With Sample Scripts

# Collectors' Guide

## 5 Common Excuses Every Collector Encounters and How to Handle Them

An insightful summary into how top-performing collectors deal with the most common defaulter excuses and scenarios everyday

highradius
Integrated Receivables

# Executive Summary

Inspite of rapid evolution in the collections process, one thing that has not changed over the decades is – dunning via collection calls. Sure, you might have one-click automated correspondence today, but as collectors, you would still have your share of collection calls as a part of your workload every day.

It is one of the most effective dunning strategies, that adds a personal touch to the customer collaboration, thereby enhancing customer relationship. But like they say, there is no free lunch! Collection call – although a very effective dunning tool – requires more than just asking the customer to pay.

Making collection calls can be awkward, uncomfortable, time-consuming and unproductive. As a collector, you must have had the experience of listening to never-ending excuses given by the defaulters as to why they were unable to pay. In this scenario, what can you do to ensure successful collection calls? Simple, be prepared. Since most of these excuses are common, be ready with prompt responses and multiple options to tactfully deal with typical excuses and scenarios while maintaining healthy customer relationships.

This e-book explains how top-performing collectors deal with the most common excuses and scenarios encountered by them every day at work.

# 5 Most Common Defaulter Excuses
## How to Handle Them

As a thumb rule, always start a collections call by introducing yourself along with your company name and confirm the identity of the receiver. Once this is done, share the relevant invoice details with the customer.

Here is a list of 5 most common defaulter excuses collectors hear every day, along with recommended strategies on how to deal with them:

### 01 "I haven't received your invoice."

**Option 1**

**Resend Invoice Immediately**
Verify the customer's email address. Issue the invoice again while the customer is on the line. Ask the customer to check the junk folder to ensure that your invoices aren't getting blocked. Agree on a due date for payment and follow-up.

**TECH TIP**

**Self-Service Portal to Access All Invoices**
Enable an electronic invoice presentment portal, where all your customers could view and download all relevant invoices at any time.

### 02 "I haven't paid because you've invoiced me incorrectly."

**Option 1**

**Negotiate Payment Plan, Fastrack Dispute Resolution**
Get all the relevant information such as the disputed amount and reason codes, from the customer to create a pre-deduction. Forward the deduction line item to your deductions management team. Ask the customer for a partial payment against for the non-disputed amount. Get an agreement on the payment amount and date.

## 03 “The payment is approved but the signatory is unavailable.”

**Option 1**

**Capture Payment Commitment**
Inquire about the availability of the signatory and when would he/ she be back in office. Get the direct contact information. Inquire about the availability of someone else who could sign the check. Collaborate with that person and get a payment commitment.

**Option 2**

**Leverage Next Order Blockage for Negotiation**
For a critical invoice, leverage next order blockage to create a sense of urgency.

## 04 “I have the invoice but we are facing cash crunch.”

**Option 1**

**Negotiate Payment Plan, Ensure Customer Engagement, Alert Credit Team**
Inquire about the business as to understand the reason behind cash crunch. Make the customer understand that to ensure that their line of credit and next order are unaffected, they need to make some payment. Negotiate a payment plan that includes a partial payment at the earliest. Bargain as you have an upper hand. Add a self-reminder to follow-up with the customer.

Definitely, contact your credit team to do an ad-hoc review and analysis.

## 05 “Payment has been/ will be processed.” (Broken Payment Commitment)

If the payment has been made,

**Option 1**

**Capture Relevant Details, Track Payment**
Get all the relevant details such as check number, payment date and confirm the address it was mailed to from the customer. Contact your cash application team for payment confirmation. If confirmed, notify the customer, else add a self-reminder to look out for the payment and follow-up with the customer.

If the payment has not been made,

**Option 1**

**Negotiate Immediate Action, Remove Payment Roadblocks**
Inquire if the invoice has been received and approved and if yes, if it has been scheduled for payment. Ask if there are any associated claims or disputes with respect to the invoice. Notify the customer that their account could be put on credit hold if the invoice is not resolved. Create a sense of urgency. Suggest ACH payment. Validate your customer’s intentions with some type of immediate payment or action.

**TECH TIP**

**Self-Service Payment Portal**
Enable a payment portal. Ask the customer to you electronically via the portal.

# Sample Scripts
## Excuse #1

Start with the following introduction -

**YOU**: Hello, may I speak to [customer name]? This is [your name] from [company name].
**CUSTOMER**: Hi
**YOU**: Hi [customer name], this is regarding [invoice #] for [$$] due on [date]. I am calling to find out if this invoice has been processed and the check mailed?

Excuse #1 **CUSTOMER:** "I haven't received your invoice."

