

Let's Talk Business...

Building a Relationship with Your Business Banker

In this session of our Let's Talk Business Series, we will discuss the importance of Business Owners building a relationship with their Banker, highlight tips for how to build that relationship, chat about what we are doing here at M&T Bank to foster those relationships with our Business Clients.

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Understanding what's important™



Jen Boucher: Hi there and welcome! I'm your host, Jen Boucher and in this session of our Let's Talk Business series, we will discuss the importance of business owners building a relationship with their banker, highlight tips for how to build that relationship, and chat about what we are doing here at M&T to foster those relationships with our business clients. Before we introduce our guest speakers today, let's roll a short commercial highlighting how banker and business owner relationships have come into play during the recent months.

M&T Bank #Business Strong Commercial

Rob Deford: In 75 years Boordy has seen a lot, but this is unprecedented for us. We have vineyards that are growing, we have wine that needs to be bottled. We can't just shut down. We had to adjust to doing curbside pickup and shipping wine. We've had a really long and trusting relationship with M&T. Brad Hecht was right on it. I can't imagine what Brad's life was like during this period, but we felt like his only customer.

Brad Hecht: When loans started to get approved and funded and you could pause and you could say this is how many people's paychecks we were able to help, boy, there's never been more rewarding work and more powerful work.

Phineas Deford: Those funds made the difference between staying in business and having to lay people off. I think they're all happy to still have jobs and have a place where they can come to work safely.

Rob Deford: we are so grateful to you and the Bank. The effect is still being felt here and will be for a long time. Brad, get some sleep. (laughing)

End M&T Bank Commercial

Jen Boucher: This commercial is just one of many stories from our clients recently that highlights how having an established relationship with the bank has helped them during times of unexpected change, especially during the recent pandemic. With us today, are the stars of that commercial, Brad Hecht, a Business Banking Team Leader in our Greater Baltimore area, and Rob and Phin Deford, owner and manager, respectively, of Boordy Vineyards. So Brad, can I ask you to kick off our introductions please?

Brad Hecht: Thanks Jen. Again, my name is Brad Hecht and I'm a little better rested than you all last saw me in the commercial. I've been with M&T Bank in Greater Baltimore for over a dozen years and all of that time I've spent doing exactly what we're talking about today, building relationships with business owners. For the first 7 years, I did it as a Relationship Manager working directly with businesses and their owners in the Business Banking world. For 3 years, I worked with larger companies in our Commercial Bank, and for almost the last 3 years, I've led a great team of Business Banking Relationship Managers in Baltimore. One of the relationships that I've enjoyed building most is with Rob and Phin Deford from Boordy Vineyards and I'm so glad you guys are both with us today. Rob and Phin, can you please take a moment and tell us a little bit about yourselves and Boordy?

Rob Deford: Certainly Brad, thanks for that introduction. My name is Rob Deford I'm the President of Boordy Vineyards. Boordy is on our family farm in Baltimore County. I grew up on this farm and we have many generations of family that have farmed this land. We got into the wine business in 1965 as growers for Boordy. I ended up choosing this as a career and I went to wine school in California. I came back and took over as Boordy's President and Winemaker in 1980 and have had the blessing of a career that is fascinating and challenging and has actually been integral in keeping our farm viable. It's a very historic farm and I really credit the winery with keeping this farm from suffering the fate of many other small farms in the region. We've become a real gathering spot for Baltimore County and beyond and I will say that one of the key elements has been an excellent relationship with M&T Bank which we will get into further as we proceed.

Phin Deford: Brad, I joined the business in 2008, so I've been here now for just about 12 years almost exactly actually 12 years. I represent the third generation to be involved in the business. I live on the farm here I have an easy commute to work every day. Echoing what my dad said it's really a wonderful business to be in. It's a diverse business, you have agriculture, of course, marketing, sales. You know we're a new industry in Maryland so there's always a little bit of politics involved trying to get new laws passed for wineries in Maryland. So it's a really interesting business that keeps us on our toes everyday and I'm so proud to be a part of it.

Jen: Thanks guys I love hearing how passionate you are about what you do. So we'll get to some questions for you, Rob and Phin, shortly, but first I'm going to shoot one off for Brad here. So Brad, can you get things started by telling us, how do you go about building relationships with clients?

