



Write
Company
Plus

Dr. Kathleen A. Begley
The Write Woman
KBegley@writecompanyplus.com
610-429-1562

How to Get Paid in Business

By Dr. Kathleen Begley, Book Author and Professional Speaker

Note to Readers: *This free e-newsletter, sent only upon request, comes from Dr. Kathleen Begley, owner of Write Company Plus communications training. She writes weekly on topics connected to business and personal success. Dr. Begley recently launched a new blog called "Meanderings." Click onto the website address at the end of this article to read her one-paragraph musings on politics, business, and anything else that strikes her fancy.*

Steven Sierakowski is a terrific periodontist. Richard Mullin is a dependable plumber. Ciccarone family members are outstanding drycleaners. As a customer of these small businessmen in my suburban Philadelphia neighborhood, I vouch for them all. Sierkowski exudes charm as he scrapes your teeth; Mullins returns calls before you have finished dialing; the Ciccarones' Parkway Cleaners pick up and deliver your clothes in rain, sleet, snow, and, I presume, tsunami.

Yet I hate their guts. Why? All three are in professions where they get their money upfront, or close to it. Sierkowski routinely gets paid the very day he roots through your gums in his cheery office; he refuses to wait to be reimbursed by mercurial insurance companies. Richard Mullin obtains his check while he's still in your home and, theoretically, could unseal the patch on your leaky pipe. Remember, I said theoretically; Mullin is far too nice to really do that. Parkway sometimes sends suits and blouses back with little paper tags saying the stain from your last spaghetti or curry feast is unremovable. Yet, like every drycleaner I've ever encountered, the Ciccarones – now in their fourth generation of entrepreneurs -- unabashedly charge full price for telling you, in essence, that you eat like a slob.

The truth is that, as a consumer, I resent the unwillingness of these three businesses to use a billing method permitting me pay whenever I want to. Yet, as an entrepreneur myself, I envy the financial policies commonplace in their industries. Can you say stark raving jealous? As a corporate training consultant, I operate under a different – and much less advantageous-- professional billing standard.

No matter how often I ask for a portion of my fee upfront, no matter how much I request a company credit card for expenses, no matter how loudly I clamor for payment on my invoices, more often than not I get money one month, two months, even three months after I have finished a job. My trainer colleagues report they frequently find themselves in the same perilously-close-to-sinking boat. What can I say other than we all occasionally think of reinventing ourselves as brick layers, window installers or taxi drivers – any field where cash is king, or queen, depending on your gender.

I bring up this topic now because government surveys indicate that millions of recently laid off workers around the United States are thinking about entering the ranks of the self-employed. During the past six months, in fact, more than a dozen associates have asked me for advice on setting up their own businesses. My number-one tip: before hanging out your shingle, nail down a way to get your money sooner rather than later, yesterday rather than tomorrow, before rather than after going bust. The simple truth is that the longer your customers hold onto your hard-earned loot, the more likely you are to go out of business. Slow pays be darned! Ever hear the term "cash-flow problem?" That's what I'm talking about, friends. Some things to consider while in the planning or early stages of your enterprise, whether it's carpentry, marketing, or chiropractic:

Act matter of fact. When asking for money on the spot, make no apology. Set the expectation high right from the get go. In my more naïve years as a customer, I never even thought to



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question entrepreneurs asking to be paid right then, right now. It all sounded so reasonable. My wallet simply jumped out of my purse before I could clasp it shut.

Hire a mouthpiece. Recently, I've noticed that most professionals rarely mention money. But the person in the outer office sure does. If you feel grubby demanding cash, pass the buck to your receptionist. Just hire a gutsy one, like a hospital aide I once met who demanded a check before turning on the television to distract a dying patient's family.

Explain the logic. If you're a landscaper, for instance, you need to buy equipment and supplies before starting any new job. Surely, you might say to your client, reasonable homeowners would never expect you to front-end money for foliage and flowers that will wind up embedded in their yards. The truth is that they would – unless you put your foot down as firmly as your tree roots.

Offer cash discounts. They should be highly motivating whoppers – at least 25 percent, stated in writing. Just make sure that you can make a profit at the lowered rate, which is what you want to receive. If customers are foolish enough to pay late, be firm about adding on what amounts to a penalty.

Ask for debit cards. You'll get your money far faster than with credit cards, which charge you a percentage on every sale. Better yet, take checks that can be verified immediately over the telephone or computer lines. And then laugh all the way to the bank rather than cry all the way to the pawn shop.

Compare situations. As I wait excruciating amounts of time to get paid, I often think about the folks in corporate accounts payable – who are responsible for processing my invoices. How many company employees, I wonder, would take it in stride if just one weekly paycheck were late? The parallel may be worth mentioning. If that tale of woe fails to work, try the one about your mortgage company refusing to wait until you get your money.

Consider exceptions. Sometimes, refusing to bend your policies can backfire. A case in point: For about 10 years, I frequented an area retailer three or four times a week, paying between \$10 and \$20 cash per visit. During that period, I had many pleasant conversations with the shopkeepers about the ups and downs of small business; in fact, we often commiserated and laughed about difficult customers. In 2005, to eliminate so many small receipts and to simplify my record keeping, I asked the owner to start sending me a monthly invoice. Without explanation, he coldly refused. Thinking about my decade-long loyalty, during which time I never even compared prices at dozens of similar stores, I spluttered: "You're kidding – right?" He very gruffly said he was not – case closed. I walked out. And never went back.

Dr. Kathleen Begley has written seven books and gives corporate seminars on topics such as writing persuasively, presenting confidently, and managing positively. You can call her at 610-429-1562 or e-mail her at KBegley@writecompanyplus.com. Her new blog "Offline" is available by clicking the icon on the lower right of her homepage at www.writecompanyplus.com. She responds to everybody.