



## LNP 263

### How to Collect Your Cash

Don't leave money on the table. You can't collect your cash? This is Pat Iyer with Iyer's Insights. In this podcast I share with you solutions to one of the most pressing problems LNCs face: how to avoid collection issues with attorneys.

If you're in business as a legal nurse consultant, this could happen to you.

- Clients request services for which they cannot pay.
- You provide services, and then struggle to obtain payment.
- Slow payers strangle your cash flow.
- Payment issues poison your relationships with clients.

**It doesn't have to be that way!** The way in which you establish a relationship at the outset of the relationship with an attorney, to a great degree, dictates what will occur in the relationship, and how resolution will come about when there are challenges. This podcast covers some of the aspects that you can control to ensure you and your clients do not end up in a negative situation, as the result of their inability to compensate you for your services. And you get to collect your cash.

#### Know the attorney

Many problems can be averted by **not** dealing with some people or organizations. Be sure to listen to my podcast LNP 149 about my biggest nightmare client and what I learned by dealing with him.

***Just because someone wants to conduct business with you doesn't mean he is a fit to do business with.***

If the attorney admits to having financial challenges during your initial contact, you should consider the *benefits* of doing business with him and the potential *hardship* that such actions may have on your business. If you have had difficulty collecting money from him in the past, be particularly cautious. You should note this in your database so that if the client returns for more services, you will be forewarned.

Weigh the current financial situation the client may have and recognize the possibility that you may have trouble when you work to collect your cash. There may be a collection issue. If it appears that such a situation may arise, install safeguards (i.e. collecting retainers, keeping the client on a shorter payment leash, and promptly act action if payment issues arise).

***Ask yourself if you have the willpower, staying power, and firepower (resources) to chase a debtor.***

### **Establish Rapport with the Attorney**

Once you've evaluated the potential risk of a financial default, if you decide to engage in a business relationship with the client, create a mutual relationship built on trust, respect, and the fact that you need to have funds to keep your business running. Set up the expectation at the outset of the relationship that you expect the client to be a good payer and you will be able to collect your cash.

When you are creating a genuine bond with your client, don't allow the client's financial problems to become yours. Don't act as a bank for your client.

Don't inject empathy into the relationship when the client begins to tell you his or her financial tales of woe. During such times, you're setting up the relationship and how interactions will occur. Set the stage appropriately.

Before we continue with the show, this is Pat Iyer to share with you one of my online trainings that I think will really help you with the financial aspects of your business. It is called **Smart Money Management**.

You know that controlling expenses and keeping good track of your income is vital for your business. Discover what you should be doing from this skilled accountant. Learn simple and easy ways to manage and understand your money so that you can use that information to grow and better manage your business. You won't want to miss this.



In this one-hour online training you will:

1. Discover and choose a simple and easy way to track your money and set budgets

2. Get tips and tricks on understanding your numbers
3. Refine your financial goals and use powerful techniques to achieve them

Order this training at <http://lnc.tips/smartmoney> and use the code Listened to get a 25% discount on this training. Let's get back to our show.

### **Recognize the Attorney's Excuses**

When some clients are on the verge of experiencing financial challenges, they may begin to hoard resources in an attempt to sustain their own livelihood. It's at this point that you must become insistent about receiving payment and put a process in place to monitor future payments. Don't be caught up in rescuing the attorney, with the thought that if you don't, it will hasten the demise of your client's operations and encourage him to pay his bills more quickly.

***Turn off the hook that enables you as a nurse to feel sorry for people and rescue them.***

Note body language (nonverbal communication). By possessing the ability to read body language and listen to the nuances of speech, in person and over the phone, you can gain insight into thoughts that clients may not verbally disclose. This insight will allow you to have a better glimpse into the real situation with which they may be dealing.

### **Use Negotiation Strategies to Collect Your Cash**

Numerous negotiation strategies can be employed to counter other strategies that a client might present. The more strategies you're aware of and use in the appropriate situations, the better positioned you'll be to thwart the efforts of a client who may have funds but wish to apply them for other purposes.

Identify points where can apply leverage to collect your cash. As you progress in the relationship with your client, be attuned to opportunities where you may be able to apply points of pressure, should a lack of payment make such actions necessary.

When possible, withhold delivery of services until they are paid for – in advance. For example, don't turn over a report until the invoice is paid in full. Ask for a

retainer for your services and work until the retainer is 75% depleted before asking for another retainer in order to continue to provide services.

Be particularly sensitive to the client's deadlines to provide information based on your services, as these occurrences often supply leverage opportunities. Have a policy in place that allows you to apply interest to unpaid invoices.

Use the assessment of interest as a negotiating tactic: "If you pay this bill in full by the end of this month, I will not apply any more interest."

Offer a promotion whereby you give the client a payback bonus (rebate) at the end of a specified period if the client pays the invoice, in the manner specified by the agreement. (This becomes a cost of doing business, which means it's a cost incorporated in your overall pricing).

Be careful how this is structured. For example, offering a 5% discount for quick payment of a bill may result in a client subtracting the discount from the check, but not submitting the payment within the time frame needed to earn it.

### **Client relations can be strained when payments become contested and you cannot collect your cash**

When the attorney complains about your services, this leads to bad blood between you and him, which could cause your business to incur financial hardships. In order to avoid such situations, choose your clients the way you'd choose your friends. If a client who was previously a prompt payer does not pay a bill, consider this as a danger sign that something is wrong.

Has the client run into cash flow issues? Is the client unhappy with the services? Plus, always keep in mind that a certain amount of business will go bad.

The better you manage the potential for bad clients, the more enhanced your bottom line will be. Offer payment plans that are acceptable to both you and the client, for example. Giving the client some flexibility may strengthen your relationship and result in loyalty to you and your business.

### **Tips for Collecting Your Cash**

- Learn to strike a balance between disagreeing and being disagreeable. Try never to create a situation that becomes unmanageable, due to slow or non-payment. Maintain an attitude that conveys the belief that your client will do his best to complete payments on time.
- Engage the client as a friend, while maintaining the integrity of the business relationship. If a point occurs when you must discuss a payment situation, personalize yourself and speak from the financial discomfort that such an occurrence will have on you and your business.
- In considering with whom you'll do business, think about the potential future ramifications of engaging in a business relationship with any entity. In some cases, there may be stop signs at the outset. Notice them, act on them, and avoid getting burned twice.

Be sure to get your copy of **Smart Money Management**, our online training designed to make sure you are aware of the most effective strategies for managing your business's money. Order this training at <http://lnc.tips/smartmoney>. Use the code Listened to get a 25% discount on this training.

Check out the webinars, teleseminars, courses and books at [legalnursebusiness.com](http://legalnursebusiness.com). Expand your LNC skills with our resources.

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Invest in the monthly webinars at [LNCEU.com](http://LNCEU.com) for 2 webinars each month designed to deepen your knowledge and skills.