

Fostering Relationships in Business



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Introduction

Business is all about relationships. The bonds that are built between a company and its customers, vendors, investors and banking providers will greatly affect overall business performance.

While other factors will certainly have an impact — such as macroeconomic trends — maintaining the health of financial relationships is well within a company's control. Given the importance of these relationships,

owners and leadership should devote ample consideration, resources and time to the upkeep and strengthening of vital partnerships.

Many owners already know this, but the problem is that many businesses may be spread too thin when trying to service each and every relationship. The unique needs and demands of different groups might also complicate the situation: Investors

may want very different things than customers do when it comes to pricing, for instance.

Reconciling these differences and balancing each relationship is crucial to building connections that will last. Here is some insight into fostering strong financial relationships as a business.



What is a business relationship?

There are many different categories of business relations, including financial, transactional and managerial. Every time a company interacts with its banking provider, a customer or an employee, a relationship is established, enhanced or weakened.

It is important to avoid that last outcome, as the effects of one

negative relationship can spread to other business facets:

- A disengaged employee may not be as productive, which affects output.
- Lower production may lead to higher prices, which can lead to lost customers.
- Investors unhappy with transparency into metrics may become dissatisfied.

The trouble in managing business relations usually does not stem from an owner's lack of acknowledgement. Rather, the challenge is the interconnected nature of business relationships. Competing interests for time and attention can pull the business in all directions, and keeping all parties pleased can be quite the task.



What types of relationships does a business maintain?

The scale of these relationships can complicate things. As an entity, the business is at the center of a relationship web that stretches between all sorts of groups, persons and organizations. Some of the most common and vital relationships exist between a business and the following stakeholders:

Employees

Labor relations encompass everyone from the grassroots to the C-suite. Employee engagement is needed at every level to ensure performance and progress toward core objectives and goals. However, the needs of the factory floor worker are likely different from those of a director of operations. It is key the business installs leaders and implements processes that make all employees feel heard, recognized and respected.

Customers

Customer relationships are often addressed through the context of the brand. The customer's impression of the business is directly tied to how well the company performs up to its brand values. If a company advertises itself as eco-friendly, it should be able to communicate sustainability practices to consumers. Likewise, businesses that sell services to corporate clients need dedicated teams to maintain account relationships.



Investors/shareholders

A business has specific fiduciary duties and obligations to investor relations, public companies especially. Not only that, but these relationships are highly personal. Raising capital cannot be done without inspiring the trust and confidence of an investor. Positive relationships with equity partners often mean giving them a bit of special attention or insight into strategy.

Vendors

A business is also a consumer in its own rights: of software, utilities, commercial space, services and goods. Vendor relationships must be maintained, as business continuity depends on cybersecurity and having a physical space with electricity and plumbing.

Banking providers

A competent and experienced business banking partner is crucial. Businesses are built to make money, so having a bank that can provide cash management is invaluable. Beyond those basics, the best banking providers support core business functions through financing or credit products, savings accounts, merchant services and other offerings.



How can businesses foster more personal relationships?

It is true that each type of relationship will require something different from the business. However, there are some strategies for improving business relationships of all categories. In general, they relate to relationship qualities like:

- **Personalization:** Personalization can be effectively accomplished through small efforts. Recognition of employee wins is one method, while using first names in customer emails is another. Rely on your data from customer relationship management systems to help shape personalization across interactions.
- **Communication:** Any relationship therapist could expound on the importance of communication. That truth extends to business relationships. Sometimes communication needs no impetus. Checking in on your most valuable accounts, vendors or investors just to talk can foster a trusting and positive atmosphere.
- **Collaboration:** Whether soliciting feedback from customers or a bank, collaboration can solidify relationship bonds, as well as produce results. For example, a business looking for cash flow help can work with its banking provider to find solutions. The more a partner knows about your business, the more they will be able to help.
- **Mutual benefit:** No one-sided business relationship is going to work in the long term. Relationships are a two-way street, and any side that feels taken advantage of is going to rebel in the end.
- **Trust/loyalty:** Perhaps the most fundamental quality to a positive relationship is trust — trust that the business delivers value or uses investor money responsibly, for example. Reputation is staked on trust, so consider what effect a customer loyalty program could have, or what steps can be taken with vendors and others.



Take your business banking relationship to the next level

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¹Comerica ranks first nationally among the top 25 U.S. financial holding companies, based on commercial and industrial loans outstanding as a percentage of assets, as of December 31, 2019. Data provided by S&P Global Market Intelligence.

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