

Financial training For non financial staff



The financial training specialists

Agreeing terms (Cashflow)

I had a conversation this week with another self-employed trainer, about getting paid on time.

He made a couple of comments that illustrate general misunderstanding about agreeing payment terms.

The first was "The invoice and our website both specifically state the payment terms".

They probably do - but there's a problem. The payment terms on the invoice are postcontractual, so they're not binding. The only terms that are binding are those that are agreed before the contract is signed, or before the purchase has been made. I would never dream of agreeing to do a piece of work for a client without agreeing the price, so I agree the payment terms at the same time.

His website does state his payment terms, but his client's website probably states their payment terms with their suppliers. If they are different terms, whose terms have been agreed?

His second comment was "? I thought that if you buy in a service you accept the terms of the service."

No. If you buy in a service from a 3rd party contractor you agree the price and payment terms with them. You never say "Charge me what you like" (at least, my clients don't). Again, agreeing payment terms is as important as agreeing the price.

Think about buying something on the internet. You can't complete the purchase until you have ticked the box agreeing to the seller's T&Cs.

So - never assume a customer has agreed your payment terms. Get them to sign agreement to your terms.