



# Payment Times Issue 2: 17 October, 2008

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It shouldn't come to this if bills are paid on time.

## When customers cannot pay

### A good scale to slide down...

We delayed this month's issue until the Dun & Bradstreet (D&B) September business payment figures became available. The good news is Australian businesses are no longer the fourth worst payers in the region. We are now fifth. New Zealand is 7<sup>th</sup>.

But it means that almost 1 in 3 Australian firms are now paying their bills at 60 days, which is 30 days after due date. D&B, who have been in business for over 150 years, expect it to get worse, so tighten up your credit control because your suppliers will be tightening theirs and asking you to pay. They might not be impressed with the "I can't pay you until they pay me," excuse.

**Crisis** is a word rarely used by politicians because it implies that things are out of control and they do not know what is going on. But leaders from Kevin Rudd to G.W. Bush are using it, so start making those "*Kindly pay us today*" calls.

## Bank it...



The latest issue of *Credit Control Journal* (UK because we do not have one here) urges banks to recognise the difficulties small businesses face when big firms do not pay. They urge firms to make credit control a priority and to look for alternative funding. We hope our banks will be more understanding, but they need security before lending money and if you cannot provide it, they cannot lend it – imprudent lending helped to get us into this mess.

Here are some credit control tips:

- Chase all overdue accounts
- Do credit checks before opening new accounts – and on customers who owe you heaps
- Consider outsourcing your debtor management – it can be cheaper and more effective.

## The credit control Olympics have begun



Last month we mentioned the coming Olympics of credit control. Now they have begun and these are ways to compete. If you are a big firm, send your credit controller to a Hattaway seminar ([www.hattaways.com](http://www.hattaways.com)) or a similar one. Do the same if you are smaller but have admin staff who do credit control amongst other duties. If you do not have any staff who can do credit control, then go on a one day course yourself, or outsource it.

Whatever you chose, do something because unless you manage your debtors, bad debts could send you out of business.

Your clients' are experts at their job, but do they have debtor management expertise, or the time?

**If you (or them) need help, then contact us now for a free assessment.**

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To find specialist near you, please contact us at:  
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