



*Mel Curwood*

BUSINESS AND LIFE ON YOUR TERMS

## CASE STUDY:

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Strengthening Cash  
Flow, Going To The  
Disputes Tribunal -  
And WINNING!

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## Background:

Marine Repair company, co-owned & managed by husband & wife team, provides marine repair services with a mix of commercial and recreational clients.

As a mobile marine service provider, they often faced delayed payments and disputes, impacting their cash flow and overall business operations.

## The Challenge:

Prior to implementing structured processes, this business encountered several financial and operational risks:

- **Delayed Payments:** Customers, especially in the recreational segment, would delay payments, sometimes nitpicking minor issues to withhold full payments.
- **Disputed Invoices:** A customer took them to the Disputes Tribunal in an attempt to reduce a bill, arguing faults that were due to lack of maintenance rather than service quality.
- **Lack of Formalized Terms:** Although customers were given hard copies of terms of trade, many failed to return signed agreements, leaving Peninsula Mobile Marine exposed to potential non-payment.
- **Cash Flow Strain:** The business occasionally found itself covering costs upfront for materials and services, essentially financing its customers without guaranteed payment.

# The Solution:

Working with Mel, these awesome Business Owners implemented the following key changes to mitigate risk and improve financial stability:

## 1. Strengthened Documentation and Paper Trail:

- Ensured that technicians took **detailed notes** and **photographic evidence** at each stage of the job.
- Maintained comprehensive records to protect against disputes.

## 2. Formalizing Terms of Trade and Acceptance Processes:

- Implemented a process where **every job now requires an estimate** before work begins.
- **Digital acceptance wording** was introduced to secure agreement from clients without requiring them to physically return signed documents.
- Terms of trade were incorporated into email communications with a **hyperlinked reference** for easy accessibility and reference.

## 3. Introducing Deposits and Payment Structuring:

- Instituted a **minimum 50% deposit** on larger jobs to avoid out-of-pocket expenses.
- Shifted towards a policy of **cash-on-delivery** for smaller jobs, reducing credit exposure.
- Ensured final invoices were sent **as soon as possible** after job completion to leverage customer goodwill and improve payment turnaround times.

#### 4. Managing Customer Risk More Proactively:

- Identified patterns of problematic customers who consistently delayed or disputed payments.
- Enforced stricter policies on **who they choose to work with**, favoring customers who respect payment terms.
- Considered additional security measures, such as **General Security Agreements (GSA) and Personal Guarantees**, for high-risk clients.

## The Outcome:

- **Successful Tribunal Win:** When taken to the Disputes Tribunal, These guys **won the case** due to its strong documentation and evidence collection process.
- **Improved Cash Flow:** The introduction of deposits and faster invoicing meant the business was no longer financing its customers, leading to more stable operations.
- **Reduced Financial Risk:** The shift towards requiring upfront agreements and estimates reduced disputes and provided clearer expectations for customers.
- **More Confident Business Operations:** Emily and her team now have greater control over their payment terms, making them less vulnerable to bad debtors and financial stress.

# The Emotional and Financial Toll of Disputes:

Our incredible business owners shared that the dispute process was "incredibly stressful and exhausting," stretching out over a year before resolution. "By the time the customer finally paid, we had already covered the cost of that debt five times over on our books," she explained.

The ongoing battle took a mental toll as well. "It was constantly in the back of my mind, gathering all the evidence, second-guessing whether we had done enough. It was a huge weight."

She also emphasized the emotional drain of dealing with an aggressive debtor: "This guy had done this before, almost bragging about how he wins disputes. It was frustrating knowing he had taken advantage of other businesses in the past."

## Understanding Lifestyle Debtors:

One of the key takeaways from this experience was recognizing the patterns of "lifestyle debtors." These individuals fall into two main categories:

- **Disorganized Debtors:** Customers who habitually live beyond their means, constantly needing services they cannot afford and making excuses when it comes time to pay.



- **Predatory Debtors:** Those who intentionally exploit service providers, refusing to pay, challenging invoices, and leveraging disputes as a tactic to avoid full payment. "He knew exactly what he was doing," Emily said of the customer who took them to the Tribunal. "He had a pattern of not paying, and we later found out he had done the same thing to at least eight other tradespeople."

## Key Learnings for Other Business Owners:

- **Documentation is Everything:** Keeping detailed records, technician notes, and photographic evidence is **the difference between winning and losing a dispute.**
- **Cash Flow First:** Businesses should not be acting as banks for their customers—requiring deposits and invoicing immediately after job completion **protects financial health.**
- **Formalize Agreements:** Ensuring clear acceptance of terms—whether via digital acknowledgment, signed estimates, or formal contracts—reduces ambiguity and strengthens legal standing.
- **Be Willing to Lose Problematic Clients:** A customer who won't agree to fair terms or delays payment repeatedly is a **liability, not an asset.**

## Final Thoughts:

Peninsula Mobile Marine's journey underscores the importance of **structured terms, proactive financial management, and strong business boundaries.**

By implementing these changes, Emily and her team have not only secured their income but have also built a more resilient and stress-free business operation.

For businesses facing similar challenges, taking control of payment terms and ensuring clear, documented agreements can **turn cash flow stress into financial confidence.**



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