



## Frank meets his new relationship manager

### Cast:-

*Frank Schofield - Owner Manager Schopotts Engineering Ltd.*

*Steve Cash – His new relationship manager from his Bank.*

### Location:-

*Frank's engineering factory in Chadderton.*

**Frank**

Come on up. Steve is it? av yer signed in?

**Steve**

Yes and yes it's Steve. You got my e-mail?

**Frank**

E-mails (*laughs*), bloody e-mails, spend half mi time going through e-mails, Can't delete en masse in case there's an enquiry in there. Trade a lot with the Middle East yer see, oil and gas. Yes, got yer e-mail and by the way, you're our fourth relationship manager in five years and the last two were called Steve. Standard name for a banker is it?

**Steve**

No, no (*laughs nervously*) we do have a variety of monikers and I hope to be with you for a little longer than the last Steve.

*(They arrive at the top of the stairs)*

**Frank**

The last one said that. *(pause)* Here we are, take a seat. I'll get Margaret to make us a brew, tea, coffee, afraid we don't do chocolate?

**Steve**

Coffee, white no sugar. I'm sweet enough *(laughs nervously again)* Nice space?

**Frank**

Table and chairs from Ikea, Margaret calls it our break out area.

**Steve**

Break out area? We have a few of those at the Bank.

**Frank**

Mmm. *(pause)* I was surprised by your e-mail, distressed business and all that.

**Steve**

Yes well I looked at your M.I and..I'm sorry it doesn't look good.

**Frank**

M.I? The profit and loss my accountant knocks up for me.

**Steve**

M.I yes, your P&L and balance sheet. Not good news really. I was going to bring along my colleague from the distressed business department but I thought I'd better speak to you first.

**Frank**

We're about to have our best year since 2010. The same year you removed my overdraft, but you wouldn't remember that would you. We've just delivered 750k to the port, cash against documents. Another 172k in two weeks to a fabricator in Aberdeen. It's tough on the cash, project work, but when they get delivered, and we get paid, happy days.

## **Steve**

You've lost money in the first 4 months and your working capital is negative. Unless I'm reading it wrong. Can you produce a report that shows your order pipeline, feeding into a realistic rolling forecast with maybe 6 months cash flow and then maybe....

## **Frank**

What's a rolling forecast?

### **Conclusion**

Frank should be aware that all his Bank can go off are the financial reports you give them. If you have a more complex story to tell, especially one that involves a healthy order book, then employ an in house finance professional to produce the reports and also to help liaise with the Bank. A flexible finance manager working two days a week would help Frank sleep at night.

And maybe the Banks should retain their relationship managers with the same clients for longer periods than they do currently so that they come to understand their clients business and can be more proactive.