Brad: Sure, thanks Jen. Yeah building relationships is really at the center of what we do. You know a lot of us live, work, and play in our communities and so we interact with our clients often and not just as their bankers. So in this example, I was a customer of Boordy long before I knew Rob and Phin. I purchased their wine and I've been to their vineyard for events. So some of the best ways we'll meet our customers really come from introductions from mutual, trusted connections, like their accountants or their attorneys, the real estate agents or serving in the not-for-profit world together or even referrals from other clients of the bank. When we establish a relationship this way, it will really help us build that trust early, so that's a great jump off point. When it comes to banking though, we really take an approach that helps develop lasting bonds with our clients. Often when we meet a client for the first time it's because they have a need and that's important and of course we'll work with everyone to meet their needs. As part of that first meeting though we really take time to learn about our clients. their business, and their personal history, so we'll look to understand really what priorities have been in the past, what their priorities are today, and the opportunities that are ahead and really any potential headwinds that they're preparing to face. So when we meet clients the first time these conversations can go in the direction of capital needs because we're a bank, and that's part of what we do, but really

the best conversations go well beyond what we can help with a product or a service. It's really the foundation from which we build and continually revisit to make sure that we stay lock-step with our clients.

Jen: Brad can you expand on that a little with how clients can be prepared to have that initial meeting with the bank?

Brad: Absolutely, Yeah. So when we meet the first time, we'll do the heavy lifting, we'll do the planning. We'll have questions and we might send them to you in advance. Those questions will provide us with insight into your specific business. Where you, our clients, can really help, is building that trust and openness. So our best relationships are really built on candor from both sides. Again, if we've met through a mutual connection or in the community this may come a little bit more naturally. With that said, it really takes intentional effort. So be open with us. We'll research your industry. We'll analyze the documents that you've sent us, be it financial or otherwise. And to build trust, share that information and most importantly the story behind it. So we'll ask questions to really understand the why behind what we read. And if there are some challenges, it's really better for you to share those with us upfront rather than us kind of uncovering it down the line another way. I think this is most important because we're certainly in interesting times today. So I personally believe that it's times like these that can really define a relationship and in these challenging times, our conversations can remind me a little bit of a visit to the doctor. So we'll ask some questions about the obstacles in front of you and your company, and we'll likely hit on some sensitive areas as we do that. But remember like your doctor, our goal is really to understand, so that we can help. The more trust and candor we share the more valuable each conversation and our relationship can be.

Jen: That's a really good analogy about the doctor. I hadn't really thought about that, so thank you for sharing that. So, I'm actually going to switch things up from my normal routine of me asking all of the questions and let you three continue the conversation. So Brad, do you think you can take over the questioning from here?

Brad: We'll see. I'll give it a shot. Rob and Phin, are you guys ready?

Rob/Phin: Yeah, we're here. We're ready.

Brad: Awesome. I'd love to open and get your perspective on, and you kind of alluded to this when you were giving your history, how has having a strong relationship with your bank helped you and Boordy over the years?

As a Business Owner, how has having
a strong relationship with the Bank
helped your business?

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Rob: Well, I'll handle this one. I think it has been absolutely instrumental in our success. Boordy is 75 years old this year and we have a long history of making wine in Maryland which is a very interesting and often challenging and tricky business because of the many variables that are involved which we'll get into further. I realized early on in my career with Boordy that that we needed external capital in order to grow. And I remember walking into the office of my then relationship manager at First National, a woman named Valerie Mills. I will always remember this meeting. I had a spreadsheet that I taped together with scotch tape that was the size of a bed sheet and I put it on her desk, and based on that conversation she agreed to give me my first loan. And that was the beginning of the relationship that has flourished over the subsequent 30 odd years. I've been through three iterations. I've been through First National, All First, and then M&T. Those transitions were smooth. The relationship managers, really there was no interruption in service. There was continuity and what really underlay the entire relationship was candor and trust, using the words that you used Brad. From that first interview, I think the reason that Valerie felt secure in lending the money is that I was very honest with her about our business. I told her this is this is an unusual business for Maryland. At that time in mid 1980s there were only a few of us around and now they're more than 100 wineries in Maryland. Boordy was the first, and it was somewhat of an exotic business to lend money to, but I felt very grateful that that the bank was willing to take a risk on me and I wanted to live up to that trust. One of the things that I've always learned from that first meeting or that I retained from that first meeting and that I believe very strongly in today, is providing lots of information to the bank that also benefits me as a business person. I think I felt a gratitude on the part of my relationship managers that I am producing reports that are timely, that that reflect trends over time, and that also look forward into sort of the crystal ball of the future, which is often tricky in a business that has a lot of variables. So this sort of information I think has been the foundation of the financial relationship that we've had. And yes, it is more than just a business relationship. It's the questions often can be personal, but after all I think that that a business is a human enterprise and I don't mind personal questions. I feel that that the more honest I am in this relationship the more it will benefit us both and that's proven to be the case over the years.

