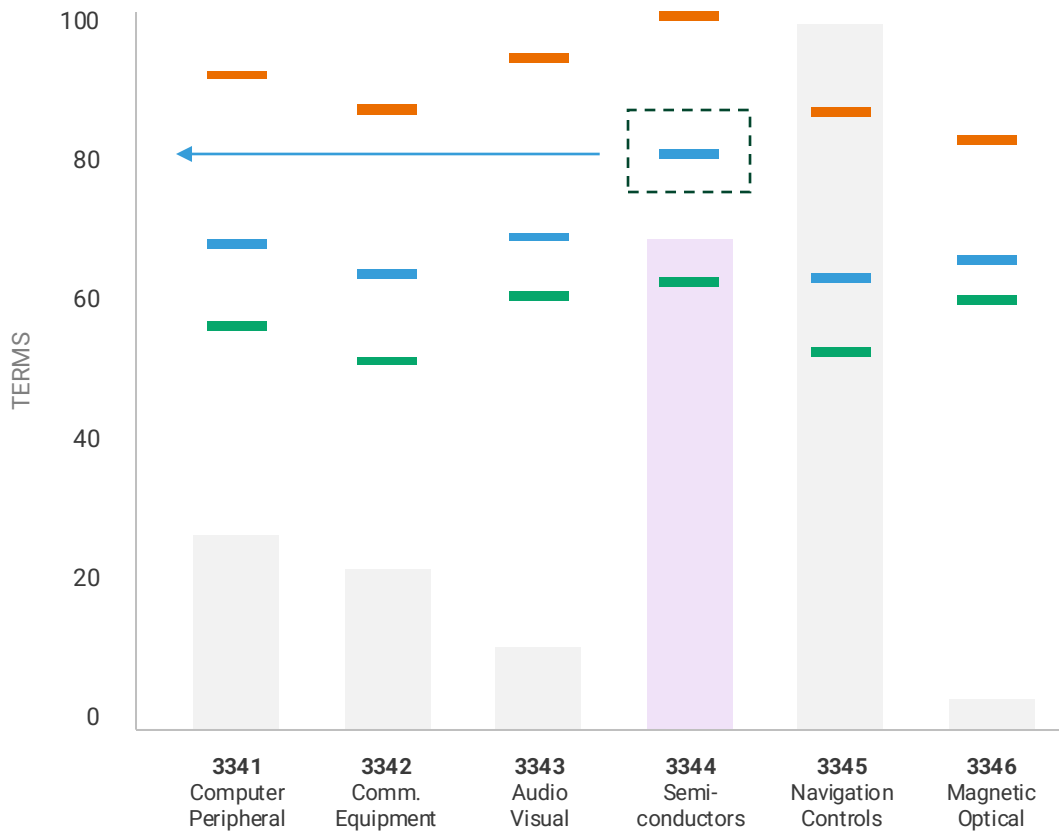
95th Percentile Benchmark
 "Market Leading" generally targeted on specific industries with outsized bargaining power

To provide an objective measure of the market, we calculate payment terms at the 50th, 75th, and 95th percentiles. These tranches offer distinct targeting positions that serve as strategic levers, allowing you to customize your approach based on specific organizational goals and individual relationship dynamics.

3 3 4 _ _ _ Computer and Electronic Products

Four-digit industry groups represent the standard depth typically provided by external benchmarks and serve as an effective starting point for identifying general term misalignments. However, relying on this level alone limits your strategy to broad averages that can mask critical industry differences. The Semiconductor group (3344) provides a clear example of this risk. In the chart below, this group appears to have terms significantly longer than any other in the subsector. We will quickly see how misaligned you would be with true industry standards if you relied on this level of data to set your term targets.

