

Sales Tip Sheet 8 – Getting Your Customers To Pay

- Sell value not price, from the very first meeting with your customer.
- Confirm invoicing / payment terms in writing prior to the delivery / project. Using formal Terms & Conditions are best, but a simple email will do. It's also worth asking your customer to confirm their acceptance of your T&Cs.
- Invoice the customer promptly after the delivery (or project work) has been carried out (assuming all expenses / extras are known at that stage) - consider invoicing the expense / extras element separately if it will hold up payment of the main invoice. If it is an ongoing contract / project, you will need to agree the frequency of invoicing, e.g. at each month end.
- Do a good job (of whatever it is you do / supply). Let's face it, dissatisfied customers have good reason not to pay you!
- Chase money immediately it is due. If you're not showing any desire to be paid on time, then the customer is unlikely to show any urgency to pay you!
- Develop a system for issuing and chasing invoices –it's amazing how many smaller Companies just don't get around to issuing invoices!
- Treat outstanding complaints / disputes as a top priority. If the customer is withholding money, establish exactly why this is the case and resolve things as soon as possible.
- Make friends with key people in the accounts dept -it makes it easier to talk to them about issues and to approach them for money!
- If you are a preferred supplier or the customer needs you for future work / elements of a project, be prepared to use this to leverage payment (i.e. refuse to deliver / do more work until you have been paid).
- Be prepared to charge customers interest on overdue payments. If there is a particular clause included in your Terms & Conditions, stick to it!
- If the reasons for non-payment are genuine / exceptional circumstance, consider staged payments or possibly exchanging goods or services in the future.
- Consider taking well-overdue customers to court, big ones especially will not like the adverse publicity!
- Ultimately, be brave and walk away from anyone that does not pay you, however big, lucrative, blue-chip or otherwise they appear to be. No work is worth not getting paid for!