

The SmartFee 30 Days in 30 Days Program

Take control of your debtors once and for all!

Program Steps:

	Accounting Firm	SmartFee
Before you Start	<ol style="list-style-type: none"> 1. Complete your SmartFee Application 2. Complete your SmartFee Portal Application 3. Provide SmartFee with logo and letterhead 4. Identify a project owner 5. Identify an SMS solution 6. Identify a preferred mercantile agent and agree process for submission 	<ol style="list-style-type: none"> 1. Set up SmartFee log-ins 2. Set up SmartFee templates 3. Set up SmartFee portal
Day 1 & 2	<ul style="list-style-type: none"> • Review Debtors and segment <ol style="list-style-type: none"> A. Strategic Clients - existing arrangements in Place B. Good clients - slow payers C. All other • Agree communication templates and approach • Agree standard offer for outstanding debtors - 60 days or 90 days (3 instalment or 4 Instalments) • Agree standard offer for all future invoices - 6 instalment or 10 instalments? • Agree negotiation terms (e.g. discount, disputes) 	<ul style="list-style-type: none"> • Support with communication templates • Update portal to reflect standard offer for future invoices • Complete pre-approval for all invoices over \$10K
Day 3 & 4	<ul style="list-style-type: none"> • Provide list of all invoice clients and details including invoice amount, company name and address details • Prepare invoices - update with new wording • Send invoice, letter, application: emails set as read receipt • Send SMS (consider an SMS notification system) 	<ul style="list-style-type: none"> • Load SmartFee applications • Prepare SmartFee letters
Day 5 - 10	<ul style="list-style-type: none"> • Call clients 	
Day 6 - 10	<ul style="list-style-type: none"> • Daily Performance review (15 minutes). Identify partner follow-up, negotiation tactics, problem clients. 	<ul style="list-style-type: none"> • Participate in daily calls • Provide guidance on addressing objections and queries
Day 11 & 12	<ul style="list-style-type: none"> • Send reminders 	Prioritise review and approval of all submitted applications – approval to be intra-day if received before 2pm. 10am the following day if received after 2pm.
Day 13 - 17	<ul style="list-style-type: none"> • Follow-up calls 	
Day 18	<ul style="list-style-type: none"> • Send final notices – email and SMS 	
Day 24	<ul style="list-style-type: none"> • Send reminder email and SMS - payment due today or sending for collection 	
Day 28	<ul style="list-style-type: none"> • Send next invoices - 7 days terms 	
Day 25	<ul style="list-style-type: none"> • Send for collection and notification emails/sms 	
Day 28	Send monthly invoices	Ongoing support

A Structured Approach to taking control of outstanding debtors

Key steps (explained in detail below):

1. Segment debtors & assign follow-up responsibility
2. Prepare Invoice/Statement – include all payment options
3. Prepare SmartFee application
4. Prepare SmartFee Comparison App letter
5. Prepare Email template / Letter
6. Calendarise follow-up time (consider out of hours)
7. Call – use script

1. Segment Debtors

As a starting point it's important to classify your debtors according to the collection priority and importance to the firm. There's many criteria that can be applied to segmentation. Our experience is that a small number of categories is better than a large number. The goal in segmentation is to create a scalable, manageable, structured approach to chasing the current group of outstanding debtors.

A suggested segmentation is below:

Strategic Clients (A)

These will be the "VIPs" for the firm. Managing outstanding payments for this client segment can be a bit tricky as there's often a long term relationship or an understanding between the client and a partner/principal. These clients should be identified and discussed with the partners. The firm may choose to effectively be the fee funder for this segment however positioning fee funding as an option can be a good approach to get a strategic client "back on track" without upsetting the relationship.

As part of the conversation you might consider positioning along the lines of "We value you as a client and want to ensure that we are able to continue to provide support to your business. We are offering you a 90 day plan to clear your outstanding invoice(s)" (i.e. a SmartFee loan with 4 instalments).

We recommend that the partner call all clients in this segment.

Good clients – want to keep (B)

This group will be the majority of your clients – you may consider a sub segmentation into “must keep” and “prefer to keep”. The distinction here is that the “must keep” clients should be called by the Partner or a senior accountant.

For your good clients we recommend sending them a letter (either email or physical mail) with the standard final notice template.

The key to success with these clients will be your follow-up. We recommend that you call them on the day that you send the email out to your client to confirm they have received and to discuss action.

Note that depending on the number of debtors you may choose to do these in batches e.g. 10 per day. You can utilise your email’s scheduling option to queue up the emails and have them sent out at 7am on the morning that you plan to follow-up. This means that the email will be one of the first your clients sees and should have a better chance of success. It’s worth stating in the email that you will call them today to discuss. You may even decide to set a time to discuss (“I’ll call you today between 10:30 and 11:00 to arrange payment”).

Problem Clients – accept that they may leave or may have already left (C)

This group should receive the least attention in the process. We recommend sending both an email and a physical letter and advising that if the account is not paid within 14 days you will commence a formal collection process. Generally this group of clients will not be followed up with a call however this is ultimately a decision for the firm on how best to approach.

If you have not received any communication from you client or payment after the 14 days the account should be sent to a collection agent.

2. Prepare Invoice / Statement

In all instances you should look at collecting all outstanding monies. We recommend sending a statement of account with all outstanding invoices included. Ensure that the options to pay are clearly stated on the statement (use the “How to pay” document as a guide). The SmartFee application should be for the full amount of the statement. This also makes it an easy option for the client as they will have their entire debt consolidated into instalments.

