

## Top Ten Debt Collection Tips

Every business is owed money at some point. As the recession lengthens the number of business and customers falling behind on payments are increasing. The following outlines ten top tips to get paid more promptly

### 1. Beware of the payment hierarchy

People tend to pay people they like or those who shout the loudest. Use this to your advantage. Contact the client regularly and promptly, be likeable and do not use threats. This will help you move up the payment queue.

### 2. Always prepare for calls

Review the debtors file before making the call. Have all the information in front of you ready to reference. This will help to ensure you do not lose sight of your objectives.

### 3. Talk the customers language

Simplicity is key – if a customer understands what you are saying to them they will work with you rather than becoming defensive.

Avoid using such phrases as:

- ❑ “We can not do that” or
- ❑ “You’ll have to”

Instead use positive phrases such as:

- ❑ “Let’s see what we can do” or
- ❑ “We’ll help you”

### 4. Control the situation/Follow up calls

Persistence is vital to ensure you receive payment. Control the conversation do not let the individual brush you off.

Follow up calls increase your chance of getting paid. Therefore always ring back when you say you will. Follow up on each correspondence you send to the customer. Remember your objective is to collect money!

### 5. Attitude

Be professional and courteous at all time. During a telephone call the sound of your voice is important. Be enthusiastic upbeat and friendly. Speak loudly and clearly enough to be understood. Remember it is not what you say but how you say it. Never raise your voice or make threats. Stay calm and professional at all times.

### 6. Asking the right questions

Knowing what questions to ask and when is critical in obtaining the necessary information from the client and achieve your outcome.

First ask open-ended questions to get the conversation flowing. Allow the customer time to respond, do not interrupt a pause as it allows the customer to avoid the question. Open-ended questions allow you to search for the information you need.

Try to restrict your use of closed question as they prevent you from obtaining the information you require to identify the problem.

### 7. Flexibility

There could be many reasons for the customer not paying. Put yourself in the customer’s shoes and try to identify if the customer is asking for time. Be willing to adapt to meet the customers circumstances. Suggest new payment plans. However put a timeframe in place and ensure the customer is aware of these. Very often your understanding and flexibility will help you receive payment before others.

### 8. Analyse your call with the customer

Keep detailed notes of each contact with the customer. These notes will be beneficial in future correspondence with the client and will be invaluable in making future credit decisions.

### 9. Never apologise

Many people feel that they should apologise for asking for payment despite the fact that it is their money. You have provided goods or services to the customer and in return deserve payment so even when faced with an angry customer do not take it personally remain calm, polite but be assertive.

### 10. Review regularly

Staying on top of the situation is essential to reducing overdue accounts. Review your customer’s accounts regularly. Contact the client and provide a reminder of the next payment and its due date before it is actually due.

Bad debts can threaten the survival of a company if not dealt with efficiently. It is therefore important that handling debt collection becomes a higher priority for business owners.

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