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## **GETTING SUPPORT FROM LENDERS**

Article prepared by Ian Munro

Businesses of all sizes have needs for additional cash and an obvious source is their bank. Investors are another source but today we will focus on the bank.

Often with our turnaround and improvement work, a problem has arisen where the business is up against its borrowing levels and is about to run out of Cash.

This is when we get a call from either the Bank Manager “we have a customer who needs some help” or from the business “we have a slight problem and someone has given us your name”.

What amazes us is that happens not only with small businesses but recently with a business turning over £40million.

So if you are reading this you will see that we work and help resolve problems in all sizes of business.

So what do we do?

Initially as you may have read elsewhere we suggest a two to three day review to highlight;

- 1 why the problem happened in the first place.
- 2 on current running when is the cash likely to run out
- 3 what are the solution options
- 4 what will be the needs for the next twelve months
- 5 create an action plan with weekly updates
- 6 call a meeting with the Bank Manager.

The Bank Manager lent you the money in the first place and he will be keen to make sure that the bank’s interests are protected as well as his own reputation.

Most of the bank managers I meet want a positive end to the problem and as your funder, getting them on side is absolutely key.

This article is about keeping their support and in a later article I will deal with points 1 to 5 above. If you have what I will politely call “challenges” then perhaps you might find one of our 2/3 day reviews helpful!

Back to the Bank Manager.

- He will need to see your precise plans for the period necessary to get you out of the red and into the black.
- Don't try to hide any problems you foresee along the way. Better to identify them now and create a corrective plan.
- Arrange regular monthly meetings, normally within 48 hours of producing Monthly Accounts
- If you don't produce Monthly Accounts – start now.

Keep the Bank manager updated with news and developments. If you have any stories you would like to share with us send an email to [info@linkmanagementgroup.com](mailto:info@linkmanagementgroup.com)

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