



Photo by Ulf Buchholz

The Entrepreneurial Linguist

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How to Get Paid

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Courtesy Alejandro Moreno-Ramos

During my career in the translation industry, I have been on both sides of the aisle, selling and buying translations. Now that I am a full-time entrepreneur, I am more aware than ever of the delicate maneuvering that sometimes goes into receiving payment for your services. For the most part, most of us get paid without any problems or delays. However, there will be times in any entrepreneurial linguist's career when getting paid can be a challenge. Here are a few things to keep in mind before, during, and after the payment process.

This is a situation with which we would all prefer not to deal—it is one

of those uncomfortable I would-rather-stick-my-head-in-the-sand situations. However, as small business owners, we cannot really rely on anyone else to do the task. That's right: you are also the head of the accounts receivable and collections department, if it comes to that.

1. When sending a price quote, have the customer sign off on your payment terms. This is usually not necessary for repeat customers, but it is a must for first-time customers.

2. Trust your instincts. If you have a bad feeling about a customer or their ability to pay, you are probably right. If you find very limited information about a customer, or if it is a private party, ask for partial payment up front. This might be awkward at first, but you need to protect your business

interests. Many other professionals, such as attorneys, ask for similar payment terms, so it is certainly not outside the norm. You could also consider asking the client for references, especially if the potential client is a start-up. I have actually had an unknown client volunteer to give me references (yes, I checked them out).

3. Do your research. The tips presented here focus primarily on working with direct clients. However, if you have been approached by an agency with which you are unfamiliar, be sure to take advantage of the fantastic payment databases, which have a wealth of information about customers' payment records. My favorite is www.paymentpractices.net, which is very professionally maintained by my colleague and fellow ATA member Ted Wozniak. It is fee-based, but it is

Yahoo! Business Discussion Group

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moderate. This tool will not help you with direct clients, though. (ATA members qualify for a discounted subscription.)

4. Send invoices promptly. When I was managing a translation department for an e-commerce corporation, I occasionally outsourced some projects. To my surprise, several of the freelancers did not bill the company in the same quarter, which meant that accounting was pestering me to pester the freelancer to send an invoice. There are a lot of things wrong with this picture, and you can bet that the freelancer who unnecessarily complicated the company's payment schedule and created internal conflict between the translation department and accounting was not called back. You are not doing anyone a favor by postponing invoices. Why not e-mail an invoice (in PDF format) when you send in the final translation? It saves paper and time and gives you a sense of completion. I do not know about you, but writing invoices is one of my favorite paperwork tasks.

5. Clearly state your payment terms. You would be surprised how many times folks will send invoices with no due date on them. It is fine if you put "Payment due in 10 days," but make sure your invoice is properly dated. But why make your customer do the math? Make it easy for them and say, "Payment is due on March 28, 2010." Consider underlining or bolding this. If you do not put a date on your invoice, I guarantee you it will end up at the bottom of the pile in the accounts payable department of your client. Again, remember to have the customer sign off on the payment terms.

6. Keep good records. While I certainly recommend advanced accounting and project management software for translators such as Translation Office 3000, a simple spreadsheet is sufficient. It is up to you to know exactly when

you have issued the invoice and to determine which invoices are overdue. As a small business owner, the ball is always in your court.

7. Just because the company is large does not mean they will pay you. As we saw in 2009, big companies fail quite frequently. Again, trust your instincts.

8. Send a quick note. Determine how long is too long for not receiving payment (14 days? 21 days? 45 days?). When that time has come and gone without receiving payment, send your contact person a polite e-mail message such as, "When checking my records for the translation project I completed for you on XYZ, I realized that I have not yet received payment for my services. Would you please be so kind as to check into the status of invoice XYZ for me? If this has already been processed, please disregard this message. Thanks for your business." It is quite possible that the check is in the mail, but also that it is not. Be brief and businesslike and give your contact the ability to rectify the situation. Perhaps they forgot to submit the invoice and are grateful for the reminder. As difficult as it may be, do not take nonpayment personally. It is very disheartening when you do not receive payment after going through great lengths to finish a project, perhaps even moving previously scheduled projects around to accommodate the deadline. Not receiving prompt payment for your efforts can certainly seem like an insult, but resist the temptation to be offended. Most likely, your contact person has nothing to do with the accounting process.

9. Call. If you do not get a response after your courteous e-mail, it is time to use an old-fashioned device: the telephone. Do not feel like a nuisance. You are not asking for a loan, but simply asking for payment. You can phrase it as a "follow-up on the invoice you submitted."

10. Shift gears. If #9 does not yield any results, you might need to reconsider your strategy. Most likely, your contact person will work in marketing, public relations, localization, business operations, etc., rather than accounting. Consider giving the accounting department a call to see if they know the status of your invoice. You can say something like, "I believe my contact person is really busy, so I wanted to avoid calling him/her and decided to contact you directly." It is possible that the executive just forgot to forward the invoice to accounting and did not want to admit it.

11. The last resort. When all else fails, you need to send a firm letter, preferably by mail, letting the customer know that payment is significantly overdue and that they need to settle their debt immediately. When they do not, you can consider taking them to small claims court, but this option is typically feasible only when you live in the same state and are willing to go to court (which will cost money). You could also send them to a collections agency. Collections traditionally run 30% of the collected amount, with no payment due until the funds have been collected. ATA offers a referral to a reputable service, Dun and Bradstreet's Receivables Management Service—contact Mike Horoski at michael.horoski@rmsna.com. Alternatively, you can write off the loss.

12. Share the information. While you must certainly be careful not to be guilty of defamation (orally) or libel (in writing), it is perfectly acceptable to communicate to your colleagues when a company has not paid you. Such information is the basis for many databases. Just remember to stick to the essentials when sharing your experiences—amount owed to you, amount of time overdue, etc., but refrain from snarky remarks.

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