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Strength In Numbers: A Conversation With Peggy Coppola

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The cornerstone of any relationship? Trust. Over time, it can be built in a number of ways: Mutual respect and integrity. Feeling prioritized and being supported. Doing what you say you'll do. And having the resolve to not only communicate honestly, but to genuinely hear what the other person is saying. It's as true in business relationships as it is in personal ones—and though it's not always an easy road, there are ways to strengthen a bond so that both parties will thrive. Here, Peggy Coppola, SVP, Sr. Relationship Banker, Santander Commercial Banking, gives her POV on your business relationship with a banking partner—and offers frank advice on how to make that connection stronger, healthier and, ultimately, more profitable.

Let's start with the big picture. Can you tell us why it's so critical for companies to have a strong relationship with their bank?

It's simple. It's important because, if a bank understands your business well enough, it can anticipate your needs. And it can also help you deal with some challenges.

I'll start with an example. A couple of years ago, we were working with a client who purchased a lot of real estate with fixed terms. About \$27 million was all coming due for refinance in 2017. So, in 2015, we started looking at his financial profile and realized that, in 2017, he could potentially hit a challenge.

We presented a strategy whereby the client could set lower interest rates in 2015 to address what would potentially happen two years later. Our relationship and our communication helped him navigate the situation ahead of time and in a beneficial way.

That said, how should a company develop and strengthen its banking relationship? What does a healthy and productive client-bank relationship look like?

Well, it's a two-way street. You need a banker who has some experience and very good instincts. You also want a banker with a good team behind them.

For businesses, it's necessary for them to be open with their bank. Sometimes clients get nervous about sharing information. They think a banker might view them negatively, so sometimes they don't share their challenges. They also might not share the opportunities. I think the best thing a client can do to feel comfortable is to have an open and honest dialogue with their banker, because then the banker can be open and honest in return. It may not necessarily be what the client wants to hear, but it may be what they need to hear.

Also, it's important for clients to share information with their banker to aid the bank's effort to protect the client from potential fraud. As an example, if a client were to do

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business for the first time with an unknown foreign entity, through our trade services and international reach, we could assist them in managing any potential risk or loss.

The client-banker relationship truly needs to go both ways. Bankers need to be able to listen and not necessarily jump in with a solution. Sometimes it's just about taking the

time to absorb what a client is doing—where they were, where they're planning to go and how they're planning to get there—and then recognizing where the bank can help, including connecting clients with resources outside of the bank.

Let's talk a little more about that—what bankers should be doing to strengthen the relationship. In your words, what else makes for an effective banker?

It's about spending time with a client. It's critical for a banker to visit a client site—to understand how the business operates, what's important to the owner or the management team, what challenges they have and what they're looking at in terms of growth—and try to tie it all back in with how the bank can assist.

But listening is key. It's a lot about reaching out to clients on a regular basis, and being attentive to not only what is being said, but to what you can read from body language. That's why it's important to spend time face-to-face.

In the end, that ability to listen ultimately leads to the ability to find solutions.

Prior to Santander, you held various corporate relationship, lending, and project management roles. Yet you also spent time as a regional credit manager at an electronics company. What did that experience outside of banking teach you about client relationships?

It was probably the best thing I did. It opened my eyes to the fact that running a business is very difficult. As a banker, you assume things are going to happen at businesses you work with. You assume every quarter is going to be strong. That they're going to constantly beat their estimates. That collecting funds is never going to be a problem. When you actually work in a company, you realize the challenges of doing all of those functions.

In my role, I oversaw a group of account managers. The goal was to develop relationships with the company's clients, set their credit limits and monitor those relationships. It gave me a whole new perspective on what companies need to do to perform day in and day out.

Can you share some more examples from current clients on how a strong banking relationship helped them succeed?

We have a client in the beauty supply business who primarily supplies beauty schools. Lately, the federal government has started closely scrutinizing beauty schools because many have had students sign up for big loans, and a lot of those students don't end up finishing the programs.

We helped our client recognize that they had a big exposure to beauty schools—and that they needed to diversify. For the client, diversification meant spending money either to build something organically or to buy a business with a well-received product line that opened the door to high-end salons and spas.

The client chose an acquisition and we put together a package that allowed them to purchase the business, gave them some room to also have a side arrangement with the seller, and provided them with metrics.

In the end, their largest beauty school customer relationship ended. However, the impact to our client was minimal because the acquisition we assisted them with provided their business with an additional revenue source.

Any additional insider advice for clients looking for a bank to build a strong working relationship with? What should they be looking for in a partner?

You know, I've worked for a lot of big banks and many have great reputations. But some banks have prioritized automation over interaction with an experienced banker. However, this approach can fall short when the client has an issue. If automation can't solve it, you need to know your bank is staffed with professionals who have been in the business for a while and can address a client's needs.

For clients, it's important to know that they'll hear often from their banker. But as I've emphasized, it's equally important for the client to continue the dialogue.

Just keep that dialogue open. If you have a banker you trust, continue to cultivate the relationship, because a good and effective banking relationship is a hard thing to find.

As in any relationship, each partner benefits when they recognize the give-and-take needed to maintain trust. With your banker, in particular, this trust grows when you both prioritize an open line of communication. More often than not, the results will prove worth the effort.



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