

2 of the Best Ways of Collecting Debt ...



Many businesses testify that, despite their very best efforts to chase up payment from non-paying or slow to pay clients, bad debts are a reality. When a business offers credit to its customers it is almost inevitable that some customers will allow their accounts to remain unpaid past their due date. However, businesses do not have to passively sit back and accept this; in contrast to ignoring the problem, a business needs to be proactive in chasing up the debt.

This may sound simple enough but many organisations are quite confused about how to set about collecting debt and the need to take action in a timely and thorough way. It is crucial to be prompt in responding to a customer's failure to pay. Statistics show that a business is most likely to receive payment if the customer is immediately contacted after the due date for payment has passed.

If your business is serious about reducing and ideally eliminating bad debts, it is useful to know about the best ways of collecting debt.

1: Using internal resources to seek settlement of debt

Some businesses choose to try to use internal resources to collect monies that it is owed. The best approach to use in this circumstance is to call the debtor and speak with them about the issue in a firm and polite manner. It is imperative that details of each phone call are recorded, including: the time, date and outcomes of the phone call. This information may be important to have later on.

Some businesses also have some success in sending a letter outlining the situation, demanding payment and specifying the actions that will be taken if payment is not finalised by a particular date. However, the greatest conversion rate from letters sent to debtors results when the letter is prepared and sent by a [debt collection associates](#).

2: Engage a [debt recovery associates](#)

Ultimately, the appointment of a specialist debt recovery service to follow up with debtors and chase payment on behalf of your business, is usually the most effective course of action and offers excellent value for money. Too often, businesses waste precious time and resources that they cannot actually spare on chasing up outstanding monies. Not only is this work not the best use of valuable resources, it is often ineffective as your workforce may not have the skills and/or time required to successfully chase up debts and finalise payment.

Most debt collection agencies do not require the organisations they contract with to pay until a debt is collected. Effectively, this means that the debt collection agency works industriously to recover and recoup debts and works innovatively to ensure that customers pay – if they do not pay, the agency is not paid.

Working with a debt collection service typically yields better results because the specialist service has the skills, knowledge and experience required as well as unique professional resources that assist it in its fundamental task of working with debtors to have them pay the monies they owe.

It is also quite often the case that funds are so hard to recover because debtors go ‘missing’. Of course, this poses a significant problem for individual businesses trying to recover funds but debt collection agencies are able to use all of their professional resources (including skip tracing services) to find debtors who are difficult to locate.

When you do work with a debt recovery service, you can feel confident that strategies will not be used to intimidate or bully your customers. Such an approach is no longer legal or acceptable. The benefit of using a debt collection agency is that they will exercise complete professionalism in the way that they go about recovering funds on your behalf.

Trying to collect debt is not always an easy or uncomplicated process. While some businesses do choose to collect debt in-house, those that experience more success work with debt recovery services and enjoy the professionalism and specialised resources of these services as they set about recouping the debts owed to your business.

Professional Debt Recovery for you ...contact

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