

# When Believers Don't Pay Their Bills

by Phoebe Mugo

If the Apostle Paul were writing this article, he might say something like he did to the Corinthian church (I Cor. 5:1): "It is reported that there is failure among Christians to pay their debts, in a manner that is not even found among non-believers. Indeed, the very concept of 'believers who don't pay their bills' should not even exist in the Body of Christ."

Unfortunately, it does exist.

In Uzima Publishing House we often end each fiscal year with about 55 percent of our debtors being Christian institutions such as churches, church bookstores, and privately owned Christian bookstores. While most are debtors who should have paid within the fiscal year, some have debts incurred 6 or even 8 years ago. The non-Christian institutions that make up 45 percent of our debtors rarely exceed 12 months before paying, and their outstanding balances tend to date only from 2 to 12 months. We can honestly, but sadly, say that we do better business with non-believers than with those from the same household of faith.

### *Publisher problems*

Whereas many of our customers' problems are due to the economy or poor management, a general lack of professionalism in the Christian business sector is also a major factor. In fact, the problem begins there.

Christians—including publishers—tend to recruit staff on the basis of how much they love the Lord. Sales representatives hired on this basis may spend hours expressing their love by sharing testimonies with customers—and waste valuable work time. They may offer hefty credits to their beloved brothers or sisters in the faith. The business decision is made on the basis of, "We go to the same church," without considering whether the customers can pay for their purchases. Indeed, we must recruit employees who love the Lord, but this must never be at the expense of their qualifications for the job they are hired to do.

Related to this is our tendency to hire unqualified workers because we do not want to pay high salaries. Often we do not have a lot of money. We need to weigh the losses against the benefits that may be incurred by hiring unqualified personnel.

In my experience, the company performs better if I hire qualified staff. Eventually they bring in enough money to justify their salaries.

Solve in-house problems. Evaluate your recruiting practices. Develop an effective sales policy with guidelines on who is credit-worthy and what credit ceiling should be maintained for each customer.

### *Bookstore problems*

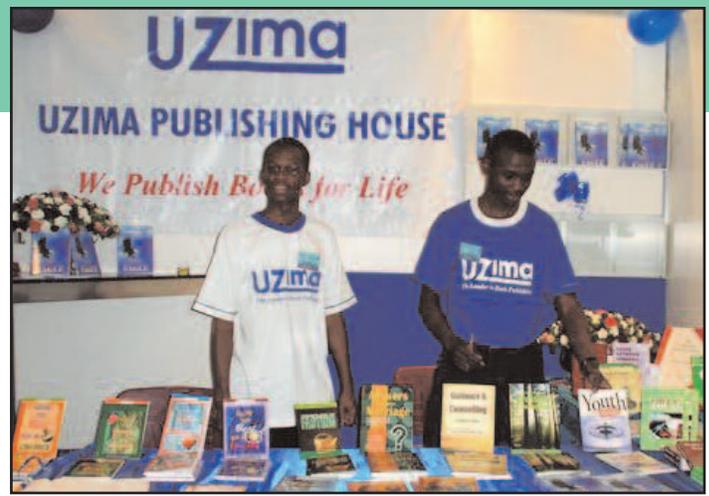
When a bookstore manager is not well trained, he or she may not understand stock management. They may order more than their store requires and have the books sit on the shelves indefinitely. Because the books are not selling, they cannot pay us. When we visit bookstores around the country, at times we find such a situation. We then work with the store and take back the books that are in good condition in exchange for other books. We cannot always do this (for example, if we revised the book and gave it a new cover design). In such cases, we expect our customers to take responsibility for their error of judgment and pay us.

Another common problem we have found among church-owned bookstores is poor financial management. Often the bookstore manager does not put the money back into the business but gives it to the Bishop, or to another minister, for payment of church bills. Then there are no funds to pay the supplier or to purchase more books. We have encountered this problem over and over again, and seen the collapse of many church bookstores as a result.

