

## Bronto Shield

When you are working at heights, social distancing is not always easy. Bronto Shield is designed for your safety. The design is easy to manufacture and the drawings are free for all Bronto owners and operators. It is fully approved to be used in Bronto access platforms and will endure the standard 12,5m/s wind load.

Scan the code or contact us to learn more.



# WORKING TOGETHER TO KEEP BUSINESSES STRONG

In these difficult times it is more important than ever to communicate with your customers, suppliers, remote workers and others and maintain confidence in your company and brand as well as highlighting plans and strategies.

This may appear challenging when the natural instinct is to 'hunker down' cut everything back and just get through the crisis, often sacrificing long built up reputations. But there are alternatives.

By working together in a constructive manner and understanding each other's concerns and challenges, companies and the industry as a whole can stay strong and in a far better position to bounce back when all this has passed, as it most certainly will.

The Vertikal Press will be here all through the crisis, continually reporting on the industry we love and breathe, continuing to publish the magazines and providing a daily news service via the Vertikal.net web portal. We are also open to all manner of ideas and ways in which we can help support you - our readers and customers.

In times of crisis, creativity, openness and maintaining your presence in the market wins the day. This is when a company's true colours, depth and quality shine through - and the weak are exposed. So, keep in touch. Keep sending your news and continue to work closely with suppliers and partners as well as your customers - they are all important.

We will work with you to make sure you can maintain your profile. If you need help in any area - from finding ways to continue your advertising programmes, to assistance with editorial/news items - we are here to help.

The Vertikal Team, Leigh, Nicole, Keng, Pam, Clare, Mark, Rüdiger, Lee, Alex, Ed, Poppy and our fantastic contractors - Brett, Roland, Anja, Rob and Saul.

# Successful debt collection



When it comes to running a successful business, few things are more important than good cash collection. All too often we hear of rental companies, dealers or even manufacturers having to write off substantial sums when a customer goes bust because they had continued to supply a customer well after they have stopped paying their bills. UK based credit agency and collection company Top Service provides some basic, but often ignored tips.

### Be consistent and robust!

As a business operating in the construction industry, it is important that you get paid what you are owed on time and in full by your customers. Late payments and payment disputes can be costly to your business and have long lasting repercussions.

The construction industry relies heavily on the supply chain and excellent customer relations. Having to deal with overdue invoices, repeated late and non-payments can not only affect immediate cash flow but the opportunity for repeat business and client referral. In the event that an account moves into dispute having the time and right approach to work towards a resolution without damaging customer relations or causing negative impact to your projects can be a never-ending cycle.

### Improve the success rate of your debt collection process

By taking a consistent and robust approach to your business's credit management process you will minimise your risk of late and non-paying customers. Information is key so the more information you can acquire on a potential customer the greater your chances of securing payment on work carried out or supplied. Using a credit application form is the easiest way to ensure relevant and appropriate details of the potential customer are being taken. It does not have to be long winded or lengthy, simply take the basic details you need to open a credit account and protect yourself.

### Minimum credit application information

- Company name AND registration number

- The entity of business if not a limited liability company (Ltd, SA, Sarl, GmbH etc.)
- Names of the key people in the business
- Contact numbers & email addresses

Using a credit application form is one thing but the key to protecting yourself is in the detail and checking the form and information provided for any anomalies is where you will be able to protect yourself the most.

### Check?

- Use a credit reference agency to check you have been approached by a bone fide company.
- Check the directors of the company and see if they have a lot of either active directorships, resignations or insolvent companies.
- Use your credit reference agency to look at the trading history of the business. Have other suppliers experienced non-payment or made enquiries about potential fraudulent applications?

Tip: Where you can, make a physical visit to the customer or potential customer if something doesn't feel right to you.

### Research and monitor company trading history:

We urge our members and the wider construction industry to protect their businesses by actively monitoring trading experiences and acting upon early warning signs. Do not wait for the information to come to you, use an industry specific service that can spot changes in payment patterns resulting in regular, more in-depth and up to date checks being carried out to pick up information quickly.

If you already have a trading history with the business, look at the orders that have previously been placed. Some companies will establish a good line of credit with suppliers, placing small, regular orders to give the appearance of a good customer. However, once an order pattern starts to change, ask questions to establish the reason for the change.



