

SPECIAL ACTION REPORT

Long + Cowan
Chartered Accountants

*Serving New Zealand
Business.*

Our Commitment:

*Providing quality
accounting services and
business solutions
empowering clients to
achieve business
success!*

Our purpose:

To provide practical
business information
that works

In particular, how to:

- Increase Sales
- Reduce Costs
- Improve Productivity

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The Secrets To Getting Paid Faster

The next time you feel like grumbling because people haven't been paying you on time, get out this little *Moment of Truth* and read it. It's provided by Leon Noone - a specialist in instructional design.

Who controls WHEN you'll be paid? Answer: YOU DO absolutely!

- You decide what credit terms you offer.
- You create your credit policy.
- You design your credit system.
- You decide when and how you supply your goods and services.
- You decide whether to continue to supply slow payers.
- You decide who to sell to.
- You decide what type of payment you accept.
- You set your prices, premiums, discounts, bonuses, and everything else relating to what you require clients to do to receive your goods and services.
- You decide whether to take legal action against debtors.
- You make your policy on guarantees, returns, credits, delivery, and stock control.

In other words, when and how you are paid is almost entirely in your hands.

Now, you may argue that you're bound by "industry standards", and it's true that poor credit practices are common in some industries. However, if you choose to do business in such industries, that's your choice, too. If you have trouble being paid when you want to be paid, don't blame your customers, the government, the competition, the economy, or anyone or anything else. Look firstly at your credit policy and credit systems, because

Clear Policy + Good Systems = Prompt Payment

Okay here's another whizzer!

Ever wondered why some - even many - of your commercial customers pay slowly, irregularly, always have to be hounded to pay, or pay just before they put in the next order?

The answer is simple: Your customers pay as quickly as they think you want them to. Most customers try to meet your standard credit terms, but some will always test to see what they can get away with. If you let them "get away with" slow, irregular payment... that's exactly what you'll get.

- Do you have a clearly-stated, utterly unambiguous credit policy?
- Do both your customers and staff know and understand your credit policy?
- Do you enforce your credit policy?

Finally, who is the one person who can improve the cash flow of your business? (If you don't know the answer, read the *Moments of Truth* again.)