

AFP®



# Annual Conference

ORIGINAL

ESSENTIAL

UNBIASED

INFORMATION

## Bank Relationship Management: What You and Your Bank Can Do For Each Other

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Kimberly-Clark Corporation

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Global Client Sales Manager  
Citi Transaction Services

# Introductions

## Kimberly-Clark Corporation

- **Founded in 1872**
- **Global manufacturer of consumer products such as Kleenex, Cottonelle, Huggies, Scott, Viva, Kotex and Depend**
- **Other businesses include K-C Professional (Away-From-Home) and Health Care**
- **Products are sold in more than 175 countries**
- **57,000 employees worldwide**
- **2011 sales of 20.8 billion**

## Synthia Seefried

- **Joined K-C in 2004**
- **CTP since 2008**
- **Senior Cash Manager since 2009**
- **Actively involved in Dallas chapter of AFP**

# Introductions

## Citi Transaction Services

- Provides cash management, trade and securities services to multinational corporations, financial institutions and public sector organizations in 140 countries around the world
- 93% of the Fortune Global 500 companies use Citi Transaction Services to run their daily operations

## Maureen Freeman

- Joined Citi in 1990
- With Citi Transaction Services since 2002
- On the K-C Relationship Team since 2009

# Agenda

- **Introduction**
- **How K-C Maintains Healthy Bank Relationships**
- **Managing Global Relationships**
- **Allocating Business to the Banks**
- **Managing Fees**
- **Another Meeting?**
- **Summary**
- **Questions**

# Introduction: Why Focus on your Banking Relationships?

- **Similar to dating or marriage – if the banking relationship is healthy, it will be mutually beneficial**
  - Establish confidence and trust
  - Professional and friendly
  - Collaborative partnership
  - Interested in each other's success
  - Shared understanding of goals with clear performance measures
  - Open communication
  - Listen to each other

# Introduction: Why Focus on your Banking Relationships?



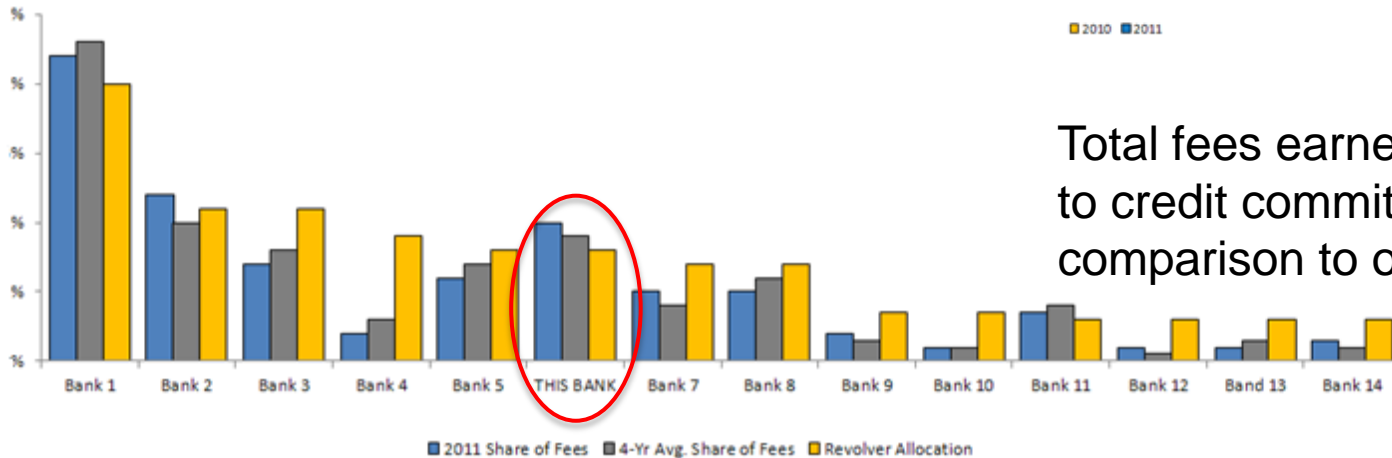
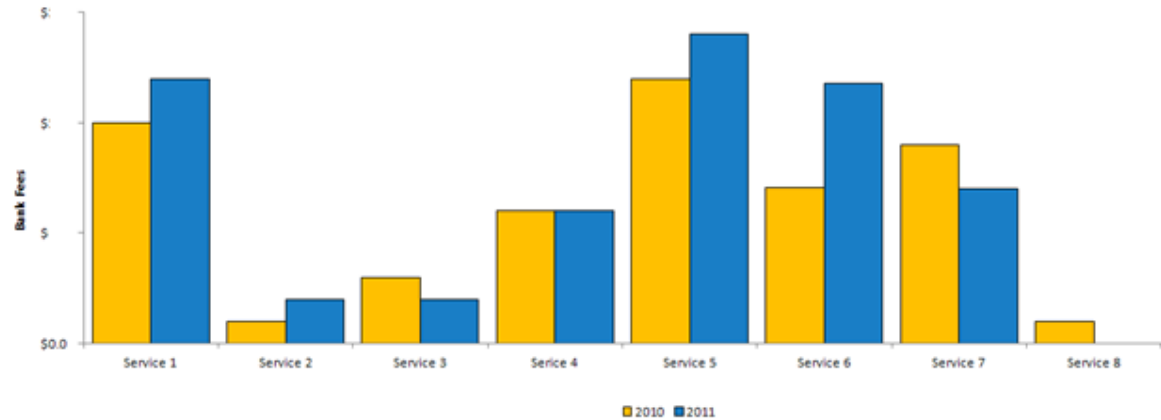
# How K-C Maintains Relationships

