



Get Paid BIZ Tips for Business

DO'S

- The older the debt the harder to recover, so start chasing as soon as payment is overdue;
- Draft trade and payment terms, but seek legal advice first;
- Give a duplicate copy to your clients of your trade and payment terms and ask them to sign and return a copy, as acknowledgement that they agree to those terms. Be sure to include interest charges on late payment;
- Terms should be Cash on Delivery (COD) for all new customers. You do not have to give them 30 day credit unless your competition does;
- Always be polite and try to build a rapport with the accounts payable staff;
- Always check the following with the client before requesting payment:
 - have they received the invoice;
 - do they have a query with the invoice or other complaint;
 - do they have any other problem that prevents them paying the invoice;
 - do they agree the sum is due?
- Chasing debts costs time and money so be paid up front as often as you can;
- Consider offering a discount for early payments;
- Ask for personal guarantees from directors of limited liability companies, before offering credit;
- Establish credit control systems and procedures and stick to them;
- Keep written records of correspondence and telephone calls, as you may require these records should you need to take the matter further. Your success rate may depend on the accuracy of these records and your terms of payment;
- Send out statement/reminders without fail, but only when your own records are up to date;
- Appoint one staff member to be responsible for credit control.

DON'TS

- Do not extend credit to a client without asking for credit references from other suppliers who have extended credit to that customer;
- Do not have an ad hoc credit control system, as it can be inconsistent. This can lead to more aggressive action being taken out of frustration. Instead let clients know what you expect and be consistent;
- Do not be shy about asking for money. It is your money if you have met your side of the agreement, so be diplomatic but tenacious.

REMEMBER

- A business can fail due to debtors;
- Those who shout loudest get paid first;
- You are not a bank for your clients;
- A job is of little use unless you are paid for it;
- Your highest success rate comes out of an unscheduled personal visit or a telephone call, rather than a reminder or pay now sticker on the invoice;
- Remember extending credit to a customer is a privilege and should be carefully considered before it is offered.

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