

# Know the Signs of Financial Distress

Whether you are a secured or unsecured creditor, slow-paying & non-paying customers are frustrating!

Social cues & non-verbal cues are frequently early warning signs that an invoice (or customer) is going to be an issue.

When people stop communicating, they are sending a clear signal: "I can't pay you. Maybe if I ignore you, you will go away."

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## Status Check!

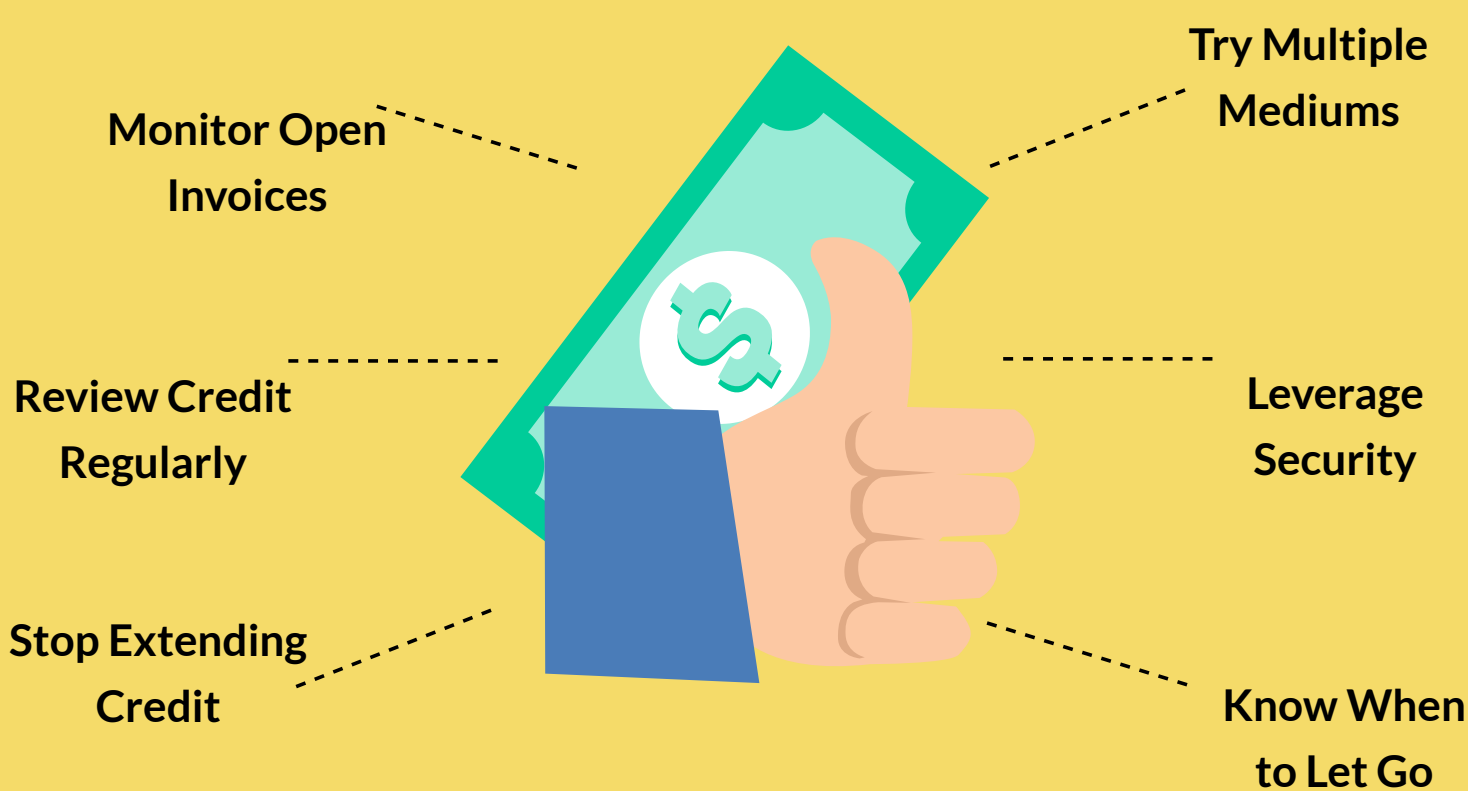
Several small changes could equal a big problem. Here are some early warning signs.

- Increase in Days Beyond Terms
- Pay-When-Paid
- Broken Promises
- Changes in Corporate Status with the Secretary of State
- Undeliverable Mail and/or Email
- Disconnected Phone
- Radio Silence



## What You Can Do

You have likely heard this dozens of times, if not more, but it's critical to start the collection of unpaid monies the moment they become past due. Here are a few steps on how to make the general collection process easier.



Routinely review open invoices & as soon as an invoice is past due, (e.g. if you bill on 30 day terms, day 31) contact your customer to inquire on the invoice.

Use phone calls, emails, demand letters, etc. and make sure you keep track of your communications.

If your customer is past due & unresponsive to your attempts at contact, do not continue to extend credit.

Know when it's time to involve a specialized collection agency. Not only are collection agencies trained, but a third party is sometimes more effective simply because they are a third party.

## File UCCs or Mechanic's Liens? Leverage 'Em!



Mechanic's Liens and UCC filings are two of the greatest fiscal weapons available to the construction credit professional.

Mechanic's Liens and UCC filings, when properly executed and perfected, provide you with leverage.

These remedies put you in the position of a secured creditor and without question, being a secured creditor is the only place to be.

Whatever steps you take, make sure you don't let that receivable age for too long. It is a well known fact, and long studied trend, that the longer an account remains past due the harder it becomes to collect.

**NCS can help!**

**Contact NCS Credit Today!**

800.826.5256 | [SecureYourTomorrow@NCScredit.com](mailto:SecureYourTomorrow@NCScredit.com) | [NCScredit.com](http://NCScredit.com)

Collection Services | UCC Services | Mechanic's Lien & Notice Services | Education & Resources

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