

Brown & Joseph Newsletter

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Collectively Speaking

written by John Whyte

Once an account becomes 90 days past due, the chances of recovery are drastically reduced. The key is making better collection calls before you have to place an account for collection. There are seven steps to a successful collection call. Remember.....
INTELLIGENCE WINS!

1. Be sure you are speaking with the decision maker, the person who can authorize the check.
2. Identify your company and give your name.
3. Identify your reason for calling. Do not hedge, do not intimidate. Be businesslike and friendly.
4. Let the debtor talk. Let them explain why they have not paid. If the reason is valid, they will not hesitate.
5. Identify the problem. Find out what is wrong; cash flow, damaged goods, credit due, etc.
6. Determine the solution. Do not terminate the conversation until you have reached some agreement on solving the problems regarding the past due invoices; payment plan, merchandise return, etc.
7. Document it! Take notes. Record date, time, person with whom you discussed arrangements. What is expected and when. Write down everything pertinent to resolving the debt.

Do not be like the boy who cried wolf. Remember, follow up on whatever promises or arrangements are made with the debtor. Whatever you said you were going to do – do it! Never threaten or promise to do something you could, or, would not do. ☞



What to do When Receiving a Bad Check

written by Allison Dinges

Brown & Joseph is offering a free electronic document to all clients entitled **Bad Check Laws: A 50 State Guide of Rights and Remedies.**

☞ “This Guide, is designed to assist the creditor in the event the last resort to remedy the bad check is to sue the customer. Each state has explicit rules which must be adhered to and when followed will more often than not yield a satisfactory result for the holder of the bad check.”

Information included in the guide is the state, civil code section, statutory amounts, grace or cure period after notice, type of mailing required and what the notice you send should say.

If you would like to know what to do when you receive a bad check from a customer, this is a 72 page document that outlines the law for each state. The guide can be sent to you electronically. Please e-mail adinges@brownandjoseph.com for your copy. ☞



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Word Search

Words are up, down, backward and diagonal.

Answer key is on page 4.

Bottom Line	Market
Business	Office Supply
Escheatment	Postage
Happy Hour	Recovery
Holidays	Reports
International	Settle
Letterhead	Software
Litigation	Train
Manage	Walsh



S U V A L I B X T W N H O S Y T E A B C
R L E T T E R H E A D U R K L O A D L R
O P A E T N C M D L N L B U S I N E S S
E U P N F A A E X S E G N S R S T G A A
D R H I O Q P N M H I A P M T A Z A R Q
K A P L M I H A F J S Y G A U D N T T A
S N O M L I T I G A T I O N S O F S C I
J O F O U B R A T P R S Y A D I L O H M
K K F T A G A X N N O B U G F U Q P A P
N N I T Y O I O C R P P U E S A S R P M
I B C O W N N D X E E H E E T H K T P R
L E E B M A R N L C R T P O Y E H U Y E
U V S E C K R T F O Y O N U T T A T H M
C A U I I S T E B V R A N I S D O E O I
O Q P X Q E S C H E A T M E N T T L U S
K I P P S H O J P R J R T M Q P U U R A
J A L J I T G A W Y I O O S B O M N R W
E K Y T E G A M S D M Z R N O T E D G T

Exports Stand Between Nation & Recession

➤ “Economic Outlook: Exports Stand Between Nation and Recession.” The Marketing Report. November 19, 2007: 3.

When the economy is sputtering, even good news can seem ominous.

Hormel, the maker of Spam, recently predicted stronger earnings.

Was that the result of Hormel’s good marketing economists asked, or (play dark, scary music here) because the struggling consumers were abandoning hamburger for cheaper canned meat?

Many economists believe it’s too soon to give into fear.

Exports have kept the economy surprisingly strong, and may prevent the housing crunch and energy prices from causing recession.

China also buys

The trade deficit has narrowed steadily since 2005, *BusinessWeek* economist James Cooper says.

The rapid growth of emerging economies such as China’s has boosted demand for U.S. goods.

A weaker dollar will make U.S. products even cheaper overseas.

So companies that export should continue to see growth.

Some statistics:

- Growth outside the U.S. is forecast at 5.5% for 2008, compared with 1.9% for the U.S. That’s bound to keep exports up.
- Emerging economies are expected to grow at a blistering 7.4% next year. About 45% of U.S. exports go to these countries.
- Exports to China are up 25% over the last five years, making it the No. 4 buyer of U.S. goods.

Source: “A Helping Hand From Foreign Demand,” *BusinessWeek*, 11/5/07.

Late Payment - When to Use a Debt Collection Agency

↳ Excerpts from http://www.bytestart.co.uk/content/finance/43_2/debt-collection-guide.shtml

There is a real culture of late payments in the UK. For business to business transactions, most firms automatically expect 30 days credit. In fact, if you don't agree to different terms, the law says businesses can take 30 days to pay by default.

