

Finance Tips: Getting paid on time



As a supplier of products or services, there are a number of things you can do to help ensure that you don't end up being owed a lot of money.

Taking a customer's order

- Tell the customer the date by which they need to pay for your products or services and make sure they agree to this date.
- Follow up any verbal agreement on the order and payment terms with a written communication.
- If the customer is new, consider asking them to fill in a Credit Application form and checking their credit status. You might also consider checking (if possible) their record for paying/not paying on time.
- If the customer is new, it may be appropriate to send them a New Account Welcome letter that outlines payment arrangements.

Delivering the product or service

- Make sure you have proof that the customer has received the product or service.
- Aim to invoice within 24 hours of delivering the product or supplying the service, and make sure the invoice includes any customer order reference and the date by which payment is due.
- Send a monthly statement of account to any customers who have outstanding invoices to pay.

Making sure invoices are paid

- Keep a record of what you are owed and update it on a daily basis.
- If necessary, give specific staff responsibility for chasing unpaid invoices.
- Be prepared to visit or get on the phone to customers whose payments are late.
- Establish your policy with regard to slow payers -decide at what point you stop supplying them with products or services.
- Work out your procedure and timetable for chasing unpaid invoices, until the customer pays or is declared insolvent.