Brad: For sure! You mentioned the reports that you give and I think those are always a great precursor to the meetings and it really gets us into the dialogue about why and what's the story behind the numbers and the reports and what are some of the factors that are leading you to believe that Boordy is going to go in in a certain direction and I think that context really strengthens the relationship. It's work that you do on your end that that really helps us carry things forward. Thank you for that. My next question is really a two-parter. The first part is how is that strong relationship helped you weather different cycles in your business throughout the course of the last 30 years with us? And then the

second part really, how did you demonstrate to the bank what are the steps you took to demonstrate your adaptability during those cycles?

How has a strong relationship helped you weather different cycles in your business?

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Rob: Well Brad, I'll answer briefly on the first question, and then I can turn it over to Phin who can give you some greater insight into that. But I guess the simple answer is that Boordy is subject to a lot of different cycles, market cycles and also natural cycles, and what I've learned over the years is that the flexibility in financing that I've arranged with the bank, both in access to capital and also lines of credit has been really critical in smoothing those cycles out. So I'd like to get Phin to give you a little more detail on how some of these cycles really manifest themselves.

Phin: Well it's funny you mentioned weather, Brad, because you know weather is sort of what dictates a lot of our business. People tend to forget when they come here to taste wine and enjoy the property that really at the core of our business is farming and agriculture, and we're not in a dry climate as we all know, we're in the Mid-Atlantic on the East coast. We are subject to weather, to intense weather, hurricanes, tropical storms, which we just had one of. And so we have to adjust our farming practices and what we see from that is the fuel fluctuations from season to season. So we have to adapt how we manage our vineyards. Sometimes we try to hit certain gallonage goals and we can't always meet those because of weather. So those are those can cause big fluctuations in our business. We have of course, we are very event driven here at the winery. Meaning we have a lot of music throughout the year, food trucks, things that really lend to an outdoor experience. So when people come here we have a lot of picnic tables on the grounds so that they can enjoy wine outside. Of course if it rains, that can impact our business and then of course when it gets cold we have to move inside and we can't accommodate as many people. So again, these are fluctuations that as my dad said, having a strong relationship with M&T has helped smooth out those fluctuations in times where we are challenged by weather.

Phin: Part of weathering different cycles in our business has to do with having a diverse business model. You know not only do we do what's called direct to consumer sales here at the winery where we welcome the public onto the winery grounds and we do educational tastings and we have events throughout the season and of course offer wine sales, but we also our wines are available in about 820 stores throughout the state of Maryland. We have a small amount of distribution in Delaware, a little bit of Pennsylvania, and a little bit of Northern Virginia. So having that other sales channel is really important especially in the time that we're in now during COVID, where there were times where we couldn't welcome the public onto the grounds. So being able to sell wine through all alternative channels is hugely important to us. We also do a lot of off-site events. We attend a lot of farmers

markets throughout the year, so again, it's just about having a diverse business model where one slows down, whether it's due to weather fluctuations or global pandemic we have other ways to make up that business. Having that diverse business model is hugely important to us and I think that also helps give the bank confidence that we can weather these different cycles.

Brad: Phin, one of the things that I think might really help illustrate your adaptability and how you conveyed that to the bank really occurred recently. So with the onset of COVID-19 and the fact that your event business was for all intents and purposes closed, you conveyed to us really the other different areas of focus for the vineyard and how you were going to shift that focus could you tell us a little bit about that?

Phin: Yeah! So leading up to the shutdown in Maryland, we were really struggling trying to figure out how we were going to make up for that lost revenue, not just events, but just daily visitation to the winery. It's a huge part of our business. So we were, I feel, pretty quick, to come up with ways to encourage other sales channels and mainly online sales. We already had a website with an e-commerce page set up. It was a decent part of our business pre-COVID, but what we did was adjust and offer free shipping on three or more bottles and what we saw is people were still looking for our wines. They couldn't come here to get them and so the online orders took off almost overnight. Within a few weeks we had as many sales as we normally do all year. So I think that we would have seen that support, but certainly incentivizing people to look to our website, also to call in curbside sales, really helps, you know transition the business from direct to consumer to shipping online orders almost overnight.

Brad: And like many of our customers we had a lot of conversations at the onset COVID, and you both were so detailed and describing you know, what the challenge was and what different ways you were looking to remedy or to compensate for that challenge. The different ideas that you would share, along with the updates, and success of the web program, was really, really helpful to hear from our end.

