

Get Your Money

A Newsletter by Assegai Communications

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Dear Reader

Reading time: 4 minutes

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EXCUSES, EXCUSES

I admit it. I am a fickle fan. When my team is not winning, I back off and sulk, or join the tumult of criticism. During the recent losing streak of the Sharks rugby team, I was a critic. When I watched the matches, I shouted abuse at every error. I hardly noticed that they often lost by a few points. I scoffed at the excuses made by the captain and the coach, noting that they either stated the obvious (“we missed too many tackles”) or were too vague (“the senior players are just not performing at maximum”).

The team seemed to be in a downward spiral. At the end of each game, the comments focused on the bad points and mistakes. Nobody ever said, “we played well, the other side played a little better. We are a good team but we need to work a little harder”. Perhaps it was something like this, that changed their fortunes last week. Something made them lift their performance so much that they thrashed the champions. They played as if they expected to win.

We do the same thing, in business and in our lives. We focus on the errors, rather than emphasising the positives. We must expect to succeed. This is not possible if we resign

ourselves to the negatives. If we begin to think thoughts like, “It’s hard to collect money”, or “some of these debtors are impossible”, we are actually making excuses. Excuses become a sort of defence, something to hide behind.

There is no successful ‘defence’ in business. The successful businesses act as if they expect to succeed. Those who have no problem with debtors have a positive approach, from sales through to the credit team. No excuses, no debtors, just good business. They get their money every time.

MAKING CONTACT WITH DEBTORS

We have a wonderful variety of communication options, these days. How do we decide which options to employ when chasing money? Here are some quick notes:

- **Letter:**

I think a well-written letter, addressed to the individual and signed (not rubber-stamped) is dramatic and essential when making a demand for payment.

- **Telephone Call:**

Excellent when time is short, especially as an immediate follow-up to a letter (except where you have threatened in that letter, to issue a summons – then only a summons will do). The telephone is immediate and as personal as you can get.

- **E-mail:**

Very quick, but e-mail is too easy to delete, disregard or to see as too ‘casual’. A great method of communication between “consenting parties”, I do not like it for chasing debt. You can use it to confirm an agreement, and to ask for confirmation, but apart from that, it is not the best way to contact debtors. It’s too easy to ignore, or to reply with a vague assurance.

- **SMS:**

Although the most ‘casual’ of the lot, I favour using the sms for one thing – the reminder to pay. Whenever I have made an arrangement with a debtor, I try to remember to send a reminder on the day before payment is due. It works very well – it’s quick, and it is incredibly direct.

- **Meeting:**

Face to face meetings are good, but very time consuming. Save these for the ‘big numbers’.

LEGAL NOTE: INTERPLEADERS

What happens when the Sheriff, armed with a writ of attachment, visits a debtor and attaches goods, which belong to somebody else? This can happen easily with consumers, or with a company – in the case of a business, it is quite likely that machinery, equipment or furniture may be leased.

The debtor must inform the owner of the goods very quickly. The owner must then file an affidavit when the Sheriff – preferably, with actual proof of ownership attached.

The Sheriff will then notify the creditor, sending a copy of the affidavit. If you receive such a notification, you need to make a decision. Either you instruct the Sheriff to release the attachment, or you tell him to proceed. In the first instance, the goods will be released and further attachment (or other collection procedure) must take place. If you decide to proceed however, the Sheriff issues an ‘Interpleader Summons’, calling on you and the “owner” to attend court to argue the case for the goods – you need to prove the goods are actually owned by the debtor and are capable of attachment. This is not easy to do, but you can make sure that you are successful in most cases. Tell the Sheriff what to attach. Do this by consulting your credit application form, or notes made at the time of commencing business with the debtor. The documents should contain some sort of record of what the debtor (whether the customer was an individual or a company) owns.

NEW SEMINAR: POSITIVE COMMUNICATION & PROBLEM SOLVING

Watch for news of this powerful new seminar. Coming soon to a venue near you!!!
