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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TALK STRAIGHT, TAKE ACTION!

Neither deceit, nor delay, will aid the recovery of money. I recently had an experience, which brought both of these to mind. I took an appliance to a local store, for repair. The counter assistant told me to return in two days time, to collect it. Promptly on the expiry of 48 hours, I presented myself at the shop and collected my appliance. The smiling clerk informed me that it had been repaired and was working "like new". When I asked how much it cost, she waved me away and said, "Don't worry now, I'll send you an account." A minute later her smile disappeared, as I demanded not only an immediate detailed statement of account for the sum of R450.00 I was charged, but also insisted on seeing the spare party which was allegedly replaced. (Both were quickly produced, and the account paid). There are two reasons why a business may fail to provide an invoice, when it is due – i.e. on completion of the work. These are:

- Because they do not want to have to disclose and debate, the account. They may feel that there is less prospect of a dispute, if they send the account for later payment. By the time you receive it, you will have been happily chilling beers, toasting toast, or mowing the lawn with your rejuvenated appliance. Perhaps, the repairer hopes that you will therefore, feel obliged to pay the amount charged, even if it is a stiff one, without question.

- The second reason is the one, which concerns me even more – perhaps the invoice was not produced immediately because the individual, who was to have produced it, was lazy. This bugs me, because my mission is to help people get their money sooner. As I tell the audiences at all my seminars – Ask For The Money! If you submit your invoice at the earliest possible opportunity, you will have the best possible chance of getting your money. Invoices must always go out with, or prior to, delivery.

The fact is, however, that withholding details of an account may be perceived as devious behaviour. I am sure that it is, just as often, a gesture intended as good customer service – an indication of trust, and a form of courtesy to a regular customer. However, it goes against the current trend for 'transparency' and might be viewed (as I did) as suspect behaviour. If this happens, you can create resentment, which can lose you money and customers.

LEGAL NOTE: CONDITIONS OF SALE

In an article in the current edition of 'Voice of Credit', local attorney Brett Bentley discusses the issue of 'Conditions of Sale'. Here are the main points:

- It is essential to have clear 'Conditions of Sale' to govern transactions between you, and your clients.
- Salespeople are usually focused on doing the deal, rather than outlining the legal aspects. However, it is essential that the conditions be disclosed and agreed before the transaction is finalised – you cannot impose them as an after-thought.
- The best way to do it, if you plan to do ongoing business with your customer, is to have a document containing your conditions, signed in advance – at the time of the first transaction. The document will make it clear that all future business will be governed by the conditions, and your invoices / order forms should reflect the words "subject to our standard terms and conditions".
- If your 'Standard Terms and Conditions' are printed on the reverse side of your order form or invoice, this alone does not solve the problem – they must actually brought to the attention of the customer and made part of the agreement. There should be a clear reference to the conditions, on the front of the document and it is a good idea to get your customer to initial the conditions on the reverse, so there is no argument later on, as to whether the conditions are part of the agreement, or not.

MEETINGS BETWEEN ‘SALES’ & ‘CREDIT’ TEAMS

Another good article in ‘Voice of Credit’, the journal of the Institute of Credit Management, suggests that regular meetings should be held between the sales people, and the credit people. We at Assegai applaud this – we have been suggesting this from ‘Day One’.

Sales people and credit people are, essentially, different personalities. Their approaches to their jobs differ, too. It can be really useful to get them communicating with each other – things go more smoothly when these two groups are “on the same page”.

Don’t forget our in-house seminar, “Get Your Money Sooner” – designed to bring sales and credit people together and create a spirit of teamwork and co-operation.