





How To Improve Debt Recovery



5 Things You Can Do To Improve Debt Recovery

The best way to improve your debt recovery is to minimize debt. There are several successful ways you can do that and we have listed them for you here. Your first mission must be to motivate prompt payments. Do that by:

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Offering discounts. Even as little as 2% discount can motivate people to pay on time
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Reminder letter. People forget to pay! Your letters should gently remind customers that their payment is due.
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Payment interest. This should be calculated from the day payment is due to the day payment is mad and customers should be informed about it.
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Credit checks. Those can be costly so enter into such only when there is a big contract or a deal that can affect your bottom line.

The process of debt recovery

There are two steps to recover debt but 5 ideas to prevent the occurrence of debt for you.



Obtain a judgement order.

This is just a court order that directs a person to pay a debt. it does not guarantee payment.



Enforcing judgement.

- send a letter of demand
- file a Statement of Liquidated Claim
- Sign judgement and obtain a court order
- Get your money via installments, bankruptcy, writ of execution or examination summons

Improving the process

Implement internal debt collection mechanisms (know who you are dealing with)

Early intervention of account managers

Contact a debt collection agency/professional/lawyer

Discounts for full or early payments

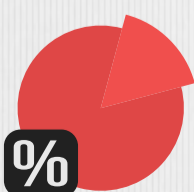
Train and reward sales employees for upfront payments

Where does debt come from?

Credit sales
Installments
Checks
Customer accounts
Pre-paid only %



Only 20% of court orders related to debt turn into payments. With these disturbing statistics it is wise to act before or immediately after debt occurs to ensure you get your money.



With over 20 years of legal experience, Katherine Hawes is the founder and principal solicitor of New Age Legal Solutions which offers fixed price legal solutions for businesses. To find out more about her work and how she can help you with debt recovery visit newagelegalsolutions.com.au