

Collect Delinquent Receivables, Keep Your Clients

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Making collection calls can be awkward, embarrassing and confrontational. If poorly handled, you risk destroying long-term, profitable client relationships. Fortunately, you can collect delinquent receivables and keep your valued clients.

ACT QUICKLY

Since collection calls can be unpleasant, they're easy to postpone. However, a delinquent account is a signal that your client may have a core business problem. Your role as a trusted adviser allows you to contact clients when they are slow to pay. By contacting clients at the beginning of a cash crunch you can offer advice that could solve the underlying problem. You could save the relationship by saving the business.

ACCEPT RESPONSIBILITY

Don't delegate collection calls—especially with important clients. Less experienced employees may not be as attuned to your client's importance. They may be too direct or sound disrespectful. Irritable clients may feel that a collection call from an administrative person reduces their status.

Also, if there is a problem brewing, your client is more likely to discuss it with a trusted peer than a more distant administrator. Your personal attention helps support the relationship.

BE AWARE OF YOUR TONE OF VOICE

Collection calls produce high emotions. Make sure that your adrenaline doesn't cause you to sound angry or impatient. Even if you are angry, a calm tone will reduce emotional escalation and minimize the risk of damaging relationships.

GET RIGHT TO THE POINT

A common mistake in collection calling is to try to soften your call's severity by starting with small talk. This can hurt relationships because it appears transparent and insincere. It also allows your anxiety to build. The more the anxiety, the greater the risk of procrastination. After a quick greeting, explain that you are calling to mention that you haven't received payment. Afterward, it is fine to discuss other topics.

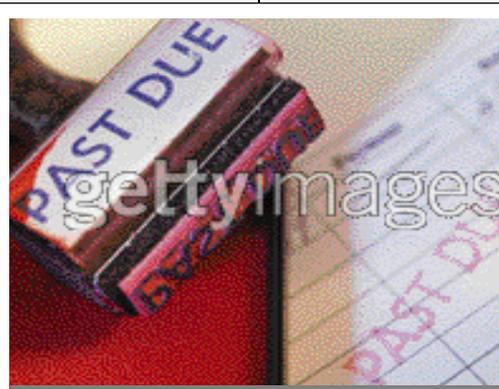
ANTICIPATE COMPLAINTS

Clients under stress often react with an attack. When you ask about your bill's status, you probably will hear complaints about

your bill's amount or the quality of your work or service. This is normal, so don't panic.

Give your clients an opportunity to vent. Acknowledge their right to have concerns and ask if you may review each complaint individually. If your client is right on some issues, make amends.

If your client is wrong, calmly demonstrate how each aspect of the matter was handled properly. Confirm your appropriate behavior as you move through the process. Giving your clients an opportunity to hear you justify your bill will remind them of the value you bring and help to maintain your relationship.



Convert the discomfort of collections into the pleasure of payment

NEGOTIATE SMALL STEPS

When your clients are running late on their payments, it is unlikely that they will be able to retire the entire balance in one payment. Be prepared to accept small, regular installments.

If your clients can't promise dollars in the short term, ask if they will call you with a status report. Remember that every commitment, whether a payment or task, must include a deadline.

Small steps increase the likelihood that your clients will meet their commitments and it allows them to maintain dignity even though they are unable to pay the entire bill.

ASK PERMISSION TO FOLLOW UP

If your clients don't keep their commitments, follow up as soon as their

deadlines pass. Waiting to follow up communicates permission to postpone payment. Unfortunately, the fear of appearing pushy or insensitive is often an obstacle to follow-up.

However, asking your clients' permission to check in can minimize these feelings. If following up becomes necessary, you can remind them that they gave you their permission to call. Then it will be clear that you want the money, but also that you want to collect in a way that meets their needs.

While these steps require a cool head and plenty of patience, they can result in converting the discomfort of collections into the pleasure of payment and the preservation of profitable clients. So pick up the phone. 

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