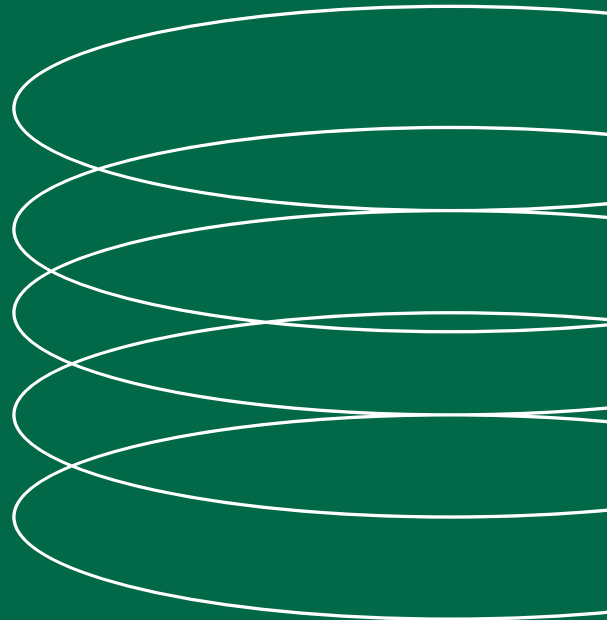**ÉQUISETTLE**

10 Proven Tactics to Get Paid Faster

A STEP-BY-STEP GUIDE

Starting a new new business? Find out where to begin and how to achieve success.

Are you tired of spending your weekends **chasing** invoices?

If you're a finance director or business owner, you're likely all too familiar with this scenario: It's Friday evening, you're trying to wrap up the week, but instead of heading home, you're on the phone chasing late payments. Your spreadsheets are a mess, your cash flow is unpredictable, and you're losing valuable time that should be spent growing your business.

You're not alone. UK SMEs are currently owed £23.4 billion in late payments, with the average business waiting 71 days beyond agreed terms to get paid. This isn't just an inconvenience—it's a business-critical issue that causes 50,000+ small businesses to close each year.

Why This Guide Matters
The traditional approach to collections—manual phone calls, email reminders, and endless spreadsheet tracking—simply doesn't scale in today's business environment. While your competitors are still stuck in this reactive cycle, smart businesses are transforming their entire approach to accounts receivable.

This guide contains 10 proven tactics that leading companies use to get paid faster, reduce DSO, and maintain strong customer relationships throughout the collections process. These aren't theoretical concepts—they're practical strategies backed by real case studies and measurable results
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What You'll Learn
- Electronic invoicing systems that reduce DSO by 3-10 days
- Automated correspondence frameworks that save 15+ hours per week
- Intelligent prioritisation systems that focus your team on the accounts that matter most
- Digital collaboration platforms that reduce invoice-to-payment cycles by 45-60%
- Advanced dispute management that turns problems into recovered revenue

CHAPTER N.1

The Cash Flow Challenge

EQUISETTLE

WHY EFFICIENT COLLECTIONS MATTER MORE THAN EVER

The numbers tell a sobering story for UK businesses:

- £23.4 billion – Amount UK SMEs are owed in late payments
- 62% – Percentage of UK small businesses that have experienced late payments
- 71 days – Average time businesses wait beyond agreed terms
- 50,000+ – Small businesses that close each year due to late payment issues

FACT: An American Express study reveals that 46% of businesses experienced a cash flow crunch in the last year, with poor cash flow management being the primary reason 82% of businesses fail, not poor products or services.

2. THE RIPPLE EFFECTS OF LATE PAYMENTS.

When customers don't pay on time, the consequences go far beyond your bank balance:

IMMEDIATE IMPACTS

- Inability to pay suppliers on time, damaging your own reputation
- Forced to take on expensive short-term financing
- Stress and time wasted chasing payments
- Staff salaries and operational costs at risk

LONG-TERM DAMAGE

- Growth plans postponed or cancelled
- Investment opportunities missed
- Innovation stifled
- Business sustainability threatened

CHAPTER N.2

Electronic Invoicing and Payment Systems

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The Digital Invoice Revolution

How often have your collectors called customers only to hear "we never received the invoice"? Studies show companies can reduce Days Sales Outstanding (DSO) by 3-10 days with electronic invoicing.

