

# Services your business can bank on

by Bruce A. Love

**W**hen we think of banking services, personal savings and checking accounts come to mind. We may also think of Certificates of Deposit (CDs) and various loan options, including mortgages, home equity loans, and revolving lines of credit. Similar services are available for small businesses – along with a host of other specialized services.

**B**ecause businesses come in a variety of forms and sizes, they have varying needs. Some banks understand this and offer an array of services developed especially for small businesses. M & T Bank, for instance, has 8 different checking plans designed to meet the diverse needs of its small business clientele. Some plans focus on the needs of non-profits, while others address the special needs of new businesses. Progressive banks understand that by offering plans that grow with the businesses they serve, they are able to retain customers for the long haul.

**I**n a recent article, we mentioned the importance of making the purchase process easy and enjoyable. One way in which businesses accomplish this objective is to offer a variety of payment options. Merchant Card services address these needs by facilitating the transaction process between your account and your customer's credit card company. Banks charge a monthly fee for this service, plus a small percentage of the sale. Percentages charged vary from bank to bank and depend on your volume of sales. While the cost of accepting credit cards reduces the per sale profits, offering this payment option can make the difference between you making a sale and your competition making the sale. When selling online, businesses must have an Internet Merchant Account. Not all banks offer this special form of merchant service. Ask your web developer for recommendations regarding this and other online transaction services.

**B**usinesses occasionally require additional capital. This is especially true for growing

companies. Some uses of borrowed funds include equipment purchases, leasing, and temporary expenses associated with specific industries. Banks are one source of what is collectively referred to as debt financing. This simply means that the money you borrow must be paid back with interest over time. Many banks work with the Small Business Administration (SBA) to provide the loans businesses need. While the SBA does not typically provide funds directly to businesses, they work with area banks to guarantee the loans. This assurance gives bankers more incentive to make loans they might not otherwise make (due to assessed risk of the proposed loan). Even with SBA guarantees, the loan application process can be an arduous task without any "guarantee" that you will get the funds sought.

**I**n today's global economy, many retailers are discovering the potential of international trade to either reduce material costs or sell to foreign markets. Some banks offer commercial "Letters of Credit," which are used to facilitate the international buying and selling of goods. This lowers the transactional risk for both parties.

**B**anks offer many other services that make running a business easier and more efficient. One such service is the night deposit box. According to Pat Dumm, VP and Team Leader of Business Banking at M & T Bank (which boasts the largest number of night deposit boxes in the region), the convenience of a nearby box is an important consideration for retailers who want to safeguard daily proceeds.

**S**ome banks offer short-term investment solutions that put excess money to work for you on those rare occasions when account balances exceed demand for the funds (usually a short term situation). Fortunately, most banks also offer overdraft protection to guard against the reverse situation. With a little investigative research, you should be able to find a bank that will meet all of your business needs.

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