Semi-conductor Group Terms



50th Percentile Benchmark

“Industry Standard” generally a good overall starting target. It ensures you are not funding your competition

75th Percentile Benchmark

“Recommended” what we generally recommend as a starting target to provide room for negotiations

95th Percentile Benchmark

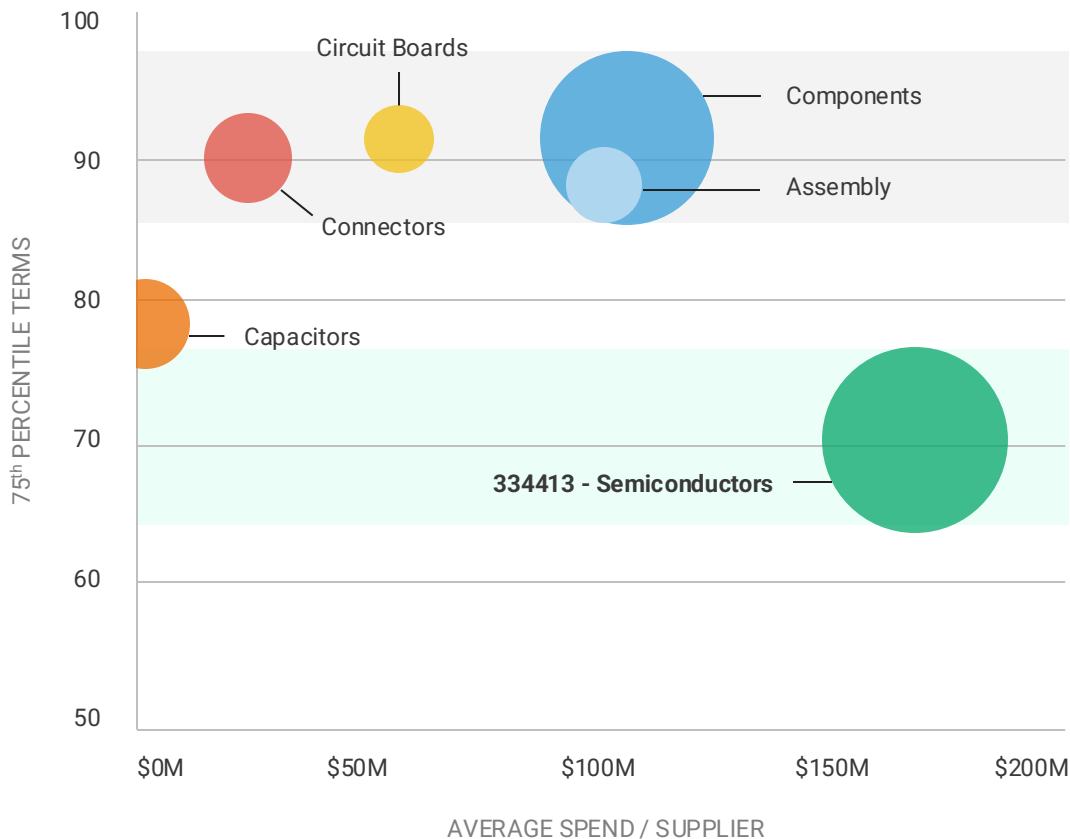
“Market Leading” generally targeted on specific industries with outsized bargaining power

3 3 4 4 __ Semiconductor and Other Components

Analysis of the six individual industry codes within the Subsector reveals a significant discrepancy. While the aggregate 75th percentile benchmark for Industry Group 3344 is 80 days, there are two distinct groups with significantly different terms.

334413 – Semiconductor and Related Device Manufacturing has extreme technical and capital barriers that are unique compared to the other industry codes in this Industry Group. Unlike components, connectors, and circuit boards that are built or assembled, semiconductors are grown via photolithography in multi-billion-dollar fabrication plants. Because these chips are often designed for the architecture of a product, they are not easily substituted for alternatives, giving suppliers significant leverage during commercial negotiations.

Seventy-fifth Percentile Benchmark



This divergence illustrates the necessity of six-digit NAICS precision. The high-level benchmarking available in the market often masks these critical variations.

