

5 SECRETS

To Winning Your B2B Collections Lawsuit

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NEW

SECRET # 1

“Debt” is No Longer a Dirty Word.

Before you hire a collections attorney and file your lawsuit, you must understand that “debt” is no longer a dirty word. You should never lose sight of this fact.

Like you, my parents instilled in me good moral values. I have always felt an absolute obligation to pay my debts. I know that you also live by this code in your business and personal life. Your word is your bond!

The secret hiding in plain sight, however, is that our society is no longer outraged when people fail and refuse to pay their debts. There isn't even outrage when people purposely lie, evade payment of their debts, and hide their assets to defraud their creditors.

Did you know that making businesses and individuals pay their debts was a founding pillar of the American justice system? Not too long ago, people were jailed for welching on their debts. Not living up to your word in business and in life was a crime!

Fast forward to 2020, the U.S. Government's debt is north of \$23 trillion (with a T!)!!!! Jailing debtors has been outlawed. Owing a debt is common in every facet of our business and personal lives, from homes, cars, college, cell phones, lines of credit, credit cards, store cards, invoice factoring, invoice discounting and providing goods and services on 30–60–day credit terms.

There are a lot of laws protecting debtors. What about creditors? Not so much. Many debtors never intend to voluntarily pay. As an owner, manager or other key member of your business, you must be vigilant in pursuing your company's accounts receivables because society is no longer outraged by debtors dodging their debts.

Why is this secret so important to you recovering the debts owed to your business? Because whenever you read this, it will remind you that you need to empower your business. First and foremost, you do this by focusing on your best customers and not on the anger and resentment you feel when clients refuse to pay you for your valuable goods and services. You do this by implementing strong collections protocols in your business. Never again make excuses for your customers' late and non-payments. [Learn Why So Many Businesses Make Excuses For Their Customers.](#)

Pursue every unpaid account in court. Surrender to the reality that many people will always try to avoid their debts. Focus on expanding your customer base, making your products and services the best, and enjoying your life. Remember, you can remain professional without being soft on your debtors.

Because “debt” is no longer a dirty word in business, it is imperative that you stand up for your business, regain the respect your debtor took from you and pursue customer debts in court. You will not only help your business' bottom line and get rid of the bad emotions that misdirect your energies, you will make a difference in society by reaffirming that paying our debts should be part of every company's moral code.

SECRET # 2

Most Debtors Are Not Scared by Demand Letters and Collection Calls.

Collection agencies promise fast, low cost collections. Many collections attorneys offer a free or low-cost pre-lawsuit demand letter (signed by a lawyer). But the secret these collection agencies and attorneys will not tell you is that most business debtors are not scared by demand letters or calls from collection agencies. Why? Because the customers and clients that would be scared by a demand letter or a collection call are the type of customers that almost always pay their bills on time (or will at least contact you to make payment arrangements).

In my many years of recovering debts for businesses, I have learned that when you give debtors too many chances to pay, you are sending the wrong message. After all, businesses are run by people and people look for weaknesses to exploit. You are telling your bad customers that you are willing to loan them money as if you were a bank, you are not willing to stand up for your business and are unwilling to hold your debtors accountable. You are signaling that you do not have the stomach to sue them and are instead giving them time to abscond. You are like the boy who cried wolf.

Sending your unpaid accounts to a collection agency or attorney to make pre-lawsuit demands gives your debtors a huge advantage. While you are sending endless pre-suit demands to try to save money, these debtors are draining their bank accounts, transferring their assets to third-parties and purposely going out of business to avoid their debts to you. In the long run, your business will lose more money this way than investing a small amount in a robust and consistent collection strategy.

Instead of sending your accounts to a collection agency or an attorney to try to “scare” your customers into paying, first establish hard and fast collection protocols in your business. You can send a series of reminders, past due letters and phone calls (e.g., 7, 15 and 30 days) just as well as a collection agency or attorney. No later than 30 days (or 60, if you extend credit in this manner), you should send a FINAL NOTICE of the unpaid account to your customer and provide no more than ten (10) additional days to receive payment. If no payment is received, it is time to sue your debtor.

SECRET # 3

A Lawsuit Is the Most Effective Way to Recover a Debt.

Now you know the secret that many business debtors are not scared by pre-suit demands and collection agency calls. They are not even scared by a pre-suit demand letter that comes from an attorney. However, I will let you in on another secret----many more business debtors *do* get scared when a sheriff shows up at their door and serves them with a complaint and summons to appear in court. No one likes to get sued. This gets a debtor's attention like nothing else.

