

## **Paid in Full**

There is nothing better than knowing that what you have in your possession is paid for and you own it. It is pretty cool when you have the title to a piece of property or car. The vehicle you own sure does feel different when it's paid in full than when the bank actually owns it. We recently paid off our car and it was a great feeling when the Honda representative said: "Congratulations on paying your car off." It's the same with a customer and his or her inventory that they purchase from you. Do you want money sitting on your books or theirs?

As sales people, we must remind ourselves and our customers that the sell is not complete until the item is "paid in full". Just registering the sales total without the collection is a sign of a poor sales person. Whether you are on commission or receive a salary, if the company has not been paid, why should you get paid? Any item that has not been paid for in full to your company is a financial risk.

Now Mike, that's not fair. I worked hard to get the sell. Isn't it the Accounts Receivable Departments responsibility to collect the money from the customer? Sure, they do have some responsibility in this, but did you qualify your customer to ensure they were capable of paying for your product or service? Did you explain to them your policy on payment terms? Was your A.R. Department involved in the terms offered to the customer?

Qualifying the customer is very important. You wouldn't sell a Mercedes Benz to someone that could not afford a bicycle. Look at the mortgage mess. Loans were given to folks to buy homes that should have never been written. The mortgage writer most likely got a big commission for each loan written. And guess what, a few years later, they are out of a job because their company closed up. The customer has been foreclosed on because they could not afford their payments. Great sell eh! They should have qualified them and not made a mess out of everyone's life. Greed will get you only negative results.

What is your company's policy for payment terms? Do you understand them completely? How hard is it for you to explain to your customer the expectations concerning payment? If your gut tells you that something fishy is going on with your customer, your hunch is probably correct. Please have a credit check done on the prospect or customer. Make sure that you are looking out for the best interest of your company, your paycheck, and the customer.

You as the sales representative must take ownership of the entire sales process including the collection of the payments. This will make not only you and your company money, but it will ensure that the customer is working their finances in their best interest. Debt is not the solution to a successful business. Ensuring that what the customer brings in is "paid in full" will help them be less of a risk and much more successful. They'll be there to buy another day, from you of course!

Great Selling!

Mike Popella