

Practice Credit Control: The Top 5 mistakes your firm can avoid today



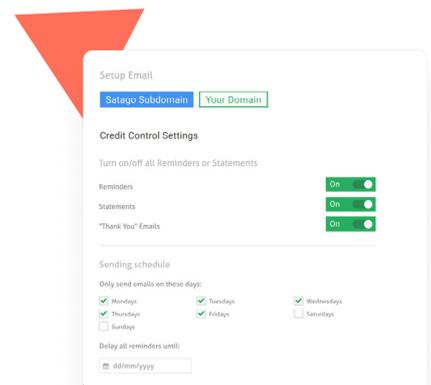
**Are your clients costing you money?
Sounds like an oxymoron, but it could be true, with unpaid B2B invoices up 23% in 2020 according to the CPA.**

Chances are, you're spending lots of time helping clients with cashflow concerns. But your cashflow is just as important. After all, who's going to help your clients if you can't help yourself?

Fortunately, here at Satago we're experts at helping businesses automate their credit control. We put data at your fingertips through our market-leading platform, so you can deliver a premium credit control service - and use it to benefit your own practice, too.

We've developed this free, downloadable guide to help you improve your practice's credit control management, avoid common mistakes and to take control of your credit today.

If you'd like to speak to us about how your firm can improve their credit control through automation, get in touch. We'd be delighted to hear from you.



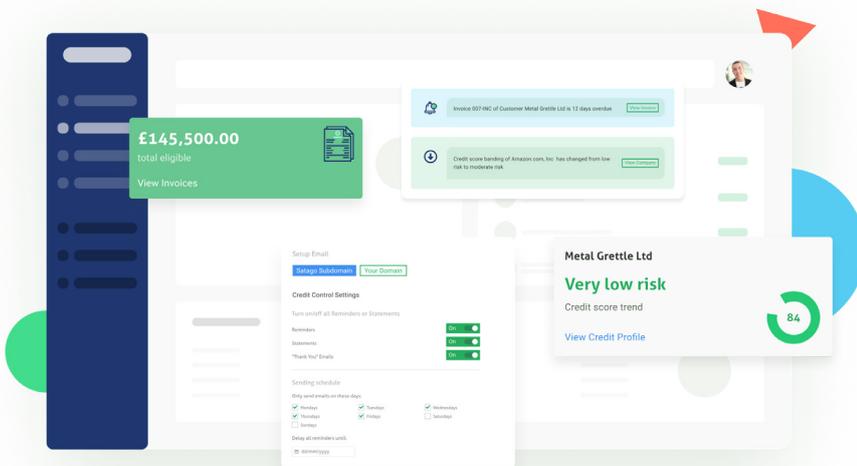
Understanding credit control

Don't worry, we're not going to take you back to accountancy basics.

We know you're the experts. But here's a refresher on why credit control is so important for your firm.

Growth opportunities

Sorting out your credit control means you have the cash available to invest in your firm when you need it. And investment opportunities could mean new staff, creative marketing or simply being able to reward yourself after self assessment season (after all, you need motivation, too!)



Solid relationships

Letting clients pay late doesn't lead to good boundaries. And we all know relationships work better with boundaries. Being firm but kind with clients about credit control will mean you both get what you need from the relationship - they receive a service, and you're paid what you're owed. It'll also signal to clients that you take the advice you give them, too.

Save time

We're not going to preach about how technology can save time and effort. If you're already using cloud accounting software, you'll know that already. But what you may not know is that if you choose a tool like Satago, you can really get ahead with potential credit risks flagged early, meaning you don't have to wait until payment is overdue to take action.

Common credit control mistakes

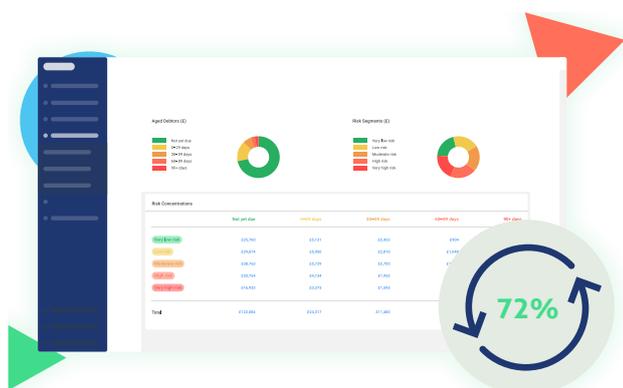
We outline our top 5 credit control mistakes and ways to resolve them.

Mistake 1: not understanding 'why'

Don't jump to conclusions about why a client might be late. After all, even HMRC has a list of reasonable excuses for lateness.

The first step is to assess the situation and figure out why it's happening. Ask yourself: are clients struggling due to the economic situation? Are they simply forgetful? Have they recently suffered a bereavement?

Understanding why someone is late with payment will set the scene for your communication style and any leeway to give them - or not. It will also tell you more about your client. Perhaps they struggle with poor credit control or cash management. If so, this is something you could help them with.



Mistake 2: communication issues

It's easy to email a client, but it can be tough to pick up the phone and chase outstanding debt. One resolution is to use technology like Satago to automate your invoice chasing, which can reduce debtor days by up to 72%.

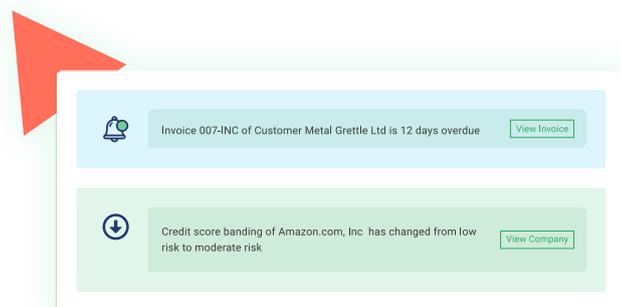
It's integrated with popular email clients, so reminders are sent from your email, in your tone of voice, and replies are tracked in the platform. Automation takes the pain out of having to chase directly, leaving enjoyable activities - like catching up over a coffee - to you.

