

# RENTON'S BUSINESS TIPS



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## HOW YOU CAN COLLECT JUST \$184.50 WHEN YOUR CUSTOMER REFUSES TO PAY YOU

What would you do if a customer owed you \$184.50 and the customer refused to pay you even though they had sufficient money to pay you? Most of you would just write off the account. Well, often that is good advice but the following real life example shows that even small accounts can be collected with only a little extra effort.

Often taking legal action proves too daunting to a lot of people but it need not be. When the account is small, then you can take the account to the Local Court and they will show you what to do. There is no need to have any knowledge of the law at all. The Local Court in NSW defines a small account as being less than \$10,000.

It is very important that the account is set up correctly before you go to the Local Court. Before offering anyone credit you need to know you who you are dealing with and their address. Post boxes are not acceptable. Is the debtor an individual or a company or some other entity? Even if you do not use a credit application form for a new customer, it is vital you have the correct street address and the correct name of your customer.

However, even if the account is not set up correctly, all is not lost. Our customer was a company so we applied to ASIC to get what is called an ASIC Company Extract. We obtained this from Dun and Bradstreet. Basically what we are looking for is the registered office of the company. This is sometimes different from their place of business.

If your usual methods of collection have not resulted in payment, then the next step is to prove the debt exists. This is not difficult to do. All we did for our small account of \$184.50 was reprint the Tax Invoice for the local court. The goods were delivered by Australia Post. The Local Court does not need to see proof of delivery. You do not need courier or postage records.

On June 1, I took a cheque for \$136 together with a copy of the Tax Invoice and the ASIC Company Extract to Blacktown Local Court and completed a Statement of Claim. The form is easy to fill in and one of the court official checks it anyway. The Court makes copies and records a claim number. The amount of \$136 is added to the statement of claim. My customer now owes us \$320.50. We then send the statement of claim by registered post to the customer. Proof of delivery of the statement of claim is important.

We waited 28 days. Nothing happened.

On July 18, I took a cheque for \$59 to Blacktown Local Court and completed an execution of writ form. This gives the local sheriff the authority to seize the customer's goods and sell them so the account can be paid. The amount of \$59 is added to the customer's debt. The customer now owes us \$379.50.

Our customer was in rural NSW so we had to wait for the Sheriff in this locality to visit our customer. You can use the Local Court system to collect any debt in Australia. The debt can be in a

different state.

On September 9, we contacted Blacktown Local Court. They were able to give us the number for the sheriff who was handling our case. We were told the Sheriff had not been to our customer's premises yet.

On September 19, the sheriff went to the registered office of our customer and left his calling card.

On October 4, we again rang the Sheriff's Office but they were too busy to visit our customer again.

On October 17, we rang the Sheriff again. He promised us he would be going to see the customer next week to seize assets.

On October 19, our customer contacted us with a promise to pay.

On October 23, the amount of \$379.50 was deposited in our bank account. We then contacted the Sheriff to tell him that the matter had been resolved.

This example shows that it is possible to collect small accounts at very minimal expense. When making statement of claims and executing writs these costs are automatically added to your customers' account. In fact, the only costs to us were the cost of the ASIC Company Extract and the registered post mail. There was also the cost of time in going to the Local Legal Court twice. We spent about two hours on the whole process.

Collecting money through the local courts is not something to be feared. The officials of the local court will do everything for you and the fees in NSW in 2006 were only \$136 and \$59 so the risk is quite low. However, you need to sue the correct entity and you need to be confident your customer has enough assets to pay your account.

### QUOTES TO PONDER

*"Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan."*

- Tom Landry

*"A problem is a chance for you to do your best."*

- Duke Ellington

*"I can give you a six-word formula for success. Think things through - then follow through."*

- Eddie Rickenbacker



Ian Renton  
Australian Credit Stationers

# TOP 10 LABEL ARTWORK MISTAKES

There are lots of different types of artwork files for custom label printing. Sometimes the art received is perfect but often there can be problems that need to be addressed before printing can be started. Below is a list of the most common mistakes that people make when preparing their artwork. If you take care to avoid these mistakes you will save yourself a great deal of time, energy and money. Here are our top 10 label artwork mistakes:

## 1. Missing Fonts

This is a common problem with artwork. You might have this wonderful fancy font in your artwork, but if we don't have it, when we open your file we will get an error message. The best way around this is to always outline your fonts before sending us your file.

