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# Looking south for growth: A conversation with David Swoyer

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When you're steering your company toward growth, an expansion abroad is a direction worth heading in. For businesses in the U.S. ready to establish an international presence, Latin America is a natural step forward—particularly given the region's proximity, population size and impressive GDP growth. David Swoyer, long-time leader of the Mid-Atlantic market for Santander and now Head of Commercial Banking, shares his thoughts on the benefits and challenges that exist in the LATAM market today—and how to prepare your company to make the most of the opportunities that lie ahead.

***There are a number of reasons why a U.S. company might grow its footprint in Latin and South America. In your mind, what are the advantages of expanding to the region? And on the flipside, what are some of the issues businesses have to address first?***

Overall, Latin America has experienced strong economic growth in the last decade, and the emergence of a burgeoning middle class in countries such as Brazil, Mexico, and Chile make Latin America a very attractive market for U.S. companies. Qualified labor and access to raw materials are also factors that attract companies from all over the world.

It's also important to note that American-made products and U.S. brands in general are perceived positively in Latin America—for their quality, performance, and integrity. Local consumers are willing to pay a premium for that "Made in the USA" label.

For these reasons, the LATAM market has incredible potential. However, it undeniably remains a challenging market to enter, importing in countries such as Brazil can be expensive.

Consideration needs to be given to tariffs and taxes. Stringent foreign exchange requirements exist in some places. And local bureaucracy can be overwhelming without a knowledgeable local partner on your side.

In this regard, Santander's vast commercial and retail banking network in Latin America can be a great asset for a company interested in entering LATAM. Our English-speaking local relationship managers can provide advice and referrals to reputable local accountants and attorneys. And our online tool, the Santander Trade Portal, is an excellent resource for companies starting out in this market.\*

**On that note, what should businesses know about setting up banking relationships in this part of the world? What sort of characteristics should they be looking for in a financial services provider?**

While the U.S. banking sector continues to move toward more automation—and as tools like online banking and mobile banking become increasingly popular—a lot of companies with a presence in LATAM still require proximity to branches for their operations there. This is particularly relevant to manufacturing companies with large labor forces in those markets. Fortunately, Santander's global banking strategy has always included access and availability to brick and mortar branches to facilitate those needs.

As for what to look for in a financial partner, the number one criterion I recommend is to find a bank with the reach to give you feet on the ground—both in the U.S. and the country you want to do business in. You certainly need people you can call at your U.S. bank who can work with their affiliate in the other country.

At Santander, we find that companies with global footprints require partners with the ability to consolidate their payment, collection and related reporting and reconciliation from around the world. Santander is able to provide local services in 42 countries in 10 major global markets.

Still, customers may have other local bank providers and want to see their banking activity in one place. Centralizing it through one global portal is important.

**Can you share any stories of businesses that made a successful expansion into LATAM?**

Of course. We have a U.S.-based manufacturing client. In the 30 years I've known this company, they have continuously explored potential export markets to identify additional distribution opportunities. Over time, Mexico has become one of their biggest markets. While the company started out exporting to Mexico, it eventually made more sense to manufacture their products in market, so the company built manufacturing facilities, creating 2,500 jobs.

With Santander's on-the-ground presence, we were able to open accounts for all their employees through Santander Mexico. We provided four ATM machines in the two manufacturing facilities, as well as a local line of credit. We're part of a multi-bank large credit facility here, and since our client has accounts in both countries, we can report all the business they do in the U.S. and in Mexico through a common treasury management platform.

Supporting a company that's growing beyond just doing business in the U.S. is a huge success story from our perspective.

**As the region continues to gain momentum, an expansion to Latin America is ripe with opportunity. But long-term success will only come with a strategic relationship with a financial partner who's able to not only facilitate your financial needs at home and in LATAM, but also deliver the global reach you need to grow even further.**



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