

Special Message:

## COLLECTING MONEY

Collecting unpaid amounts on old invoices is something nobody looks forward to, and something many sales reps avoid. But few of us take the time to really analyze collection problems. So, let's take a look...

There are only four reasons customers don't pay invoices in full and on time. Here they are with a light analysis:

1. Customers don't have the money to pay - This can be a temporary situation, or one that is chronic. If it is temporary, you need to work closely with your customer until the problems have passed. Be honest with your customer here (let them know where they stand), and ask that they be honest with you. Ask your customers for commitments based on mutually agreed to factors, and hold them to their promises.

If this is a chronic situation, you must either jettison the customer, or accept their chronic tardiness in payment of their obligations.

2. Customers dispute the contents of your invoice (S) - This can mean the customer was billed for something not received, damaged, etc., or wrongly priced, poor quality, etc. In these cases, it is imperative that you correct the situation as soon as possible. The reason for this is that as time passes, the data and memories that underlie the problems age, and sometimes go away (become unverifiable), yet that amount shows up on your aging sheet over and over again.

3. Customers are angry about something, and withholding payment is their way of getting their problem resolved - I really hope that you don't have this problem, because if you do, you are in grave danger of loosing your customer and never getting paid to boot.

Start by finding out exactly what's eating away at your customer. If it's something you are responsible for, do your best to resolve it. If it is something your company has done, bring in your boss as soon as possible. These situations tend to fester with time, and hardly ever turn out good if not tended to on a timely basis.

4. Your customer has the money to pay you, there are no product problems or disputed invoices, he just wants to use your money to make payments on his Lexus - Unfortunately, there are people like this who think they are the only ones entitled to make money or to even be treated fairly. The solution for this guy is to dump him and let your competitor buy his Lexus.

Good Selling

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PS: I didn't include incompetence or sloppy bookkeeping in my list although these can be real problems. For these situations, just make sure you have plenty of invoice and delivery receipt copies.