



VERITAS

Effective Collection Techniques

A Veritas Inside Guide

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Effective Collection Techniques

Many businesses shy away from the systems and processes that are essential to securing prompt payment. Often the reason given for this is 'concern over losing customers'.

This begs the question, 'what is custom worth without payment?' This approach is simply killing businesses. So, in the fight against late payment, it pays to invest the time on effective credit management.

What to Do

Credit Control Calls

Telephone calls are the most effective collection technique. You are effectively "selling yourself" to the customer to make sure that your invoices are treated as a priority and that your payments are always top of the list.

- Always prepare before making the collection call so you will be able to answer any questions that may arise. Have all the essential information to hand such as invoice numbers and dates, due dates, purchase order numbers, etc.
- Prioritise your calls focusing on the highest values, more problematic customers and oldest balances first.
- For major customers or large value invoices, pro-active credit control calls should be made to ensure that the customer has received the invoice and to establish at an early stage whether they have any issues that may prevent payment on time.

The telephone is the best way to make your customers realise that you are serious about collecting the money owed to you and enables you to build a good relationship with your customer.

Remember, in making a pro-active call, you are showing your customers that you are an efficient business with good procedures and that you care about customer service.

Credit Control Letters

Sending credit control letters will also get the customer's attention. They may not respond, but you will have the opportunity to present them with the details of what is owed. It also provides an audit trail to support any future recovery action should this be required.

Frequent and consistent communication will increase the likelihood of getting a response but letters should always be followed up with a telephone call.

Email Communication

Email can be a very efficient collection tool, particularly when you have a high volume of low value accounts or customers in different time zones.

You can deliver a written message, attach correspondence and information and send it directly to the person for whom it is intended. Email is also quick and is received in real time. However, some customers also prefer email because it is easier to 'hide behind'. For this reason any email should be followed up with a telephone call if you receive no response.

Personal Visits

Depending upon your business and that of your customer, you may choose to make a personal visit. It is particularly effective when dealing with important customers as it enables you to build a relationship with the key personnel – it makes you a “real person” rather than just a voice on the telephone or email address.

In the case of customers whose account is seriously overdue, arranging a visit to discuss the account leaves them in no doubt of the seriousness of the situation.

Visiting your customers also gives you the opportunity to find out more about them and their business. You can see the location of their premises, the type of building they occupy, and obtain a “feel” for their general financial health.

Of course, personal visits are more costly than the other collection methods, but circumstances may warrant it.

Summary

- Telephone calls are usually the most effective collection tool.
- Ensure you are properly prepared and have the full information to hand before making the call.
- Use the best collection tool to suit your customers – no single collection method suits all customers.
- Agree timescales for any actions and document any agreements reached with your customers.





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Contact Us

Call

Please call our team and talk confidentially and informally to one of our expert advisers about your requirements and objectives.

Phone: 0330 223 2525

Alternatively, email us at

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Meet & Plan

Built from years of working closely with businesses, our unique planning process will ask the key questions to chart where you are now, your desired destination, and your route to getting there.

All discussions are in complete confidence and without obligation.

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