Mel Curwood

BUSINESS AND LIFE ON YOUR TERMS

CASE STUDY:

Taking Control of Terms and Payments in a Big Business World

Client:

Husband & Wife Team & Owners of a Refrigeration & Air Conditioning Business

The Challenge:

These awesome business owners run a successful refrigeration and air conditioning business, working with a mix of residential, commercial, and corporate clients. While they have built strong relationships with her regular clients, they face two significant challenges:

- **Dealing with Large Corporations That Dictate Terms & Payments**
  - Big brands and manufacturers push strict payment terms, often delaying payments for months.
  - Large companies refuse to fill out necessary paperwork, expecting their business to comply with their internal processes instead.
  - There's a power imbalance—their small business has to absorb the cost of work upfront while waiting on these corporations to process invoices, often for 60-90 days.
  - Even when they completes all required paperwork, large companies use minor technicalities to delay or refuse payment.

- **Finding the Right People to Take Responsibility for Payments**
  - Many jobs are urgent breakdowns, often booked by employees rather than decision-makers.

- After work is completed, invoices are sometimes redirected to another person, department, or entity, leading to confusion and payment delays.
- Clubs, non-profits, and franchise businesses (e.g., RSAs, golf clubs, and Subway stores) don't always have a clear individual responsible for payment.
- In warranty jobs, manufacturers only cover some issues, leaving these guys to chase payment from customers who weren't initially engaged in the process.

The Solution:

1. Setting Clear Boundaries with Large Corporations

Deciding Who to Work With:
They realized that some large clients simply weren't worth the stress, time, or financial risk. They made the strategic decision to walk away from clients who consistently delayed payments, dictated terms, or undervalued their work.

Prepayment and Risk Management:
For large jobs, they now require a 50% upfront payment, ensuring that she isn't funding someone else's business. For smaller urgent breakdowns, they are introducing call-out fees that must be paid on the day.

Rejecting Unfair Terms:
Instead of bending to supplier agreements that offer no flexibility, They are standing firm. If a company refuses to operate under fair and reasonable terms, they simply choose not to work with them.

Pushing Back on Warranty Jobs:
If manufacturers send them out for warranty work but later refuse payment due to exclusions, they ensure the property owner is aware they will be invoiced directly for any non-warranty-covered repairs.

2. Streamlining the Payment Process & Ensuring Accountability

Identifying Who's Paying—Before Doing the Work

- Before scheduling a job, the team now asks: "Who are we invoicing?" and "Are they authorized to approve this work?"
- If the person booking isn't the final payer, Larissa's team confirms details upfront to avoid post-job confusion.

Electronic Acceptance for Quotes & Jobs

- The business has added an 'Accept' button in their quoting software, ensuring that clients actively approve the work and associated terms.
- Terms of trade are now linked directly in acceptance emails, reducing the risk of customers claiming they weren't aware of the terms.

Using Personal Guarantees for Small Businesses

- Recognizing that small businesses, cafes, and hospitality clients can be risky, Larissa has introduced personal guarantees as part of her standard onboarding process.
- New clients must sign a guarantee making the business owner personally responsible for payment, preventing them from walking away from debts.

Customizing Forms for Different Clients

- Larissa now uses two separate onboarding forms: one for residential customers (simple and easy to complete) and one for businesses (including the personal guarantee and account details).
- This reduces pushback while ensuring all necessary protections are in place.

The Outcome:

Greater Financial Control – By requiring deposits, rejecting unreasonable terms, and ensuring clear accountability, Larissa's business no longer operates as a bank for big corporations.

Faster Payments & Less Chasing – Implementing electronic acceptance, pre-quoting agreements, and structured payment terms has drastically reduced the number of overdue invoices.

More Confidence in Saying No – Larissa now confidently turns down clients who don't respect her terms, focusing instead on high-value, reliable customers.

Clearer Roles & Responsibilities – Ensuring the right person signs off on work has reduced disputes and last-minute invoicing confusion.

Key Takeaways for Other Business Owners:

Set Boundaries – Not all clients are worth the stress. If a company doesn't respect your terms, they aren't the right fit.

Confirm the Payer Upfront – Always ask, "Who are we invoicing?" before you begin any work, especially for breakdowns and emergency jobs.

Use Electronic Acceptance – A simple 'Accept' button in quotes and job confirmations removes ambiguity and strengthens your legal position.

Prepayment Reduces Risk – If your job requires expensive materials, a deposit should be non-negotiable. For high-risk clients, consider a minimum call-out fee payable on the day.

Personal Guarantees Protect You – For small business clients, don't just rely on the company name—secure a personal guarantee from the owner.

Big Businesses Can Be Bullies—But You Don't Have to Take It – If a corporation dictates unfair payment terms, ask yourself if the work is worth it. If not, walk away.

Final Thought:

The journey of these amazing business owners shows the power of taking control over how you get paid.

By implementing structured terms, securing upfront payments, and standing firm with big businesses, they have transformed the way they operate—ensuring they get paid, stay paid, and run their business on their own terms.

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