

CUSTOMER PAYMENT CLASSIFICATION SYSTEM

Date prepared: _____

Review period: From _____ to _____

Completed by: _____

INSTRUCTIONS

1. List all active customers
2. Calculate their average payment time (days from invoice to payment)
3. Calculate their % of total revenue
4. Assign to appropriate tier
5. Note any payment pattern changes

TIER DEFINITIONS

GOLD TIER (Target: Maximum relationship value)

- ✓ Pay within 14 days consistently (95%+ of invoices)
- ✓ 6+ months payment history
- ✓ Strong relationship and communication

BENEFITS: 5% discount on future work, priority service, flexible terms

SILVER TIER (Target: Standard good customers)

- ✓ Pay within 30 days consistently (90%+ of invoices)
- ✓ 3+ months payment history
- ✓ Reliable communication

BENEFITS: 2% discount on future work, standard priority

STANDARD TIER (Target: Acceptable but monitored)

- ✓ Pay within 30-45 days
- ✓ Occasional late payments but responsive
- ✓ No major concerns

BENEFITS: Standard terms and pricing

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MANAGED TIER (Target: Risk mitigation)

- ✓ Pay 45+ days regularly
- ✓ Multiple late payments or missed payments
- ✓ Communication issues

REQUIREMENTS: 50% deposit, milestone payments, shortened terms

CUSTOMER CLASSIFICATION TABLE

Customer Name	Avg Pay Days	% of Revenue	Current Tier	Payment Trend	Assigned To

Payment Trend: ↑ Improving → Stable ↓ Deteriorating

SUMMARY ANALYSIS

TIER DISTRIBUTION:

Gold Tier: _____ customers (____% of revenue)

Silver Tier: _____ customers (____% of revenue)

Standard Tier: _____ customers (____% of revenue)

Managed Tier: _____ customers (____% of revenue)

CONCENTRATION RISK:

Largest customer: _____% of revenue (Customer: _____)

Top 3 customers combined: _____% of revenue

⚠ WARNING: If any single customer >20% or top 3 >50%, you have dangerous concentration risk.

COLLECTION PERFORMANCE:

Overall average payment time: _____ days

Target payment time: _____ days

Variance: _____ days (getting better/worse)

Number of customers paying:

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- Within terms: ____ (____%)
- 1-14 days late: ____ (____%)
- 15-30 days late: ____ (____%)
- 30+ days late: ____ (____%)

ACTION ITEMS

CUSTOMERS TO PROMOTE:

Customer: _____ from _____ to _____ tier

Action: Communicate benefits, thank you for your excellent payment history

Due date: _____

CUSTOMERS REQUIRING ATTENTION:

Customer: _____ deteriorating payment (____ days late trend)

Action: Call to understand issues, offer support, adjust terms if needed

Due date: _____

CUSTOMERS TO DEMOTE:

Customer: _____ from _____ to _____ tier

Action: Communicate new requirements (deposit, terms, etc.)

Due date: _____

DIVERSIFICATION NEEDED:

If the concentration risk is high, list target new customers:

1. _____ (Target value: \$_____)
2. _____ (Target value: \$_____)
3. _____ (Target value: \$_____)

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COMMUNICATION TEMPLATES

GOLD TIER NOTIFICATION:

"Hi [Name], I wanted to personally thank you for being such a valued client. Your consistent payment within 14 days qualifies you for our Gold Tier benefits: 5% discount on all future work, priority scheduling, and flexible payment terms when you need them. We appreciate the partnership!"

MANAGED TIER NOTIFICATION:

"Hi [Name], I'd like to discuss our payment arrangements. Recent invoices have been paid beyond our standard terms, so in the future, we'll need to adjust to milestone payments with a 50% deposit. This helps both of us manage cash flow more effectively. Can we discuss?"

Review schedule: Quarterly (every 3 months)

Following review due: _____