

Cancellation Penalties



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❌ Do you have a plan in place if a customer cancels your services in the middle of a contract? Do you charge a penalty? Or do you have another way of making up the lost revenue of a cancelled contract? Check out what members of www.expired-link.com [have to say](#).

oregongreenturf: I have noticed a lot of guys on here talking about losing accounts for stupid reasons and just wondered why you don't have a fee for ending the 12-month contract early? Think about it. If I have 80 accounts I maintain during the spring and summer, and then winter rolls around and the customer wants to cancel service, what will I pay my bills with? I have all my accounts on 12 months and they cut a check every month for the same price regardless if it's December or January. If they cancel before that, then there is a fee of 15 percent of the yearly value of the contract. They might think twice before that call, and it saves you from the hole in your route until you replace that customer.

DuallyVette: I also have customers on a 12-month contract. If they cancel before the fall aeration/leaf removal, I don't care. After that, they will be billed through the end of their year.

32vld: I see no reason to do work on credit. Meaning you provide work over a six- to eight-month period and let the customer pay you over 12 months. Not only are you doing work on credit when you do 12-month billing, you are giving interest-free credit, which is a further loss.

Customers pull this act all the time. They hire you in April and cancel service in November and do not pay for the rest of the months. They see it as you sold them monthly service. With the fall cleanup done mid-December, and no work done until spring cleanup at the start of April, they do not want to pay for four and a half months of no work.

You and many other landscapers see it as you spread out the billing over 12

months, although you sold them as a yearly service.

I see no advantage to do 12-month billing. If a customer cannot afford landscaping, then using a billing system to entice them to make a purchase will do two things: get you the game-playing customer who, before they hired you were going to cancel after 90 percent of the work has been done when only 50 percent of the work has been paid for; or get you the customer that realizes "I can't afford this even at reduced 12 monthly payments," so they cancel.

TPendagast: Most guys have a hard enough time collecting from customers in the first place. Ever try collecting a cancellation fee from a customer who has already decided they don't want you anymore? Cancellation clauses are for court; hardly anyone pays them.

Psychologically, payment plans are an easier sale. Like a car dealer, they distract you from the \$35,000 for their car and tell you, "It's only \$700 a month." The more months you have to spread out the pain, the smaller the monthly number is, which means you can sell them more stuff.

Patriot Services: Not many outside of Florida do year-round work and shouldn't have customers on a plan like that. It's simple: Never bill for more months than you work.

oregongreenturf: It's not like that here. When I bid an account, I bid per the amount of time I spend at each house. So if the customer pays for an hour, it's about \$200 a month. Whatever I can complete in that hour is what I get done. The minimal would be mowing, and if I have time I add trimming or spraying. The leaf cleanup is always included in the monthly maintenance fee. I visit each property every week all year-round and spend that hour each week regardless of weather, even in January or February. There may not be much to do in the winter months, but I always find something to be done.

Also, that doesn't include any extra services. If they want bark, that's extra. If they want irrigation work done, that's extra, as is moss control, planting or anything outside spraying, mowing, trimming and blowing.

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