- **The Big Picture**

- Banks are viewed as partners
- Annual Review of Company/Treasury goals
  - Includes senior members of team
  - Goals and expectations agreed upon
  - Performance measures discussed
- Annual Transactional Services Review
  - Includes Cash Management team and Assistant Treasurer
  - Treasury invites others (AP, AR, Payroll) to participate
  - Topics: prior year review, upcoming projects and potential new solutions (ensure needs are being met)

# How K-C Maintains Relationships (Sample Scorecard Materials)

Annual comparison of fees the bank earned for each service group



Total fees earned compared to credit commitment and comparison to other banks



# How K-C Maintains Relationships: Relationship Update

List area of bank/focus/specific product	Provide details here
● Area of Bank #1	Set introductory meeting
● Area of Bank #2	Strong relationship with continual dialogue
● Product #1	Fully supporting analysis
● Product #2	Organize meeting to review in depth
● Project #1	More focus needed in Asia
● Project #2	Schedule implementation kick-off
● Project #3	Implementation progressing

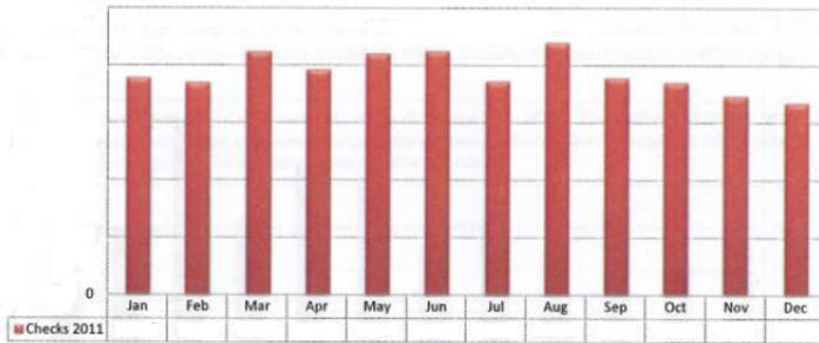
# How K-C Maintains Relationships

- **The Details**

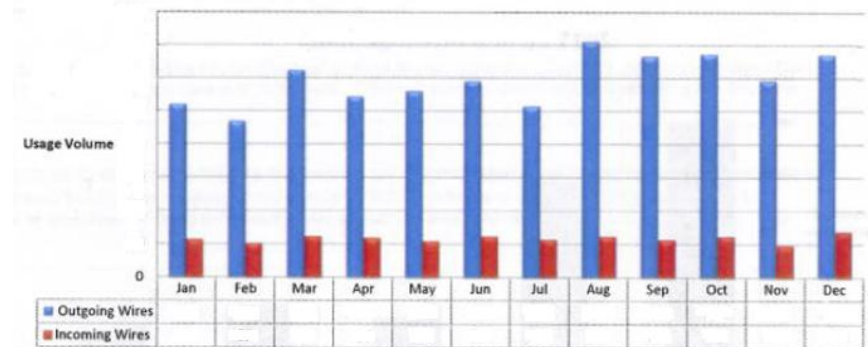
- Meetings with different levels of the organization
  - Corporate bank meetings
  - Consultative meetings
  - Treasury Services meetings
    - Industry Trends
    - Innovative Services
    - Project Reviews
    - RFP meetings as needed
  - Cash team monthly reviews with Service/Operations to discuss current items
  - Implementation meetings to meet project timelines
  - Scorecard/service reports to track progress

