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

Synthia Seefried
Senior Cash Manager
Kimberly-Clark Corporation

Maureen Freeman
Managing Director &
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

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