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Why You Should Date 5 Bankers At Once

Don't wait until you need a banker to start looking for one. How to play the field to line up the funding you need.



Tim Robbets/Getty

This is the season when high schoolers sweat and fret over who to ask to the prom, or who to go to the prom with. But just because prom dresses and punch bowls are long in your rearview mirror doesn't mean you're past "the dance." That's because if you're in business, you need to have a bank. And my experience is you have to date several bankers at once to find the best dance partner.

My company makes [containers for industrial material handling](#). To make those baskets, I buy steel wire. I buy [sheet metal](#). And to fund certain things I need for the business, I buy money from a bank, like any other commodity.

I once worked as a banker. I understand that the industry has various metrics it operates from. Even so, the cyclical ups and downs I've witnessed in the past six years have been stunning. Either the bank was eager to give you cash or it was extremely hesitant to lend. And that's just another reason you need to consider multiple partners--so you have options when you need that critical date.

When the Pendulum Swung

In the spring of 2008, at the height of the market froth, our business received a five-year loan and a line of credit at a greatly reduced interest rate with no covenants. Three years later, even though we had

higher revenue, more profit and had paid all 36 months of the loan on time, the bank called to change the terms.

The pendulum had swung. My bank said it was getting squeezed by regulators and informed me it intended to halve my line of credit. It was exasperating, but fortunately we were prepared.

While we had provided our financials to our bank for years, we had also given our numbers to four or five banks with whom we were not working. Our thinking was in case of an emergency, we wanted to have a relationship already in place with several possible suitors.

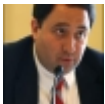
Finding a Dance Partner

It was like dating four or five people at the same time. I wasn't looking to fall in love with all five. I just needed one to go to the ball. That meant going to lunch with each of the bank representatives a couple of times a year. We also offered each of them individual tours of our facility.

When my bank problem surfaced, two of the other banks responded immediately that they were ready to step in. Without having cultivated a relationship ahead of time, it would have taken more than a few weeks to complete a deal that size. I could have been jammed. In the end, the bank that filled the void doubled my previous credit line and provided a longer loan at a lower interest rate. I ended up with a better deal than I started with.

Finding someone to slow-dance to *Stairway to Heaven* back in the day was probably more anxiety-inducing.

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***Drew Greenblatt** is the president of **Marlin Steel**, a U.S.-based manufacturer of wire baskets and sheet-metal fabrications. Marlin has grown 25% over the past three years and has a record of 1,422 days without a safety problem.*

<http://www.inc.com/drew-greenblatt/true-cost-of-bureaucracy.html>

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