

One of the biggest concerns these days are the procedures involved in either making or receiving electronic payments involving your bank account.

Making payments by BACS (Direct Credit).

I have outlined below my **10 step plan** with a selection of the hints. I can supply more information on request.

1). **Identify potential usage** by considering the number of payments you currently make and the benefits of utilising electronic payments. Your criteria may include;

- Cost of payments
- Convenience for both you and the recipient
- Reconciliation
- Cash flow

2). After considering (1) apply a **cost benefit analysis** by working out the potential savings that could be made. When considering this also take into account the possible fraud element of your current payment methods (especially cheques).

3). Now consider the **realistic uptake** of the service by looking at the impact of this change on your customers. You may wish to undertake a survey to gauge likely 'take up'. This could take the form of a questionnaire sent with your cheque.

4). You are now into **the strategy**.

- Are you going to tell or ask?
- Are you going to launch or pilot?
- Will you segment and look for easier wins first? For example, you might look at smaller payments, refunds or perhaps payments where you already hold your customers bank details.

5). Once you have made the decision to go you should obtain **quotations** for the hardware and software you may need. Remember, if you are already making electronic payments (salaries or wages?) or collecting electronic payments (Direct Debits?) you may already have some of the 'equipment' you require.

6). You are now probably ready to consider the **communication process** to your customers. The old phrase ' you only have one chance to make a first impression' is important. Think about what you want to say, focus on the benefits to them and make it easy for them to respond.

7). In all aspects of business **security** is particularly important. Make sure that your Direct Credit application has the appropriate safeguards regarding input, amendments and the transmission of payments.

8). To enhance your application consider the **use of automation** to make the process even more effective. You should consider;

- Modulus checking
- Automating the BACS rejection reports
- Using electronic or faxed remittance advices

9). You will, now be ready to **make your payments**. It is important that your customer knows;

- When you will pay them (what date)
- What you are paying them for (remittance advice)
- The person to go to within your business regarding any concerns or clarification

10). **And afterwards.** Don't think that's it once you are 'live'. You need to;

- Review your database regularly
- Ensure Direct Credit is the 'norm'
- Consider Direct Credit as a resolution to a problem (cheque delayed in post?)
- Keep up to date with developments

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