



“Commercial Debt Negotiation Tactics – A Settlement Proposal”

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Remember, attorneys love to follow specific procedures and language. One who can communicate to an attorney or collection agency in a manner normal and customary to them should find that settlement negotiations proceed on a timely and predictable course with few bumps in the road.

To facilitate the process, you should use a formal Settlement Proposal.

One characteristic that should be included in a Settlement Proposal is common sense. By “sharing” information and insights based on experience and common sense, rather than nonsense, people have a tendency to read settlement offers very carefully and thoughtfully.

The person reading the letter will likely also ask themselves:

“Does this make sense or is this scrap?”

The Settlement Proposal typically suggests that they are dealing with a business in grave financial difficulty. A settlement letter might also imply that the longer negotiations continue, the less satisfactory the settlement(s) tend to be, especially after the rest of the creditors hear about “the fire sale” over at XYZ Company.”

You might have only 1 creditor, but if you have a few, this would apply to you.

The implication here is that if you and the creditor (or their representative) become involved in a long process of negotiation, you only serve the creditor an injustice. Remember, an earlier portion of the letter indicated a timely acceptance, or rejection of the offer would be in order.



This is due to the fact that only a small financial reserve remains to resolve the debt. This reserve will obviously be depleted quickly once the first-round offers are presented and accepted by other creditors.

Who knows how much will remain in a reserve account after first-round acceptances? Properly presented, this line of thinking causes creditors to ponder the issue very carefully in a limited amount of time. This reminds me of an old New England saying:

“When the gettin’ is good, GET!”

In other words, get what you can, when you can, and before it’s all gone. Or perhaps, “He who hesitates is lost” might be applicable.

So keep in mind, when presenting an offer to resolve your problem, avoid the take-it-or-leave-it approach. This only creates resistance.