

## When will the good times end?

**Business conditions are still very positive. Inflation is low, interest rates are low, wages growth is low (although starting to rise), unemployment rates are low, the trade situation is positive, with the last two months producing a trading surplus and business confidence is high.**

The latest results from our Canary in the Coalmine survey of our 56,000+ client base produced positive plans by 50% of respondents to grow, as opposed to reduce the size of their business and 67% are confident about current business conditions.

The only warning side we are seeing is a spike in bad debts in the building sector.

Notwithstanding all of these healthy indicators, the biggest struggle most SMEs have (as confirmed by our survey) is pressure on profits due to intense competition.

This edition of **CASHFLOW** will provide you with very simple tips which you will be able to easily implement. Read it and pass it on to a colleague.

## HOW LONG IS TOO LONG?

**There has been a big shift over the last 20 years in the attitude of SMEs to customers who don't pay.**

The old attitude was: "don't upset them because they will pay at some time and better not to lose a customer".

The current attitude is that if you have provided a service or product, you are entitled to be paid within your agreed trading terms.

Accordingly, in many cases, businesses now treat their initial account as a First and Final statement. That is, the customer is expected to pay on the statement and no further statements will be sent out.

Sending regular monthly statements to a customer which is not making any payments just sends the message that you are not serious in collecting your account. The debtor will pay other accounts in priority to you, because they are making it clear that they expect payment.

# DO YOU HAVE PROPER BUSINESS TRADING TERMS?

**The chances are almost certainly that you don't. Very few businesses have proper trading terms, prepared by a lawyer, which protects their rights and puts them in a strong position to sue and win, if they have to.**

It is a no brainer. Every business, no matter how small, needs proper trading terms in place.

Prushka, in association with Mendelsons National Debt Collection Lawyers, offers Fixed Price Fully Inclusive Business Trading Terms for only \$1,320.00 (inc GST).

To speak to a lawyer, who will review your business practices and then prepare tailored trading terms for you, contact the Prushka Client Services Team on 1800 641 617 or email [info@prushka.com.au](mailto:info@prushka.com.au).



# TRUST US!

**Many of our new clients take the attitude that "I'll send in one or two debts and see how you go".**

We urge you to trust us. With our 56,000 SME clients across Australia and a business spanning 42 years, we must be doing something right.

The debts that you hold back are simply getting older and are then subject to greater risk. People die, companies go into liquidation, economic conditions may change, the company may be wound up.

Don't simply test us out. Trust us to do a good job with all of your outstanding accounts. You will not be disappointed.



**Prushka collect debts from as low as \$50.00, 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.

# DOES YOUR DEBTOR OWN A HOUSE OR HAVE A REGULAR JOB?

**These are the two key pieces of information you need to collect about your new customers.**

If the answer to either of those questions is "yes", then your chances of ultimate full recovery are excellent.

The reason is that if the debtor doesn't pay, it is commercially viable

to sue him. If he has a job, every state (except South Australia) offers a quick and effective process to garnishee his wages.

If he has interest in a property, all states offer a process whereby, after judgment, we will be able to get an order for sale of the interest in the house by the Sheriff. If the debt, together with judgment costs exceeds \$5,000.00

and the debtor has interest in real estate, bankruptcy is a viable legal enforcement option.

The very fact that these enforcement options are available usually means that they don't have to be carried out. When we explain to the debtor what the consequences are of not paying, in most cases, the debt will get paid.



## Forget the post

**Only grandmothers and the Government use post today.**

It is simply too slow and ineffective to be used as a part of your credit and debt collect process.

Always get email addresses and mobile phone numbers and follow-up by either SMS or email... and provide them to us when you send your overdue accounts to us.

Your first contact with the debtor, at the time the account is overdue, should be a polite telephone call asking for question: "is there any reason why this account is unpaid?"

## FREE! New Customer Credit Forms from Prushka.

**When you set up a new credit customer, always get them to complete a Credit Application Form.**

Follow the link [https://www.prushka.com.au/forms/req\\_forms\\_CreditApplication.cfm](https://www.prushka.com.au/forms/req_forms_CreditApplication.cfm) and download a free Credit Application Form prepared by us, which you can then adapt for your business.

There are Forms for all types of businesses.

A sample credit application form is shown, titled "Account Application Form". It includes fields for personal and business information, such as name, address, phone number, and business details. The form is designed to be filled out by a new customer.

# Simple, effective tips which are guaranteed to improve your **CASHFLOW!**

## **PUSH YOUR SUPPLIERS**

If you are a good customer, negotiate with your suppliers to get extended trading terms. If their normal trading terms are 30 days, ask for 60 days.

You will be surprised at how many will be happy to extend your trading terms, because they will not want to lose a good customer.

All you have to do is ask.

## **DO YOU THINK THAT A LEGAL DEMAND LETTER TO YOUR OVERDUE CUSTOMER WILL RESULT IN PAYMENT?**

We offer Fixed Price Legal Demand Letters, provided by a lawyer from



Simply contact our Client Services Team and they will put you directly through to

a lawyer. All you will pay is the cost of the letter.



Cost is only **\$289.50** (inc GST).

## **DEFAULT LIST YOUR DEBTOR**

If your debt is undisputed and reasonable attempts have been made to recover it, Prushka can default list your debtor with Equifax, the major credit reporting agency (applies to business debtors only).

To use this service, call the **Prushka Client Services Team** on free call **1800 641 617** or email [info@prushka.com.au](mailto:info@prushka.com.au)



**Commission rates from as low as 11%... And that is all you pay. Across Australia.**

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