

How to romance your bank and other heartfelt topics

Drawn from many years, many sources and many experiences here are **Diligencia's** views on how to form a long and happy relationship with your bank.

Get to know your banking contacts

View your banking contacts as friends. Invest some time in getting to know them as people. Show them round your business and invite them to the occasional meeting and introduce them to the senior team. Look to build relationship and rapport. Ask them round to your side of the board table to face problems opportunities together. Friends help each other.

Share your vision and plans

Let the bank understand your vision for your business. What will it be like in the future? Then share your business plan to achieve this and inspire confidence as a consequence.

Measure your business and communicate well

Produce accurate and timely information covering not only management accounts but also forecasts, cash flows and key operational measures. Track and summarise important information as trends comparing actuals against plans. Ensure that you really understand your own business. Provide comment and explanation. Take the lead in discussing issues and implications in demonstrating that areas being measured are also being managed.

Focus on working capital and cash management

All banks see these areas as being critical to success, if not survival. Make it obvious you do too.

Be aware of your banking terms and covenants

Regularly review and understand your position against them, as indeed the bank will be doing for it's own comfort.

No shocking surprises

Be open and honest and don't wait until you are in difficulties to share bad news. Problems that are anticipated or shared early are far more easily resolved.

Relationships grow stronger too, as a consequence of openness and honesty.

Negotiate rather than demand

As you do with friends, negotiate towards agreements rather than make demands. The best outcomes meet the needs of both parties.

Invest time and effort

When life is easy relationships are easy. Business life is not easy at the moment.

Sometimes you need to work at relationships and invest time and effort in them.

Your relationship with your bank is one of your most important business relationships. If you want your bank to be your friend simply try to treat them accordingly.

If you feel you want to improve your (business) relationships **Diligencia** LLP might be able to help.

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