



## Get Paid Like Jesse James by Aaron Crowley

Jesse James, the famous founder of West Coast Choppers, and host of the wildly popular T.V. show *Monster Garage*, has tattoos...a lot of tattoos. But one in particular bears mentioning because it relates to the subject of this article.

The tattoo in question is on the palm of his right hand and it says plainly what many fabrication shop owners think privately. It is a big green dollar sign with the words "Pay Up" above it and "Sucker" below.



"Pay Up Sucker".

There isn't a business owner alive who hasn't had to bite his lip to keep from saying that, *and more*, to a customer who decided to delay indefinitely the final payment for the work that was completed.

The business that waits until the work is performed to explain its payment policy is the business that is set up for certain frustration with certain customers.

By developing and implementing a collection system, the awkward and frustrating situation of trying to collect payment from an unresponsive customer while maintaining a positive working relationship with them is greatly reduced.

The first step in developing the system is to create a letter on company letterhead that clearly states the company's payment policy. This is a separate document from the contract, which might also contain the company's payment terms, and should be signed at the same time. The letter should dictate the point at which deposits and final payment are due, late payment penalties, and the action that will be taken if payment is not received.

Next, determine what steps will be taken to respectfully remind the customer of the payment terms and to inform them if their final payment is overdue. Will they be called? Will a reminder be mailed, emailed or faxed? A pleasant phone call to the customer inquiring as to when final payment might be expected is often all it takes to get them to make their final payment if they've signed the payment policy letter.

It is necessary to assign this responsibility to someone in the business with clear directives as to when and how many times they are to contact the customer. Additionally, the script for the phone call or the text for the letter to be sent must be provided to ensure the proper tone is communicated.

If these friendly reminders go unheeded, a final collections letter should be sent. The timing for sending this letter should be determined in advance. Will it be sent after two reminders? Three? The letter respectfully informs the customer that if payment is not received by the date agreed upon when the contract was signed, formal action will be taken in the effort to collect. Formal action could be a collections agency, a lien against the customer's home, or a letter from an attorney.

With a collection system in place, late payments and the need to take formal action to collect them is greatly reduced, as is the need for the painful prick of a tattoo needle on your palm.