



Getting the Bang from your Banking Buck

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{ Presentation Outline

- Introduction
- Establishing needs
- Strategies to maximize the relationship
- Measures for success
- Final thoughts

{ Introduction

- What is a bank?
- What kind of relationship is each side looking for?
- What are the objectives on each side?
 - Transactional versus relationship issues

{ Establishing Needs

- Products & services:
 - Credit and treasury
 - BA's, LIBOR, commercial paper, MTNs, etc.
 - Foreign exchange
 - Currencies, types of instruments, etc.
 - Other derivatives
 - Interest rate swaps, FRA's, etc.
 - Import & export services
 - Letters of credit, lockboxes, collection & transmittal services

{ Establishing Needs (continued)

- Products & services:
 - Working capital management
 - Domestic payables and receivables
 - Transaction reporting services
 - Regional deposit accounts
 - Foreign currency accounts
 - Funds concentration
 - Bank service contract
 - Credit card services
 - Purchasing cards, private label cards, T&E cards, etc.
 - Other services
 - Investment banking, syndications, economic studies, commodities, etc.

{ Establishing Needs (continued)

- Define required volumes for key products and services
 - Present & historical
 - Forecasted
- Identify support requirements
 - Key support areas
 - Channel and mode
 - Frequency
- Identify FIs to be invited to quote in each product category

{ Strategies to Maximize the Relationship

- Want the relationship to be elastic on both sides
- Maintain a current inventory of all banking relationships
- Keep communication channels open!
 - Maintain a regular communication path at multiple levels
 - Advise other party of problems, or known upcoming changes
 - Don't hesitate to escalate if you are not satisfied

{ Strategies to Maximize the Relationship (continued)

- Take advantage of formal and informal relationship building opportunities
 - Charity golf tournaments, conferences, industry events, etc.
 - Site visits to client, industry conferences, annual meetings, etc.
- Request banks to modify or update their services or procedures to reflect the current or changing business environment
- Convey message that if possible, new business will go to financial institutions participating in credit activity

{ Measures for Success

- Define measures for success up front
- Relationship management must be a continuous and ongoing process
- Formal, regular meetings to review financial results, problem areas, changes, etc.
 - Define goals
 - Measure and track performance
- Meet to discuss specific challenges or problems

{ Measures for Success (continued)

- Benchmark bank performance & fees against industry standards
 - Try a bank score-card approach- indicate in advance which items will be measured, and what performance targets are
- Look for proactive input from the financial services supplier, such as:
 - Advice re pending regulatory changes
 - New products & services
 - Suggestions to improve operations, fee structures, timing, etc.

{ Final Thoughts

- Summary of major themes
- Audience discussion

{ Further comments are welcome!

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