

TOP TEN TIPS FOR GETTING PAID



My saying about sales is:

“A sale is not a sale until you get paid”

Now, that statement is not strictly true, from neither a legal nor a financial accounting perspective. However, as you need to get paid by your customers, the statement is true in a practical sense. If you don't get paid, you're working for free, and there is no future in that. A sale isn't really closed until you've been paid in full.

Here are my 10 top tips for getting paid.

<u>Tip</u>	<u>How it works</u>
1 Check out your customer	Is your customer likely to pay you and do they have a proven track record? The simplest thing to do is ask your industry colleagues about this customer. You can also employ the services of a credit rating agency, such as Stubbs Gazette via http://www.businesspro.ie/ or download company accounts from the Companies Registration Office .
2 Make terms part of your price	You should make payment terms part of your price negotiations. Payment terms should be stated on all your proposals, invoices and statements. Let your customer know from the outset that you expect to get paid, and specify how and when you are to be paid.
3 Agree deals in writing	Always have a written agreement of all deals, including delivery times, quantities, prices and payment terms. This written agreement can vary from a full written contract through to a simple confirmation e-mail, depending on the nature of the deal, and of course, the customer.
4 Do the paperwork promptly	Send out invoices on a regular basis; daily or weekly for example. Have a routine and stick to it. Send out monthly statements to customers.

- 5 **Comply with payment conditions** If you have secured a contract which has preconditions on payment, make sure that you comply with those preconditions immediately. This might entail providing proof of insurance or tax clearance. Don't wait until this paperwork expires to get it renewed. Keeping on top of the paperwork keeps the money rolling in.
- 6 **Deal quickly with queries & complaints** Ensure that customer returns and complaints are followed up promptly. The longer the delay in these matters, the less likely it is that you will get paid.
- 7 **Be consistent** Develop policies for each of the above that are practical for your business. And stick to them. You will quickly train most of your customers to expect prompt delivery and paperwork from you and they will pay you within an acceptable time frame in return.
- 8 **Be persistent** If customers don't pay on time, have a procedure for sending reminders and for making reminder phone calls. Phone calls are one of the most effective ways of getting stragglers to pay. If a customer promises to pay by the 25th of the month, make a note in your diary and phone them two days later if they still haven't paid. Keep a record of all calls made, and correspondence of any kind in pursuit of the money owed. This is useful not just for managing your credit control procedures and discussions with your customer, but also you may need this record later if you don't get the money and have to escalate to legal procedures.
- 9 **Make Payment Easy** Offer a range of payment options to your customers. For example, you might accept credit card, debit card, check, cash and EFT. Different methods will suit different customers, so offer as many options as possible. And make sure that your customers are always fully aware of all the payment methods that you accept. Put your payment methods on all proposals, invoices and statements.
- 10 **Be a honey** Use honey to attract the money bees not vinegar. There is no need to be rude or aggressive with non-paying customers. Don't make idle threats. Keep your customer informed of your collection process, and stick to that process. You can always consider halting further deliveries of goods or services to a non-paying customer, there is no point in racking up further doubtful debts.

NOT PAID YET? Next Steps!

When you have followed all these steps, and if you still haven't got paid, it is time to move into debt collection mode.

There are a number of steps that you can take yourself, before instructing a solicitor and going the legal route. [McCarthy and Co, Solicitors](#) have compiled a *super DIY Debt collection pack*. You can contact them for a copy of the pack by [making an enquiry](#).

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