

E-LESSON #25: Collections

MANAGER OR FACILITATOR MEETING GUIDE

NOT FOR DISTRIBUTION TO SALESPEOPLE



In a tough economic environment, collections are a problem for virtually all broadcast stations. In fact, collections are even a problem when the economy is good. Collection takes up a lot of time that you could be spending developing new client business. Your staff could significantly reduce the percentage of bad debt by focusing on pre-payment and collections.

The purpose of this lesson is threefold

- To educate salespeople on the do's and don'ts of the collection process.
- To instill the concept that salespeople should ask for cash-in-advance in every instance, instead of routinely offering credit.
- To identify all current collection problems and begin solving them immediately.

How to effectively deliver this lesson

1. Remind salespeople that collection problems are a very serious issue with your company and that they do not get paid on money that is not collected.
2. Make sure the rules are clear. How many days or months do you allow an account to go unpaid before you dock the salesperson's commission? Take this opportunity to go over your collection policy with salespeople.
3. If it's not your habit already, make sure that you cover individual collections with every single salesperson in weekly one-on-ones.
4. Consider establishing some incentive for long-term cash in advance contracts.
5. Begin the session by giving each salesperson a copy of the General Agenda for E-LESSON #25: **COLLECTIONS**.
6. Download the video for Collections and prepare to show it to your staff.

7. Cover all five points in your meeting. Stick to the agenda for this meeting.
8. Distribute the Worksheet for Salespeople for E-LESSON #25: **COLLECTIONS**.
9. Give salespeople 10 minutes to fill out the worksheet.
10. Collect all worksheets
11. Examine worksheets. Triage the most immediate problems while working with the salespeople one-on-one to develop strategies for solving delinquent account problems.
12. Encourage salespeople to collect client's mobile phone numbers.
13. Continue to manage prospecting. Is it time to reassign some local direct accounts? Identify prospecting problems. Are salespeople making progress with long-term contracts? Publicly recognize local direct achievements.

Additional issues to be considered by management before this meeting:

- Find out if your company accepts credit cards. If they don't, advocate that they **do**, as credit cards are a great way to help with collections. As soon as your client pays you with a credit card the collection monkey is off your back and onto the back of the credit card company.
- Some stations offer an incentive for cash-in-advance (CIA). For example, if a client is asking for a discount of some kind, negotiate cash-in-advance in exchange for a rate discount.

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