GETTING THE MOST FROM YOUR BANKING RELATIONSHIPS

As we all know, companies are continually looking for ways to stay ahead of the competition. And yet many of them overlook the benefits provided by regular interaction with their banking team.

FIRST, KEEP YOUR RELATIONSHIP MANAGER IN THE LOOP ABOUT YOUR COMPANY'S POTENTIAL RISKS AND PLANS FOR THE FUTURE.

It's a good idea to meet with your banker and talk through upcoming expenditures, including capital expenses. Your relationship manager may be able to suggest advantageous financing options you might not have thought of.

Don't hesitate to ask your banker about how he or she views the borrowing capacity and leverage ratios that apply to companies of your size or in your industry.

Keep in mind that financing decisions often require more detailed information about your specific business, rather than just industry trends.

Share developments in your business and your industry, particularly if you operate in a specialized field. Educate your banker about nuances, such as regulatory changes, that may affect your company's growth opportunities. One single example of how to do this is to copy your relationship manager on press releases about your company or industry.

Also, share your company's long-term strategy, particularly the succession plan. Your relationship manager may be able to introduce additional bank resources to help add a layer of capital, position the company for sale, or ensure that tax and distribution goals are met.

SECOND, GET TO KNOW YOUR BANK AND THE PEOPLE ON YOUR BANKING TEAM.

Across the board, companies are becoming more interested in their banks as businesses. That's a positive development. Feel free to ask your banker about the bank's performance. If the bank has recently been acquired, ask about the integration process and how it may affect your accounts or relationships.

Also, get to know your banking team. You probably know your relationship manager. You should know your banker's supervisor, your credit manager and your local branch contacts, too. It's also helpful to know at least one product specialist in an area such as treasury management or debt capital markets.

Knowing multiple people builds knowledge at the bank about your company and its management style and team. This helps provide credit confidence. Plus, if there is a change in personnel on either side, it will require less time for the transition.

FINALLY, KEEP THE LINES OF COMMUNICATION OPEN.

As with most relationships, it all comes down to communication. And in today's rapidly changing marketplace, it is especially important to err on the side of more communication versus less.

Scheduling regular meetings with your banking team throughout the year can help your banker to capture a more accurate and well-rounded picture of your business. This will help the bank to respond more quickly when needs and opportunities arise. And, instead of simply responding to short-range transactional needs, your banking team can consider long-term strategies to help you meet your goals.

These meetings also help to minimize surprises and protect your credit lines. If your company is on the smaller side, also introduce your relationship manager to your contractors to further strengthen and stabilize your credit situation.

As I hope you can see, through strategic, regularly planned conversations, banks can offer relevant information about their resources — and at the same time, your relationship manager will become more familiar with your company's individual situation. Ultimately, it is this exchange that reveals opportunities to help grow your business.

For more information, contact your relationship manager or visit pnc.com/cib.

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