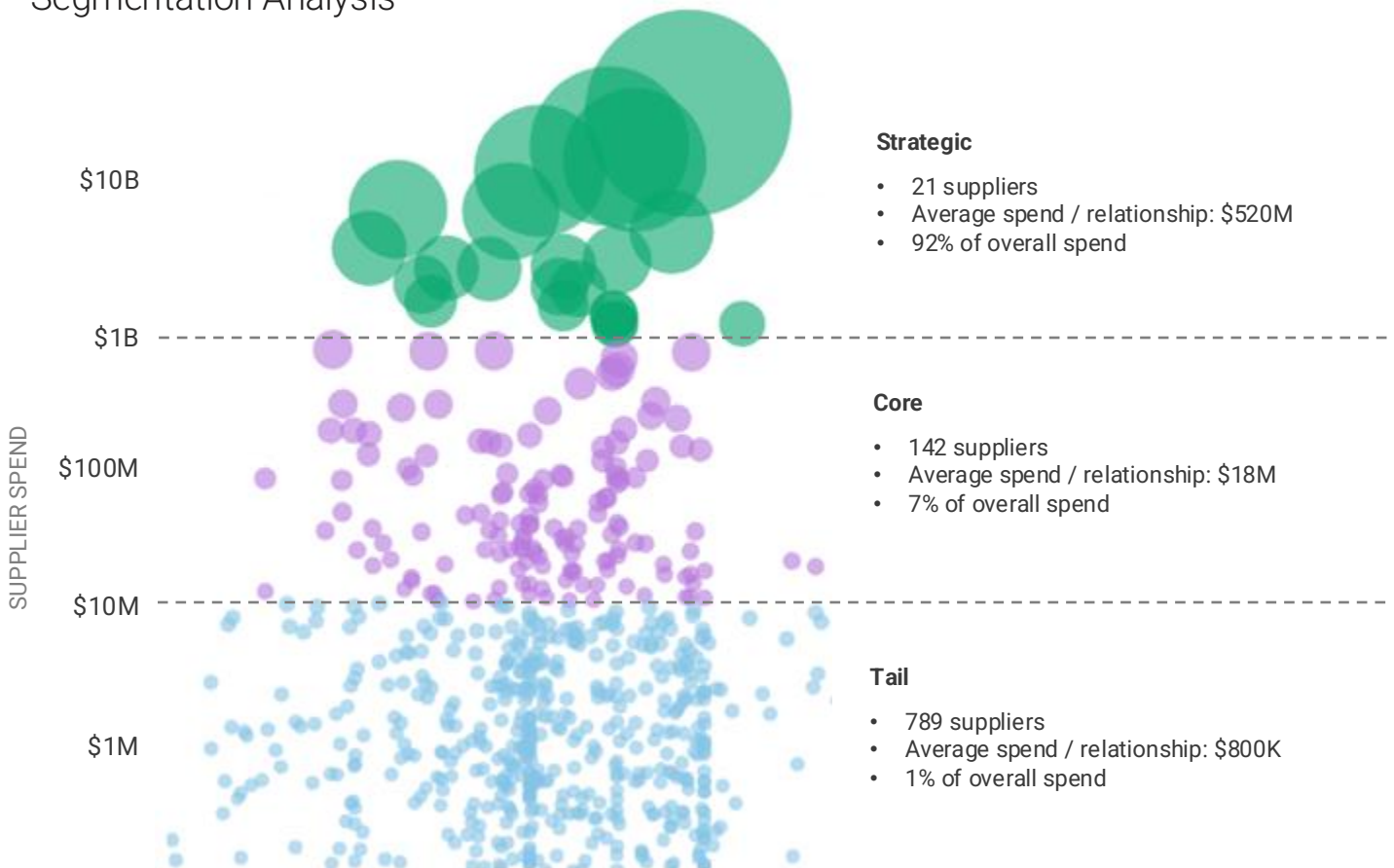
334413 Semiconductor Manufacturers - Segmentation

While the market often focuses on the high-profile logic and memory giants, the 334413 classification encompasses three distinct tiers of suppliers that are vital to modern electronics:

- **Logic & Memory Leaders:** These are the high-profile manufacturers of microprocessors, CPUs, and flash memory.
- **Discrete & Power Management:** This group includes manufacturers of foundational components like transistors, diodes, and rectifiers that manage power flow in everything from industrial machinery to consumer appliances.
- **Optoelectronics & Solar:** A significant portion of this code is dedicated to light-based technology, including LED chips, laser diodes for fiber optics, and the manufacturing of photovoltaic (solar) cells.

