

CASHFLOW

THE PRUSHKA FAST DEBT RECOVERY CLIENT NEWSLETTER

PRUSHKA

FAST DEBT RECOVERY
NO RECOVERY - NO CHARGE

**OCTOBER/NOVEMBER
2011**



COLLECTING MONEY HAS GOT HARDER

If you are finding it harder to collect your outstanding debts, then you are not alone. Our figures indicate that 2011 has been a difficult year for collecting money. Indeed, our collections for September 2011 were over 10% down over September 2010.

The reason is that the nervous economic environment has led to a hoarding of cash. This is reflected in the downturn in retail sales, reduction in home loan debt and reduction in credit card debt.

Wary householders and businesses are battening down for an increasingly possible recession, induced by the European and American debt problems.

Just as your debtors are playing it tougher, so must you, if your business is to survive and prosper.

Cashflow provides you with simple and practical tips for improving the **cashflow** of your business. Read it and pass it on to your colleagues.

PLAN NOW FOR CHRISTMAS

If a business is going to fail, the likely period for doing so will be the January-March quarter.

The reasons are that if **cashflow** is tight during the year, this will be quarter where it may well be insufficient to save your business.

The reasons are that:

- Business activity for most businesses slows right down from about mid-December and in many cases, actually stops until after New Years Day or even later.
- Holiday pay and leave loading has to be paid in the last pay day before Christmas and this is often not budgeted for.
- Households tend to be flush with cash due to the receipt of holiday pay but this money often disappears out the door with Christmas and holiday expenses.
- Credit card debt is more likely to go up over this period than in any other time of the year.
- Back to school expenses need to be paid from mid to late January.

**We Have Slashed
Our Rates.**

***New rates from 11% of
monies collected.....***

And that is all you pay.

Check out our new rates at
www.prushka.com.au

The result is that households tend to be skint in January and February and thus defer paying any debts other than essentials. In turn, this impacts on the **cashflow** of businesses dealing with the household sector and those businesses defer paying their debts to suppliers, so ultimately, the business-to-business sector gets hit.

There is one remedy you can immediately take **today** to improve your liquidity during this period.

**Refer all your debts which are more
than 90 days old to Prushka right now.**

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BUSINESS TRADING TERMS

Just as there are certain essential items you need to operate a business, such as shop, office or factory, a decent telephone system, email, a website and an account's system. There is another item which is just as important but is often over looked.

Your business needs **business trading terms** which set out the basis upon which you do business with your customers or patients.

Every transaction you undertake with a customer is the performance of a contract, whether you realise it or not.

Accordingly, you need to incorporate terms in that contract which are to the benefit of your business. To not do so just does not make sense and could well prove fatal.

Mendelsons Lawyers, Prushka's associated law firm, will review your business practices and will prepare a set of trading terms drafted specifically for your business.

The turnaround time is 30 days and the cost is only \$660.00 (including GST).

To get going with your business trading terms today, contact the **Client Services Team on freecall 1800 641 617** or **email info@prushka.com.au**.

Mendelsons Lawyers discloses that it is associated with and shares common ownership and control with Prushka.



YOU HAVE GOOD REASON TO FEEL NERVOUS



If you were in business during the late 80's and early 90's, you are no doubt cautious in the way you do business. You will have minimal or low bank debt, you will have a good credit checking system and an excellent collections system for your debts and you will very wary of your bank because you know that when the pressure is on, it can be relentless and unforgiving.

Help is at hand.

BUSINESS SURVIVAL GUIDE was written by Roger Mendelson (CEO of Prushka) and was published by New Holland Publishers in July 2009, in the expectation that the GFC was going to lead to a major recession in Australia.

We all know that the recession did not occur.

However, the advice contained in the book is just as relevant to a potential 2012 recession.

Learn how to manage your relationship with your bank, understand the steps which can occur in a business collapse and steps which you must take if you are to protect your personal assets.

Also learn great tips on how to reduce staff costs and dramatically improve your **cashflow**.

To order your copy, email **cts@prushka.com.au**. We will post the book to you and debit your account with \$14.95 (which includes GST and postage).

DOES YOUR DEBTOR WORK?

If you know that your debtor definitely works, your chances of recovering money from him have received a tick.

If you know where he works, your chances have received two ticks.

