

How to Choose a Good Small Business Bank

A good banking relationship can reduce the stress on a small business owner. Be sure you have the right banker before you open your small business bank account.

If you are a small business person, looking to start a banking relationship, there are a number of things you should consider before you choose your bank.

Remember, this business relationship should last a long time, so you want to know you will have the banking services and options you need, or you will find yourself changing banks. And that can be a real hassle!

First, look at your business plan, and see where you intend to go with this business. Will your bank be able to support you if you are going global? Do they have international branches? Can your prospective bank handle import and export letters of credit, etc?

If your business is domestic, your business bank is still important. Does a small business account at your bank require a minimum balance at all times? If so, what are the penalties you will pay on a monthly basis if you do not maintain that bank balance?

Does your bank charge for wire transfers in and out of your bank account? If so, how much does the bank charge?

Does your banking institution provide online banking, so you can pay bills, transfer money in and out of your account and make other banking transactions?

If online banking is available, can you schedule monthly payments to your regular vendor accounts so you can save time in bill paying and avoid having to set reminders to pay those bills on time?

Can you download your banking reports and records of banking transactions into business bookkeeping software so you can be more productive and you don't have to re-enter data from one system to another?

How many branches does your bank have and where are they? Are these convenient to where you do business?

Will your bank provide you with a personal account manager who will help you make business decisions and support your business as it grows?

What kind of business loans does your bank offer and what are their rates? Will your bank help you put together the appropriate loan packages with supporting documents so that the loan is likely to be approved?

Can you get a line of credit pre-approved by your bank so that you have money available for those unanticipated purchases?

Does your bank offer Accounts Receivables financing so you can buy inventory or stock in advance and wait for customers to pay their bills without your business going under?

Can you reach someone in your bank 24 x 7 if you have a question and you need to call from another time zone?

Can your bank support investment accounts and checking/savings accounts to give you a full service suite of banking options for your business needs?

What other business services does your bank offer to the small business person? Get a brochure and sit down and talk to an officer about these and all of your other questions.

Before you open that small business bank account, compare one bank against another to find the one that best fits your needs and fulfills your requirements. You will be happy you took the time to go through this process.

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About the Author

Ask the right questions before you sign up for a small business bank account. Learn about banks and banking options at our web site:

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