Reckitt Benckiser, the leading consumer goods manufacturer, had an expensive paper-based invoicing process as SMBs depended on paper while large customers used EDI. By implementing a digital portal, they reduced electronic invoicing costs by 98% and significantly improved payment times.

A UK FMCG business implementing electronic invoicing reduced its DSO from 45 to 38 days and saved £180,000 annually in processing costs.

IMPLEMENTING A CUSTOMER PAYMENT PORTAL

Essential capabilities:
- ✓ Self-service invoice retrieval for customers
- ✓ Multiple payment options (ACH/BACS, credit cards)
- ✓ PCI-DSS compliance for secure card processing
- ✓ Lower card acceptance costs through Level III data
- ✓ Functionality for customers to log disputes
- ✓ Option for automated print/mail for customers who still require paper

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Beyond Manual Collection Calls

Collections analysts are often assigned too many accounts to effectively manage through individual calls. This leads to coverage gaps, with particularly small and medium-sized businesses falling through the cracks despite representing a significant portion of receivables.

Key challenges in traditional dunning:
- ✓ Limited account coverage due to time constraints
- ✓ Focus on the largest accounts only
- ✓ Inconsistent follow-up
- ✓ Reactive rather than proactive communication
- ✓ Too much time spent preparing for calls

IMPLEMENTING STRATEGIC CORRESPONDENCE

Instead of relying solely on phone calls, establish tiered, automated communication sequences based on customer segments and risk profiles:

Automated correspondence framework:
- ✓ Proactive payment reminders 7 days before due date
- ✓ Gentle reminder on due date
- ✓ First follow-up 3 days past due (email)
- ✓ Second follow-up 7 days past due (email + phone)
- ✓ Escalation notification 15 days past due
- ✓ Final notice 30 days past due

Key automation features:
- ✓ Segment-specific email templates
- ✓ Mass correspondence capabilities
- ✓ Automatic scheduling based on payment terms
- ✓ Tracking of email opens and responses
- ✓ Calendar integration for call scheduling

SUCCESS STORY: Dr Pepper Snapple improved collector productivity by 40% by adopting correspondence automation and reduced the number of accounts in a collector's worklist by 88%.

CHAPTER N.3

Customer Data Management

ÉQUISETTLE

The Hidden Cost of Poor Customer Data

Inaccurate customer data is one of the most underrated yet significant reasons why payments get delayed. Since customer master data is used across sales, accounts receivable, credit and collections, ensuring it remains current is crucial to preventing late payments.
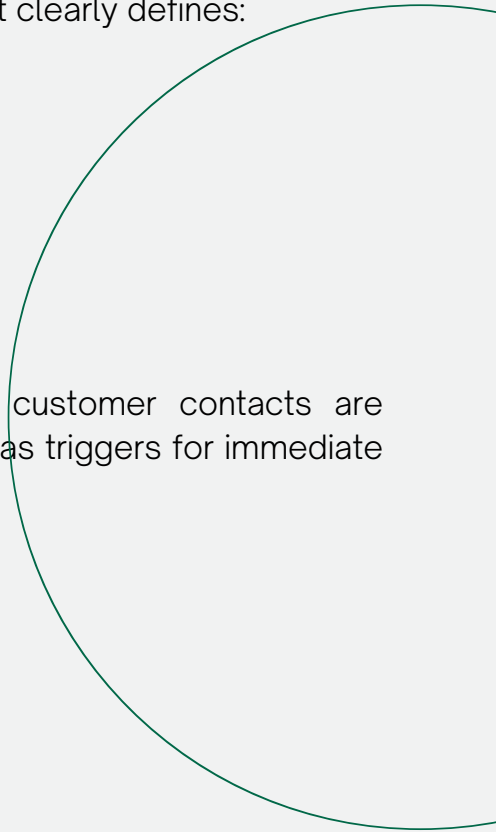
TOP MASTER DATA CHALLENGES:

- ✓ Staff changes in customer A/P teams invalidating contact information
- ✓ Mergers and acquisitions leading to consolidated finance functions
- ✓ Establishment of shared service centres changing payment processes
- ✓ Address and communication detail changes

IMPLEMENTING DATA GOVERNANCE

The first step is establishing a master data governance policy that clearly defines:
- ✓ Elements and structure definition for customer master data
- ✓ Process for creating new customer records
- ✓ Protocols for maintaining data accuracy
- ✓ Clear ownership and accountability
- ✓ Access and usage policies

Implement quarterly data verification processes where key customer contacts are confirmed. Use bounce-back emails and failed communications as triggers for immediate data verification.

Strategic Collections Prioritisation

The Science of Intelligent Worklists

Collections analysts typically spend up to 30% of their time deciding who to contact each day. This is valuable time that could be spent actually collecting payments. Most companies assign hundreds or even thousands of accounts per collections analyst.
Why traditional prioritisation fails:

- ✓ Too many variables to consider manually
- ✓ Focus defaults to largest invoices only
- ✓ Small but collectible accounts get ignored
- ✓ No consideration of payment patterns or risk factors
- ✓ Inconsistent approach across team members

BUILDING AN AUTOMATED PRIORITISATION SYSTEM

Rather than relying solely on due dates and amounts, implement a scoring system based on multiple factors:

Priority scoring elements:
- ✓ Risk category of customer (100 points)
- ✓ Credit limit utilisation over 80% (50 points)
- ✓ Invoices over 15 days past due and previously dunned (30 points)
- ✓ Follow-up actions due today (20 points)
- ✓ Broken payment promises (80 points)
- ✓ Recent dispute resolution (40 points)

With this approach, accounts accumulating more than 150 points would automatically appear in a collector's daily worklist. This enables your team to focus on the accounts most critical to your cash flow and most likely to require intervention.

McKinsey research indicates that 70% of collections calls go to customers who would have paid anyway. Smart prioritisation eliminates wasted effort and focuses resources where they'll make the most impact.

BRIDGING THE A/R-A/P DIVIDE

One of the biggest challenges in the credit-to-cash cycle is supplier-buyer collaboration across credit, billing, collections, payment processing and dispute resolution. Manual collaboration via email makes it difficult to maintain records of past communications and identify problem patterns.

Friction points in traditional processes:

- ✓ Manual invoice delivery and retrieval
- ✓ Payment information sent separately from payments
- ✓ Dispute resolution through email chains
- ✓ Difficulty tracking communication history
- ✓ No visibility into approval status
- ✓ Multiple systems and portals

DIGITAL COLLABORATION SOLUTIONS

Implementing a unified buyer-supplier platform creates streamlined interaction:
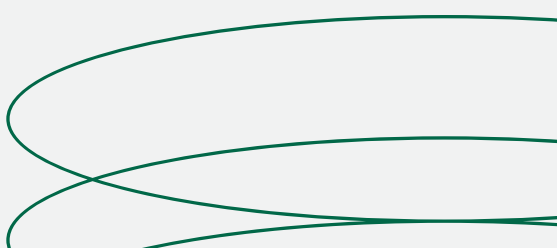
Key platform capabilities:

- ✓ Centralised invoice delivery and access
- ✓ Real-time payment status visibility
- ✓ Integrated dispute management
- ✓ Document storage and retrieval
- ✓ Communication tracking and history
- ✓ Automated reminders and notifications

PROCESS IMPROVEMENTS:

- ✓ Condensing a 10-step process to 2-3 steps
- ✓ Eliminating manual data entry
- ✓ Providing transparency on both sides
- ✓ Creating audit trails for all interactions
- ✓ Enabling self-service for routine inquiries

Digital collaboration typically reduces invoice-to-payment cycles by 45-60% and cuts dispute resolution time in half.