### *The Christian publisher's response*

Even when Christian bookstores make the mistakes mentioned above, they still expect the Christian publisher to extend the "hand of fellowship" to supply more books to them. If we publishers continue to supply literature even when we are not being paid, then we are making a fundamental error that will eventually lead to deep financial problems.

In Uzima, extending the "hand of fellowship" in this manner cost us dearly over the years. In the 1990s, outstanding debts almost led to the collapse of our company. Uzima had to close down its printing press and use what little money



*Vincent Matinde and Samuel Muigai staff Uzima's booth at the September 2005 Nairobi International Bookfair. This event organized by the Kenya Publishers Association attracts 20,000 visitors annually. This year, the Bookfair will take place September 20-24, 2006.*

it still had to salvage the publishing house. We revamped our business, recruited better-trained staff, and developed a strict sales policy. We also developed a multi-faceted response to believers who do not pay their bills:

**1. Pray for your customers.** Since inception, we at Uzima have always had morning devotions before we begin the day's work. We dedicate one morning to prayer for ourselves and for our customers. We know that some bookstores have good intentions but are financially struggling, so we need to intercede for them. As we pray, we express our dependence on God. We ask for His guidance on how to recover very difficult and long-standing debts. We have seen amazing results to these prayers.

**2. Build relationships.** Booksellers need to know Christian publishers love them and care about their struggles. In our case, every year we develop a list of activities that we will undertake together with churches and bookstores in Kenya. We have visited cancer patients and AIDS orphans together. We have helped clean up and renovate institutions, and we have attended various functions over the years. Team-building activities help our customers to see us as friends and co-laborers in Christ—rather than as foes who only ask for money whenever we meet. When the time for debt collection comes, it becomes much more friendly and easier to handle.

In relationship-building, we also look for ways to give back to our customers. For example, with some of the royalties from the sale of worship books, we partially financed the Liturgical Committee of the Anglican Church in Kenya that developed an indigenized worship book in 2000. We have since sponsored churches to translate this prayer book from English into various Kenyan languages. This year, we plan to use royalties to offer stock control and financial management training to some of our bookstore managers who make greater efforts to pay us.

**3. Create understanding.** At one time, Uzima's relationship with the Church was very sour because they felt our debt collection tactics were insensitive. It became necessary for me to attend the House of Bishops—an annual meeting held by the primates—to address the matter. It helped a great deal to have the top church leadership understand the problems we face when we are not paid. At the end of the meeting, they agreed to take responsibility in this matter—and some debts that had been outstanding for over eight years were paid! As a continuation of this process, I have found it necessary to present a debtors list at the Annual General Meeting each year. Creating understanding with church leadership has really helped in our debt collection process.

**4. Communicate your sales policy.** Communicating our sales policy to bookstores also has helped us with credit control and debt collection. The management categorized all bookstore accounts into three color codes:

■ **BLACK:** For those who are creditworthy. These are the bookstores who pay within the 30-day credit limit; even when late, they generally do not exceed 90 days. During our 30th anniversary celebration we awarded the best-paying bookstore with a plaque.

■ **GREEN:** For those who must be handled with caution. These are bookstores who may exceed the credit time given but eventually pay. Some frankly explain their financial difficulties, and we allow them to pay in installments, waiting until they clear previous debts before re-opening their accounts. Often we require the sales representatives to seek the appropriate authorization before allowing a sale in this category.

■ **RED:** For those who should not be sold any more books. These are clients that have not made any payments in over three years, whether this is due to mismanagement of their funds or genuine financial difficulties. From time to time we have seen them sort out their financial problems, pay outstanding debts and re-open their accounts.

**5. Avoid lawsuits.** There are times when we wondered whether we should take some difficult cases to court, but after much prayer and negotiation we were able to work out an out-of-court settlement. It is unfortunate for any publisher to sue a fellow Christian for non-payment; this goes against our beliefs and witness. In church-owned institutions it is advisable to take the case to the highest office in the church for a judgment to be reached.

None of us should abuse the grace given us by our gracious Father in heaven by failing to honor our debts. When we hurt our suppliers, we also hurt the work that God is doing and fail to build His kingdom. ▽

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