



## SMART STRATEGIES

### Methods for Improving your Credit Worthiness and Borrowing Ability

*Many banks and lenders have tightened their credit policies, eliminating or reducing lending relationships with all but their very best credit risks. Regardless of the strength and length of your relationship with your banker and other lenders, you may find that the rules have changed the next time your business goes to borrow. In this column, we offer suggestions to help improve the odds for your next credit request, whether it is for a bank loan or an equipment lease.*

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**Strategy #5 - Choosing a Business Bank**

If the future growth of your firm depends on an understanding business banker, it pays to choose your business bank carefully. How should you select a new business bank?

**1) Choose a bank where lending to businesses is a major part of their business.**

A commercial focus is probably the single most important factor you should consider when selecting your business bank. Commercial bankers have a greater working knowledge of the needs of businesses than the "bankers" found at some Credit Unions, stock brokerages and savings banks. A company that does its banking at a bank with a strong consumer focus (at the expense of its commercial customers) can run into problems of convenience and a lack of business understanding when it needs it most.

**2) Find out who and where the bank's commercial lending officers are.**

Are they at your branch or at a commercial lending hub across town? What is their credit approval authority? Does your prospective lending officer have experience with other companies in your industry? Get to know them early and before you need them. (Due to staff turnover at many banks, this is tougher today than it was before.)

**3) Does your bank have a merchant teller or other service features designed to attract business customers?**

Even if you don't have a regular need for this service in your business, merchant tellers are an indication of the extent a bank will go to attract and accommodate business customers.

**4) Anticipate your approximate borrowing needs and financial condition in advance to determine whether your firm will fit into the bank's lending criteria.**

Is your prospective bank more concerned with your cash flow, balance sheet or payment history? How important is collateral in your bank's lending decision? These are best determined by interviewing your banker *before* investing in a new banking relationship.

**5) Convenience is an important but secondary factor**

to consider in selecting your business bank. Determine whether their branches are close to your office and your satellite locations, or whether the bank has a pick-up and delivery service.

**6) Monthly service charge**

amounts and the availability of features such as safety deposit boxes should also be considered, but don't let saving a few dollars a month sway your decision to establish a commercial banking relationship.

Some banks offer counseling in how to maximize your funds and how to grow your business. We encourage businesses to share their situations and concerns with their bankers before they have a desperate need.

Be aware that all branches of the same bank do not have the same focus. Individual bankers have different areas of expertise, too. If your banker knows your business well and gets moved to another bank or branch, it may pay to move your accounts with your banker.

**Important:** Before changing banks, ask your current bank to provide a written statement summarizing your relationship with the current bank.

The statement should include the dates your accounts were opened, the average balance on deposit accounts and ratings on both deposit and borrowing accounts. This statement will help establish your value as a customer to a new bank, and when used in addition to your new bank references, will help to confirm your credit-worthiness for prospective lenders. (Most lenders want to see a minimum 2 year banking history as part of their credit review process.)

You've got nothing to offer if you only follow. Every time we've done the same as everyone else, we have failed.

Why is it that people who know the least always argue the most?

Success is all luck... Just ask any failure

Our business continues to grow as more companies discover the advantages of leasing over bank borrowing for their capital equipment acquisitions.

We are grateful to our loyal vendors for their referrals and loyalty and our "growing" customer base for their trust and their business.

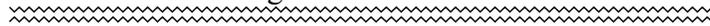
Our experience, volume and reputation qualify us to deal with very particular funding sources and access to their best rate programs. Let us put our resources to work for your business!

*Those who give more than they get  
often get more than they give.*



"Opportunity is missed by most people because it is dressed in overalls and looks like work."  
Thomas Edison

Under federal law, a bankruptcy filing remains on an individual's personal credit record for 10 years from discharge date. Most other negative information must remain there for 7 years.



**Value Marketing projected to be the secret to success in the 1990's.** Value isn't just hype and positioning, it's delivering to your customer more than they can get elsewhere. Does that mean the lowest cost item? Maybe, maybe not.

An improved product, with added features and enhanced service can determine value. Extend your warranty. Provide free training. Build customer loyalty with membership clubs, frequent buyer plans and toll free telephone numbers. Find out what your customers want most and determine to give it to them. Give more than your consumer expects by way of unexpected but welcome surprises. Make your company easier to reach, your product more environmentally sensitive and your service easier to use.

Today's consumers want to know they are dealing with responsive, accountable dealers. Marketers who can build relationships with their customers will really win market share and grow even during times of slow growth or recession. But the worst fate of all comes to the vendor who promises value, but then doesn't deliver, so be prepared to stick by your commitment if you want to succeed.

Marketers who figure out how to add value will thrive in all times, but especially when other companies are trying to improve their bottom lines by cutting back their customer support and services.

HAPPINESS IS... A POSITIVE CASH FLOW™

**Special notice** to all of our long distance clients and customers: We have recently installed a **toll free telephone number** for your use. If you are calling from outside of the greater Tucson area, please call **800/947-2451**. As always, we will be glad to hear from you.

Did you know that **Lease \$mart** is an active member of WAEL? WAEL is the Western Association of Equipment Lessors, a professional association established to foster professionalism and provide additional networking resources for the equipment leasing industry. We subscribe to the WAEL code of ethics and encourage all in our industry to do so. Future issues of *Smart News* will provide additional information about the WAEL code of ethics and what it means to you, our valued customers.

**Leasewise:**

First and Last in Advance is all that is required on most leases. But LEASE \$MART often approves leases with only the first month's payment in advance. We can then delay the due date of your next payment by up to 90 days. This option can help equipment to begin providing benefits and positive cash flow even faster. Be sure to ask for it!

Did you know we have programs to approve new businesses and those companies which are less than 2 full years in business? We can often provide up to \$25,000 for the equipment needs of newer businesses. Call for details if our start-up approval program can help you.

The race is not always won by the swift, but by those who keep on running.