

Financial training For non financial staff



The financial training specialists

Getting paid (cashflow)

I had to take legal action recently against a client who hadn't paid their bill. I won my small claims court action, even though it took a long time to get through the process.

During the process I had a conversation with someone who said "But if you take legal action, doesn't that mean they'll be unlikely to give you any more work?"

Yes, it does. But if I don't get paid for the work I do, there's no point in doing it. In fact I'm better off not doing it, because I don't waste all the time that I haven't been paid for.

So we don't just want to win the job, we want to make sure we get paid for it. On time!

But many sales people and project managers see "Job done" as despatching the goods to a satisfied customer. We need to follow through a stage further, and make sure that our satisfied customer has paid the bill!

Why is this so important? Because poor cashflow is the biggest cause of business failure. About 75% of businesses that fail are profitable. They fail because of cashflow problems.

And the biggest cause of cashflow problems is customers paying late.

So it's about making sure we agree good payment terms with our customers (and making them aware of those terms).

Then it's about enforcing the terms, and being serious about getting paid.

Even to the point of taking legal action if we don't get paid!