

## E-LESSON #25: Collections

### GENERAL AGENDA



### COLLECTIONS By Paul Weyland

Do you enjoy working for free? Think about all of the time and effort you put into getting a new account on the air. You prospected, you found the decision maker, you got an appointment, you made a presentation, you answered some tough objections, you had to come up with a creative idea, you had to schedule production, you had to write up all of the paperwork to get the account scheduled...that's a lot of work. And now you find out you're not getting paid for that work? Bummer.

When somebody owes you money, you always look like the bad guy when they don't pay. This is so unfair. Collection takes up a lot of time that you could be spending developing new client business. And it seems like it's always the most difficult clients to work with that wind up causing the most collection problems.

We get greedy sometimes in broadcast sales. We are so desperate for the billing that we write up an order from a client without asking for cash in advance. Even though we have a nagging feeling that we might encounter a collection problem, we still write up that business. And then, sure enough you wind up having to become a bill collector.

Bill collection isn't pleasant. People who owe you money don't like to return your phone calls. They don't want to see you when you visit them. It seems like overnight their attitude toward you changed. They used to be nice, but now they treat you like an enemy. Why? You did nothing wrong. Why do they treat you like it's YOUR fault that they can't pay THEIR bill? Nonsense.

Maybe we'd have fewer collection problems if we just followed our instincts and didn't take on risky business to begin with. Or, **we could avoid collection problems all together by always insisting on cash in advance.**

This E-Lesson is designed to help you maximize your collection efforts and minimize future collection problems.

#### ***Eight ways to immediately improve collections at your station:***

1. **Never let a collection problem go more than 24 hours before you take action.** The time to get busy with a collection problem is immediately upon discovering that the problem exists. More than

thirty days with no payment from a new client is reason enough to become very concerned. **The longer you wait to take action, the colder the trail becomes.** To confirm that you actually have a problem, first give the client the “benefit of the doubt”. Call the client and say that your bookkeeping department made a mistake and failed to send invoices to some clients. Ask your client if he was one of those who didn’t receive an invoice. If the client responds that he did not receive your invoice and you know that the invoice did in fact go out, then you’ve got a collection problem. Offer to hand-deliver a duplicate invoice immediately in exchange for full payment.

2. **Keep in mind that if the client owes you money, he probably owes money to fifteen other vendors, as well.** And you will be competing with those fifteen vendors for any dollars that the client does have. The old adage, “The squeakiest wheel gets the grease” definitely applies here. This means that you will have to make your collection calls frequently and very personal if you are going to get the client’s attention and your money.
3. **Always accept partial payment.** If the client tells you that he cannot pay the entire balance, ask what he can pay immediately. Obviously, offer to take cash. I’ve actually run into account executives who were offered cash but refused to take it because, “We only accept checks.” Stupid. Take the cash and write the client a receipt. Make certain the client signs a receipt that you can take back to the station with you.
4. **Set up a payment schedule.** Write up a payment agreement with installments over as many weeks as it will take for your client to pay his balance. Make it a contract with a place for you and your client to sign and date. Each time you come to collect your installment, ask the client if he could pay a little more this week.
5. **Be diligent.** Remember that it is a psychological fact that people who owe you money will not contact you. They will avoid your phone calls and your visits, if they can. So, if you can get through to the client, make certain that they understand that you have bills to pay as well and that you were depending on your commission from this transaction to help pay your bills. Communicating things that personalize your situation and make you stand out from the other creditors increases your chances of getting paid first instead of last, or not at all.
6. **Get every client’s mobile number early in the sales process.** If your client has a “gate keeper” or secretary that always screens calls you’ll have trouble getting through with a collection problem. People are much more likely to answer their mobile phones. Call the mobile

phone from a number that is unfamiliar to a client and he'll probably answer it.

7. **Avoid collection problems altogether by always asking for cash-in-advance.** As a rule, bars, restaurants, manufactured home dealers and promoters should *always* pay cash in advance, **no matter what**. There is no reason to assume that every one of your clients automatically qualifies for credit. Although, incredibly, we usually offer credit instead of asking for cash-in-advance, what harm is there in asking for cash-in-advance with *every single new direct customer*? You're not a bank. You're a salesperson at a broadcast station. After closing a direct sale of any kind, tell the client matter-of-factly that you need to pick up a check before the schedule begins. If the client vehemently objects, **you can bet** that you will probably have a collection problem at some point in the future.
8. **Trust your instincts.** "If it smells like a fish, it's a fish." If you have an inkling of a feeling that you're going to get burned, **DON'T WRITE UP THE ORDER UNTIL YOU GET CASH IN ADVANCE.**

*There is an on-line companion video provided with this lesson.*

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