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LAW FIRM, P.C.

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SAVE THIS DATE!

MARCH	8	9	10	11	12
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*Bernstein
Teleseminar 10'clock*

CLIENT ADVISORY

“Collecting Counts”: A Teleseminar You Can’t Afford to Miss.

*Sign up today for a free one-hour audio/Internet presentation
to be held on Thursday, March 10, 2005.*

Are you having trouble collecting the money your customers owe you for services rendered? If your answer is a rueful *yes*—or even an angry one—you’re not alone. It’s amazing how common this problem is for businesses of all types. That’s why I wanted to make you aware of a free teleseminar I am holding to help you address this critical issue.

“Collecting Counts” will be held on Thursday, March 10, from 1 p.m. until 2 p.m., EST and will feature Bob Bernstein from Bernstein Law Firm and Bob Tharnish from ABC/Amega, Inc. Participants will learn how to grow revenues by implementing techniques—ranging from very simple to more complex—that increase the likelihood of collecting from delinquent and/or nonpaying clients and customers.

Here are just a few examples of what you will learn:

- **Don’t emphasize sales so strongly that you neglect “The Three Cs.”** If you salivate over the prospect of making a sale—any sale—you’re setting yourself up for a serious collections problem. Many such problems could have been nipped in the bud early on in the sales process if the business owner had only kept “**The Three Cs of Credit**” firmly in mind. What are “The Three Cs”? **Character** (how a person has handled past debt obligations), **Capacity** (how much debt a borrower can comfortably handle), and **Capital** (the current assets of the borrower). Just remember that you haven’t truly made a sale until the customer has paid up . . . and keep that in mind as you design your risk assessment protocol and go about your daily business.
- **Make sure your invoices are accurate, timely, and payable.** Sometimes simple tweaks to your billing system can bring about amazing improvements. The February issue of *Fortune Small Business* reported on a company that boosted cash flow merely by changing the color of its invoices from white to blue. Presumably, customers “saw” the blue paper and paid that invoice first. Another tip from the article centered on PPR, a Florida healthcare consulting firm that reported sales of \$33 million last year, up 25 percent from 2003. Its secret? Implementing such non-glamorous techniques as sending a friendly, hand-addressed reminder postcard to any company whose payment was a single day late.

• **Communicate with clients.** According to a study done by REL Consultancy Group in Purchase, NY, as many as one-third of all big corporations pay their invoices late. Clearly, this is not an isolated problem, nor one that occurs only with “undesirable” clients that you’re willing to fire. Consistently late payments may mean that you are billing your clients in a way that meshes poorly with their payment processes. A simple solution may be to ask your clients how they like to receive invoices. Via fax? E-mail? Snail mail? Do they prefer to be billed mid-month or at the end of the month? If a client is *uncharacteristically* late, by all means say something. Early intervention is key.

When you’ve tried everything and the client or customer still won’t pay, you may need to resort to more complex strategies and/or take legal action. That’s what a credit professional helps you achieve when your own methods are not enough. For example:

• **Be aware of debt-collecting protocols.** We all know that there are certain rules and regulations that must be followed when collecting consumer debt. And while you generally don’t need to worry about such strict guidelines with business debts, there are certain protocols that will make your efforts more effective. You should keep careful records (especially if you are communicating by phone). If you have staff that does debt collection, make it a habit to have them take regular notes of all phone conversations at the time the conversations with the debtors are held. If the debtor makes an admission of debt during a phone conversation, and such conversation is habitually documented by you or your collection staff, in writing, it becomes a business record that is evidence in your favor if the case goes to trial.

• **Consider a “workout.”** A “workout” is a negotiated legal arrangement, signed by both creditor and debtor, in which the debtor agrees to continue making payments in exchange for more lenient terms. The closer the debtor is to bankruptcy, the stronger the case for a workout. By contacting your customer at the first sign of trouble to discuss a workout or a refinance, you can avoid the difference between winning (getting paid) or suffering defeat at the hands of a bankruptcy court.

• **Know how to discover assets.** Let’s say that you have just won your court case against your debtor and have obtained a money judgment, which is a court determination that the debtor owes you a specific amount of money as damages. Translating the legal piece of paper that says “judgment” into actual dollars can be the hardest part of all! Therefore, you may need to discover assets of the debtor from which your judgment can be paid, which means finding out even more information than you already know about the debtor’s assets. A law firm specializing in creditors’ rights can help increase the odds of getting back what is legally owed to you.

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If you are interested in participating in our teleseminar, call Tracy Pape, Bernstein Law Firm, at 412-456-8137, or email tpape@bernsteinlaw.com. Tracy will provide the passcodes and other information you'll need to join us.

NOTE: One more bit of news: I have just been appointed a vice president of the Pittsburgh Leasing Association. The PLA is a not-for-profit trade association that provides a forum for equipment leasing professionals in the western Pennsylvania area to exchange information and to attend educational programs in a cooperative social environment.

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Bernstein Law Firm, P.C. is a full service creditors' rights and bankruptcy law firm, providing a comprehensive range of services in all aspects of creditor and bankruptcy representation.

ABC/Amega, Inc. is a professional receivable management company that provides receivable management services in all 50 states and 200 countries worldwide.

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