

CASH IN

Effective Business-to-Business Collections
Without Losing Customers

800-201-CA\$H (2274)

TOP TEN (at least) TIPS, TRICKS AND TECHNIQUES FOR GETTING PAID FASTER WITHOUT LOSING CUSTOMERS

Technique #1

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

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!

Owner Tip #1

State your terms clearly on the invoice - Don't use On Receipt Terms. No one pays on receipt, and worse they make up their own terms when the stated terms are on receipt. If you want fast turn around use a net 7 or net 10 instead.

Owner Tip #2

Don't use the 2 or 3% net 10. Many customers will pay late and still take the discount. If you want to offer a discount for fast payment, offer it for PRE - payment.

Technique #2

Decide who needs to be called. Make your first calls about 10 days after the due date has passed.

Owner tip #3

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 #3

Follow up on your initial collection calls within 2 to 3 days. Wait much longer than this and you teach your customer that ignoring you pays off. Call too often or too soon and they'll stop taking your calls altogether.

Owner tip #4

You shouldn't be doing this yourself. If a customer wants to complain about your collection efforts, a great time to get a check by the way, who will they complain to if you're making the call. You risk losing the customer. Delegate these initial follow up calls.

Technique #4

Send monthly statement - They work.

Technique #5

Send faxed reminders - They work even better.

Owner tip #5

Use faxed 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 to keep it friendly.

Owner tip #6

This should all be planned in advance and written down. For a fill in the blanks worksheet [click here](#) or go to our resources page.

Technique #6

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 #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 #7

Recorded notes on an aging or other random pieces of paper does not constitute a system. It won't produce sustained results and it won't help if you ever land in court!

Owner tip #8

Find out what the standard DSO (Days Sales Outstanding) is for your industry or decide for yourself how late is too late for you. Then track and share your results monthly with your staff. What we fail to measure we fail to improve.

Technique #8

Contact everyone with a past due balance. You can contact the smaller balance customers later but don't ignore them. Small balances add up.

Owner tip #9

If you've trained your small balance customers to pay late by ignoring them when they do, and they start placing larger orders you're in trouble.

Technique #9

Start as low in the corporate hierarchy as possible and move up only if you really have to. In other words instead of starting off owner to owner, start with accounts receivable clerk to accounts payable clerk.

Owner tip #10

Technique # 9 is just as important with large balances as it is with small balances. You don't want a situation where your personal intervention is necessary to collect every large balance.

Technique #10

(and shameless pitch) Don't wait too long before seeking outside assistance. 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 and 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.!

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 the 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 them 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 should ask you 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 one 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 pretty much works 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

Hit nothing and wait

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

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

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

Use email

Fax them

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



the job for you, really.