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ACCOUNT ABSTENTION OFF	REPORTED BY AN ACCESS EQUIPMENT HIRE & SALES COMPANY
ACCOUNT TERMINAL OVERDUE	REPORTED BY AN ACCESS EQUIPMENT HIRE & SALES COMPANY
ACCOUNT ABSTENTION OFF	REPORTED BY THE TOP SERVICE HELICOPTER TEAM
NOTICE OF INTENTION TO APPOINT AN ADMINISTRATOR FILED	REPORTED BY THE TOP SERVICE HELICOPTER TEAM
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ACCOUNT 30 DAY OVERDUE	REPORTED BY A HOSE DISTRIBUTOR & FORWARD
ACCOUNT 30 DAY OVERDUE	REPORTED BY A PLUMBER & MACHINERY HIRE & SALES COMPANY
ACCOUNT 30 DAY OVERDUE	REPORTED BY AN ACCESS EQUIPMENT HIRE & SALES COMPANY

**Act early**

It is important to react to new information regarding your debtor. For example, how many other people do they owe, is there a new CCJ (County Court Judgement), has the credit limit dropped? If so, why? This is all information you should react to.

For example, if a new CCJ is registered then you should skip a few steps in your credit control process and get it to a third party as soon as possible. Alternatively, pick up the phone and talk to your customer. It would not be unusual for you to be monitoring the customer so it should come as no surprise to them that you know about the new information.

Do not ignore your gut feelings, noise on the ground or unusual trading patterns with the business. For example, why is the business asking for much more than usual and why are they not answering your call or following up on an email when they normally would? Has there been a sudden change in the way payment is received?

Ideally for the best chance of collection a debt should be no longer than four weeks overdue before passing to a third party. At Top Service we suggest no more than three letters are sent in-house. If they have not responded then they are most likely ignoring you and it will be prudent to refer swiftly into the next stage of your collection process. Act on information early and protect your business from the impact of bad debt.

**Causes of Late Payment:**

A one size fits all approach should be avoided.

Look at your options for collection. Take advice from your collections service provider on the best course of action for you and your customer. A one step approach is not always the most effective. Above all, ensure your credit control team have the tools and support to be able to be pro-active.

**Know your rights**

For commercial debts you can claim interest, compensation and costs of using third party collectors when applying the statutory legislation for late payment.

In the UK, the Late Payment of Commercial Debts (Interest) Act 1998 allows you to claim interest at a rate of eight percent above the base rate and a compensation figure - depending on the value of the debt you are collecting - from £40 to £100 depending on the amount of the debt. If your collection costs are more than the compensation figure you can claim the surplus under the late Payment of Commercial Debts regulations 2013. This is also enshrined in the European Late Payment Directive which provides similar terms throughout the EU.

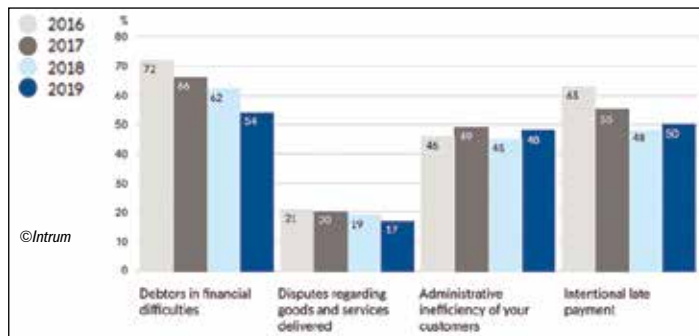


**Summary:**

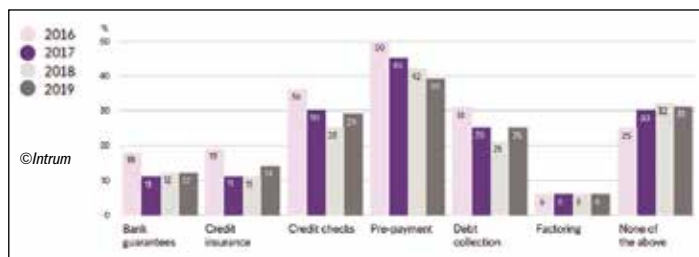
1. Carry out robust and consistent financial processes
2. Information is key. Use a credit application form to ensure relevant and appropriate details of the potential customer are being taken.
3. Monitor company trading history
4. Act early - it is important to react to new information regarding your debtor.
5. A 'one size fits all' approach should be avoided. Look at your options for collection, take advice from your collections service provider.
6. Know your rights when it comes to claiming interest. Whether it is contractual interest or statutory interest, you are entitled to it.

**LEARN THE SIGNS. ACT EARLY!**

**What are the main causes of late payment of your own customers? (European average)**



**What precautions does your company undertake to protect against bad payment? (European average)**



**Percentage of debts written off (2019)**



Top Service is based in the UK and in addition to publishing Companies House information adds the previous experiences of its members which can give a clear picture of immediate cash/payment issues that have yet to show up on in published accounts. It also includes information on non-limited companies and directors. Special rates are available to IPAF and CPA members.

The company can be contracted at [www.top-service.co.uk](http://www.top-service.co.uk)



Charts courtesy of global credit specialist Intrum from its 2019 European Payment Report.