**YOU**: Thankyou for informing me. Can I please verify the email address I should send the invoice to?
**CUSTOMER**: [email address]
**YOU**: Sure, I will issue the invoice again while I have you on the line. Could you please confirm if you have received it?
**YOU**: [If the customer did not receive the invoice] Could you please check your junk folder to make sure our invoices aren't getting blocked?
**YOU**: [If the customer has received the invoice] Great! Now that you have received the invoice, can we agree on a payment date?
**CUSTOMER**: Okay. I can pay by next Monday.
**YOU**: Thankyou! I will make a note of that in our system and follow up with a reminder email on this Thursday. Have a great day.

# Sample Scripts
## Excuse #2

Excuse #2

**CUSTOMER:** "I haven't paid because you've invoiced me incorrectly."

**YOU**: I am sorry. I did not know there was a problem with the invoice. Can you tell me more about the issue?

**CUSTOMER**: [explains the problem]

**YOU**: [If the customer is unable to share all relevant details, ask specific as well as open-ended questions to get the maximum details] Can you please share the reason code? What is the amount you are disputing for?

**YOU**: Thankyou for sharing all the information. I have forwarded the details to our deductions management team. [Create a pre-deduction & forward to deductions team]

**CUSTOMER**: Okay.

**YOU**: In the meanwhile, can you process the invoice for a partial payment against the amount you are not disputing?

**CUSTOMER**: Yes, I can do that but not before next Monday.

**YOU**: Sure, I will make a note of that in our system and follow-up next week if I haven't seen the payment come through. Have a great day.

# Sample Scripts
## Excuse #3

Excuse #3

**CUSTOMER:** "The payment is approved but the signatory is unavailable."

**YOU**: When would he/ she be back in the office?
**CUSTOMER**: I am not sure.
**YOU**: Can I get his/ her direct contact information?
**CUSTOMER**: I do not have it.
**YOU**: Oh! Well, it would be a great help if you could introduce me to someone else at your company who could sign the check.
**YOU**: [If the customer gives the information, contact that person and get a payment commitment] Thanks for your help! I would contact [name]. Have a great day.
**YOU**: [If the customer says he/ she does not have the information] I understand. But we are in a tight spot here. It is important that we get this resolved as soon as possible in order to avoid your account being placed on credit hold and prevent your next order from getting blocked. [Create a sense of urgency] Can we discuss a payment agreement for next week.[Validate your customer's intentions with some type of immediate payment or action]
**CUSTOMER**: Okay.
**YOU**: [Negotiate the payment plan] Thankyou! I will make a note of that in our system and follow up again. Have a great day.

# Sample Scripts
## Excuse #4

Excuse #4

**CUSTOMER:** "I have the invoice but we are facing cash crunch."

**YOU**: I am sorry to hear that. How is business?
**CUSTOMER**: [explains the cash flow problem]
**YOU**: Thankyou for sharing that with me. I really appreciate your honesty. Cash flow is a constant headache for business these days. Well [customer name], we have had a great business partnership over the years and would love to continue doing business with you. But it is important that you make some payment to ensure that your line of credit and next order are unaffected. I think a payment plan would help us both. What do you think?
**CUSTOMER**: What does that mean?
**YOU**: It means that we agree on partial payments until the invoice is paid in full. That way we can both manage our cash flow better.
**CUSTOMER**: Okay. We could do that.
**YOU**: Explain your suggestion. Get a payment commitment. [Negotiate as you have an upper hand, get some partial payment at the earliest]
**CUSTOMER**: I am okay with that.
**YOU**: Thank you for committing to make those payments. I'm glad we could sort that out together. I'll make a note in our system and follow-up next week. Have a great day.

# Sample Scripts
## Excuse #5

Excuse #5

**CUSTOMER:** "Payment has been/ will be processed." ( Broken P2P )

### If the payment has been made-

**CUSTOMER:** I have already paid for this invoice.
**YOU**: Great! Can you tell me the check number and the payment date? [Get all relevant details]
**CUSTOMER**: [Shares the details]
**YOU**: Thankyou for sharing all that information. I have forwarded all the relevant details to our cash application team. They will look out for the payment and notify once it is received. I have set an alert on our system and will follow-up with you in case we do not receive the payment by next week. Have a great day!

### If the payment has not been made-

**CUSTOMER:** I will be processing the payment soon.
**YOU**: [Inquire if there is an obstacle to the payment] Alright. Can you tell me if the invoice has been received and approved? If yes, has it been scheduled for payment? Are there any claims or disputes you would like to raise? [Let the customer answer before moving to the next question, make note of them] Please let me know if you facing any problem in processing payments for this invoice.
**CUSTOMER:** [Answers the questions]
**YOU**: You have been a great customer so far. But, it is really important that we get this resolved today in order to avoid your account being placed on credit hold and prevent your next order from getting blocked. You really need to help me here.
**CUSTOMER**: I understand
**CUSTOMER**: [Suggest e-payment options] [Validate your customer's intentions with some type of immediate payment or action]

# Role of Technology
## To Improve Collection Calls

Technology has already transformed the collections landscape by enabling the following functionalities:

- Automated Correspondence
- Centralized Data Repository
- Reporting and Analytics
- Integrated Dispute Management
- Prioritized Collections Worklist
- Email Templates
- Centralized Collaboration History
- Cash Flow Projection

Moreover, with trending technologies such as Machine Learning and Artificial Intelligence, collections teams could leverage proactive collections approach to enable faster collections. Advanced features such as invoice-level payment date prediction and segmentation based on dynamic customer behavior enable the collectors to have a microscopic view into customer payment behavior.

