

# Signed & Sealed

**Make it as easy as possible to close the deal.**

## Does this sound familiar?

You've just had a great conversation with a potential client. You said all the right things and pressed all the right buttons. Your price and the way you explained your service were dead on. He seemed very confident that he had found the Mobile Disc Jockey perfect for his party. You hang up feeling like it's a done deal and confidently drop the contract in the mail.

A few days go by and, much to your surprise, there's no returned contract. You call him to expedite matters and find out that he booked someone else, but thanks you for your trouble. Feeling a bit let down you inquire as to why he didn't go with your service. The reasons will vary from a canceled party (unlikely), to a "friend" who's an MDJ who will do it for \$25, or

simply that he found another MDJ who appealed to him more.

Now you're wondering "What happened to that great conversation we had a few days ago?" You thought the deal was done. Well it wasn't.

### NO DEPOSIT...

### NO RETURN

The deal isn't done until you have a signed contract with a deposit in hand. If you meet clients at an established office (not your kitchen table) face

to face, you can convince them to close the deal simply by saying "a deposit is required to hold the date." Usually, this sounds good to clients, as it relieves them from having to shop further. But how do you close a deal with a client over the phone?

You may have a client ask you to fax over a contract and oftentimes the client will fax it right back signed. That's nice, but not perfect. Even though you may believe that you have sealed the deal, many states don't acknowledge a faxed signature as being legal. You should still follow up with a mailed contract that includes a self-addressed, stamped envelope for their convenience.

Even at that point, an original signed contract may not be worth anything should the client change their mind. If they cancel, are you going to go through the motions in small claims court to try to win the non-refundable deposit? I don't think so. Considering the time, money and damage to your reputation, it wouldn't be worth it. However, once you have received the non-refundable deposit, the client is more likely to acknowledge the deal as binding.

### TAKE CREDIT

In this day and age, the easiest way to take a deposit is by accepting Visa, MasterCard or American Express. The first requirement to be able to do this is to have a business checking account set up at a bank. Then ask a bank officer to set your account up so you can use credit cards. This process isn't handled directly by most banks. Rather, it is handled by an outside company that acts as a clearing house between merchants (you) and the credit card companies.

The most popular device for interacting with a credit card company is called a POS (Point Of Sale) terminal. These devices cost roughly \$400. They serve both in-person transactions and telephone transactions (you can scan or type the client's credit card number into them). Most of the time, however, you won't have the customer's credit card in hand to swipe through the device, so the extra expense of this unit is



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unnecessary.

Instead, the credit card companies offer a \$250 computer program that does the same thing, without the option of swiping a card. You simply type in name and address information as well as the credit card number. Press the magic button and it automatically dials a pre-stored number for authorization and completes the transaction (a modem is required). Both methods will create receipts that you can fax to the client for their signature. This isn't necessary but, further ensures that the deal is done.

This financial transfer process charges the credit card holder the whole dollar amount. It then credits your account by sending the information to your bank. This process takes roughly 48 hours on their system and then roughly 72 hours more for your bank to actually allow the funds to be available to you.

Beyond the purchase price of the device (\$400) *or* the software (\$250) there is the setup fee, handling fees and monthly minimums. The setup fee tends to be around \$90 to \$100. Expect to pay a 2-4 percent commission on the transacted dollar amount, along with a 15-25 cent per transaction charge. Visa is 2.04 percent plus 25 cents and American Express is 3.75 percent plus 15 cents. The monthly minimums for both are around \$20. You get a statement of all transactions, including the fees, each month.

For example, an average \$350 event with a 50 percent deposit of \$175, would result in a fee between \$3.15 to \$7.25. Even if it were your only credit card sale that month and the minimum charge (\$20) came into play, you still would have the event for about \$326 (assuming the balance is paid by check or cash). This is a small price to pay to secure those marginally decided bookings. It beats waiting a week for the U.S.P.S. to deliver your contract to and from the client. For those situations when you thought you had the deal but it fell through, this procedure could pay for itself within six months.

Think about it. The client was 90 percent sold with you, but continued to make calls to other MDJs. If you had made it possible to acquire a deposit right then and there, he would not have called any other company.