3. Prepare SmartFee Application

For each client prepare the application – use a term of 4 instalments. This works out as a 90 day plan as instalments are in advance i.e. as soon as the application is approved we will process the first instalment.

This approach also de-risks your debtors as we have received at least ¼ of the outstanding debt which means that in a worst case scenario where the client does not make any further instalments you have effectively received ¼ of the outstanding amount.

Set the first instalment due date for 1 week from the date of the application to allow time for the client to respond and still create a sense of urgency to get the process in place.

In your communication it's Important to highlight that the client can electronically sign the document if they choose. All they need to do is click on the link which is about halfway down the application form. Note that this is only available for single signatory businesses

4. Complete the comparison app calculation and letter for 4 instalments

We have provided you with our comparison app. This is a simple excel tool that you can use to produce a letter on your letterhead for your client which explain SmartFee and includes details on their instalment amount. The letter can be saved as a PDF or printed.

5. Prepare the Template Email / Letter

We have included our communication templates at the end of this document. These can be modified as appropriate to suit your standard communication style.

6. Calendarise follow-up time (consider out of hours)

Prepare a list containing the name of each client, the invoice amount the key contact you are calling, their contact number, date and time planned to call and name of the person responsible for calling. As you make the calls make a note of the agreed payment approach and any additional comments.

Assigning responsibility and sticking to a structured plan is key. Capturing the outcome of each call will help you to tweak your message and approach based on the level of success you have.



7. Letter templates and call script samples:

Initial Letter

Today's Date

First & Surname

Business Name

Address Line 1

Address Line 2

Address Line 3

Dear First Name,

RE: Outstanding Professional Fees

Many of our clients prefer to align the payment of their accounting fees with their cashflow and pay over a series of instalments.

For these clients we have partnered with SmartFee to provide a simple and cost effective fee payment solution. SmartFee will pay your invoice on your behalf and then collect repayments from you over a longer period than our normal credit terms allow – over 6 Instalments **(or whatever term you decide to offer your client)**.

SmartFee is very easy to put in place. . Instalments include a borrowing charge which is disclosed in the Invoice Payment Agreement. There is no application fee and the borrowing charges are tax deductible.

We now look forward to receiving your full payment for fees outstanding or alternatively please return the attached SmartFee Invoice Payment Agreement which will enable you to spread the existing fee payment **over 6 instalments (or whatever term you decide)**.

Yours faithfully

Firm Name

Partner/Director



Final Notice Letter

Today's Date **Or** Email Subject Line: **FINAL NOTICE - Outstanding Account with: Firm Name**

First & Surname

Business Name

Address Line 1

Address Line 2

Address Line 3

Dear Mr First Name Surname,

Re: FINAL NOTICE Invoice # _____ Amount: _____ Due Date: _____

We are writing concerning the amount of **<Insert amount>** which is significantly overdue and, despite numerous requests for payment, remains outstanding.

We expect payment of the full amount on or before **<Insert date>** and are unable to complete any further work for you until your account is cleared.

If this account is not cleared by the specified date it is our policy to forward non-paying accounts to a third-party collection agency with instructions to lodge credit default notices immediately. This may affect your ability to obtain credit in the future.

We recommend that you contact us immediately to arrange payment via direct credit, credit card or through our fee funding partner, SmartFee who provide an instalment payment plan for professional fees for our clients. The documentation for this is enclosed should you prefer to submit an application.

Regards,

Partner/Director

Debtor Calling Script

The below is an example script to help with your conversations with outstanding debtors. This should be used after you have completed your initial debtor clean up and is designed to support follow-up for clients in the 14-30 day overdue bracket:

In any conversation with a client regarding outstanding fees remember:

1. You have done the work and deserve to be paid
2. Keep the conversation positive and friendly
3. Have as many options as possible for payment available (excluding the option of “can I pay later”)
4. Getting payment today and in full is your priority
5. Don't rush the conversation – pause and listen, acknowledge their answers and stay on track
6. Preparation is key – be ready to accept all options for payment on the phone or online and have a prepared SmartFee application available to send to them as well.

If you do wish to offer your client a range of repayment options have the SmartFee comparison app ready so you can advise the client the terms and repayments.



Good morning/good afternoon (clients name); this is (your name) calling from (your firm name).

How are you today?

That's good to hear.

I am calling in regard to your account balance, which is now over our credit terms of ----days.

I'm calling today to get your help to bring your account up to date and discuss the options available for payment.

We do have a number of options for you...

You can either deposit direct to our account or pay by credit card now; OR

We can arrange an instalment plan for you through our fee funding partner, SmartFee and spread the payments over 6 instalments (***or what ever you select as the preferred term***)

Which option would you prefer?

PAUSE HERE –SAY NOTHING AND WAIT FOR THEIR RESPONSE

Direct deposit – That's great, thanks...Our bank details are (give them the details or better yet your deposit ID if you have this set up). Once the payment is completed, please email me a copy of the payment confirmation.

Credit Card – That's great, thanks...can I have your card number please (gather the info you need to process the payment and complete the payment immediately – wait for approval). Bear with me while I process the payment. OK, payments approved, I'll send you a copy of the advice.

SmartFee – That's great, thanks. I'll email the application to you shortly - your monthly instalment will be \$XXX.XX and I've set that to commence on DD/MM. When you get my email you can electronically sign the application or print out and sign and just scan or take a photo and send back. We'll send the application off to SmartFee and they'll contact you to finalise some details.

Thanks for helping me get this sorted out today. Is there anything else we can do for you today?