
Your Bottom Line

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Become friends with your banker

When the time comes for professional photographers to expand their studio operations, the need to acquire a friend at the bank suddenly becomes paramount. Why wait until pressure mounts before contacting bank representatives about securing a loan? It is more advantageous to start meeting with moneylenders before a time of urgency.

Cultivating professional friendships with financial establishment employees is more difficult today, than it was a decade ago. In the past, banking was a lifetime career and loan officers knew their customers intimately. Many watched their clients' children grow-up and become new customers. In years past, loan officers had no regulatory restrictions on talking to school teachers, employers, and merchants for client information. Bankers knew if clients paid bills on time and it was easier for them to advance loans within their own communities.

Few individuals and small business owners establish the same type of personal relationships with financiers in today's society, particularly in larger communities. Banking has become extremely computerized and impersonal. Information is mechanically fed into computers which carefully monitor consumer financial activity. When individuals miss payments, even by one day, that information is usually recorded as a delinquency on their credit reports.

Many people have the misconception that if they skip one credit card payment, their lending institution will be pleased to earn additional interest. Instead, the moment a payment is late, bank computers assume the consumer is financially irresponsible and release a "red flag" in the individual's records. Machines don't consider valid personal reasons for late payments, or the possibility that postage stamps fall off payment envelopes. Computers only recognize that when a bill isn't paid, the card holder must be a "bad risk".

Protective laws enacted in the past 20 years make it more difficult for bankers to obtain customer information and they are forced to rely more heavily on computer

numerical data for making loan decisions. Without client permission, loan officers are not legally permitted to interview previous employers about work histories or delve into "taboo" information, such as court or prison records.

Many individuals are reluctant to answer questions regarding personal information about loan applicants because they fear potential lawsuits. Therefore, a business owner's only salvation in the computerized world of banking may be to develop a personal relationship with a bank representative.

Most financial institutions advertise "personal banking services," but unfortunately, most do not employ "long-term" employees. Many banks are owned by large holding companies which frequently move employees to higher level positions as they work their way up the "corporate ladder". In fact, some large banks deliberately relocate employees every few years and even discourage close personal ties with clients.

Because a personal banker may disappear at any moment, ask for a written synopsis describing the relationship he or she developed with you and your business for your permanent file. This review may ease the transition and help you establish a healthy relationship with the next bank representative assigned to your account.

If you don't have a personal banker, make appointments to visit bank representatives. Try to gauge the amount of interest they have in you as a potential customer and avoid working with banks that make you feel they are doing you a favor by accepting your business. Respectable banks will court your business, just like you have to court your customers' business.

Once you select a financial establishment, become a frequent customer. You'll receive better service if you open several accounts at the same institution—particularly if you operate more than one business. However, be sure to maintain a secondary account at another institution, in case your primary bank turns down a vital loan proposal. You will increase your

chances for obtaining a loan elsewhere, if you are already a customer.

Don't be afraid to change banks if you are not receiving the service and attention you deserve. However, don't hop from bank to bank without valid reasons.

When you stop by your bank, make a point to say "hello" to your representative. Once a year, ask your personal banker to pull your credit history file from the computer to make sure the information is correct.

Always remember that banks are businesses, much like photography studios. They must promote their services to attract clients and maintain a reputable image in the community. Financial institutions often search for effective, economical promotion ideas. Consider proposing a co-promotion with your bank, such as offering free portrait sittings and 8x10-inch prints to their savings account customers.

Financial establishments often conduct portrait promotions. If you learn that your bank is considering one, attempt to acquire the job. If the job is in the hands of an out-of-town studio, find out why the assignment wasn't first discussed with you, since you are the bank customer. Inform bank personnel that you resent an out-of-town operation taking dollars out of the local economy. Even if you don't get the job, the bank will seriously consider you for future photography promotions.

When seeking a loan, never assume that your proposal is so advantageous that the bank couldn't turn you down. I made this mistake a few years ago. After working on a proposal with my personal banker for six months, we achieved what I considered a "done deal". But a few days before closing, the loan committee voted my project down for no apparent reason. I had three days to find an alternative. Luckily, I was able to save the venture with another bank. Needless to say, I have since changed financial institutions.

Running a business is akin to playing the child's game, "Shoots and Ladders". Much depends on the roll of the dice and studio owners must prepare contingency plans. Although I don't like the way most bankers run their businesses, the majority of photographers can't effectively operate studios in today's society without financial assistance from established lenders. Get a head start and expand your bottom line by developing personal banking relationships now. It won't be easy, but it can be done. 