



Getting Paid: A Great Way to Improve Your Bottom Line

By Eunice Johnson

As businesspeople, we are always looking at ways to increase the bottom line. Instead of trying to sell more goods and services, many companies could benefit from simply getting paid for what they have already sold. Here are some effective tips to accomplish that task.

- ✓ **Have a Defined Credit Collection Policy**
If customers are not educated about accounts being paid on time, chances are they'll pay late or sometimes not at all. Make sure your company's terms of payment are clearly stated in writing to each customer.
- ✓ **Invoice Promptly and Send Statements Regularly**
If you don't have a systematic invoicing and billing systems, get one. Many times the customer that hasn't paid did not get billed or reminded to pay in a timely manner.
- ✓ **Contact Overdue Accounts Frequently**
The old adage, "The squeaky wheel gets the grease" has a great deal of merit when it comes to collecting past due accounts. Contact late payers every 10 to 14 days.
- ✓ **Use Your Aging Sheet Not Your Feelings**
Many businesses have let an account age beyond the point of being collected because they felt the customer

would pay eventually. While there certainly are a few isolated cases, the truth is, if you aren't being paid someone else is.

- ✓ **Admit and Correct Any Mistakes on Your Part**
Sometimes customers don't pay because they feel you've made a mistake. If you have, quickly admit it and correct it. Your customers realize mistakes can happen.
- ✓ **Follow the Collection Laws in Your State**
In many states (including Wisconsin) the same laws govern businesses and collection agencies. For example, calling customers at an odd hour or disclosing to a third party that they owe you money are collection practices which can cause serious repercussions. If you are not sure about the laws in the state of your debtor, check with your attorney.
- ✓ **Use a Third Party Sooner**
Statistics show that after 90 days the effect of in-house collection efforts wears off 80%. At that point, a third party can motivate a customer to pay in ways you cannot.



Eunice Johnson is a representative with Transworld Systems Inc., a national, flat-fee collection agency. For more information, call her at 1-800-258-5106 or e-mail to EJTSI@aol.com.