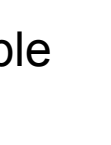


# Effective Debt Collections Call Script



*Let's picture you as a Collections Manager, Samantha, of ABC company. You tend to have an empathetic style of collection. Your objective is to understand what both parties need and reach a result that works for both.*

*Your customer, Mr. Jones, an Accounts Payable Manager of ACME Company, tends to have an aggressive confrontational style. It does not make a lot of friends, but they usually get their way!*



**You:** Hello Mr. Jones, I am Samantha from ABC Corp. Do I have this right that I'm addressing the Accounts Payable Manager for the ACME company?

**Accounts Payable Manager:** Yes, I am the Accounts Payable Manager for ACME company.

**You:** Thank you for confirming. I am calling to understand why ACME's account is past due, resolve outstanding issues, and hopefully collect the past due balances.

Due to Acme's recent payment history, we have been left with no choice but to temporarily hold orders until we get back on track.

**Accounts Payable Manager:** Just slow down with your demands. First of all, I am not aware if any promises for payment have been made by us.

This is also the first I have heard that we are on credit hold. I do know that we have disputes on each invoice.

Before you take any extreme step, have you investigated that the invoices in question are accurate?

Were there damaged goods, or concealed shortages?

I won't agree to pay these "supposedly" past due invoices until all that has been investigated and resolved to our satisfaction.

We have been doing business with ABC in good faith for over 5 years! In fact, until this is fully investigated, we need continued shipments.

You owe us some slack.

**You:** I understand your frustration. But then, there is these facts as I understand them:

Our collector was promised several weeks ago that these invoices would be fully paid. I also see that Acme's payments have been slowing over the last 3 months.

Credit holds don't benefit either of us, but we have made the hard decision to suspend shipments until this is resolved.

We need to review your most recent financials and accounts receivable aged trial balance to better understand how your business is going.

**Accounts Payable Manager:** This is a ridiculous! You need to release the pending orders immediately. I will resend our debit memos with the explanations you need directly to you.

**You:** Thank you for your offer. I am not going to release the product today, but here are 3 steps that can get us there:

First, please resend the debit memos directly to me. I will put someone on the research immediately. We will use any valid credits to offset the past due balance.

Second, before I release the product, we will need to receive payment for whatever the remaining balance is. I suggest a payment via ACH to speed things up.

Third, I will need to speak with your CFO about Acme's financial situation. I will be asking for a complete set of up-to-date financials, and a current aged trial balance for my review.

Here is my commitment.

I will do EVERYTHING I can to speed up things at our end. We will evaluate the situation as quickly as possible, and work with Acme on ways to get back to business as usual.

Unfortunately, if we can't resolve this, we may have to refer the matter to a third-party for collection or legal action. We certainly should be able to work together to avoid that.

**Accounts Payable Manager:** You are being completely unreasonable! It is our policy to never provide our confidential financials to trade collectors. Those things are only available to our secured lender!

If we can get product released today, I am willing to pay half of the due amount by the end of the week. We can arrange to pay the balance over the next 30 days. This should avoid a third-party referral and get us product.

Look, we have a long-standing relationship with ABC. We hope to continue to buy product from you. If this can't be resolved to our satisfaction, we will have to go elsewhere!

**You:** I had hoped we could come to an agreement. I am afraid we are not.

We know that Acme gains considerable profit from sales of our product. As an important supplier, we have every right to demand financials and insight into your accounts receivable trends.

We will not be able to release shipments and go back to business as usual until the requests I have listed are met.

**Accounts Payable Manager:** Yes, we are at an disagreement for sure! I will take this to our owner. I am sure your CEO is going to hear about how we are being treated. Goodbye!

## Follow-up:

- If your customer does not respond within the next 2 weeks, we suggest leaving a voicemail to kindly remind them of the outstanding balance and ask them to get in touch with you when they have a chance.
- If the customer agrees to a payment plan, make sure to document the agreement and send a confirmation email outlining the payment schedule and other details.
- If your customer is open to setting up a payment plan, make sure to document the agreement details summarizing the payment schedule and any other relevant information to ensure both the parties are on the same page.
- If the customer does not make the payment on the agreed-upon date, call back and follow up with an email reminding them of the payment due date and the consequences of not making the payment.
- If the customer still does not make the payment, escalate the matter to the next level, such as sending a demand letter or involving a debt collection agency.

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