# How K-C Maintains Relationships

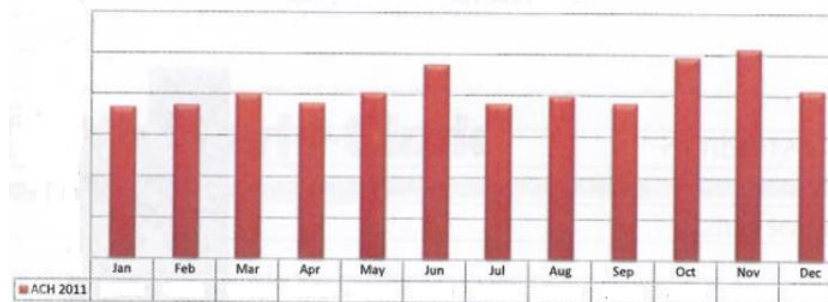
Check Volume 2011



2011 Wire Volumes

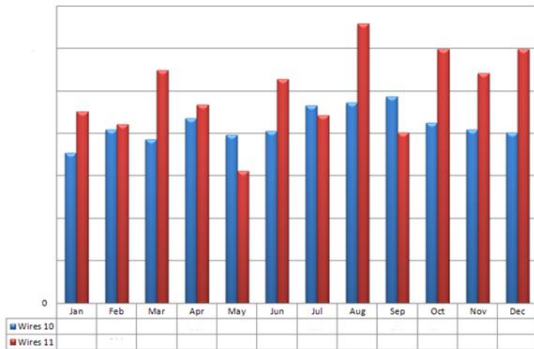


ACH Volumes 2011

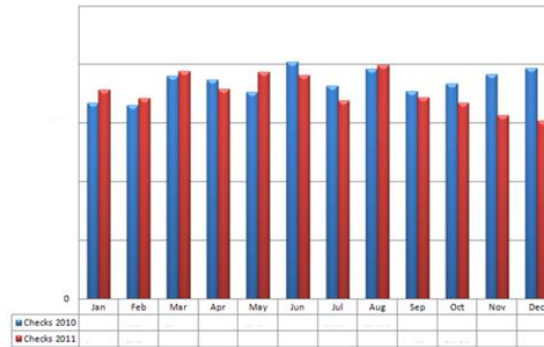


# How K-C Maintains Relationships

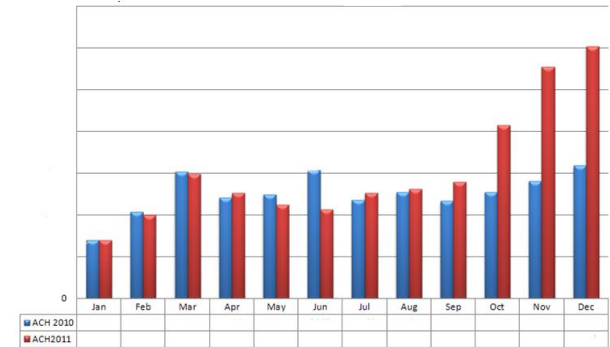
## AP Wires



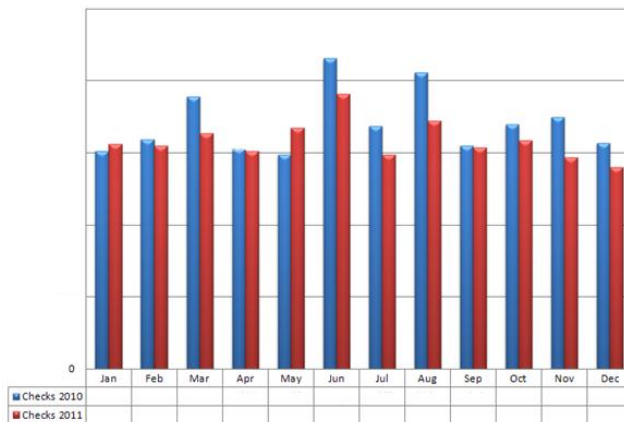
## AP Checks



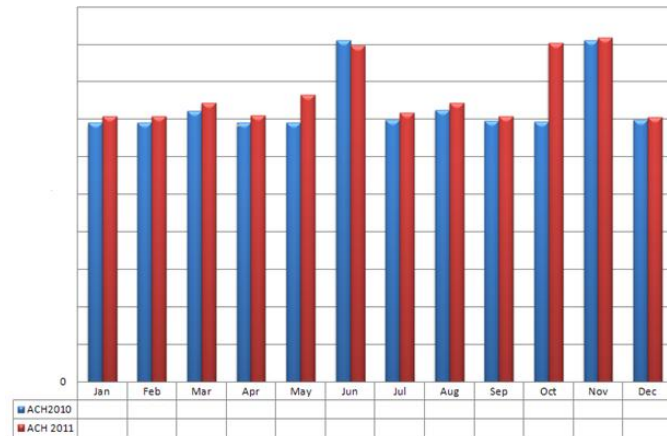
## AP ACH



## Payroll Checks



## Payroll ACH



# Managing Global Relationships

- **Ask your bank for a global relationship review**
  - Can be general overview by region or by individual country
- **Close coordination on global projects:**
  - Local teams work together
  - Report back to regional/global counterparts
  - Global calls if necessary
- **When travelling globally, visit partners in region to further strengthen relationships**

# Allocating Business to Banks

- **Choose partners**
- **Know each banks' strengths**
- **Set expectations with banks**
- **Determine if RFP needed**
- **Balance number of bank relationships**
- **Be honest about award and provide feedback**

# Managing Fees –Corporate View

- **Compare pricing for all accounts within same bank**
- **Benchmark regularly to ensure competitive pricing**
  - Compare to your other banks
  - Use third party surveys (such as Phoenix Hecht)
- **Review pricing holistically**
- **Value for services received**
- **Where possible lock in fees for several years (exclusivity)**
- **Negotiate pricing only for new services (if others locked in)**

# Managing Fees – Bank View

- **Should be proportional to value**
- **It can be expensive and/or difficult to provide certain services or maintain capabilities in certain geographies.**
- **Influenced by:**
  - Regulatory environments – diverse by geography/country
  - Balances vs. fees
  - Credit needs for services
  - Local customs



# Example of recent price negotiation



# Another Meeting?

- **Why banks ask for meetings**
  - Better understanding of goals, processes and organization
  - Specific topic of interest
  - Strengthen the relationship and stay connected
  
- **Why you should attend**
  - Learn about services, obtain updates
  - Connect with senior management at the bank
  - Future role at your company
  - Networking opportunities

# Summary

- **Open, honest, two-way communication**
- **Regular meetings**
- **Collaboration**
- **Continuous feedback at all levels**
- **Fair compensation for services**
- **Think beyond today – plan for future**



- All relationships have stress points
- Goal: as the screen fades out, both sides are happy!

# Questions

