



Entrepreneur

How to Get Paid

Methods for streamlining your company's collection practices

By Gwen Moran | [Entrepreneur Magazine](#) - August 2010

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Any time you're not collecting your money on the spot when goods or services are rendered, you're extending credit--and risking that your money will never land in your bank account. Collection expert Melissa Nash Andrews, author of *How to Get Paid On-Time, Every Time*, offers these tips for getting what you're owed.

DO

- Set a credit limit and a time limit.
- State your policies about credit and payment upfront.
- Have a system for issuing and following up on invoices to ensure that your billing goes out promptly.
- Make a receipt-of-invoice call a week or two after the invoice is sent to ensure that it has been received and that it's in the system for payment according to your terms.
- Keep emotion out of it. It can be infuriating when a client doesn't pay, but anger won't get the bill paid faster.
- Consult your attorney or a reputable collection agency if you can't collect your money on your own.

Don't

- Allow clients to exceed those limits. If they've run up a balance or are behind on payments, don't extend more credit.
- Waver. "Everyone assumes the owner will make an exception." Andrews owns her firm, ARI, but she uses the title vice president so that people don't expect her to change policy.
- Send invoices at random times. It's easier for mistakes and oversights to happen. If you don't have time to do it yourself, hire someone.
- Wait to call. If an invoice has been misplaced or ignored, you'll have wasted two months before you get it back on track.
- Threaten your client with anything that is not within the letter of the law. "It's easy to cross the line into harassment, which can cause legal trouble," Andrews says.



6.24 National average of days beyond terms, or the number of days past the due date, the average business is paying its bills. The figure represents a 4 percent increase over the previous six-month average.

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For more information about Melissa Nash Andrews and [How To Get Paid On-Time, Every Time](#) please visit www.howtogetpaidontime.com