

TRADE TALES | OCT 25, 2019 | 

What do you do when clients won't pay?



By Haley Chouinard

Billing isn't anybody's favorite part of the design process. It's a necessary evil to keep doing what you love. But how do you deal with a client who refuses to pay what's due? We asked five designers—**Phillip Thomas, Gail Davis, Margaret Ash, Jessica Geller and Virginia Toledo**—how they handle clients who get tight-fisted when the invoice goes through.



Phillip Thomas Courtesy of Phillip Thomas

DIAL UP

“It is fundamental to have a strong contract that outlines the way billing is to take place during the project. Set timelines for when bills can be sent prior to installation and indicate that installation or delivery of goods can be affected by not paying on time. Also, make sure that you include a provision for added interest should a bill not be paid within a specific amount of time.

“If that does not work, I find that the best way to get results is a good old-fashioned phone call. While the electronic age has created an environment of decreasing contact between individuals other than by email, a phone call can make a world of difference. People often hide behind their computer screens and hide from emails. Phone calls are a genuine way of getting people's attention. Communication is key.” —Phillip Thomas, Phillip Thomas Inc., New York

DUES AND DON'TS

“If a client goes past due, I immediately stop working. It is in my contract that if an invoice remains unpaid, I will cease all work. And if a second invoice is issued, all invoices must be paid in full before work can recommence. Of course, we want to avoid this at all costs, because if the relationship gets contentious, especially over finances, it can really suffer.” —Gail Davis, *Gail Davis Designs, South Orange, New Jersey*



Gail Davis Courtesy of Gail Davis

GENTLE REMINDERS

“Receiving timely payments is a constant struggle in our business. People are overwhelmingly busy and trying to bring money into their doors, and too often put outgoing payments at the bottom of their ongoing to-do list. We understand this and will send two reminder emails to clients about outstanding bills. If we don't receive payment or a response, we gently remind them that if the balance remains unpaid for more than 60 days, we will cease all work. Thankfully, this rarely happens.”

—Margaret Ash, *Margaret Ash Design, San Francisco and New York*



Margaret Ash Courtesy of
Margaret Ash

CLAUSE AND EFFECT

“We haven't had this issue for a long time, because we now collect a retainer that is large enough to cover at least two months' worth of work, and we apply it to final balances. Our contract states that should a client be late with payment, the retainer will be applied to open invoices and a new retainer will be collected in order to continue work. Since we've added that clause, we haven't had any issues.” —Virginia Toledo and Jessica Geller, *Toledo Geller, Englewood, New Jersey*



Jessica Geller and Virginia Toledo Courtesy
of Toledo Geller