

TOP TEN TIPS, TRICKS AND TECHNIQUES FOR GETTING PAID FASTER WITHOUT LOSING CUSTOMERS

Owner Tip #1

You're probably not going to love this one, but if you don't do it you will be paid late. **GET YOUR BILLING OUT ON TIME.**

The later you are with your billing the later your customer feels he can be with his payment. Bill late enough and many customers believe they don't have to pay at all!

Technique #1

State your terms clearly on the invoice - Avoid "On Receipt" terms. Virtually no one pays on receipt, and worse they make up their own terms when the stated terms are "on receipt". For fast turnaround use net 7 or net 10 instead.

Owner Tip #2

When offering early payment discounts customers often pay late and still take the discount. Try a 2% pre - payment discount instead.

Technique #2

Instead of 2% net 10 try a 2% pre-payment discount and avoid the entire collection process altogether.

Owner tip #3

Send monthly statements, they work!

Technique #3

Experiment with sending your statements via email, fax (yes people still read their faxes) or snail mail. See which is more effective with your customer base.

Owner tip #4

Make sure collection efforts start about 10 days after your due date has passed. You can make these calls sooner but you risk ticking off customers, many of whom may be, in fact about 30% will be in the process of paying you anyway.

Technique #4

Print an aging every other week (monthly for large agings) and check off the customers that need a call. I like to check off the new calls in red and the ones I've been working on in blue or black.

Owner tip #5

You shouldn't be making these calls. If a customer wants to complain about your collection efforts, who will they complain to if you're making the call? Delegate these initial follow up calls.

Technique #5

When making collection calls start as low in the company hierarchy as possible and move up only when you have to. In other words instead of starting off owner to owner, start with accounts receivable clerk to accounts payable clerk.

Owner tip #6

Be thoughtful when deciding who will make these calls. Wives, receptionists and bookkeepers are generally not a good choice. Wives often get defensive and receptions, bookkeepers aren't usually good at it. Grabbing the first underutilized employee you see is generally not a good idea either.

Technique #6

Try to find someone with good listening skills. Aggressive behavior is not a plus in this job. It's best if this is a dedicated position, when there is other work to do collection calls will generally come last.

Owner tip #7

Recorded notes on your aging or other random pieces of paper do not constitute a system. This methodology won't produce sustained results and won't help if you ever land in court!

Technique #7

Use contact management software. Schedule both your initial and your follow up calls in your system AND record every communication or attempted communication with your customer/debtor.

Owner tip #8

Make sure everyone with a past due balance is contacted. You can contact the smaller balance customers later but don't ignore them. Small balances add up. Ignoring small balance customers when they pay late trains them to pay late, if they start placing larger orders you're in trouble.

Technique #8

Used faxed or email reminders instead of calls on small balances, it's more cost effective than putting a person on the phone. Those little happy face stamps and stickers with the cute reminders work well and they keep things friendly.

Owner tip #9

Deal with your disputes promptly and to completion, more money is lost to ignored disputes than all the other reasons for late paying put together!

Technique #9

Develop forms and a system for recording disputes. Track problems that seem to repeat themselves and do something to prevent future occurrences.

Owner tip #10

Don't wait too long before seeking outside help. Decide how late is too late for you and your business. Then do something! The biggest mistake you can make with late payers is waiting too long to get help. You risk losing your money altogether. If you've done everything you know how to do and you're still not collecting, choose a reputable collection agency and let them help. Collecting 70% of something is better than collecting 100% of nothing!

Technique #10

...and shameless pitch - For Help with Accounts
Receivable collections or bad debt collections Call Vienna at
800-201-CA\$H (2274)

Tricks of the Trade and Some Other Stuff

Trick #1

Ok, so this doesn't really qualify as a trick, but it's really, really important. When making collection calls tone is everything.

Be Cordial (but not too friendly)
Be Firm (but not too demanding)
Be Clear (but not condescending)

Don't be Defensive
Don't be Rude
Don't threaten

Trick #2

To get past voice mail try going back to reception with a line like "Hi, is there anyway for me to reach Debbie the person rather than Debbie the voice mail." Keep it friendly and the receptionist will usually do some work to find someone for you. If they won't, try asking who your contacts' manager or supervisor is. Notice I didn't say 'ask' for the manager or supervisor. Just ask who it is and write the information down, get the extension. They'll probably ask if you want to talk to them, don't do it yet, tell them you'll try leaving another message first. This will generate a return call about 7 out of 10 times. Receptionist tells accounts payable clerk you're looking for a supervisor and voila! You get a return call.

Trick #3

To avoid fighting and unpleasantness when that return call comes, immediately turn on the charm and sincerely thank them for calling you back. Ignore their nasty tone and promptly tell them why you're calling, no small talk.

Trick #4

This one takes some skill to pull off, but if you can do it, it works. There is a tone you can take, that without being rude, makes a person want to call you back and tell you they don't appreciate your tone. Of course while they're doing it they pretty much have to pay, to prove there was no need for your tone in the first place. Think about what that tone sounds like and use it. But again, when the return call comes, drop the tone, thank them for calling you back - ignore their tone and tell them what you need.

Trick #5

As an alternative to number 4, and this one works just about every time. When you leave your message - tell them how much the invoices you're looking for total, BUT add on 10% to 15% - they won't be able to resist calling you back to tell you that you have the wrong amount. Then as always thank them for their call - apologize for your error - "I must have been looking at someone else's account" ignore their tone and tell them what you need.

Getting Past Voice Mail and Finding a Human Being to Talk To

Ignore the prompts and keep hitting zero, **or**

Hit nothing and wait, **or**

Change the last two digits of the phone number to 00, you'll often reach the main number and you can go from there, **or**

Dial any listed extension and leave a message, ask them to forward the message to your party, **or**

Leave messages at multiple extensions requesting a call back from your party, **or**

Use email, **or**

Fax them

Ok, if you can't collect some money with this stuff hire someone else to do the



job for you, really.

For Help Now Call Us at [800-201-CA\\$H \(2274\)](tel:800-201-CA$H)