Rob: Brad, the challenge continues as you know today, we do have visitation at the winery, but we don't have admission to our events. We basically canceled our events and what we did was basically reconfigure the entire visitor experience here. We have been able to reopen to visitors but we could not conduct one of the most traditional aspects of a visit to a winery which is an in-person wine tasting because it just brought people too close together. So we changed the visitor experience to offering table service and wine flights and I think we're going to permanently convert to that now because the reception for these has been so positive and people are telling us they actually like it better than traditional tasting. So there's actually learning going on through this whole thing that is going to probably persist beyond the pandemic.

Brad: Thank you and thanks for sharing that. I think we'll start this one with Rob. How did you build a strong relationship with M&T?

How did you build a strong relationship with M&T Bank?

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Rob: It really began with that first meeting and a sense of talking to a person and not a banker. And there was right off, an atmosphere of openness and candor that was created. I know that much as you mentioned earlier, that person had been out to the winery, was fascinated by our business, and really wanted to see us flourish and within the bounds of prudence she felt she could be of help. So that first relationship led to others, as successive relationship managers came in and I can't emphasize enough how each one picked up where the other left off so there was no sense of discontinuity or a bump in the road. Again, the meetings were very frank, were very open. We have been through many difficult challenges. I can name years when the weather was so difficult for us that we couldn't produce an entire body of wine that that we normally would produce, but because as Phineas mentioned we have a diverse business model, often we could focus on different assets of that business and as a result we were able to share with the bank these challenges but also point the direction that we're going to lead the business, so that that it wasn't a threatening situation. You know as we're in our 75th year, I would say that we have pretty much seen it all. Experience really matters in this business, so I think that's another aspect that the bank has picked up on and appreciated the fact that that Boordy has a tremendous depth of experience, very professional personnel, and that all is what gives us the assurance I think that we can ride these cycles out together and be a of a client that you can be fairly confident will live up to its obligations.

Brad: That's great. A quick follow-up there. You alluded to a couple of things that I want to come back and touch upon. You mentioned early in that answer that the relationship really starts with a person and you also talked about over the course of a 30-year relationship some transition in who your point person has been with M&T and I know you guys have had been with us through retirements and through promotions and so you've met some new folks along the way. You talk to the smooth transition that happens there. Could you maybe pinpoint a thing or two that you did, or that we did to really ensure that when you met a new person it helped the relationship?

Rob: Well certainly we make sure that you had plenty of wine (*laughing*) and you remember that big party we threw you, right Brad?

Brad: I missing that one, maybe it was COVID? (*laughing*)

Rob: No, I think that, I'm sure that on your side, I'm going to presume here for a minute that a lot of people may either be intimidated by a banker or have sense that you guys are out to get them, or for some reason or another, that the relationship has to be kept on a very formal level. You know we deal

with a lot of people in this business. We're not a big business, but it's a it's a very complex business and I mean internationally, in all walks of life and one of the most enriching aspects of the business are the human relationships that we have, and I just carry that same philosophy right over with dealing with M&T, which is that we're human beings both trying to make things work for mutual benefit. The first meeting is no different than last. We established a relationship. M&T has provided for us really top flight people, and I think that the goal for both of us is to understand the human, and the financial, and the business aspects of what we're each trying to achieve and move forward. I think it's just that attitude on both sides, has really enabled the relationship to proceed much more smoothly and evolve much more quickly than if it were encumbered by a lot of formality

Phin: And Brad, just to add to that in what I've seen in 12 years of being with the company we've been through three relationship managers in my time and each time, we would get an email from your predecessor, saying "hey I'm moving on and moving to a different branch" and within half an hour to an hour we get a phone call from you. So you know for us it makes us feel like we're you're only customer, or your number one customer. That goes a long way. I know you're dealing with probably hundreds of businesses but when we get an email notifying us to change and then a follow up phone call within an hour, that's pretty special to us and makes us feel like we're really important to you.

Brad: We value the relationship and there are things we do on our end that help us. Our goal when somebody's promoted or somebody retires and you get somebody new, our goal is that we come in there and we pick off right where you left off. So we'll just like I say we review everything you send us before meeting when I was talking with Jen, we'll review everything, so that so that Boordy doesn't have to start on year one, we can start on your 75 and continue the conversation. I just would be remiss if I didn't point out, when I met you both for the first time your openness and specifically, Rob, the way that that you talked about the value you have for the relationship with M&T and the conversation, there can be a little intimidation on our side for meeting a long-term client of the bank and the way that you set that conversation to be open to meeting new folks and to be very enthusiastic about picking up and carrying the relationship forward, really set us up for the growth that we've had in the relationship. I personally appreciate that. So, thank you both.

