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Topics for Discussion

1. What does the 2023 economy look like?
2. What are some companies doing differently today?
3. What about real estate across North Carolina?
4. Follow up Tips

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A Few Observations on Real Estate in NC

1. Available housing inventory is dropping.
2. Some say the housing market is settling down.
3. Mortgage rates have more than doubled since 2021.
4. Active listings with MLS has doubled.
5. The number of showings per house are down from 2022.
6. Prices in the NC metro areas are expected to maintain current level.
7. Seems to still be a sellers market in NC.
8. Some large national builders have backed off from new projects.

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Observations From a Few Businesses in NC

1. A supplier of cabinets sees confirmed orders for 2024 as significantly lower than the last few years.
2. Another supplier sees cash flow for customers slowing. They are monitoring A/R with greater scrutiny.
3. Orders for another company has slowed and they are opening up for new customers.
4. Claim of Lien claims seem to be increasing.


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A Few Statistics to Consider:

1. Bankruptcy filings (nationwide) had a 6% increase from 2021 to 2022.
2. A slowing U.S. economy
3. The cost to borrow money has increased.
4. Monetary tightening by banks.
5. Impact of inflation.
6. Global economy issues.


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Proactive Follow Up

1. Make sure your customer knows and understands your terms for credit: due dates, payment schedules, etc.
2. Send accurate invoices promptly.
3. Review aging reports routinely.
4. Act quickly on late invoices (calls, emails, texts, letters, etc.)
5. Payment plan
 1. Promissory note
 2. Confession of Judgment
 3. Security?


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Proactive Follow Up

6. Make sure to follow your collections timeline and due dates. What happens at 30 days, 60 and 90 days?
7. Often times short term follow ups (email, phone call, etc) is helpful to keep slow paying customers on task.
8. Ask the customer what is going on with their cashflow. Why the slowdown in payment.
9. Avoid operating out of fear. Be prepared.
10. Use your resources.


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Additional Tips:

1. Avoid Deceptive Texts, Emails or Communications
 1. Be truthful
 2. Be careful what you say or write
2. Identify Yourself Truthfully
 1. Hi, I am (Your Name), (Your Title) with (Your Company Name). I am calling about...
 2. If leaving a message, avoid leaving great detail about the debt
3. Do Not Reveal Debt Information to Third Parties
4. Do Not Threaten Criminal Prosecution with Civil Gain... What does this mean?


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Additional Tips:


5. Contact Your Customer As Soon As The Account Is Past Due.
-The longer you wait the longer it may take to collect.
6. Stick to the Facts/Details.
-Avoid emotional conversations with the customer.
-This is business, not personal.
7. Make sure It is Easy For Your Customer To Make Payments
8. Follow Up With The Customer When Promised Payments Are Not Made.

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Sample Calls

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Sample Call:

Hello (Customer's Name), this is (Your Name) with (Your Company Name). I am calling you regarding your account. Our records show that invoices #, # and # are past due. The total past due is \$...

When can we expect payment of the past due amounts?

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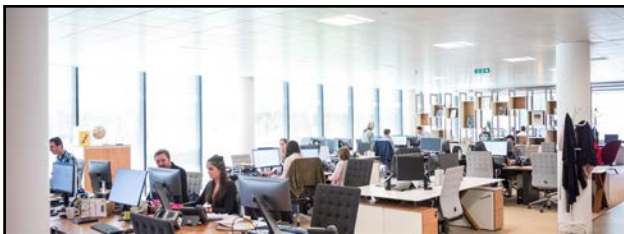


Sample Call: Other Phrases that Might Help:

As you know, our terms are next 30 and we want to make sure your account is current so you can have full purchasing power through your credit account.


We look forward to your promised payment in the amount of \$... On or before... (date).

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How to Contact Your Commercial Customer


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Tips for Collection Calls

1. Be prepared for the specific and general excuses.
 1. The check is in the mail. (ask for check number, amount, date written and mailed).
 2. I have a cash flow problem right now. (I understand. Can we set up a payment plan arrangement today?)
 3. I have not received the invoice yet. (I understand. No problem. I will email one to you right now while we are on the phone together.)
2. Know the facts of the account.
3. Think positively.


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Tips for Collection Calls

4. Speak with authority and professionally but also know your audience...
5. Call the customer by name.
6. Listen carefully and take notes from the conversation.
7. Get agreement on specifics of payment as much as possible.

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Questions?

If you have any questions or comments, please let us know.

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