

The most effective debt collecting email I ever wrote

Written by: Andy Clarke

Running a small business means that I divide my time between the things that I love doing (project planning, designing and dealing with people) and the things that I don't enjoy so much (business planning, accounting and dealing with (some) people).

Along the way, one of the facets of business that I've had to learn is how to handle those very rare occasions when people seem reluctant to pay promptly. Oddly late payers are rarely those who owe thousands, but instead owe very little for tasks that take only a few short minutes or hours to complete.

If you're unlucky, what at first might seem like a slice of bread and butter, can become a long and drawn-out series of repeat invoices and statements, phone calls, emails or reminder letters. You might, in the end, spend more time chasing payment than you spent on the task. With every email or phone call that goes by, your profit diminishes.

To me, late payment is rarely an issue about money and more about a lack of respect. This is particularly true if you are unfortunate to work with people who expect you to respond quickly to service their needs, but don't apply the same standards to yours.

Several weeks ago, my debtors sheet listed three customers with invoices that were outstanding over sixty and, in one case, ninety days. I thought about how best to handle this potentially awkward situation? Should I stick to the conventional path of statements and reminders that would drain my time and energy and divert my attention?

I chose to abandon a stiff business approach and instead write one email, carefully worded to express how I personally felt. After-all, business may be business, but people work with people.

Hi [..],

A quick note to say that I am really disappointed that you have still not paid me the [..] that I'm owed for the work I did for you. In the grand scheme of things, it's not a lot of money, but actually I think that this is more a matter of respect.

I have always been there at the drop of a hat to sort out any problems you might have. I love working with you and have always taken our relationship as more than just client/supplier. But if I can't rely on you paying promptly or it takes several attempts and reminders to get my money, that's not good business.

I'm not saying that I don't want to work with you, I do. But if I don't receive what I am owed within the next couple of days, I will have to think twice about helping you in the future.



Kind regards

Andy Clarke

This proved to be the most effective debt collecting email I have ever written. Every client settled their account within two days, while two telephoned to apologize within minutes of receiving my email.

This exercise taught me that even the trickiest situations can be handled better and resolved faster by plain, honest speaking.