If he has worked at the same place for some time, you have three ticks.

The reason is that if your debtor works, there is an enforcement path for legal action. This doesn't mean that you immediately need to sue him. However, it means that our chances of obtaining payment are greatly enhanced because we can explain to the debtor that if he fails to pay forthwith, he faces the prospect of being sued and then of a garnishee order being taken out against his employer. This will add significantly to the amount he has to pay because approximately 70% of the costs for obtaining the orders will be added to the debt and form part of the judgment.

Garnishee orders are highly effective because they are an order on the employer and not on your debtor, compelling the employer to deduct a fixed amount each pay day from the wages payable to the debtor and to send that money to us on your behalf.

Call Pre-Legal on (03) 9872 7240 for information.

BEWARE OF BANKS

The old saying that banks hand out umbrellas on sunny days and take them back on rainy days has, unfortunately, a grain of truth to it.

If times do get tough then there is no doubt that banks will tighten the screws on SMEs.

They may require you to enter in to a loan reduction program at a rate beyond the level your business can afford.

Prepare for this by ensuring that your credit and collections system is a tight as a drum, so that you are not being used by your customers as a bank, providing interest free finance to them.



Spring Special 30% off Prushka Sticker System

Debt Recovery for as low as 16 cents.

Guaranteed to get your invoices paid more quickly, because it introduces the Prushka name to your debtors.

* 300 Stickers - \$62.70
(Normal Price \$90.50) - 21c each

* 600 Stickers - \$114.40
(Normal Price \$163.50) - 19c each

* 900 Stickers - \$146.30
(Normal Price \$209.50) - 16c each

Call the Client Services Team on 1800 641 617

NOW DUE

IF THERE IS A PROBLEM, PLEASE CONTACT US.
OTHERWISE, PLEASE PAY PROMPTLY

PRUSHKA COLLECTION SYSTEM.

OVERDUE

PAYMENT IN FULL REQUIRED
WITHIN & DAYS

PRUSHKA COLLECTION SYSTEM.

**FINAL
DEMAND**

If payment is not received within 7 days account
will be passed to **PRUSHKA** Fast debt recovery.

PRUSHKA COLLECTION SYSTEM.

Simple, effective tips which are guaranteed to improve your **Cashflow.**

Credit form

Granting credit to a customer without your customer completing a Credit Form is like building a house on sand. It just does not make sense.

Setting up a credit form for your business is so, so easy because Prushka will do it for you **and there is no charge.**

Simply go to our website (www.prushka.com.au) and click on "Credit Application Form".

You will be able to download a form for your type of business or practice. The Prushka forms have been developed over many years and are simple to use by your customers but will provide you with information which will allow you to assess the credit-worthiness of your new customer and provide really useful information in the event of that customer not paying.

Prushka collection stickers

The Prushka name has been synonymous with effective debt collection since 1976.

The Prushka **NOW DUE, OVER DUE AND FINAL NOTICE** stickers affixed to your invoice, and then your first and second statements respectively, send the subtle message to your debtors that you use Prushka and that there are consequences if they don't pay your account promptly.

Use them. You will be presently surprised at how effective they are.

Legal demand letters

If you have a larger debt which you believe is likely to be paid if your debtor were to receive a legal demand letter, then we have the product for you.

For only \$191.50 (including GST), you will be put through to a lawyer from **Mendelsons Lawyers**, our associated law firm, who will discuss the debt with you and will prepare and send a demand letter to your debtor and will forward a copy to you.

If this results in payment being made, there is **no commission payable.** The only cost to you is the cost of the letter.

You can do this right now. All you need do is contact the **Prushka Client Services Team on 1800 641 617** and you will be put through to a lawyer. Our experience is that use of the instant legal demand letter results in full recovery of the debt in approximately 50% of cases.

SMALL DEBTS

Prushka collect debts from as low as \$45.00, so never write-off small debts.

There is no need to complete an individual Action Form for each debt. Simply complete one Action Form and attach a copy of each invoice or alternatively, a detailed print out providing details of each debt.

PRUSHKA
FAST DEBT RECOVERY
NO RECOVERY - NO CHARGE

Commission rates from as low as 11%...
That is all you pay.
Offices across Australia.

FREECALL 1800 641 617 · Website: www.prushka.com.au