

10 Insightwise Credit Management Tips

C Customise – Prevention is better than cure...payment terms must be clear at the outset!

There's nothing more awkward than misunderstandings when you have failed to make things clear, so ensure your terms and conditions of sale are clearly stated on order acknowledgements/orders, credit application forms, invoices and statements.

A Analyse – Identify your best customers and set Credit limits!

Credit check your customers with sensible parameters depending on the policies you propose to set within your business, and the risk you are prepared to take. The extent you check them may depend on their order value to the business. Remember, 80% of sales are normally from 20% of customers! Insight Associates has a credit check facility so give us a call with your requirement.

S Systemise – Rapid invoicing is a must!

Make sure prompt invoicing is always a priority, this will ensure you have a better chance of getting paid on time...and before any of your suppliers are requesting payment from you for a job which you haven't been paid for...all because the invoice was sent out late.

H Harmonise – Do your homework!

It's great to get a new customer on board, the process of acquiring a new customer can be long and arduous and the ground rules for a good relationship must be agreed at the outset to avoid any future confusion. Remember good fences make good neighbours!

I Incentivise – Positive motivation can produce rewards!

A small early settlement discount may spur the customer on to pay earlier. Who wants to charge their best customer interest for late payment? it is really like shutting the stable door.....anyway! You may even suggest easy payment methods for your customers for instance, a regular Standing Order payment or a Direct Debiting facility (if that option is available to you)

S Socialise – Don't be shy...talk and communicate with your customer!

It's surprising how many businesses do not chase overdue debts on a regular structured way, with worries of 'upsetting' the customer or if chased too hard we may even look desperate. Far from it in fact, a business that adopts a clear policy and sticks to it is often seen as being smart, professional and efficient. Send 1st reminder, 2nd chaser and 3rd and final demand letters as appropriate...be firm!

Kryptonise – Don't let your property vanish into thin air...keep it safe!

Why not retain title of the goods until payment is forthcoming...or if in the service industry why not request staged payments or payments on account to protect your work in progress

Itemise – State the facts clearly and concisely!

Ensure regular statements are sent stating details of all outstanding invoices and the payment terms for reference. They will also serve to highlight missing invoices and queries to assist them to be resolved before payment is due.

Neutralise – Make safe!...don't lose more than you need to!

It may be appropriate to assert the credit limit procedure and put the customer on stop when they exceed agreed terms (cease production, and prevent further potential uncompensated costs to your business until payment is received).

Generalise –When is a sale not a sale?

Remember, a sale cannot be reasonably considered as a sale until the money is in your bank! The whole production/service cycle takes time effort and money and as a supplier the cost is initially borne by you!

Why our 10 Tips are so important

Any business is only as strong as its cashflow ... remember the old adage - Sales are Vanity, Profit is Sanity, Cash Flow is Reality.

A little about us

For businesses like yours, we build and manage the financial controls, systems and processes needed to put you in control. We also have extensive experience and solutions to managing companies through extensive turnaround situations, and in providing on-going "Finance Director" roles.

We can help your business in three main ways:

INTERVENTION

By actively working with you and your team our experienced finance managers can build and manage the financial controls, systems and processes needed to put you in control. We also work extensively with financially distressed businesses to bring them back to good health, and provide on-going part time "Finance Director" roles to supplement your in house skills.

THE OUTSOURCED FINANCE DEPARTMENT

An alternative to building the systems inside your business is to outsource all the workload to our experienced commercial team. *The finance team that your business deserves* will not only get all the finance administration right, but will provide you with the up to date financial information and strategic input that you need to stay in control of your business and on top of your game.

STRATEGIC AND BUSINESS DEVELOPMENT

Our "**JUST ONE DAY**" structured planning session is a highly effective and very powerful tool to help businesses deliver lasting results - including a workable plan to give the business a better future.

Helping Businesses to Better Manage Their Money