

THE OFFICE

DEVOTED TO THE
OFFICE STAFFS OF
BUSINESS
ESTABLISHMENTS

DEBTORS WHO ARE SLOW BUT GOOD.

By J. J. Rutka

EACH individual case usually requires different and separate treatments. We have on our books a few just such accounts, good but slow pay. In most cases we find that writing personal letters from time to time to the head of the firm of such an institution, and setting a definite amount which we want him to send at a stipulated time has the best results. As far as possible a personal interview is desirable. We find people of that kind frequently pay promptly in certain directions, while they let other accounts run along. This is often done, as we have discovered, in this way: A firm will pay the man who presents the best case, before they will pay the man that uses ordinary methods. We have a case of that kind on hand just now. A firm owed us an account. They are good for ten times the amount they owed. They did not pay us, because they claim we did not need the money as badly as some one else whom they owed. A personal interview, however, has resulted in making an arrangement with these people, whereby they have paid us a part immediately, and a stipulated amount every two weeks thereafter, so the amount is paid up, and it was done with the best of feelings on both sides, and they continue to send us their orders daily. We find that by adding interest to overdue accounts frequently helps the case.

We have found that coaxing letters, in most cases, are the best, and next to a personal interview, the most effective. In most cases we have pleaded that we were very hard up, and needed the money, and that has had its effect. We rarely ever find that a demand accompanied by a threat has ever done any good. It may help to collect an account, but it loses you a customer sure. Still there is now and then a case where even a lawsuit has to be resorted to. We have also found that where a customer was good but slow pay that by holding up his orders, and writing him that, until he paid the old bills, his new orders would not be filled, has in some cases a good effect. You see, therefore, that there is no rigid or regular set form which can be followed in a case of that kind.

We have a customer whom we consider good that will never pay a bill until the same is handed to a collector, or a justice of the peace, nor will he buy any goods after the account has been running sixty days until such an action is taken. This man will come to town regularly on receiving a notice from the collector, and pay his bill, and on the same day present the receipt at our office and buy more goods. We have repeatedly told him that we would not sell him goods at as close a price as if he paid in regular time, but it seemed to make little or no difference to him.

In this connection I wish to say that we have some customers who take extraordinarily long time, but are perfectly good, to whom we have written that if they continued to take such extra long time we would have to charge them more for their goods; and in making the invoice we add 5 per cent. to the net amount of the invoice, and write them with the invoice, saying, if paid

in sixty days they can deduct the extra charge; if paid in ten days they can deduct the cash discount in addition to such deduction, but if the account runs more than sixty days the total charge will stand. We have found this method very beneficial in some cases. This method, however, has to be used with caution, as it will not work with everybody.

I find, however, that the coaxing method is perhaps the very best one in ninety-nine cases out of one hundred.

USEFUL AUDITING DEVICE.

IN many large business houses it is now the custom, according to The Bookkeeper, to send out at regular intervals a notice similar to that appended, the object being to compare the ledger balances with those appearing on the books of the customers. It will be noted that a special stamped envelope is enclosed for the reply, which is usually directed to the business address of the accountant who has the audit in charge.

Your debit balances on the books of this Company.....190..is \$..... Kindly compare this with your books, and state below whether it agrees or not. If any difference should exist please state amount of difference and, if possible, the items making same.

This is sent not as a dun, but for the purpose of enabling us to verify our accounts and check up our books correctly. Please reply on form below, and return this sheet in stamped envelope enclosed.

Your credit since above date are as follows:

Gentlemen:
Balance as shown above \$.....is
.....not correct.
.....190..
Signed.....

A SIMPLE SUM IN ARITHMETIC.

SUPPOSE, says World's Work, a big company is organized and issues bonds and stocks on the following basis:

Things capitalized	The percentage of stocks and bonds represented by them
Real value	25
Pure water	50
Promoters' shares	10
Increase over real value because of "flush" times	15

Now, what happens when the fabric of speculation is shaken? The 15 per cent. of "flush-times" valuation fades away; the 10 per cent. of promoters' profit shares are remembered and the public resents such a distribution of them; people begin to ask how much pure water went to the making of the whole organization—they recall everything, in fact, except the real value. The stock, therefore, that is really worth 25 per cent. of its par value, if honest management be assumed, falls far below 25 cents in the market.

This very elementary and simple "sum" in arithmetic, explains many "mysterious" things that have been happening in the stock market. Nothing is so hard to manage as a suspicious public; but whose fault is it that the public became suspicious?

Speculation runs away with industry for a time, but industry gets its revenge at last.