

Business - Credit Control

Attitude

- Good credit control starts at the beginning of your customer process.
- A sale is not real until paid.
- Make time for credit control.

Know Your Customers

- Which are the major accounts?
 - Cultivate the person responsible for payments
 - Top priority service and action on queries
- Lesser accounts
 - Use a more routine process

Clear Payment Terms

- State boldly on quotation, order confirmation, invoice and statement.
- Consider cash only, direct debit, standing order, payments in advance, monthly/quarterly payments, deposits, interest.
- Price to reflect payment terms/payment experience - e.g. higher prices for slow payers.

New Accounts

- Credit is like a loan.
- Use credit application forms - internal and customer signature.
- Use credit agency reports and bank/trade references.

Invoice Fast

- Invoice each delivery/service when done - before month-end.
- Invoice wip - stage payments
- Use first class - mail/courier/email

Good Records

- Sales ledger – manual/computer
- Aged debtors analysis

Collection Process

- Statements/letters/telephone/fax/visit/prepaid envelopes
- Follow up large accounts first
- Clear responsibility for credit control
- Be friendly/be distinctive/use humour
- Use sales staff/keep them informed
- Stop supply when appropriate

Targets/Incentives

- Measure performance - monthly receipts, days sales outstanding, debts over 90 days.
- Set targets - use incentives/bonus.