



Robert May, CEO of business process consultant RAMSAC

Pros and Cons of Business Banking Online

There is a downside to banking online, but the positives outweigh the negatives, says Robert May, CEO of business process consultant RAMSAC

Let's weigh up the pros and cons of banking online.

1. Pro: You will never be fobbed off with 'the cheque is in the post'.

With online banking, you can verify this claim immediately. One of the biggest time management problems small businesses, and the self employed, have is with chasing money. About 90 per cent of which is spent being forced to accept fibs about a cheque being in the post. What can you do? You can't accuse your client of lying; besides the post office has been known to lose mail. With online banking you can check straight away if any funds have been earmarked for your account, even if they haven't cleared yet.

2. Cons. Online banking can cause problems among your staff.

Be careful who you give access to. Where you might allow anyone to sign the company cheque book, online banking has the potential to create massive office politics. What happens if, say, your staff start snooping around in your business? Curiosity about how much you earn, or how much the business turns over, could well turn to resentment.

3. Pros. You will save money. Banks charge small businesses for each cheque they issue. You get no such surcharge if you pay online.

4. Cons. Be very careful about who you give passwords to.

Only one member of your staff should ever need access to the bank account. The accountant. Oh, and your invoice chaser. Well, perhaps the office manager too. You see how it escalates? Keep a lid on this, because the more people who have access to the account details, the more likely it is that one day, someone will exploit that access.

5. Pros. Money Leaves Your Account Quicker.

This is actually a good thing. If money can be transferred into your account in minutes, then the fact it can leave just as quickly could actually be to your advantage. It means you can withhold payment till the last possible minute. No more sending cheques off ten days in advance. Again, since you have complete visibility over your money supply, you will spend less time worrying about money, and more time earning it.