By utilizing our proprietary network intelligence, we can segment these different players to see how a Strategic memory manufacturer's terms differ from a tail supplier of specialized diodes.

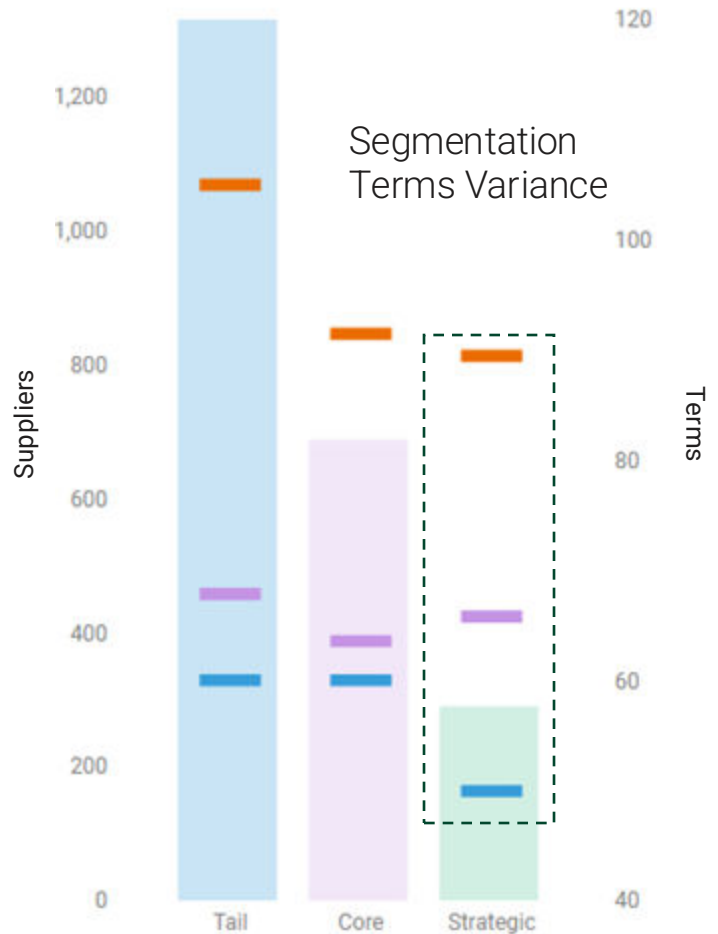
Segmentation Analysis



334413 Semiconductor Manufacturers - Segmentation

Strategic Semiconductor Manufacturing suppliers maintain terms consistently shorter than the core or tail segments. This variance is most pronounced at the 50th percentile.

Relying solely on an industry standard target of 60 to 70 days creates significant risk. While these terms appear reasonable for the broader sector, they ignore the specific leverage within the Strategic segment. Failing to adequately consider segmentation leads to poorly informed negotiation strategies.



Benchmark Trends by Segment



The Tail segment remains the most exposed to shifting terms. These suppliers typically operate under shorter contracts and possess higher substitutability. Consequently, term structures in this segment fluctuate more rapidly as economic conditions favor or disadvantage specific regions.

This exposure highlights why a static targeting strategy is insufficient. Organizations must monitor geographic and segment-level data to maintain a competitive advantage. Identifying these shifts ensures that negotiation strategies reflect current market realities rather than outdated benchmarks.