Rob: Most welcome.

Brad: All right, so Rob and Phin, Thank you so much. On my end, I would just love to close with just really one question, and I'd love both of your perspectives on it: So if you had another business owner that you know come up to you and ask about building a relationship with M&T, what would you say to them?

Phin: Well, I have had that experience, ever since our first commercial with M&T, several members of the industry have come up to me and asked me who our relationship manager is and can I have their phone number? What I tell them is, absolutely! M&T is an amazing partner to work with. They seem eager to help us do business, to loan us money, especially in you know in some of those down cycles that we talked about. I tell them don't look any further than M&T. They've been a wonderful partner.

Rob: I'll add to that that I would I would only augment on what we've said earlier in this exchange, which is when you meet with the banker, be totally honest about your business. There is nothing to be gained by trying to cover up things or represent your business other than it is or present an overly rosy picture. The bank is capable of seeing through that and in fact, to build trust you got to be honest from the from the first meeting. I reassure people that that you will meet on the other end, a person who will

welcome that honesty, and will honor you with honesty in return and that the long-term relationship will be much stronger for that.

Brad: Thank you.

Jen: Well Brad, is there anything else you would like to share with the folks that have tuned in today?

Brad: Wow, Jen, you know Rob and Phin have done such a great job, so first I just want to thank Rob and Phin and thank everybody for listening today. The only thing I would do here is underscore a couple of points and you know Rob's last comment really did it. This is a fantastic relationship and it's built on really the trust and openness that you very well demonstrate today, as we're talking through your business and the cycles, and the conversations you've had with the bank over the years that keep us really in tune and lock-step with you on the changes in your business and help us be a partner to you along the way. And so really appreciate this and look forward to carrying it forward with you and hopefully with some of the folks on the line today. That's what I have, Jen.

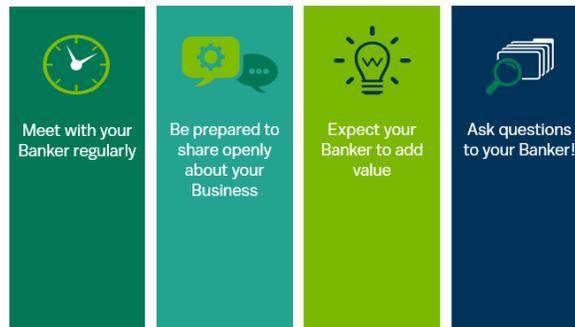
Jen: Alright, well thank you Rob and Phin. I wish we could have been there doing this interview in person. It would have been a lot more fun to have a wine flight while we were interviewing you.

Rob/Phin: Next time, Jen! (laughing)

Jen: Well there was a lot of great information covered today that I really think will help both new and seasoned business owners gain an understanding of how they can approach a new relationship or improve their existing relationship with their bank. So thank you guys, Brad, Rob and Phin thanks again and that wraps it up.

Rob/PhinBrad: Thank you both. Pleasure to be here. Alright take care.

Summary



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Jen: So as we wrap up this session today, let's recap a few of the key items that were discussed. The first one is meet with your banker regularly. You are building a relationship which means you are in this for the long haul and so is your banker. While you may not have a specific banking need today, it's important to start developing that relationship now, so that if a need arises, your banker is already up to speed on your business. Rob and Phin shared a lot about their continued meetings with the bank throughout today's discussion, so you can see that their relationship is strong it definitely helped them.

Be prepared to share openly about your business with your banker. So we know that you are busy as a business owner and we want the time that you spend with us to be valuable to you. By sharing openly with your banker, the meeting will be mutually beneficial for both you and the bank, to prepare for any opportunity that the bank can assist you with. Next point is, expect your banker to bring value to your conversation. You're prepared for us, so expect us to be prepared for you. Brad mentioned this at the beginning. We will do research before we meet with you, so it is okay to expect us to be prepared. Lastly ask questions when you have them. Reach out to your banker when you need to. Relationships are built when two parties are working together. We at M&T want to help you reach your goals, so don't hesitate to contact your banker when you do have a question.

Thank you for joining us!



Jen: So now that you have some key takeaways from this presentation, we will close out for the day. Thank you all for tuning in for this session of Let's Talk Business...an educational series designed for business owners. Stay tuned to your email for future topics and when you can expect to see the next session is available. Thanks again to our speakers and thank you all for tuning in. I hope you all join me again soon.