## Impact on Collections Calls

AI could potentially transform collection calls by helping the collector with communication, understanding the customer sentiments, determining the probability of customer keeping the payment commitment and differentiating between false excuses and genuine issues.

Here are a few use-cases:

### 1. Conversation Type for Successful Call

AI system could provide insights on the type of communication a customer is more receptive to – short, to-the-point communication versus longer conversations with small-talk.

### 2. Collections Approach Guidance

Managers could leverage AI to figure out which collection approach (aggressive, defensive, consultative, collaborative) works for which type of customers by analyzing a multitude of successful collection calls.

### 3. Customer Satisfaction Alerts

AI could leverage sentiment analysis to advise and alert collectors about customer satisfaction levels while the call is in progress.

### 4. Collector Profiling

AI could advise managers on which collector would be suited best for which customers by understanding individual skillsets and strengths.

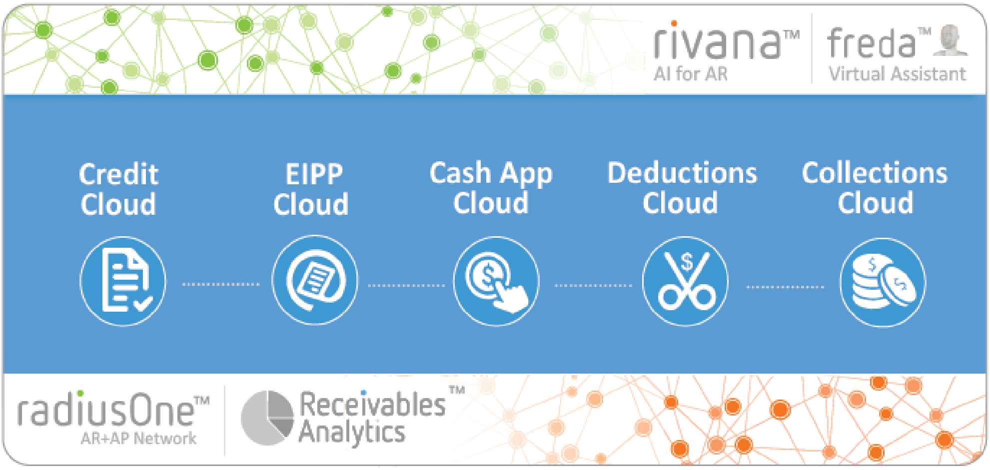
# About HighRadius

HighRadius is a Fintech enterprise Software-as-a-Service (SaaS) company. The HighRadius™ Integrated Receivables platform optimizes cash flow through automation of receivables and payments processes across credit, collections, cash application, deductions, electronic billing and payment processing.

Powered by Rivana™ Artificial Intelligence Engine and Freda™ Virtual Assistant for Credit-to-Cash, HighRadius Integrated Receivables enables teams to leverage machine learning for accurate decision making and future outcomes. The radiusOne™ B2B payment network allows suppliers to digitally connect with buyers, closing the loop from supplier receivable processes to buyer payable processes.

HighRadius solutions have a proven track record of optimizing cash flow, reducing days sales outstanding (DSO) and bad debt, and increasing operational efficiency so that companies may achieve strong ROI in just a few months. To learn more, please visit [www.highradius.com](http://www.highradius.com)

## HighRadius' Integrated Receivables Platform




**Integrated Receivables** optimizes accounts receivable operations by combining all receivable and payment modules into a unified business process. The Integrated Receivables platform provides solutions for credit, collections, deductions, cash application, electronic billing, and payment processing – covering the entire gamut from credit-to-cash.

The HighRadius™ Integrated Receivables platform stands out by enabling every credit and A/R operation to execute real-time from a unified platform with an end goal of lower DSO, reduced bad-debt, and faster dispute resolution while improving efficiency and accuracy for cash application, billing, and payment processing.

HighRadius™ Integrated Receivables leverages Rivana™ Artificial Intelligence for Accounts Receivable to convert receivables faster and more effectively by using machine learning for accurate decision making across both credit and receivable processes. The Integrated Receivables platform also enables suppliers to digitally connect with buyers via the radiusOne™ network, closing the loop from the supplier Accounts Receivable process to the buyer Accounts Payable process.

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