

Get Your Money

A Newsletter by Assegai Communications

www.getyourmoney.co.za

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Dear Reader

Reading time: 4 minutes

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SYSTEM SPRING CLEAN TIME!

There are two things we need, to ensure the efficient recovery of money due to us:

- A system, and
- The will to operate it consistently.

The system, and its operation, can become rusty and inefficient, unless we attend to it on a regular basis. It needs a spring-cleaning. And, since spring is just around the corner, now is a good time to re-visit and revitalise your debt recovery system. Try the following tips:

1. Document Audit:

Examine all the documents, which form part of any transaction with your customers. Are they all professionally prepared, and consistent with your intention to be serious about money? For example, is there a clear reference to credit terms and provision for charging interest on overdue amounts? (If you cannot charge interest for religious reasons – and there is not other excuse – find some other method of penalising non-payment).

2. System Refurbishment:

Consider changing your system. You may retain the same principles of granting credit, but do something new in your money recovery process. The “same old approach” is suggesting a possible change. Quite right. Do not alter aspects of the system which are working well, just change the appearance of documents. Make them smarter, clearer (maybe bigger) and more noticeable. Perhaps you could contact some customers and ask if they are happy with the documents? Perhaps you might reconsider using stationery of a different colour, for statements or ‘reminder’ letters.

3. Have a Pow-Wow:

Call a meeting of those people who are involved in money recovery. Have a structured meeting discussing whether changes could be made, to improve the process. People are always more willing to offer support, if they have been consulted. Besides, any system will benefit from the input of a variety of minds.

To remain successful, even the best systems must be dynamic, ready to change and always noticeable. This counts for people, too! Do something differently, this week.

LEGAL NOTE: AFTER THE LETTER OF DEMAND

If a debtor fails to pay a debt:

- When the due date for payment has passed; or
- In response to a letter of demand in which a date was specified, but no payment made,

It is time to issue a summons. A ‘summons’ is a legal document, which must comply with the Rules of Court. It is required to contain certain formal information, including:

- Descriptions of the plaintiff (creditor) and defendant (debtor);
- Physical (not postal) addresses of both parties;
- A description of the debt, and the amount claimed – this can be set out in an attachment, called the ‘Particulars of Claim’.

The summons informs the defendant that a claim is being made and gives that person (or ‘legal entity’ such as a company or close corporation) notice that they must defend the case by lodging a written notice, within a stated number of days. The summons must be ‘served’ (delivered – which is why a physical address, not a post box, is necessary) on the defendant.

If the defendant fails to deliver a notice of intention to defend within the number of days (which are 'court days', not calendar days), the plaintiff can ask the court to grant a 'judgment'. More about judgments and how you can collect the debt, will appear in future editions.

DEBT COLLECTION BY TELEPHONE

We deal with this topic, in our full-day workshop ('The Art of Getting Payment') and in a stand-alone seminar (which was 90 minutes, but will now be 2-½ hours). We have also now developed a full day workshop for telephone debt collectors. This can be customised and delivered in-house, for your people.

DEALING WITH DIFFICULT PEOPLE

This is the title of our new 2-½ hour seminar, for anybody who deals with people. Sharpen your communication skills by attending this dynamic course! Learn to recognise and defuse problem situations, objectionable people and turn conflict into co-operation.
