

Banking on the Internet

Technology Solutions for Your Business

By Allison Phillip

As an independent business owner or director of operations, you are faced with many choices to manage your cash flow demands.

Achieving business success is a great accomplishment, but you may feel overwhelmed when it comes to handling the banking and financial end of your business. There are several clear cash management choices that will allow you to manage your operational cash flow more efficiently and effectively.

Before choosing financial services, you should begin by securing a banking relationship with a financial institution in which you feel comfortable. When looking for your service provider, you should keep two things in mind. First, use exploratory meetings with potential bankers to become comfortable with their philosophy for banking and how they handle their partnerships. You will want to be sure they understand your current position and your future goals.

Second, develop a relationship with a financial institution relationship manager who you feel understands and appreciates your company's vision. Whether your company is a start-up or existing – the relationship manager you rely upon on a daily basis will enhance your success. Through the process of securing your depository relationship, you will want to explore areas such as account structure and service fees. The account structure should match your company's accounting needs, and the fees should fit within your company budget.

Gaining the edge

Regardless of your industry or business, the world of treasury management offers many technology-based products, which will allow you a competitive advantage in your company's operations. Today, the product in the biggest demand is an online Internet product that gives you immediate and unlimited access to your financial processing information. On average, more than 50% of business clients utilize an advanced online product.

This is a popular option because it allows company owners and employees to access information at any time of the day, from any computer connection. Traditionally, the Internet has been used to obtain information such as account balances and transaction history, but that was yesterday's capabilities.

Today, the Internet is used for other cash management activity, such as initiating Automated Clearing House (ACH) transactions (ACH transactions are electronic debits and credits exchanged between financial institutions), wire transfers and stop payments.

The ability to initiate your own transactions, such as ACH, allows you the flexibility to complete banking transactions. Additionally, other cash management services such as lockbox activity, controlled disbursement transactions and much more can be managed via the Internet.



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Check clearing

Another example of information available online is the preview of checks clearing your depository account. You can utilize an online business product to make decisions about incoming checks on your operating account before they clear. This can reduce the risk of having fraudulent activity on your account. The immediate availability of financial information gives you and your company the ability to manage your cash flow more closely and allows you to maximize your investment dollars.

When exploring an online product, there are some important questions to ask:

- What is the cost of the technology?
- What type of Internet security does the product have, such as an Internet portal?
- What type of security is offered from an internal company usage standpoint?
- What are the capabilities, and can the product be customized for your use?
- Who will have access authority and what transactions will you give them access to within your company?
- Is this product compatible with your internal accounting system/software?

CD route

In addition to Internet capabilities, another convenient product is CD-ROM Imaging. Approximately 20% of business customers utilize this technology, though the number is growing rapidly. This option offers paid check items returned on a CD-ROM rather than receiving the actual paper check. CD-ROM Imaging can be used in disaster recovery planning.

Additional CDs can be created, keeping an extra copy off site in case of fire or flood. Also, having an electronic image of a check item will allow ease of e-mailing a copy to another party for verification of payment. It also expedites searching for specific check items when you need check information.

Enhancements to technology offer innovative solutions for banking transactions. Utilizing those financial products can create the most effective ways to manage your money, save you time and grant you peace of mind – so that you can get to the business of making money!

INFORMATION LINK

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