

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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GIVE THEM SOMETHING

One way to prompt people to pay is to offer them something. Sometimes, a small gift, which is offered in advance, stimulates a payment response. This is an example of the 'Law of Reciprocity', which states that a gift or good deed will provoke a similar response – the person who benefits from your generosity, will feel obliged to return the favour.

This topic – incentives – is a fascinating one. If you give the wrong things, it can be frustrating too. A common, problem relates to the 'Early Payment Discount'. It often fails, because debtors tend to pay late and take the discount anyway.

To avoid this, do not offer a discount in this way. Make it tamper – proof, by offering a discount on the next purchase, if payment is made early. In this way, you maintain control and you stimulate further business! Do you have any ideas on incentives? Please send them in, so I can incorporate them into future newsletters. As with any other contribution, I shall give credit to the contributor.

DIFFERENT STROKES ...

Different strokes, for different folks ... this old saying applies to debtors, too. Not all of them will respond to the same approach. Some will pay in response to a threatening letter; others will simply become more resistant. Some will give in return when you offer them a 'gift', others will take the gift and still make late payments. If possible, we need to match the remedy to the particular debtor. This can be difficult, and even impossible, for companies, which have hundreds of debtors. They will have to rely on the one, which always has a high success rate: an efficient system, operated by people who are committed to succeeding.

HOLIDAY EFFORT

With the month of April looming, most businesspeople will be groaning. There are too many holidays! Besides the hospitality business, most businesses will suffer a reduction in turnover. Some staff members are going on holiday; others are simply distracted by plans for a series of long weekends. Productivity suffers, and the payment of debt is no exception. A special effort may be required, to get the statements out, and the money in. Good luck!

FEEDBACK, PLEASE

This is our third edition. The second had twice as many readers as the first. We are hoping for a similar increase, with this one. Please help us to provide the content you will enjoy, by giving us your comments and suggestions.
