

## **Exercise on Initial Business Development Call**

The objective of business development calls and credit investigation is to determine if an applicant initially qualifies for a loan and, if so, to gather information for financial analysis and other subsequent steps in the commercial lending process. This Dry Supply case illustrates this point.

Ramchandra, a business banker for My Bank Ltd., begins with an initial meeting with a commercial customer named Dry Supply. Soon after the introductions, Jugal Kishor, owner of Dry Supply, announces he would like to borrow Rs.60,00,000 to purchase three delivery vans (the loan request).

While Ramchandra would be reckless to extend such a sum of money just for the asking, his bank is in the business of making loans, and every loan request is considered, whether from a long-time customer or a complete stranger. As we have emphasized in the beginning, it is important to screen the applicant at early stages, to prevent the business banker from spending time on opportunities that have a low probability of being approved within the bank.

Because continuing business development calls are the next (sometimes initial) stage of the commercial lending screening process, Ramchandra's first responsibility is to get to know Jugal Kishor. Once he has done this, Ramchandra may, if warranted, continue with the lending process.

Instructions:

Create five most important questions that Ramchandra should ask Dry Supply during the initial meeting.