Mistake 3: no clear credit control policy

One way to get on top of any current or future credit control issues is to set a policy and share this with all clients.

You can also include the terms in your standard client engagement letters. It need not be a case of 'laying down the law' but rather positioned as a 'to help us serve you better' exercise.

Doing this also sends an initial prompt to late payers without having to communicate with them individually.



Mistake 4: not maximising your technology

Are clients all still making manual payments? And are you chasing your clients manually, typing out emails and making calls, when you could be saving hours for more valuable client activities?

The answer is: automate where you can. Send a marketing email. Pop a 'have you paid your invoice?' email signature on. Or invest in a platform like Satago, which does all the hard work and chasing for you.

Mistake 5: no clear incentives

Everyone needs incentives. You swim to feel fitter. You eat a pie because it's tasty. But why would a client pay you on time if there are no incentives or repercussions?

One idea is to offer a small discount or a marketing freebie like a coffee for those who pay early. But if this isn't quite 'you', simply communicating with clients to let them know you'll have more time to help them grow their business if you're not chasing late payments might be incentive enough.



Take action: our checklist

You've identified some common mistakes accountancy practices make with their credit control processes. What next? We've put together a 5-step checklist to set you on your way.

✔ Step 1: research technology options

Automation has clear benefits. Clients receive a timely, clear and regular communication about their invoice, and you save time and money. Simple. If you have budget, it's worth researching technology options to help you identify and act on credit risks. Satago not only provides these features, but also helps to cover any gaps with invoice financing - meaning you'll keep moving forward even when clients are late with payment.

✔ Step 2: review your invoices

The next step is to carry out a review of your invoices. If you use Satago, this can do it automatically for you. You can then spot who's late, who's likely to be late and make a list of who you'll need to follow up with. If you're doing this manually, gather information somewhere centrally - like a shared Google Doc - so all relevant team members can access it.

✔ Step 3: draft a policy and communicate it to clients

Regardless of whether you have plenty of lates or none at all, it's a good housekeeping exercise to communicate your credit control policy to clients. Write a few sentences about what you expect and any implications for late payment. Bear in mind tone of voice - keep it simple, clear, and friendly. Then choose how you'll communicate this to all of your clients.

✔ Step 4: reach out to late payers

You'll also want to also create a plan for communicating with late payers. If you have Satago, this is again automated, but if not, you'll want to draft a polite, friendly but firm email. Follow-up should be via phone call a week or so later - never rely on email alone! Be clear on elements such as how people can pay, late fees and when you'll follow up. It's easy to get heated over late payments, but remember to be polite and consider the person's situation.

✔ Step 5: review and improve

Once you've chosen a technology, spotted your late payers, communicated your policy and chased your invoices, reviewing the effectiveness of your efforts should be easy. You'll know if it's working if you receive your late payments, or at least open up a communication channel with regular offenders! Improvements can then be made in your next round of late payment communications.



Why Satago?

We hope this guide has helped you consider how to improve your credit control processes.

Whether it's just you, or you have a team at your disposal, late payments are never an easy subject to tackle.

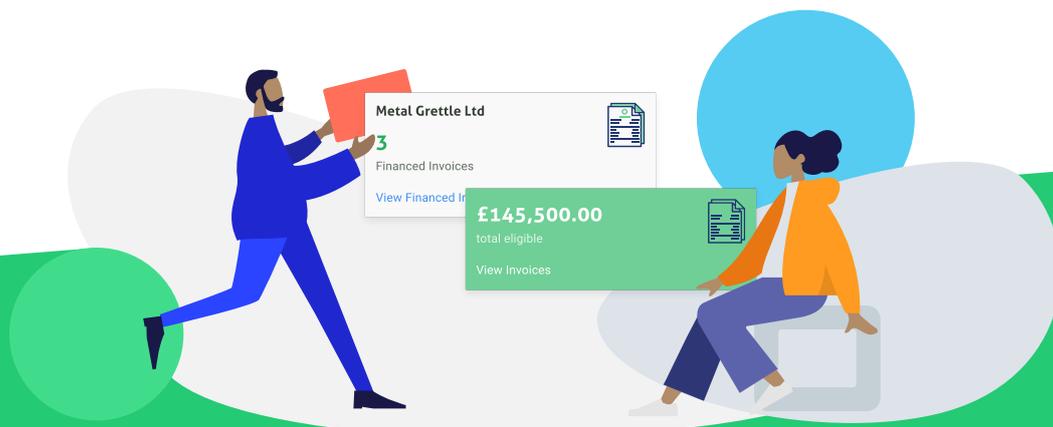
Here at Satago, we work with many accountancy practices just like yours to help with their credit control processes. One particular firm we've worked with, Tussies Chartered Accountants, has had fantastic results.

Get in touch today to find out how our platform can help you.

"Our main reason for choosing Satago was to collect in our 90+days invoices for self-assessment tax returns that were still outstanding from January 2020. Rather than having to manually chase our clients by email/phone we liked the idea of auto-emails by Satago to save us time.

The response from the first week of email reminders was fantastic and we brought our 90+ days debtors down by £12,500 in one week. Our debtors as of today continue to drop thanks to the weekly email reminders sent to clients. All round a very positive move for our practice."

Gemma Parker
Tussies Chartered Accountants



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