

Title:

Payment Terms For Your Computer Consultancy

Word Count:

348

Summary:

Payment terms are the one thing that even your best customers will abuse if you let them. For a successful computer consulting business you need to know how to set appropriate payment terms.

Keywords:

Payment terms, Payment-terms

Article Body:

Payment terms are the one thing that even your best customers will abuse if you let them. When you set your payment terms you need to look out for yourself. You don't want to get into the habit of extending credit and giving discounts when they are not warranted. Here are some tips and tricks to get the most mileage out of your payment terms.

Setting Payment Terms

Another term for payment terms is stolen discounts. When you have payment terms like net 30, people assume you're giving them credit. Use net seven or net ten instead.

Avoid saying payment on receipt. How do you know when they receive it? It's very ambiguous.

Always put a specific payment due date on your invoice.

When payments go past due, then you have to deal with the issue of collecting your money. Some tips to use when faced with this situation include:

When a customer is slow at paying, pull your own reigns back and delay their appointments for another week. Typically the invoice clears pretty quickly, especially if there's an emergency.

Pick up the phone, phone calls work better than faxes or letters. You are likely to get the news you want to hear when they have to talk to you.

Even better than phone calls are personal visits.

Don't let late payments get beyond two terms. If they were supposed to pay in 14 days and it is now 28 days, you need to move in quickly to recoup your money.

The Bottom Line on Payment Terms

The best offensive is often a good defensive. When you think about setting your payments terms, make decisions that are in your best interests. Collect money up front whenever possible and do not allow invoices to go long over due. The more credit you extend to your customers the more likely you are to lose. Keep your payment terms tight and get the money you are owed into your bank account quickly.

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