

Accounts Payable Guerrilla Warfare

By
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Perhaps you remember back in the 1970s the days of Abbie Hoffman and the infamous pack of protesters called the *Chicago 7*. Mr. Hoffman was someone who outrageously spit in the eye of authority. One of his great claims to fame was his book entitled, Steal This Book!, the quintessential handbook for making mischief. To many, this was the epitome of insolence. To openly and daringly encourage people to steal a book right off the bookshelf! What a sense of anarchy!

Even in those crazy years, I was not a great fan of Abbie Hoffman, nor did I ever knowingly *steal* a book (Well, there may be an old library book still laying around). However, I do acknowledge that Abbie did manage to apply his defiance of societal norms and rules in a creative and novel way. And while I am not advocating that you use guerrilla tactics in the handling of your accounts payables as my title suggests, I do encourage you to think about the concept. Are the anarchists out there getting the upper hand? Maybe the industry would like to do something about it!

Consider these counterculture strategies; then look at your own company, and see if you may be employing some of these dirty tricks yourself. Do you use the tactics of...

Accounts Payable Guerrilla Warfare

Tactic Number 1: Don't pay, just say you did. You didn't pay, you know you didn't pay, but by saying you did you just bought yourself about 10 days. The agent who complained will be checking his accounts, cursing the bank, cursing the secretary, wondering what went wrong. In the end, the agent may even get distracted by something else, and forget completely. If he remembers and calls back, you can always say your bank made a mistake and didn't transfer the money as you had instructed. **Variations:** *"It is in the mail."* *"I will call the courier service."* *"I thought we paid that...I will check into it."* *"It appears that we have mailed your check to Kosovo by mistake."*

Tactic Number 2: The Checkwriter's Vacation. I love this one. The girl who makes the payments is on vacation. She comes back at the end of the month. As soon as she gets back... Oh, this is a joy! It would be like me telling my client that we didn't show up to pack today because the packers have gone on holiday. I assume that no one and nothing can be paid during this time. Right? Not even the poor boss's salary. **Variations:** *"The boss is on vacation."* *"My banker is on vacation."* *"I am on vacation."*

Tactic Number 3: One small omission stops the entire payment. We have before us a long and detailed invoice. The agent has worked hard to make sure the invoicing is correct and complete. It looks very good, but...Ahah! There it is! The excuse we have been looking for! This invoice cannot be paid. There is no reference number. I cannot possibly identify this service in my highly sophisticated computer system via the name of the

coordinator or the name of the client or the name of the city of origin or the name of the agent or endless other correct details. The reference number is the only way I can pay this. I will put this invoice over here on this dark corner of my desk, in the place where no invoice has been paid since the Eisenhower administration. **Variations:** *"When the agent discovers the importance of including the reference number, change to insisting on the coordinator's middle initial."*

Tactic Number 4: Re-fax that invoice, please. You have sent the invoice once, twice, three times, by mail, fax, Email, and carrier pigeon, but for some reason, it just doesn't seem to get through. *"Please, send it again, with my name in big letters on the top."* That way the semi-literate furry biped who receives and distributes our faxes will know not to eat the paper, but instead will put it on the mail cart which makes the rounds every second Friday afternoon if it is not raining or if the lunch was fish sticks on that particular day. **Variations:** *"Could you send by Email, please?" "I moved into a new office down the hall. I guess I left your invoice in the old office. Could you send it again?" "Please send it to our financial offices in outer Mongolia."*

Tactic Number 5: The Revolving Door Technique of Staffing your Accounts Payable Department. Encourage your Accounts Payable staff person to develop a friendly relationship with all agents, exchange new contact information, teach the agent when to call, what information to include on the invoices, and get a cozy relationship going. Then, without warning, promote her to Imports Trainee. Start over with someone new, and encourage her to develop a friendly relationship ...blah blah blah. This drives agents wild. They become afraid to call. It's fear of the unknown.

Tactic Number 6: The Coordinator / Accountant / Finance Guy Circle of Confusion. Whatever the agent does, make sure that the rule is to do something else. If the agent sends invoices and backup docs to the coordinator, make sure that the accountant must get them first. If sent to the accountant, whoops, they must be tracked down and forwarded to the coordinator. But then we know that before anything gets paid it must be ok'd by the finance guy, but just in case, there is always the possibility of insisting that the invoice goes to the coordinator and the backup docs go to the accounting person...or is it the other way around? **Variations:** Yes, there are millions.

Tactic Number 7: The Part-Time Payables Person: This is beautiful because we know that we can never expect much from the part-time employee. The first part of the day is spent getting ready to do something. The second part is spent getting ready to go home. *"Leave a message, please. She'll be back the week after next."*

Tactic Number 8: We are closing the month. Frankly, I never understood this one. My months close even without my help. I always end up scratching my head after the call and wondering why closing a month means that nothing can be paid. I am not sure but that must be the beauty of this tactic. It seems to work...but how? **Variation:** *"We are closing the year." "We are planning the budget." "We are closing the Millenium."*

Tactic Number 9: Approved for payment...but we don't know when. Ah, this is very effective. Because when you finish the call you think you have gotten somewhere. *"Great,*

the agent said that our invoice was approved for payment!" It is only when you try to pay someone else with these approved but uncollected funds that you run into misunderstandings. *"Hey, my money is good! I just don't have it yet!"*

Tactic Number 10: I'll talk to the boss. Here we have the pleasure of knowing that a personal favor is being done for you. The accountant is going to take your case before the Supreme Being to plead for payment on your behalf. Thank you thank you thank you! Such sacrifice. Such devotion. **Variations:** *"I will put you on the waitlist for an appointment with Mr. Big to discuss your invoice."*

Tactic Number 11: Off-balance offsets. Let's see you owe me \$10,000 for 120 days. I send you a service. You bill me \$8,000. You offer me \$2,000 now. Oh, joy. It seems like you are paying quickly now, immediately *after your invoice!* What I could have done with the \$10,000 is now up in smoke, but I fear that if I don't accept, you may stretch the 120 to 150 or 180. Better go for the skinny bird in the hand rather than the fat ones in the bush.

Tactic Number 12: The Automated Answering Machine Endless Loop. *"Thank you for calling XYZ Movers. Your call is important to us, and for that reason, we have installed this impersonal but cost-saving device to capture it. Push 1 at any time if you want to start this message over. Dial-up the first letters of the first name of the person to whom you wish to speak to. For q press 1. For z press q. To pay us money press 2. For sales press 3. To say something nice about us press 4. To start over press 5. If you are confused, press 6"* You get the idea.

Did you see yourself there? Or perhaps a few friends? While written *tongue-in-cheek*, what is to be feared is a very real tendency to stretch the time in which we pay one another, to the demise of us all.

The FIDI PPP is excellent in assisting companies to collect their payments, but even that plan won't help you until the invoice is 90 days old and payment has been requested three times in writing. PAIMA and HHG also offer a form of payment protection, but for some reason neither is extensively used.

We rely mainly on selectively choosing whose business we accept. This is undoubtedly the best strategy. But even among the "good agents," is the time period expanding? And in uncertain times, is the temptation to accept any business too strong to avoid the slippage of the 30-day credit standard of the industry. After all the talk and preparation for Y2K, I expect severe disruption specifically and mysteriously in the accounts payable departments around the world.

But what can we do? I once had a book about this very subject, but...I think somebody stole it!