

PART TWO · OBSERVATIONS ON THE EVOLUTION OF COMMERCIAL BANKING

Ask Your Banker for a Résumé

Doug Bowman · Archer Advisory, LLC · October 9, 2026

One note before we start. I used AI to help organize and edit this article. The ideas, experiences and opinions are mine. My intention was not to cut corners, just to better organize my thoughts and make them easier for you to read.

When was the last time you asked your banker for a résumé?

Probably never.

You may have asked about the bank's branch locations. When you meet a banker you may have asked basic questions about rates, fees, or how much the bank is willing to lend. Those are legitimate questions, but they're softballs.

Taking it a step further, have you ever interviewed the person assigned to represent your company to the bank?

Probably not.

Maybe you should, because it's a big job. The question is not really about the résumé. It is about whether the person sitting across from you can actually understand your business well enough to represent it when your balance sheet is on the line. Do they have the chops to convince the bank that your ask is the best use of its capital at this time?

Trusting that a bank would send its very best used to be a much safer assumption than it is today.

In this article, I'm going to shed some light on parts of commercial banking most business owners never see.

We'll cover how bankers used to be trained, what happens between your banker and the credit officer, and how the industry got where it is today.

Once you see how the sausage gets made, you should understand it all a lot better. My hope is that you'll then decide to play a more active role and drive the outcome, not settle for what you're given. That might mean tasking someone on your team with getting a real read on the market and the differences between lenders (and figuring out what the optimal outcome looks like), or bringing in outside help for a bit to do it with you. It doesn't need to be a full-time job, but it does take some time. No matter how you do it, I am certain you'll find it was worth the effort.

Not Your Father's Commercial Banker

Deep credit underwriting skills used to be the ticket to entry for a relationship manager job. You simply couldn't get hired as a commercial banker without them. Getting those skills usually started with a finance degree, maybe an MBA, then time in a bank classroom, followed by shadowing a senior banker for a while. That's a pretty high barrier to entry.

Once hired, a new commercial banker had to learn how to spread financial statements. That meant taking several years of a company's tax returns, CPA-prepared statements, audits, inventory lists and receivable agings, and organizing it all into a consistent format that shows how the business has performed over time. Spreads are only numbers and ratios, no narrative. Despite the lack of text, they do a great job of telling a story if you know the language. And like any foreign language, it's a lot easier to learn by immersing yourself in it than by studying it out of a book.

It is hard to overstate the importance of accurate spreads. They are the source of truth for the bank's credit decisions. They connect what happened in the past to the current state of the company, and they give the relationship manager and the credit officer a common set of facts to work from. One misclassified line item can throw off the ratios used in underwriting and result in the wrong terms. Worse yet, errors can surface after a loan has closed through a failed covenant test or a cash shortage. The old saying "garbage in, garbage out" applies very well here.

The credit officer will rarely see the source documents and independently check the spreads for accuracy. That's not their job. So, who is checking the spreads? Is anyone?

Has your banker ever walked you through your spreads? I routinely shared completed spreads with my clients. We would talk about what the bank was seeing and why certain things mattered. Sometimes this caught errors or important misclassifications before it was too late. It always helped borrowers understand what it takes to attract capital. That's when they really got engaged.

The best relationships I ever managed were the ones where the owner made sure their CPA, banker and insurance agent all knew each other and worked together for the business instead of in their own silos. Each of us saw the same company from a different angle. When those views were connected, everyone had a much better read on what the business needed and how to keep it healthy.

When I was first getting started as a banker, I visited a large manufacturing company with a senior banker after he had me complete the company's spreads earlier that week. Walking through that plant changed the way I thought about the numbers. I saw the equipment. I saw the inventory. I saw the supplier and customer names on boxes at the shipping and receiving dock. I saw the business in motion, and it brought the numbers and ratios to life.

With time, I was able to walk through a business for the first time and anticipate what I should see in the spreads. I never would have made that connection had I not been tasked with grinding them out for the senior bankers first.

That's a lot to learn, and it's why the more experienced bankers used to joke that the lower a banker's golf handicap, the worse the banker. Anyone with enough time to have a low handicap couldn't possibly have the time to be a great banker.

Unlimited Denial Authority

One of the first bank executives I worked for gave me a phrase I have never forgotten. He said, "You have zero lending authority, but you have unlimited denial authority."

