

## *Plain English Seminar* on **Business Turnarounds**

### **Excerpt from “Communicate on YOUR terms”**

A key step in dealing with creditors is keeping open communication with them. Creditors worry if they don't know what's going on or if they think you are ignoring them. By communicating regularly regarding your situation, your plan, and steps taken, you will find that the majority of creditors will soon give you more time to accomplish your turnaround.

Communicating doesn't mean that you have to tolerate consistent, threatening calls, however. You should take steps early to control the communication rather than have the callers control you. Identify one person to deal with ALL creditor questions. Creditors should be given a direct phone number for that person, if possible, and all calls that go through a receptionist should be automatically directed to that person. Calls should be taken at the convenience of the credit negotiator when he is prepared to deal with the callers.

The best approach is to identify one phone line for creditors and have voice mail connected to it. The recorded message should state that you are working diligently to resolve the current financial situation and will return all calls at certain times (for example, every Tuesday afternoon and Thursday afternoon). The message should ask them to leave information about the company name, individual name and phone number as well as any other information that might be helpful.

It will take a while for some creditors to accept the recorded message. They will try to call the receptionist, or the accounts payable department, or any executive they can find. They will threaten immediate lawsuit, repossession of any products or anything else they can think of. Whoever receives these errant calls should be polite, but make it clear that they are unable to help the caller. Then the calls should be forwarded to the extension of the debt negotiator. After a while (usually a couple weeks), the creditors will learn that they won't get anywhere otherwise and will deal with the extension.

The key to making this system work, however, is to actually return calls at the set time.