

The REAL Cost of Write-Offs









It is important to understand the costs associated with a write off. It's not as simple as "We wrote off \$50,000 so we just need to make \$50,000 elsewhere."



Consider This

Consider a write off of \$50,000 at a 30% margin. You would have to generate \$166,667 in additional sales to recover that lost profit.



sales to recover



\$50,000

bad debt write-off

The costs can be crippling

\$200,000

sales to recover

If you operate at a 15% margin the additional sales mushrooms to \$333,333.

If you operate at a 25% margin the additional sales mushrooms to \$200,000.

\$50,000 bad debt write-off

sales to recove

\$333,333

\$50,000 bad debt write-of

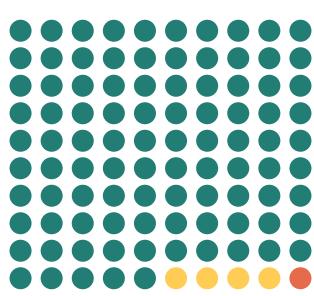
In truth, several large write offs could severely impact cash flow, or worse, force a company to close its doors.



Save with Preliminary Notices

Serving notices regularly, reduces the need to file a mechanics lien or proceed with suit.

Once a mechanic's lien process is in place, and you are regularly serving preliminary notices, it is likely that only 4% of your projects will require you to file a mechanic's lien, and less than 1% of your projects will require you to proceed with suit to enforce your claim.



95%

of the time, serving a preliminary notice will be enough to get you paid

Contact NCS to learn more about securing your receivables!