"So, you're telling me I can tell a business 'no' without asking anyone?"

"Yep. That's exactly what that means."

If I was responsible for bringing business to the bank, I was also responsible for understanding it well enough to recognize when a deal did not make sense, saving the bank a lot of time and trouble. One of my favorite former clients is a good example of why that kind of power requires a high degree of discretion.

The business had filed for bankruptcy at one point in its history. It was clear they had heard "no" a few times over the years because of it. I saw an interesting family-owned business with an owner who really knew what he was talking about, so I decided to dig a little deeper. It turned out the company had paid a long-time supplier

in advance for a very big inventory order, with an attractive discount to encourage that arrangement. It had worked out before on a smaller scale with the same supplier. This time, the supplier failed to deliver and essentially disappeared. The company quickly ran out of cash, and the bankruptcy followed.

What mattered to me was how they handled the years that followed. The owners made sure every creditor was ultimately paid in full. That took a long time and was not easy (to say the least). They fought hard for the family business and their reputation in the industry. It was very clear to me they never wanted to go through that again. The company performed well and ultimately sold successfully.

If I had simply heard the word “bankruptcy” and stamped decline on the file, nobody would have ever asked why. Instead, I exercised judgment and helped capital flow to a company that would put it to work responsibly. Sure, I had to put my own reputation on the line, but I was comfortable doing so because I had the right training.

Unlimited denial authority is real, but it’s not permission to say no to hard credit requests. It comes with the responsibility to know when you should say no and when you need to ask more questions.

Line vs. Credit

One of the last credit officers I worked with described what he disliked most about relationship managers: “They come in here and throw spaghetti at my wall to see if any of it will stick.”

That phrase stuck with me because it was as accurate as it was funny. He was saying that today’s relationship managers tend to bring deals to credit without doing much underwriting first. I get why that’s frustrating to him, but I also get why a relationship manager with zero lending authority, myriad sales goals and limited credit training would think that’s working smart. It’s their way of saying, “If you’re just going to pick my presentation apart, let’s cut to the chase and you tell me how to do it.”

That’s not how it’s supposed to work, and it’s playing out industry-wide. It’s a clear symptom of a broken system.

By design, there is supposed to be healthy debate between the line (the sales side) and credit. But when the spaghetti starts flying, credit develops a preconceived notion about the quality of deals coming from the line, and the relationship manager starts to view credit as the place deals go to die. In my twenty years in commercial banking, I have watched the two sides become increasingly dysfunctional.

When I was hiring relationship managers, I almost always had a credit officer interview the candidates and give their blessing. The new RM and the credit officer would eventually spend hours together working hard in “the deal bunker,” so they should at least meet before they jump in. These days, relationship managers are often hired in a vacuum by the sales side. I think that’s a mistake.

Credit officers can get it wrong too. I’ve watched strong companies get approved on terms well below what the market would support, simply because the credit officer didn’t know how to handle that type of business. That ends up as a missed opportunity for the bank and can put an unnecessary constraint on a business for years to come. It’s not easy to change lenders, so businesses all too often accept the status quo and make the best of what they’ve got.

Credit officers also tend to keep their distance from clients to stay objective. I once had a credit officer jump into an elevator with me and a client after a meeting. I introduced him as my credit partner. Later that afternoon, he called and said I probably shouldn’t have introduced him because now the client had his name.

That was part of the culture. But if credit does not know the borrower and the relationship manager does not fully understand how credit thinks, something will get lost in translation. The best credit partners I ever had made it part of their job to get out into the field from time to time. Maybe they just wanted a free lunch. In any case, I never had a client go around me and call the credit officer directly.

The lesson? A bank is limited by how well its people work together and how its systems and policies empower them to serve you. Good intentions aren’t enough. Good bankers still exist, but you have to judge them by what their employer now expects of them.

How Did We Get Here?

There isn’t one answer.

Bank consolidation played a role. According to the FDIC, there were 8,905 community banks in the United States in the second quarter of 2000. By the second quarter of 2026, there were 3,818. That’s 57% of them gone in 26 years. With 3,143 counties in the United States, that’s nearly three community banks per county in 2000 down to barely more than one today. Some failed, but many were rolled up into larger banks.