## 2. Missing Bleed

If you want your color to print all the way to the edge of your label you need to include a bleed. For example, if you want to print a 3" x 5" label, the size of the artwork you would create would be 3.125" x 5.125". Also, you need to leave some space around the very edge of your label that is free of text. The reason we need this is because during diecutting the label material can drift ever so slightly (up to 1/32"), so you need to make allowances for this in your artwork.

## 3. RGB vs CMYK

Most digital color printers today (including your little desktop inkjet) print in CMYK, also known as four color process. However, all computer monitors display color as RGB (Red-Green-Blue). Now if you create your file as RGB, the color is going to look different when printed on a CMYK printer, so it is always a good idea to create your artwork as CMYK. You should request a press proof if color is very important to you.

## 4. Improper File Resolution

Sometimes people send a file of a picture or graphic that was on their web site and expect a nice looking label from it. Unfortunately, in most cases the file on the web site is very low resolution, often as low as 72 dpi making it appear quite blurry. If we print a file at that resolution it is going to look terrible. We recommend a resolution of 300 dpi for best results.

## 5. Tight Borders

If you want a thin border on your labels that prints right near the edge, or bleeds off the edge you are just asking for trouble. While label printing technology has advanced a great deal, there is still some very slight movement when printing and die-cutting your labels. While this movement is only a very small fraction of an inch, if your border is near the edge of the label it will be noticeable. Our advice, if you really want a border, is to make it a thick one (more than 4 point). That way the slight movement will be much less noticeable.

## 6. Spelling and Typing Mistakes

This one should really go without saying, but because we see it so much we feel the need to include it here. While we will sometimes catch mistakes, it is up to you to check your label artwork carefully.

We have learned that you can never proofread enough - even when you are sure it is correct check it one more time. Sometimes we print beautiful labels only to discover a spelling mistake after the fact. You can save yourself disappointment and expense by spending extra time making sure all your text is correct.

## 7. Missing Graphics/Links

If you are using a newer version of Photoshop or Illustrator (CS or CS2) this is less of a problem, but for people using older versions it is still a major issue. All of your graphic elements should be embedded into your document before sending them to us, otherwise when we open your file there may be missing graphics or links.

## 8. Unsupported Software Format

There are dozens of different software programs you can use to design your labels. A trip to your local computer store will give you plenty of inexpensive choices, but these packages typically use proprietary formats that are designed to be used only on your desktop printer. Most of them cannot be used on a professional label printing press. You will always be better off if you use the graphic industry standard programs: Adobe Photoshop or Illustrator. These packages create high quality art that will produce the best quality custom label. If you don't have this software, then make sure you can export into a standard graphics format such as EPS, TIF or a hi-res JPEG.

## 9. Color Expectations

Many people create their label artwork and then print it out on their inkjet or laser printer, thinking this is how their labels will look. But anyone who owns more than one different printer knows that color can look vastly different between printers. If color is important to you we recommend you request a free press proof - this way you will see exactly what your labels will look like when printed on our press.

## 10. Incorrectly Sized Artwork

We often receive artwork where the size of the art does not match the size of the requested label. This may be intentional but unless we have complete instructions we don't know how to handle the artwork. Is extra white space needed? Is the label supposed to be centered, or should we be cropping the label to make it fit the desired size? If your artwork is a different size than the requested label please include detailed instructions with your order. We often receive files that contain one or more of these mistakes. So if you can avoid these common pitfalls when creating your artwork, your custom label order will be processed more quickly and you will receive the high quality result that you are no doubt expecting.

If you have questions about any of the 10 points discussed here please let us know, we will be happy to help you. Of course, if you are new to graphic design you may be making one of these mistakes without even realising it. So what you can do if you are unsure about your art file is email it to us and we will take a look at it, or give us a call and we will answer your questions. It is always easier in the long run to take extra time before submitting your artwork and avoid making one of these common mistakes.

## FOR MORE INFORMATION



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I would like to say a special thank you to my brother Peter Renton, founder of Lightning Labels in Colorado, USA, for supplying us with this interesting article to help all of us understand more about the printing process.

If you have any questions regarding custom labels please don't hesitate to contact us. Please email your details to sales@austcredit.com.au.