



Cash is King: Where did all
these bad debts come
from?

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How Bad Debts Accrue

- ▶ A lack of policy
- ▶ *Word gets round*
- ▶ *Fear of losing a client*
- ▶ *Fear of the difficult conversation*
- ▶ *Not knowing who owes what*

How Bad Debts Accrue

- ▶ A lack of policy
 - ▶ What is the policy is on outstanding debt how can you enforce it
 - ▶ What is the process for clients who have been previous bad debtors
 - ▶ When do you send them to debt recovery
 - ▶ What do you do with insurance excesses
 - ▶ What do you do in the case of fraud

How Bad Debts Accrue

- ▶ *Word gets round*
 - ▶ If you have no policy or are weak in enforcing it the word will get round and clients will not pay on time or at all
 - ▶ You will actually attract more clients because you don't chase debt and they won't pay on time or at all

How Bad Debts Accrue

- ▶ *Fear of losing a client*
 - ▶ Of course you would like to keep every client but when do you remove the ones that won't pay
 - ▶ How do you overcome that fear of a loss of client and therefore income
 - ▶ What can you do to reduce your fear

How Bad Debts Accrue

- ▶ *Fear of the difficult conversation*
 - ▶ How do you ask slow payers to clear their account
 - ▶ How do you chase debtors

How Bad Debts Accrue

- ▶ *Not knowing who owes what*
 - ▶ *Do you know what your outstanding debt figure is*
 - ▶ *Who are your biggest debtors*
 - ▶ *How long people have owed debt for*

How to get the money in

- ▶ *First of all you need a policy on how people pay*
- ▶ *You need a policy on which insurance companies you do and don't accept direct claims for*
- ▶ *You need a policy on chasing debtors and how far you will go to recover.*
- ▶ *You need to have one point of contact to deal with people who cant pay*
- ▶ *You may need to think about external payment plan schemes*
- ▶ *You need to have the strength to say no and stick to your decision*

How to find the debtors

- ▶ *Firstly good debt control comes from the information in your Practice Management System. Make sure you get all the details when registering a new client*
- ▶ *When you chase them use the following –*
- ▶ *GOOGLE for – phone numbers, names, addresses*
- ▶ *FACEBOOK – phone numbers, names, addresses*
- ▶ *LINKEDIN – names sometimes give you there professional occupation*
- ▶ *DUEDIL – Create a free account and type in their name or the name of the business they run*

How to make them pay

- ▶ *Be polite at all times*
- ▶ *Get on the phone*
- ▶ *Get them face to face if possible*
- ▶ *Advise them what will happen if they don't pay*
- ▶ *Monitor any payment plans continuously*
- ▶ *Make it clear not paying isn't an option*
- ▶ *Don't haggle*
- ▶ *Don't give in*