A larger bank does not automatically mean deeper commercial lending expertise. Banks built through acquisition may have much larger balance sheets while still carrying the practices, people and limitations of the banks they bought. The question is whether they are more capable than the banks they acquired, or just really big community banks with nothing new to offer.

Each of those banks also had its own culture. Technology can be swapped out and policies can be rewritten, but merging cultures is the hard part. I learned that before I became a banker. I was at Nextel, a lean, fast growing giant killer, when Sprint bought it for \$35 billion, and the culture that made our jobs fun was gone overnight. We had become the giant. The people who get acquired often lose the spark they had in a smaller organization, and customers feel it.

The banks that fall in between the community banks and the national players tend to believe they can out-small the big banks and out-big the small banks. I tend to believe all they've accomplished through consolidation is losing touch with the advantages the smaller and bigger banks have, because those banks own their smallness or their bigness. It's hard to own middle-ness.

Credit training has changed. The formal programs that taught young bankers how to analyze businesses and underwrite credits have become much less common. Training is expensive, and bankers sitting in a classroom aren't generating revenue. Outsourcing financial statement spreading only made it worse.

This, more than anything, is why there is dysfunction between the credit and line sides of commercial banking. My personal opinion is that the old system, which still drives how banks staff commercial banking teams, is irreparably broken, and that it won't be long before sweeping changes are made across the industry.

Bank offerings have expanded. Banks used to offer a fairly small set of products and services centered around loans and deposits. Today, banks have invested heavily in other sources of revenue beyond interest payments (called non-interest income). Credit cards, insurance, payroll, merchant services, wealth management, cash management, interest rate swaps and other capital markets products all fall on the RM to sell to the bank's business customers. As a result, RMs are spread very thin, and the role has shifted to more of a sales role than a loan officer role (which is what RMs used to be called).

Technology accelerated the change. Software and AI can spread financial statements and flag anomalies in seconds. They can also tell the CEO of a bank which industries, geographies and loan types the bank has too much of, which drives the sales process and can affect loan renewals. Getting that level of insight used to take legions of people months to compile. Now it happens in real time. But identifying that accounts receivable grew faster than sales is not the same as understanding why. It's not the same as asking whether the inventory stacked in the back of the warehouse with spiderwebs on it is counted in the inventory number.

For a commercial banking customer, technology can make a less experienced banker appear more knowledgeable. It does not give that banker judgment.

The Borrower Usually Doesn't Know What It Doesn't Know

You may have a great business, strong financials, a good banker and even a good bank. You still may not get the financing that is optimal for your business.

Why? Because the bank can only give you what it knows how to give you.

Most businesses talk to two or three banks, choose the best terms they see and get back to running the business. They may spend years operating within the constraints of the bank they happened to choose rather than the capital structure that is actually optimal for the business. Eventually someone comes along to unlock those constraints, or maybe not.

This applies to real estate lending too. An appraisal anchors the deal, but loans aren't sized by LTV alone anymore. A banker who can't read a rent roll, works for a bank that doesn't really want your property type right now, or hands credit a weak memo will cost you. Equity is increasingly expensive and hard to find, so every dollar of debt you don't get is a dollar of equity you have to come up with. The rest of the loan terms are just as important, and they are what separate a loan from an optimal credit facility.

So Maybe You Should Ask for the Résumé

Which brings me back to the original question about the banker's résumé.

Most people wouldn't let a randomly assigned person cut their hair. Why not be more deliberate about the person who is the bridge between you and your largest and lowest-cost capital?

It doesn't matter whether your company does \$1 million or \$100 million in sales. You should be comfortable demanding the best from the person representing it at such a high stakes table.

I suggest fewer questions to bankers about rate, fees and branch locations, and more questions like these:

Can you leaf through our financial statements before you leave and tell me what you see?

Can you tell my story as well as I can when you get back to the bank?

Have you ever gone to bat for a client, and how did that work out?

Are you willing to tell me when your bank is probably not the best lender for my business right now?

Can you recognize when the bank's answer is driven by the limitations of its own platform rather than the merits of my business?

I always wondered why borrowers never asked these kinds of questions when so much is on the line.

Knowing who you're dealing with is a start. In Part Three, I'll get into what happens when a company stops relying on whoever the bank assigns to represent it, takes control of what its capital structure should look like, and makes it happen.

ARCHER INSIGHTS

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