



## Getting Paid

### The Ins and Outs of Cash Flow

- Master the major tasks of analyzing financial statements, tracking cash conversion periods, deciding when and if to borrow, keeping your working capital at adequate levels, and protecting your bonding capacity.
- Understand the ins and outs of cash flow and learn to project cash flow by department or job.
- Track total cash flow by analyzing backlog, estimating monthly project income, and anticipating cash disbursements.

### Credits and Collections

- Discover the secret of success—always bill on time.
- Learn the key ingredients in credits and collections—knowing proper and effective billing procedures, documenting and supporting your invoices, and handling disputed charges.
- Determine how much overbilling is too much.
- Know how to best handle the collection process.
- Learn to follow up in anticipation of delays.

### The Impact of Change Orders on Cash Flow

- Master the art of dealing with delays, accelerations, additions, deletions, and other changes.
- Learn to recognize a change (and get paid for it).
- Understand how to document and determine the amount of a change order, and how to communicate changes and their costs to clients and personnel.
- Examine change costs, contract terms, and overhead, and the impact they have on scheduling and retention.

### Finishing the Project and Getting Paid

- Learn to gain the owner's acceptance.
- Examine the punch-list process—giving notice, interim versus final, allocating funds to items, establishing escrow accounts, and finishing on time.
- Look at retention and final billing preparation.
- Learn about your options—arbitration or claim.
- Discover how to negotiate using bid documents, meeting minutes, notification copies, request for change orders, cost records, estimates, schedules, and correspondence as evidence.

### Making the Personal Commitment: You're Action Plan

- Summarize key elements of the program and develop your individual action plan to put these techniques into practice.
- Establish measurable goals that translate into long-term success.
- Make commitments that will be implemented over the next 30 days.

# GETTING PAID: CREDIT AND COLLECTION STRATEGIES

An FMI training program for the ironworking industry



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*“High value. Every topic is extremely important in our day-to-day operations.”*

*“Offered the subcontractors view.”*

*“Very helpful. I want more classes.”*

*“Don’t wait until the end of the job to try and negotiate retainage.”*

*“Making checklists for every stage of project.”*

*“Great course.”*

## PROGRAM FOCUS *how to get paid all of your money on time*

In our current economic environment, contractors work tirelessly to get ahead of the curve. Clients’ expectations are high, margins are thin and competition is fierce. Every effort is taken to ensure integrity of schedule, budget, safety and quality. However, at the end of the day, a dollar earned is not necessarily a dollar received. Cash is king. When working on tight margins and schedules, there is little room for error when it comes to feeding the cash cycle. Why not apply the same focus and energy to collecting the monies that are owed to your company as you do to installing and fabricating for which you bill?

Based on FMI’s experience throughout the country with other industry firms, this one-day session will focus on providing the tools and approaches that will help to improve your financial performance. Learn some of the proven approaches that will make you more proactive in dealing with your customers on credit and collection practices and avoid issues related to collecting all of your receivables. What you and your people need do before and during the project to reduce the age of receivables and minimize conflicts associated with collections. The goal of this session is help you manage cash flow and get paid on time for all the work you do.

## BENEFITS *of attending*

- Improved collections performance
- Better conversion of change orders
- More timely close-out
- Lower age of receivables
- Enhanced working capital/balance sheet performance
- Increased project manager focus on the financials

## WHO *should attend*

This one day course is designed for senior managers responsible for the financial performance of your business. Attendees would include operations managers, financial managers, project managers and others in your organization with customer interaction and contract execution.





## Getting Paid: *Agenda*

### The Ins and Outs of Cash Flow

- Identify cash requirements and sources for firm and project operations
- Maintain a positive cash flow for projects and the company
- Continually monitor and act on the current cash situation

### Credits and Collections

- Continually monitor and act on the project's current cash situation
- Understand how individual project cash flows impact company performance
- Aggressively bill your projects
- Assume a proactive role in receiving payment
- Effectively drive project closeout

### The Impact of Change Orders on Cash Flow

- Clarify change order philosophy and process with customers before job start.
- Identify and evaluate all changes.
- Identify cost and schedule implications of changes.
- Use changes as an opportunity to sell increased value.
- Maintain an appropriate balance between capturing all changes and maintaining positive client relationships.
- Show customer benefits of change orders.

### Finishing the Project and Getting Paid

- Close out all projects quickly and completely
- Collect outstanding receivable and retainage
- Complete all contract requirements to ensure timely release of cash
- Maintain positive client relationships while collecting outstanding money

### Action Planning

- Write specific action items that you will track and monitor over a specified period of time
- Differentiate between personal action items and items that will be addressed organizationally as suggestions for your company