In my nearly two decades of experience pursuing business debtors, I have learned that the service of a lawsuit on a debtor is far more successful in obtaining payment than when I send a pre-suit demand letter on a client's behalf. In many ways, a demand letter is an empty threat. Serving a debtor with a lawsuit tells the debtor that you mean business (no pun intended) and are not going to let them slide or "write off" their debt.

You should also be suing your debtor as soon as possible to gain a tactical advantage. By filing a lawsuit, you are telling your debtor that you and your employees demand respect. You are requiring your customers to live up to their word. Your debtors will have less time to try to hide their assets. They will know that you are not going away until they fulfill their end of the bargain.

SECRET # 4

Know Your Debtor Before Filing a Lawsuit.

Before you have your attorney file your lawsuit, you need to work with your attorney to learn as much about your debtor as possible. This will give you the tactical advantage you lose when you send endless pre-suit demands over many months (or even years). At Brad Singer Law, we have developed a "*Case Document Checklist*" that makes it easy for our clients to provide the most important information about a debtor *before* a lawsuit is filed. Providing the documents on our "*Case Document Checklist*" gives me the information needed to assess your case and develop the best strategy for collecting. It allows my team to conduct in-depth research about your debtor and find their weaknesses before they know you are suing them.

Remember, since "debt" is no longer a dirty word, you must try to gain every advantage over your debtor that you can. You do this by keeping excellent records and telling your attorney about your past dealings with your debtors. You gain advantage by providing us with the "*Case Document Checklist*" and attending a conference with me before your lawsuit is filed.

SECRET # 5

Know Why You Are Suing. *(Hint: It's not just about the money).*

Most collection attorneys promise to: “*recover the money your owed*” or “*get you the money you deserve.*” Of course you deserve to be paid for your goods and services! That is obvious and there are many good collections attorneys (and collection agencies) that focus on this to get your business. However, that should not be the only reason you sue your debtors.

The secret no one is telling you is that you should be suing your debtor to empower your business. To regain the respect that your debtor has robbed from you and your staff. To set the example for your employees. To demand honest business dealings. To free yourself from the emotional baggage that comes from getting angry and worrying about unpaid accounts receivables.

A quick story will illustrate the point I am trying to impart to you. I represented an attorney that worked on credit and had multiple unpaid client accounts. My client was so upset at her non-paying clients. She was seething and felt like her clients had disrespected her by not appreciating all the hard work she had devoted to their cases. In placing her accounts with me, she would call me often to find out anything the debtors were saying about her. She was in panic mode and tried to micromanage my collection efforts on behalf of her company.

My client had let her emotions get the best of her and she lost sight of why she hired me in the first place. I sat down with her and explained that getting mad at her clients was not going to get her closer to recovering the debts. I told her that she should be focused on her best paying clients and expanding her services to existing and new clients. For her well-being, she desperately needed to find a way to come to terms with the reality that some clients are simply going to fail or refuse to pay.

I suggested that seeing unpaid debts as part of doing business would allow her to focus her energies on garnering more business from better clients and providing them excellent legal services. I asked her to pledge to herself and her business to temporarily forget about the past due accounts except for when I provided status updates on each claim.

I am glad to report that when she took my advice, she was less angry and anxious. Instead, she was excited each time a check arrived from me with monies recovered from her “deadbeat” clients. By changing her mindset and thinking of recovered debts as a “bonus” to her business, she was living in the present, not the past. She was focused on growing her current business and working for a brighter future. As a result, my client was happier and more productive in her business and personal life.

If you are angry, resentful and anxious about unpaid customer accounts, just know that this wasted energy will not help your business succeed. When you hire the right lawyer, he or she will zealously advocate for you to recover the monies that can be recovered. Armed with this knowledge, you can and should turn your efforts to the future of your business and making it the best it can. This will help you enjoy your life more. At Brad Singer Law, we help you do this.

Request a free consultation by calling [561-571-7140](tel:561-571-7140), emailing Info@bradsingerlaw.com or visiting bradsingerlaw.com.

Bradley A. Singer, Esq. is the Owner and Founder of Brad Singer Law, a national commercial debt and judgment collection law firm based in Boca Raton, Florida. Mr. Singer's firm focuses on the representation of business creditors, collection of unpaid accounts receivable and enforcement of unsatisfied judgments. For more information, visit bradsingerlaw.com.

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