



How to Manage Your Bank Manager!

The relationship with the bank is one of the most important business relationships and it makes sense to keep it in good repair. The tips below should help.

- Have and be able to demonstrate strong internal and financial controls e.g.
 - Sales ledger/credit controls
 - Purchase and sales ledger aged analysis
 - Regular bank reconciliations
 - Regular production of management accounts which are compared with budgets and any divergences investigated.
- Have and be able to demonstrate a detailed knowledge of your customers, your competitors and the markets in which you are operating e.g. know the profitability of individual lines/customers.
- Develop and be ready to discuss your business and personal strategies and your thoughts on how/when they will be implemented.
- Understand what the key issues/drivers in your business are.
- Understand and respond to the risks that your business is exposed to.
- Build a relationship with the bank as you would with other suppliers of goods/ services and see your manager more as a business partner than an adversary, doing all possible to assist his/her understanding.
- Banks tend not to like surprises and so keep your manager informed with up-to-date details of your financial performance, your future plans (particularly your business plan) and any likely setbacks or problems.
- Make sure you are not vulnerable to a change in manager - the new one may have a significantly different approach to his/her predecessor.
- Expect to enter into negotiations on facilities, security and pricing. Thorough preparation for those discussions will often be repaid by better terms.
- Seek your manager's advice on how your account could be operated at lower cost using automated/electronic methods.

Having said all that your manager has some responsibilities and obligations to your business and you should reasonably expect:

- Enthusiasm and support.
- An understanding of commerce in general and your business/sector in particular. It is of crucial importance to the relationship that there should be a willingness to find out about and understand your business.
- A strong customer service orientation.
- Openness and transparency in discussions on account and other bank charges.

If your bank manager has the capacity to think, not only like a banker but also like a customer, there is the basis for a successful and long-term relationship.

This factsheet seeks to address general business and financial issues and Broadhead Peel Rhodes have taken due care in its preparation and creation. You should contact Broadhead Peel Rhodes direct if you need advice on any specific accountancy issue. Broadhead Peel Rhodes do not accept any liability which might arise from reliance upon the information in these pages.

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