

Ten Tops Tips for working with Banks during the Credit Crunch

In difficult times, it is important that you obtain as much support from your professional advisors as possible. Banks have a vital role to play in the financing of most businesses and below are ten top tips for ensuring that your bank remains a trusted business partner during difficult times:

- 1) Keep in regular contact with your bank. Managers like to hear good news about your business as well as bad.
- 2) Don't hide your head in the sand. If you have a problem, make sure that your bank is aware of it at an early stage, allowing plenty of time for a solution to be found.
- 3) Ensure that any information required by your bank e.g. management accounts, annual accounts, debtor listing, etc are submitted on time. If they are going to be late, let your manager know in advance.
- 4) Be honest and expect honesty back.
- 5) Make sure that you are aware of any conditions and covenants relating to your facility. If they are going to be breached, contact your Bank in advance to discuss the situation.
- 6) Ensure that your bank manager, accountant and solicitor are working together for your benefit.
- 7) Take advice from your bank manager when looking at new opportunities or making major changes to your business. Managers often have local contacts, both within the bank and externally, who can provide help and expertise.
- 8) Make sure that your bank manager understands the needs of your business and your sector. A locally based manager is often helpful.
- 9) If problems occur, work together with your bank to consider all possible courses of action.
- 10) Be proactive and work with your manager to identify and mitigate areas of risk.

Overall, a good working relationship with your bank is key and the above tips should help your business survive in both the good times and the bad.

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The information contained on these web pages is for general guidance only and is in no way a substitute for seeking professional advice on your specific circumstances.