

Get to Know Your Financial Advisers

by Diana Hanson

Overriding all the financial aspects of being in business are two basic concepts:

1. No matter how technical and electronic our society becomes, the human touch is as important as ever. Business is still all about relationships.

2. People will go out of their way to help you if they know you, even just a little bit. No one ever makes it alone; no one.

You build decks. You are not an accountant, and your accountant knows things about accounting, tax law, and money management that you do not. You are also not a banker, and

most small business owners find difficult, since they live with the business 24/7/365, and it involves, quite literally, every aspect of their finances. As a business owner married to another business owner, I know this.

An accountant also provides services in addition to those needed for the dreaded April 15 tax deadline. She can help you figure out what kind of entity your business should be (LLC, S corporation, sole proprietorship) and help with projecting future earnings (useful on loan applications). My accountant is also my cheerleading squad. When I visit her each quarter,

Creating and Maintaining Key Relationships

It seems that many tradesmen are intimidated by professionals. There is no reason for this; they put their pants on the same way you do. You're bringing them business, and they want your business.

Believe it or not, your accountant and banker will be looking to get to know you, as well. Your success feeds their success. Through conversations about your business needs, they will be looking to see how well you know your industry and what you expect and hope for your business. Your attitudes and know-how don't get communicated well through the usual application forms that go with obtaining loans or lines of credit, or in QuickBooks reports; this kind of information must come from in-person, one-on-one contact.

Never be reluctant to ask questions about things you don't yet know. You, not your key professionals, are ultimately responsible for the success of your business. You cannot afford not to understand the meaning of your financial statement or the ramifications of the loan you are about to take out. This knowledge will make you better at running your business, and the professional will see that you are sincerely interested in being in control of this aspect of your business.

Meeting money and time commitments is an important part of the relationship with your professionals. In order for them to do their best for you, you need to meet their deadlines.

Bankers and accountants put their pants on one leg at a time, too.

your banker knows things about banking, lines of credit, and financial management that you do not. Making a point of forming relationships with these key professionals will get you more attention than someone who has not done so. When, not if, some urgent need comes up, having that relationship already in place will go a long way toward getting you the assistance you need.

Having a personal relationship with your accountant means you have someone to check in with on the health of your business — someone not directly involved in your business, who wants to help, yet can be objective. Being objective is something

she gives me a high-five if the numbers are good. When the quarter has not gone so well, she asks why. It's a bit like accounting-psychoanalysis, but without the couch.

Another one of the most important business relationships you can have is with your banker, even in this day of bank mergers, when most banks transfer decision-making power from local branches to a more central location, sometimes several states away. Look for a smaller bank that still gives personal attention and has decision-making power at that branch. Make a point of knowing several people in the bank, so if your key contact is out or should leave, you do not have to start all over.

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Missing a loan payment or being late in providing necessary financial reports will be a blow to the trust your relationship is building.

Of course, it may happen that you won't be able to meet a commitment. Be proactive with bad news, and be sure to keep your professionals in the know about things that may negatively impact your business. Keeping them informed builds trust. And ask for help. They might surprise you by suggesting something that will help you with your current situation.

On the up side, also let your key professionals in on good news and company growth. As your business grows, its financial service requirements will evolve along with it. Make sure that your professionals understand your changing needs and can continue to meet them. What worked last year may not be the best thing for you this year. Growth might trigger a new filing requirement or make a new product available to you.

Get Out Once in a While

Don't be afraid to have a little fun now and then. It's part of building a relationship. Invite your banker or accountant to lunch or coffee, or to the golf course; the gesture will be appreciated. Talk in terms of where your business has been, where it is now, and where you want it to be, and give them the chance to discuss their industries. You may both even share some things about your families and

outside interests. There are multiple benefits here — you get to know each other better as people, they learn that you appreciate them, and you both get fed (plus, you can probably write it off...).

A strong relationship with these professionals makes them allies and advisers in moving your business forward. They may be able to provide you with referrals to other professionals, such as insurance agents and lawyers. This is very good for you, as people take referred business very seriously. Chances are this new professional will treat you well, and will be of the same quality as the professional who referred you to them. ❖

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