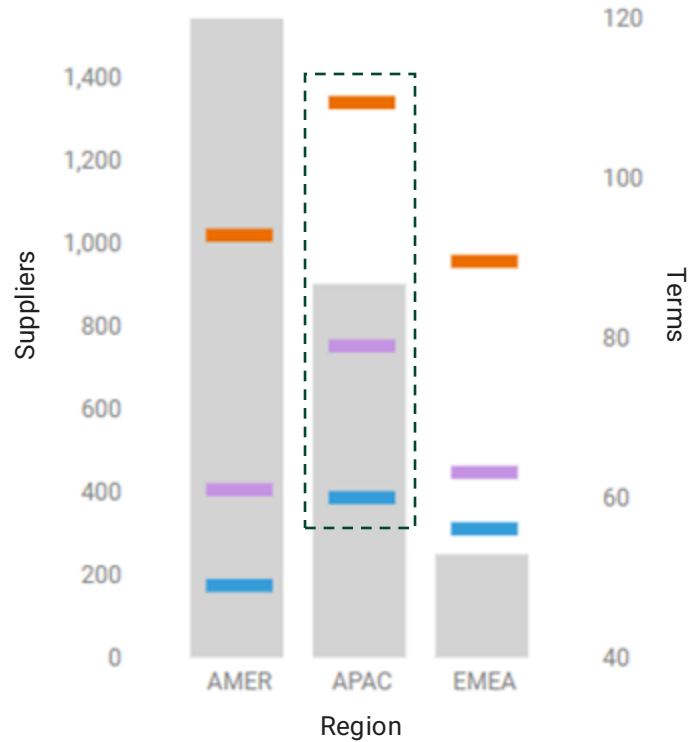
334413 Semiconductor Manufacturers - Region

C2FO classifies suppliers by region based on their specific geographic location. While buyer regions are also tracked, analyzing supplier-based locations provides a more accurate representation of regional payment term variance within the semiconductor industry.

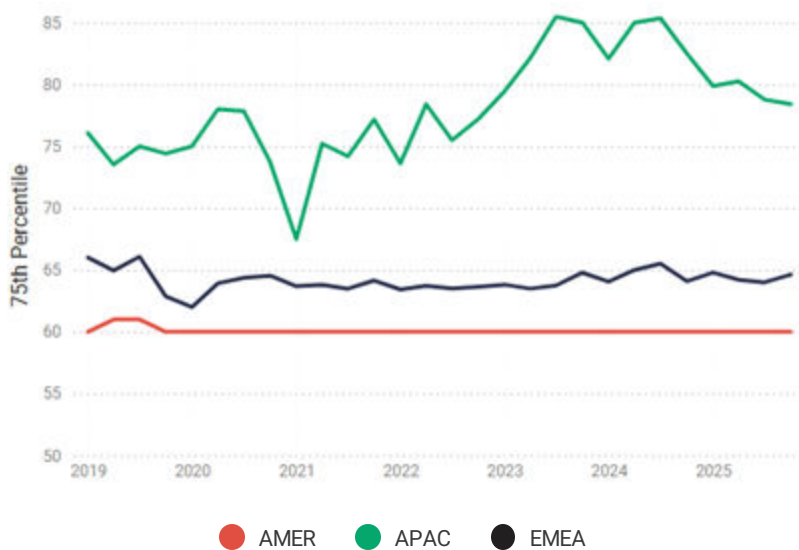
The Asia-Pacific (APAC) region maintains significantly longer terms in this sector, with substantial gaps at every percentile. While some industries exhibit tight groupings at the 50th and 75th percentiles, semiconductors show a different pattern.

Regional variance for semiconductors begins at the 50th percentile and accelerates through the 95th percentile. This steady expansion indicates that regional market norms influence the entire supplier base, rather than just the smaller suppliers at the extreme end of the distribution.

Region Terms Variance



Benchmark Trends by Region



The Asia-Pacific (APAC) region has experienced heightened payment term variance in recent years. This volatility is largely a result of shifting economic policies within the United States, a key importer of semiconductors. These geopolitical factors directly influence the risk profiles and cash flow requirements of regional suppliers.

