

BDA Tool Ten — Preparatory meditation and writing for conference registrants:

Please read BDA Tool Ten in the BDA Tools pamphlet, then spend 15-20 minutes meditating on the details below. Are you willing to put principles before personalities in your business or workplace?

BDA Tool Ten: “We separate ourselves from difficult personalities and poor-paying clients and place principles before personalities.

Jumping into poor-paying clients first, based on our experience, we encourage every business owner to do the following or to delegate these steps:

- ✓ Set the terms within which we expect to be paid for our products and services, including discounts for positive client behavior if we’re offering any
- ✓ Communicate our payment terms to our clients, both verbally and by letters of agreement
- ✓ Invoice within the timeframe we’ve promised, or risk nullifying our terms, possibly even nullifying our entire agreement
- ✓ Provide proper follow-up and deliver consequences, such as stopping work processes, if payments are late or missed
- ✓ Learn from our mistakes and from the mistakes of our clients and address those lessons in all letters of agreement that follow

Only when we’ve done our part, as described above, should we consider indulging our desire to blame our customers for slow payments. More often, we’ve created a breakdown, usually in the areas of clear communications or late invoicing. Our clients cannot read our minds and any assumptions that they’ll understand “industry standard” or any unspoken expectations of any kind are paths to unpaid invoices.

We know one DA and BDA member who worked successfully in payment collections for many years — before he joined DA — without need for threats or other negative communication. He simply started every collection relationship purposely assuming that customers wanted to pay their bills and that those who weren’t paying needed help, not browbeating nor punishment. He would put on his customer service hat, and he would make his calls. If there were real obstacles to payment, within the organization he was doing collections for, he helped to resolve those obstacles. If clients had over-promised and needed more time to pay, he worked with them, as long as they were willing to make a weekly or monthly payment, any weekly or monthly payment. He never spoke badly to or about folks we might now guess were compulsive debtors. He never intentionally caused pain, yet his collection rate was consistently 95-98% on the amounts of the past-due invoices that reached his desk.

For this collector, avoidance of judging clients’ actions and staying only on his side of the relationship allowed him to serve both his client businesses and their clients and customers with detachment and to effectively collect nearly every dollar owed. Part of over-attachment, or codependence, in a situation like financial collections is over-engagement in other people’s problems. Stand clear, stand free, disengage, detach ...

