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Caine & Weiner

Excellence in Global Receivable Solutions



Building Strategic Partnerships

Collection Tips & Tricks



Building a Strategic Partnership

Synching up with Customers



1. Review customer credit ratings.
2. Set goals for uncollected A/R.
3. Rate your customers.
4. Send invoices promptly.
5. Prominently feature terms and due date on the invoice.
6. Encourage customers to accept invoices electronically.
7. Offer several payment options.
8. Deliver invoices to the right contact.



Communication Challenges



- Proactive communication with customers at early stages
- Creative contact strategies
- Become an extension of the customer service cycle
- Exercise empathy in all communications – verbal and written
- Find common ground with your customers
- Create personal connections – share your story; we're all in this together



Communication Challenges



- Confirm contact information on every contact -email and mailing addresses, including higher-level finance personnel
- Invite verbal communication in every email – better yet video conference for increased level of personal communication
- Who else at the customer location should be involved?
- With more mobile numbers being used as direct contact, is texting acceptable?



Collection Challenges



- How have their day-to-day operations changed?
- Understand your customer's challenges
- Increasing number of uncollectable accounts
- Communication delays within AP chain of command with personnel in variety of working environments
- Increasing ransomware/malware attacks – acceptable excuse?



Collection Challenges



How do you step up collection efforts without damaging customer relationships?

- Proactive communication to confirm invoices were received and if there are any issues that may delay payment
- Proactive communication builds the relationship – they understand you have a business to run too
- Be clear about your policy – a well-established and respected payment plan will put you on the right track
- Document all communication
- Know when to go up the chain, and keep your collection/legal agency info at the ready
- Extending leniency – up to a point – can help save the customer relationship and reward you with more business in the future



Collection Challenges



Leniency – how much is too much?

- COVID-19 collection moratoriums have forced businesses to forestall payment demands.
- If customer is proactively communicating about their situation, agreeable to a payment plan, extend the benefit of the doubt.
- Classic red flags, i.e. unreturned phone calls, warrant a more determined approach to settle account sooner rather than later
- You have to *protect your company* and minimize your risk



Turning the Tide – What is Working?



Enhanced Communication

- Consistency key for both sides
- Daily in-person or zoom huddles with team each morning to discuss issues and how to approach and support customers -this includes sales team, keep them in the loop
- Communication follow-through with customers via multiple channels
- Detailed invoices and clearly communicated payment methods
- Rapport with customers' AP personnel and decision makers
- Ensure customer is aware and understands when an account will go on credit hold or to collection agency
- Customers will be more conversational if WFH – take advantage and listen to build relationship



Turning the Tide – What is Working?



Updated Policies & Procedures

- Obtain business intelligence before extending credit
- Updated terms and conditions, credit applications, signature requirements
- Updated Statement of Work to match terms in credit application
- Reassess worthiness of customers – obtain business intelligence before extending credit
- Flexible payment plans, less aggressive credit holds on best customers – allows focus and tightened credit terms on smaller, newer, riskier accounts
- Withholding product until payment arrangement is made
- Demand % pre-paid for new customers



Turning the Tide – What is Working?



Credit Reporting

- Use all other available means first; make the effort and your customer will make the effort
- Communicate clearly that you credit report and your policies; use as a teaching moment for your customer to help them improve their business processes
- Built-in failsafe: don't report until 60 days after receiving, gives customer unbeknownst breathing room, helps maintain relationship (a negative report can be withdrawn, but even a paid collection is a negative mark)
- Credit bureau info can be helpful to locate debtors and assess for escalation



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Thank you for attending!