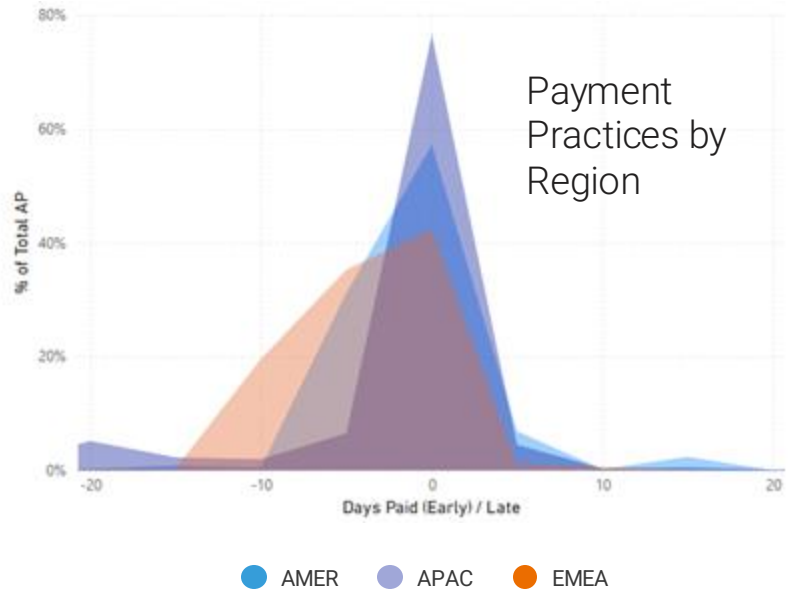
Organizations must account for these external variables when developing a long-term terms strategy. Monitoring these shifts ensures that payment structures remain competitive and resilient amidst global economic change.

334413 Semiconductor Manufacturers - Other

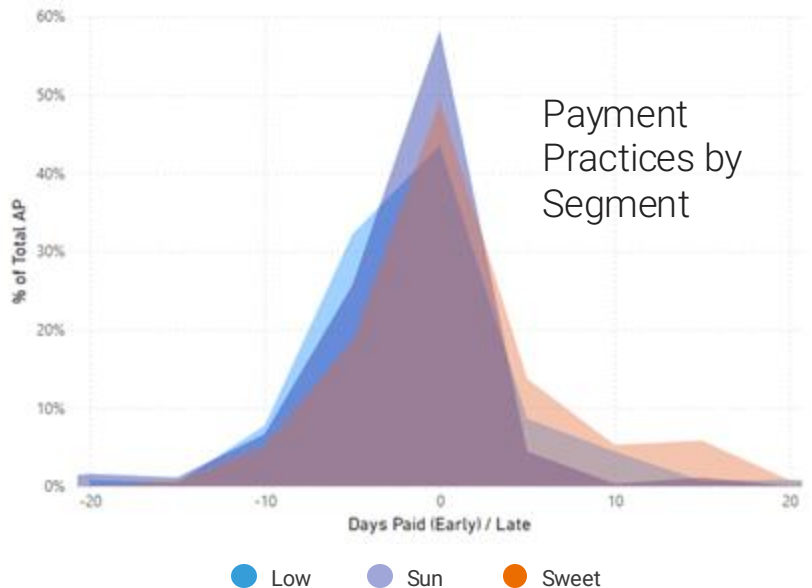
Evaluating working capital unlocks within the Procure-to-Pay (P2P) process does not require an immediate shift in payment terms. Significant liquidity often resides within daily operational processes. Identifying these components is a critical prerequisite to any formal terms negotiation.

A distinct practice exists in Europe, the Middle East, and Africa (EMEA) region of paying suppliers ahead of schedule. This trend primarily stems from maintaining fewer daily payment runs compared to other global regions.

The impact of these operational habits on working capital is substantial. Optimizing these internal processes provides a dual benefit. It secures immediate working capital and establishes a more efficient foundation for future commercial discussions.



Payment Frequency	AMER	APAC	EMEA
Daily	98.05%	85.13%	79.31%
Twice a week	0.93%	10.79%	12.81%
Weekly	1.01%	4.08%	7.88%





Questions? More Information

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