

Life is negotiable and so is your profit

Negotiate billing Terms for profitable Jobs

Specify in your contract how often you will be billing for work completed and when you are to be paid. Consider billing your client weekly or bi-weekly with payment due within 5 days (less when possible). It is important to make sure you have received payment from your client before your accounts payable are due. Use statements as a tool to communicate with your client; you may want to include paid invoices on the statement to avoid reconciliation problems at the end of the job.

Negotiate Accounts Payable terms for profitable Jobs:

Take advantage of all early pay discounts; a discount of 2% per month can compound to approximately 36% per year. This amount could add up quickly with multiple vendors. You can also reduce your costs and increase your profit; the discount you receive from a vendor is profit in your pocket because you will bill the client for the full invoice amount. (You could choose to pass the discount on to your client as an incentive to pay in a timely manner). Negotiate rate and discount date with your vendors. You may be surprised a vendor that offers a 2% discount if paid by the 10th of the following month may still offer the discount and additional days to pay the invoice, or the vendor may be willing to increase the discount rate if paid immediately.

