



New Banking Relationship

As a company is working on finding or replacing a banking relationship, the requirements of the business should be clearly defined. It is important that the goals of the company are communicated to the financial institution so that the best relationship can be established.

Experiences

- *Seasonal businesses have variable needs and the loan should be structured accordingly*
- *Companies with a collateral loan that has an advance higher than the Cost of Goods will constantly have cash flow issues*
- *A company that is focused on cycle time, positive cash flow and low to negative working capital can generate high interest from financial institutions*
- *Growth needs that are not forecasted strain banking relationships*

Principles

- Manage the business for good practices – not for the bank
- Focus on return on working capital employed (ROWCE) instead of revenue growth alone
- Establish and ensure consistent communications with the financial institution

Goals

- Generate cash in the business to reduce reliance on the financing
- Achieve negative working capital
- Formalize a communication process
- Demonstrate a marketing plan process

Subprojects

- Financial Forecast for the Next 1–2 Years
- Target List of Banks and Financial Institutions
- Financing Alternatives
- Formalized Presentations
- Due Diligence Requirements
- Reporting & Communication Schedule

Measurements

- Number of banks contacted
- Number of proposals
- Closing process velocity

Deliverables

- Qualified list of banks & contacts
- Communication schedule
- Documents required for financing and review

"I value the business discussions I have had with my banker."

—Owner
Clothing Manufacturer

Jacquard's Profit Projects®

- Straightforward, proven and universally applicable
- Focused and customized to a company's unique needs
- Easily understood by all employees
- Take only 16 weeks to complete

What they do for you ...

- Improve customer delight
- Build greater market share
- Increase profitability and cash
- Strengthen leadership
- Align people with company goals