

# PRUSHKA FIVE STEP SYSTEM FOR CLIENTS

Prushka has developed an easy-to-follow, 5 Step System for clients.

The System is designed to –

- Protect your business as best as possible against debtors
- Recover your debts efficiently and effectively



**Step 1 – Terms and Conditions**

**Step 2 – Reminding mechanisms**

**Step 3 – Debt recovery letters**

**Step 4 – In-house debt recovery**

**Step 5 – Fixed Price Legal Action**

The System remains flexible (i.e. modular) and can be customised to suit your organisation and budget.

## Step 1 – Terms and Conditions

Has your business got trading terms?

Do they clearly define your legal rights and relationship with your client from the beginning?

Do your current contractual terms and conditions include provision for the following?:

The right to charge either penalty interest or a monthly interest charge;

All legal costs to be paid by the debtor, on an indemnity basis;

In the event where the account is referred to a collection agency, the right to add collection costs to the balance outstanding.

## **Our Service – Trading Terms Review and Trading Term Stickers**

Prushka's in-house law firm, Mendelsons National Debt Collection Lawyers offer a one-off service to tailor your Terms & Conditions to suit your individual needs.

By making your client aware before they purchase your goods, or use your service, this legally allows us to add our commission to the debt and attempt recovery at no cost to your business. Another alternative we offer are the Prushka Credit Term Stickers. These are attached to the first invoice and inform your client that recovery costs will be added to the debt if a collection agency is required.

## **Step 2 – Reminder Mechanisms**

Has your business got progressive reminder mechanisms for all late payers?

Are they subtle enough to avoid offending your client, but strong enough to convince your client to take action, and pay the account?

It's important to follow up unpaid accounts diligently. A combination of resending invoices and phone calls may be used. At this stage the aim is to receive payment without upsetting your client. A progressive system is ideal, beginning with a very mild reminder and moving towards a blunter message.

### **Our Product – Sticker System**

The Prushka Sticker System involves attaching a small sticker to reminder invoices at regular intervals.

These include:

“Now Due” - to be attached to the first reminder invoice (up to 14 days after payment is due)

“Overdue” - to be attached to the second invoice (up to 30 days after payment is due)

“Final Demand” - to be attached to the third and final invoice (up to 60 days after payment is due)

## **Step 3 – Debt Recovery Letters**

Move from your branding to a debt recovery agent's letterhead. This follows on from your earlier attempts with an increase in pressure by using a debt collection, standard 'demand' letter. It shows your client that you're firm in your requirement for the debt to be paid.

### **Our Product – The Prushka Fast Debt Recovery Kit**

Prushka Fast Debt Recovery Kit Letters are sent after a final demand sticker has been used. It comes on Prushka's letterhead and demands payment within 7 days. There is no commission payable on any money received from these letters. The only cost to you is the purchase of the letters themselves.

## Step 4 – In-house Debt Recovery

If at this stage a debt remains unpaid, further action needs to be taken. Now it's time to give it to the professionals...

Ideally, the agency you outsource to should have:

- Performance based billing
- Solid client reporting and online portal
- A proven track record in the industry

### **Our Service – In-house debt collection on a 'No Recovery – No Charge' basis.**

Prushka can attempt recovery on a "No Recovery – No Charge" basis. Prushka's charge is simply a percent of what is recovered.

Prushka Account Controllers have access to:

- Legal demand letters (on Mendelsons National Debt Collection Lawyers letterhead)
- An internal Tracing Department
- In-house lawyers for advice and drafting of customised letters
- Collection system software including databases and queuing systems
- Comprehensive and ongoing training from professional trainers covering relevant codes, legislation, and industry best practice

## Step 5 – Fixed Price Legal Action

Is the file applicable for legal action?

Is there a solid case against the debtor?

Is there an enforcement path?

### **Our Service – Fixed Price legal action**

We offer a "Fixed-Price, Fully Inclusive Legal Action Service".

We have a specialist Pre-legal Team that is able to discuss your potential legal files with you and help with choosing the best course of action – this is with the goal of maximising the chances of recovery.

Our in-house lawyers, Mendelsons National Debt Collection Lawyers are able to take legal action Australia-wide without the use of subcontractors.

If required, we also have solid, results-oriented enforcement actions available on Judgments, including Bankruptcy and Seizure & Sale.