

10

SIGNS YOUR B2B CUSTOMER WON'T PAY

Each time a business grants credit to a customer, it is taking a chance that the debt will not be paid. **Are your customers exhibiting any of the signs below?**

1

Late payments

Is your customer trying to change payment terms or failing to comply with your credit agreement? It's likely that they may be suffering from a volatile cash flow.

2

Questionable credit decisions

Did your customer just land an abnormally large sale with a suspect buyer? Be wary of downstream risk. If your customer is not practicing prudent credit management, its mistakes could become your own.

3

New financial process

Is your customer in the process of securing new financing or changing banks? They may be doing this because their current bank won't lend them additional funds, so it may be wise to treat them with caution.

4

Excuses, excuses, excuses

Non-stop excuses from your customer for not delivering payments are generally a tell-tale sign that trouble is on the way.

5

Increase in credit checks

If your customer is experiencing a constant stream of checks from credit providers it may signify that the company is having trouble paying its current creditors or is desperate for credit to cover cash flow needs or recover from financial losses.

6

Different buying behavior

If the customer starts to purchase erratically after a consistent pattern or increases its purchases dramatically in a short timeframe, you may want to inquire about the reasons behind the behavior change.

7

Reputational Damage

Have you noticed an increase in bad press or public complaints on social media and review sites? If a customer shows signs of skimping on their service and/or products, it could signal trouble.

8

Recurring requests for extensions

Have you been getting unexpected or more frequent requests to extend payment? A one-off extension may be normal but if a new pattern emerges, it may be putting off an inevitable non-payment.

9

Under New Management

Broad-sweeping or unusual changes in management could signal a problem on the horizon. Pay attention to changes that don't seem in line with past history — especially if they bring on a restructuring officer.

10

Not returning calls

No answer? A problem. If a customer won't contact you after repeated attempts to reach them it's time to take action.

The earlier you act, the better.
Contact us today to find out more about how you can avoid problems before they start.



EULER HERMES