If you find yourself lucky enough to be supplying very big companies, you will sometimes find they demand 60 to 90 days to pay, or maybe even longer. Often those long payment terms are then passed down the line by over-stretched suppliers, so it is the very small businesses at the bottom of the supply chain that suffer the most.

The biggest problem with this culture is that many business see it as perfectly acceptable to extend their 30 days to 35 or longer - without asking. It can be a real strain on your cash flow to be waiting yet another week for cash that's rightly yours.

One of the things you can do to improve your cash flow is to be up front with all clients about your willingness to use a debt collection agency, should acceptable credit terms be stretched without permission.

For many businesses, just receiving a letter from a professional debt collector is enough to trigger a swift payment. There are clear processes you can follow to help you get paid on time, and know exactly when it's right to pass the debt onto an agency.

First off, you need to be utterly clear with clients upfront about the terms and conditions of the product or service you supply. You should get a set of standard T&C's (terms and conditions) drawn up, and ensure they have a clause laying out the credit terms you offer, and the process you will follow if those terms are broken...

You can also reduce your risk by running credit checks on new customers before you start dealing with them. It may seem like you're slowing the sale down, but you'll appreciate discovering potential problems before they happen...

Now all you have to do is closely follow a standard process when invoices become overdue. Have a set of three standard letters that you send to clients when



Here at Brown & Joseph, we understand that every customer relationship is important to you. Every single customer is treated fairly and with respect. We desire long term, mutually beneficial relationships with our clients.

monies are owed, telling them how much is due and the penalties for not paying immediately...

It's sensible to get someone with your business who doesn't have day-to-day contact with clients to be the debt chaser. That way you can try to maintain a good working relationship with the client. But be sure the left and right hands are speaking to each other. The

client must be aware they cannot order more from you while a debt is still outstanding.

Finally, if you have followed this guide and still not been paid, it's time to call in a debt collection agency. Many businesses stop at this point. But the reality is if you keep threatening action and don't follow it through, there is no incentive for your client to cough up. Don't sit on the problem for a few weeks hoping the client will pay. Agencies say the older the debt becomes, the lower the odds of it being paid...

If you have followed your credit chasing processes through, the advantages of using an agency to continue chasing the debt are clear. They have the time and expertise to focus on the recovery - unlike you, that's all they do. A firm that knows what it's doing will get a quick result. And if the client is unable to pay, they will be able to work with you to look at the options and take formal legal action. ☞

Don't sit on the problem for a few weeks hoping the client will pay. Agencies say the older the debt becomes, the lower the odds of it being paid.



The Shoplifting Seagull

↳ <http://community.livejournal.com/randompictures/2698622.html>

A seagull in Scotland has developed the habit of stealing chips from a neighborhood shop. The seagull waits until the shopkeeper isn't looking, and then walks into the store and grabs a snack-size bag of cheese Doritos. Once outside, the bag gets ripped open and shared by other birds.

The seagull's shoplifting started last summer when he first swooped into the store in Aberdeen, Scotland, and helped himself to a bag of chips. Since then, he's become a regular. He always takes the same type of chips.

Customers have begun paying for the seagull's stolen bags of chips because they think it's so funny.

The seagull has been nicknamed Sam.

Did you know...

- ↳ There are no venomous snakes in Maine.
- ↳ As you age, your eye color gets lighter.
- ↳ North Dakota has never had an earthquake.
- ↳ Hawaii is moving toward Japan 4 inches every year.
- ↳ Chimps are the only animals that can recognize themselves in a mirror.
- ↳ The leg bones of a bat are so thin that no bat can walk.
- ↳ Marilyn Monroe had six toes on one foot.
- ↳ If you keep a goldfish in the dark room, it will eventually turn white.
- ↳ Women blink nearly twice as much as men.

Words of Wisdom

“Do not be anxious about tomorrow, for tomorrow will be anxious for itself. Let the day's own trouble be sufficient for the day.” - Samuel Butler

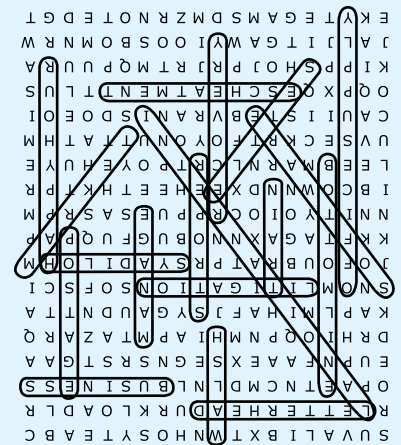
“Success is going from failure to failure without a loss of enthusiasm.” - Winston Churchill

“Every creative act is a sudden cessation of stupidity.” - Edwin Land

“You can only be young once. But you can always be immature.” - Dave Barry

“The most overlooked advantage of owning a computer is that if they foul up there's no law against whacking them around a bit.” - Eric Porterfield

Answer Key



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