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Relationship

Seven key questions small business owners should ask themselves about their bank

Isaac M. O'Bannon • Apr. 16, 2013

With the 2012 tax filing season for most people, it's a good time for small business owners to reassess their company's financial health and their relationship with their bank. The [American Bankers Association](#) is offering several tips to help small business owners enhance their current banking relationship or choose the best bank for their needs.

Many small business owners have been wondering what it takes these days to get a bank loan. One way to influence your bank's decision is to establish a personal relationship with your banker that shows him or her just how valuable your business is.

Banks value long-term, profitable business banking relationships. Bankers reward these firms by extending credit with the most favorable interest rates. These businesses and their bankers understand that developing a meaningful relationship is a two-way process—your banker has a role to play and so do you.

So how do you know if you have a meaningful and valued relationship with your bank? To find out, take the following “relationship test.” Respond to the seven statements below with “true” or “false.”

1. My firm has a bank relationship manager assigned to our account and we have contact (by phone or in person) at least once per quarter to update the bank on recent developments at our firm and within our industry.
2. Our bank relationship manager understands our industry, our position in the industry, our firm's value proposition, where we are today and where we'd like to be in the future.

3. We provide our banker with updated financial information (historical and

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relationship with the bank (i.e., the availability of credit to our firm and the safety of our deposits).

7. Our firm makes sure that our banker is aware of all of our business with the bank (e.g., both business and personal) and that it makes money on our total banking relationship. In addition, our firm provides our banker with referrals to other profitable businesses.

If you were able to respond “true” to all seven of these statements, you have positioned your firm well with your banker.

If you answered “true” to five or six, you still have room for improvement in developing a meaningful dialogue with your banker and benefiting from his or her advice and counsel.

If you answered “true” to four or fewer, you have not positioned your firm well with your banker and are putting your firm at a competitive disadvantage in terms of:

- receiving the funds you need to grow and prosper;
- obtaining the best rates available for the financial products and services your business needs to operate;
- and receiving “ideas and advice” to help you achieve your desired business goals.

Your firm should seek a bank that rewards a relationship approach to doing business with them, and a banker who is able to give your firm the financial advice that it needs to survive and thrive in today's ever changing economy. In return, your firm should reward this bank with your business and loyalty.

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