

FOR: Bank Sales Teams

Questions for a Deposit-Focused Call – September 2007

Begin the call with the usual opening. Then “frame” your deposit-focused call with the following value statement.

“As a banker, I have an opportunity to work with many businesses in a wide range of industries. Over the years I’ve observed that many business owners are well versed in terms of their business credit needs, but seem less focused on the importance of managing their cash. I’ve found that, in these cases, a little more attention to cash management can result in a significant improvement in the return on cash balances.”

“With your permission, I would like to spend a few minutes exploring two areas: first, how cash flows through your business (e.g., largest expenses, how often paid, etc . . .) and second, your cash needs over the next year.”

“My objective is not to offer you a quick solution . . . but to get a thorough understanding of how you manage your cash. With that information in hand, I may be able to develop some suggestions for making your business even more successful.”

“May I ask you a few questions?”

Financial Operation Questions (be careful with the shortcuts)

3. “What are your typical selling terms? Your typical payment terms?”
4. “What are typical methods of payment for each of your customer segments?”
5. “Explain how money flows through your business — from the time you write an invoice until you write a check for a payable?”
 - a. “Who touches the funds?”
 - b. “What accounts are used? etc.”
6. “How much time each week does your staff spend managing your cash?”
7. “A few minutes ago we discussed possible changes in your business operations, how do you see those changes affecting your financial operations over the next 12 to 36 months?”
8. “How about your cash needs for the next 6 to 12 months? Beyond that?”
9. “As you identify idle cash balances available for interest-earning deposits, what is the most important issue to you, rate or liquidity? Why?”

- a. "How will that decision affect the way you manage your deposit accounts as your business demands change over the next year? Over the next three to five years?"
 - b. "Over the next twelve months will liquidity among all cash balances be at a premium? Or, can you utilize a portion of those balances in some type of interest-earning strategy?" (Please elaborate.)
10. "What type of deposit accounts do you currently have in place? With whom?"
 11. "What are the balances? What are the rates?"
 12. "Do you have other deposits or investments in place? With whom?"
 13. "What new deposit products have you considered in the past six months? Remote Deposit Capture, Cash Management, ZBA?"
 14. "Which of these deposit issues would you describe as your highest priority?"
 15. "I've got some ideas that might help you resolve that priority. Here's what I'm thinking."
 16. "I'd like to help you resolve it. Here are some possible next steps."

If you ask all the questions on the previous slide, you can use these questions to focus in on the possible problems and implications of the current or future deposit "situation".

Problem Questions

1. "Are you earning the most that you can on your cash balances?"
2. "Do you feel as though you are maximizing the use of your cash at all times?"
3. "Are you missing other investment opportunities for the sake of maintaining your company's liquidity?"

Implication Questions

"As you think about where you are going over the next three to five years, what strategies will you need to have in place in order to direct cash to some type of vehicle that will provide for the equity or working capital necessary to accomplish company goals?"

