

Trent Brown

is the CEO of Ezy pay and has worked in numerous roles in human resources, operations, and executive roles in the manufacturing, marketing and the business process outsourcing industries. Ezy pay is an outsourced direct debit provider, and Trent argues that cash flow will help business through the financial downturn.

www.ezypay.com.au

PS Healthy cash flow is of course crucial to any business, but with debtors sometimes slow to pay, it can often be difficult to manage it. Trent Brown, CEO of Ezy pay, an outsourced direct debit service provider, believes that in order for businesses to thrive through tough times it's important for them to take control of their cash flow.

Welcome to *Talking Business* Trent.

TB Thank you very much.

PS Now, Trent, your background? Where have you come from?

TB I worked my way through the direct marketing industry. I actually undertook some operational roles in there, and I actually lead a company called Customcall, which is an outsourced call centre company, one of the fastest growing companies in Australia. I worked my way up to CEO, and beyond that I moved onto Ezy pay.

PS Okay, I just wanted to established if you were a *bean counting* accountant, just to prepare my listeners on the plane.

TB I must confess, I studied accounting, realised my calculator and I didn't get on as well as we should, and moved over to human resources which is completely opposite.

PS But certainly when it comes to cash flow during tough times it's critically important. So what are the big lessons that people, like we're talking about businesses of course in terms of cash flow, what are the big lessons?

TB Look, what we find constantly is people delaying invoicing. We say, act fast and act on time. Every day that you actually delay putting an invoice out is another day you have to wait for that cash to come in, and I think statistics are something like the average 30 day terms that are put there is taken for people to get paid.

PS What's the thinking there? When you need money you delay invoicing?

**Trent
Brown**

TB I know it's incredible. I think it's just people think I need to write the business, but they never think of the backend processes. They've focused too much on the sales process but they actually forget really what needs to occur is that you need to get paid. Probably another piece of advice is, get to know your accounts payable person in the business, they're the forgotten person. Usually you go in, you get your key contact, you show them a lot of love and then you forget the person that's paying your bill, when realistically the person you should be sending the birthday card to is the accounts payable person.

PS Most definitely, but Trent are we talking about businesses of certain size that are more likely to be forgetful about invoicing?

TB Absolutely. Probably on the other end we're dealing with businesses that are very knowledgeable and actually delay payment.

PS I was going to say that's the best strategy. Delay payment and increase your invoicing.

TB Absolutely, but I guess that's where people need to protect themselves against those sort of strategies, that in particular larger businesses will actually undertake. So smaller businesses need to strategise, think about their cash flow and how they're going to make sure they get it in on time, every time.

PS Can you observe the people you've seen at the debt collection game, businesses I'm talking about here, and make a comment on whether you're surprised and actually have a strategy to collect their money?

TB I am surprised, but at the same time there usually comes this point where they actually start realising that unless they have a strategy, that they've found themselves falling into a spiral. So as soon as you don't get money in the door means you can't pay your suppliers. When you can't pay your suppliers, you can't actually supply your stock out to your customers, your customers get dissatisfied,

**Trent
Brown**

and suddenly the whole thing starts unravelling. Yes we see that constantly, but then there becomes this great realisation that, 'Oh my God, it's all got to do with cash!'. We get fixated in business about profit, and it's very important, profit is there to feed cash into your business so it can be sustainable...

PS So we're talking to Trent Brown, the CEO of Ezy pay. What exactly is Ezy pay for people who have never heard of you before?

TB Ezy pay collects regular payments on behalf of businesses, using direct debit from any major bank account or credit cards. I suppose from a cash flow perspective, we actually help people proactively manage their cash flow by setting up regular direct debits out of their debtors accounts to ensure they get paid on time, every time. To give you an example of that, it's around 99% of payment, so it leaves a bad debt ratio of around about 1% which is then not a loss situation, they can follow that up.

PS So you're sort of saying, if you don't want to be a debt collector, you can outsource it to a company like yours?

TB Absolutely.

PS But then do people say, 'oh I'm worried that my customers might think that you're like a debt recovery agency, that they're bad payers and therefore I've brought the heavies in'. Is that an issue they're concerned about?

TB Funnily, no. And the key reason for that is time. We're time poor in this society and we actually have customers who have their customers coming to them and saying, 'can we pay by direct debit? I don't have the time to actually go down the bank and do BPay or whatever other payment solution there is, I want a *set and forget situation*'.

PS And so, in a sense, it's not like door knocking, *Ezy pay here. Pay up or else!* It's just an automatic system.

**Trent
Brown**

TB No, definitely we don't have to take the baseball bats to anybody, that's certainly not what we do.

PS Okay, now given you're an expert in the payment collection system, for those people who don't want to use you, let's just use you for your knowledge. Is it really important to have a great script prepared if you're ringing up a customer who's late in their payments?

TB Look, it is and I would say do that regularly. A lot of people put it off because they are afraid that they might actually disrupt the relationship, but the reality is that regular contact and an ongoing relationship leads to people paying. We say anything that differentiates you, and relationships are one of those key ways that will actually make you different. Another thing is make your invoices a completely obscure colour. A bright orange invoice, so when shuffling through there, they can say, *oh I can see it right now. There it is, it's the orange invoice.* So, you know, we say yes, definitely write a script but don't be so structured where you're being demanding.

PS Do you also think that just as some small businesses are late in invoicing, some businesses actually forget about paying on time, it's not like they've actually created a contrived plan not to pay, it's just simply they're out of control and they forget to pay?

TB Definitely. Particularly in this market, and as the economy is at the moment, resources are stretched. People are doing things once a month, so unless you absolutely fall within that cycle - and this is another reason you need to get invoicing in on time - if you miss that day that they pay, you're going to miss the cash for the rest of the month, so your debtor days are just blown out by an extra 30 days instantly. So sometimes it's not contrived, sometimes it simply is people not being able to manage the amount of workload they have.

PS Is there any other sort of debt collecting hints that you would offer people listening on the plane right now?

**Trent
Brown**

TB Look, I really do think that people need to be proactive, and without sort of going down the line of direct debiting (and pushing my own product)... Realistically people enter into a sales relationship where they say, 'I'm going to give you products and you're going to pay me within a certain timeframe', and that is a contractual obligation that both parties have... Now most businesses undertake their obligation and there's no complaints to that. What you're doing is asking somebody to uphold their side of the relationship, so having a proactive channel where you can get the money absolutely dead on the dot is a piece of advice I would actually tell people to put into play.

PS And I guess the point you made earlier, it could actually be a part of customer service offering. Would you like to pay automatically or not?

TB And even bigger businesses now, once again, because of resources are actually saying, they prefer to pay via direct debit. So I guess it's about this being proactive and doing things on time. If you actually go in and get the money that you require on time, you effectively take your debtors days down to zero and that's an ideal situation.

PS Trent Brown from Ezyppay, thanks for joining us on *Talking Business*.

TB Thank you very much.