Collaborative platforms are particularly valuable for UK businesses navigating post-Brexit changes in VAT and customs documentation requirements.

CHAPTER N.4

Strategic Collections Prioritisation

ÉQUISETTLE

The Science of Intelligent Worklists

www.equisettle.co.uk

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EVIDENCE-BASED RESULTS: McKinsey research indicates that 70% of collections calls go to customers who would have paid anyway. Smart prioritisation eliminates wasted effort and focuses resources where they'll make the most impact.

Turning Disputes into Revenue

According to Attain Consulting Group, about 90% of deductions are valid, with 60-80% of those related to trade promotions. However, analysts spend equal time investigating both valid and invalid deductions, creating significant inefficiency.

Key deduction management challenges:
- ✓ Initial identification of deductions during cash application
- ✓ Manual coding and categorisation
- ✓ Time-consuming research across multiple systems
- ✓ Back-and-forth communication with customers
- ✓ Difficult access to supporting documentation
- ✓ Lack of visibility into resolution status

USES AUTOMATION TO

- ✓ Identify and code deductions during cash application
- ✓ Auto-validate legitimate promotional deductions
- ✓ Aggregate supporting documentation (claims, PODs)
- ✓ Create workflows based on deduction type
- ✓ Track resolution progress and aging

EMPLOYS ANALYTICS FOR:

- ✓ Pattern recognition in valid/invalid deductions
- ✓ Root cause analysis to prevent future disputes
- ✓ Customer behaviour profiling
- ✓ Performance tracking and reporting

By focusing resources only on invalid deductions, companies typically recover an additional 3-5% of deduction dollars while using fewer resources.

A major beverage manufacturer had a high volume of deductions before leveraging automation. By reducing deductions workload and focusing on root cause analysis, they recovered an additional £1.4 million in invalid deductions and reduced the volume of deductions by 13%.

You now have the blueprint to transform your collections process.

Over the past chapters, we've explored proven tactics that leading businesses use to accelerate cash flow, reduce DSO, and maintain strong customer relationships. From electronic invoicing systems to intelligent dispute management, these strategies represent a fundamental shift from reactive chasing to proactive collections management.

Your Next Steps
The difference between businesses that struggle with cash flow and those that thrive isn't just about the tools they use—it's about their approach. Here's how to move forward:
1. Start with One Tactic
Choose the strategy that addresses your biggest pain point. Whether it's implementing electronic invoicing or building an automated correspondence framework, begin with what will deliver the most immediate impact.
2. Measure and Optimise
Track your results from day one. Monitor key metrics like DSO, collection efficiency, and time saved on manual tasks. Use this data to refine your approach and demonstrate ROI.
3. Build Your Collections Ecosystem
Remember, effective collections isn't about isolated tools—it's about creating an integrated system where every component works together seamlessly.

Ready to see these tactics in action?
ÉquiSettle has helped hundreds of UK businesses implement these exact strategies, transforming their collections processes and accelerating cash flow. Our comprehensive platform goes beyond basic reminders to provide end-to-end case management, intelligent automation, and industry-specific solutions.

Take Action Today
Don't let another month pass managing collections manually. Your competitors are already moving ahead—the question is, will you join them or get left behind?
Book a free demo to see how ÉquiSettle can implement these proven tactics for your business. Experience firsthand how our intelligent automation platform can get you paid faster while maintaining the customer relationships you value.

Get Paid Faster. Let Us Do The Chasing.
www.equisettle.co.uk
www.calendly.com/equisettle

Questions about implementing these strategies? Our collections experts are here to help. Contact us at hello@equisettle.co.uk or visit www.equisettle.co.uk to learn more about transforming your accounts receivable process.