***Team meetings: Does our sales process leak?***

Most businesses have “holes” in their systems that means they fail to bill the customer for all the work they have carried out. Sometimes this is due to poor change control – that was the subject of the previous team meeting article. But it’s often down to poor record keeping and communication, or plain forgetfulness.

As an example I did a week’s work for a client in Madrid recently. The hotel bill was €700. I’d had to use the laundry service whilst I was there: €7. But the laundry charge didn’t appear on my bill when I checked out. It was a small mistake, only 1% of the bill; but many businesses probably miss out on 1% of sales.

**Why is this important?**

Have a look at your company or divisional accounts. How much is 1% of sales (or turnover or revenue)? Not big in relation to sales, but now compare it to the profit figure. It’s suddenly much more important! You’ve done the work, if you could have billed another 1%, profit would be dramatically higher.

**How does this apply to your team?**

Discuss whether this is important in your team. Here’s some questions that may help:

* Do we record all the time we spend on a job? If we don’t know our costs, we can’t invoice properly.
* Do all materials and expenses get charged properly to the right job or customer? Again, if we don’t know our costs, we can’t bill properly.
* Do we understand the job scope? If we’re unknowingly doing things outside the scope, we’re giving work away.
* If the customer changes the scope, do we change the price? If not, we’re choosing to give work away.
* When we bill, do we know what tasks have been carried out for the customer? If not, we may unwittingly be doing things for the customer for free.
* When we bill, do we look at the accumulated costs, then bill less than that because the actual costs feel too high?
* When we bill, have all the costs been charged to the job? If not, what causes the delay in charging costs to jobs? (If we don’t know our costs we can’t bill properly!)
* Do we regularly exceed the budgeted costs for jobs? Why?
* Do we regularly give customer discounts just because they’ve asked for one? Why?
* Do we regularly give free upgrades, just because the customer has asked? Why?
* Do we check that we are delivering the quantities the customer ordered?
* Do we always add one or two extra to the delivery “just in case”?
* Do we have a good system for ensuring that every job gets billed?
* Does our billing process ensure we charge the price we quoted?

You’ll find other relevant questions too, depending on the exact nature of your business.

**What next?**

Once you’ve identified the problem areas, you can start to identify the solutions. Some problems will give bigger billing holes than others – they’re the ones to start with.

Some of the problems will be caused by your systems; or processes; by miscommunication or ignorance; by carelessness; or by many other causes. Some of these you can change, but not others. You probably can’t change the company’s IT system, but you can work out how to use it better to plug holes in your billing.

**How big is the problem?**

[The Daily Telegraph](http://www.telegraph.co.uk/finance/yourbusiness/10361901/UK-small-businesses-are-failing-to-invoice-for-billions.html) reckons the problem is huge: 20% of the businesses surveyed had forgotten to invoice for goods or services at least once. Among these, around 12% said that the job was worth between £5,000 and £10,000, while 6% had forgotten to invoice for a job worth more than £10,000.

So it’s potentially a sizeable problem…