

# Banking on Growth

**Mike Ellwood**, Managing Director for Corporate Banking at Santander UK, gives a snapshot of the bank's growth strategy and the leadership challenges faced in executing it



Since its entry into the UK market in 2004, Santander has transformed from its history of three former building societies, to a rounded retail and commercial bank.

**Mike Ellwood**, Managing Director for Corporate Banking at Santander UK, says the corporate and commercial

banking arm is set to see the largest amount of growth in the company, as they continue to diversify their offering.

“The growth will come by having a real focus on where we can make a difference for customers; that’s around the international reach that

we provide and what we do around event-driven finance,” he explains.

In 2015, Santander was lending £26.4 billion to corporate customers, while the Breakthrough Programme supported the creation of around 2,100 jobs and provided 33 SMEs with £55 million of growth capital. This year their aiming for more. >



Here, **Mike** reveals more about Santander's plans and the barriers he is knocking down as a leader.

### Currently, what are the main challenges you face?

The inertia in moving banks and finding reasons to persuade people to do so. That's why we've focused on international and event-driven finance.

So, when there is an event where a solution is needed, we can grow our customer base. For example, if the company is expanding internationally there's lots we can do around, not only through our own branches in places like Latin America, and Europe, but also through our network of correspondent banks. We can help businesses reach new markets. But, unless there is one of those events it's very difficult to break through.

### Are there any others, such as regulation?

Regulation is here to stay and we understand why; it's heightened following the crisis. We have to work with regulators in a way that's responsible. It's not a barrier, it's a factor to take into account as you grow and make sure you do so in a risk-aware way.

It leads on to making sure you've got the right culture from your leadership team, and ensuring you've got the right people with the right outlook.

Maintaining talent in the business is a challenge. We need to blend recruitment of experienced bankers with developing talent from within. Lots of exciting young people have joined the business with amazing capability.

### What was the thinking behind the recent leadership hires?

There were a number of departures, which meant there needed to be some new leadership hires.

Nathan, our CEO, was building the team around him. There were not any particular skillsets missing, just one or two people had left and had to be replaced.

### In 2013, the bank introduced the values, 'Simple, Personal, Fair'. How did the board and CEO go about leading this from the top?

The way this was embedded within the business was to get a definition of what behaviours go behind those values. So, what behaviours do we expect to see?

There was an extensive set of roadshows, which followed a meeting of about 100 of the senior directors in the UK. We gathered an awful lot of information from roadshows, where Nathan and other ExCo members asked people on the ground: 'What behaviours do you want to see? What do you not see enough of?'

That was then distilled into the nine behaviours we have as a framework. We then embed those values in all that we say and do, such as annual appraisals, award nominations and simply how we go about our business.

### As a leader, how do you continue to communicate those behaviours to your team?

We've been through a big restructure of the business. One of the first things I had to do was make some changes to

my senior team. I had to recruit people that I thought had the capability to do the job, but in the right way.

We've then endorsed the behaviour in a number of ways. For instance, we've just had a conference with 800 people, where previously we'd have celebrated the deal or relationship director of the year. This year we changed it - we handed out nine awards to the people that our staff believed had displayed those behaviours.

That's teamed with weekly examples of behaviour. So, every week we reflect on the behaviour that won us new mandates or new customers, rather than the income earned from it. >

#### MIKE ON M&A ACTIVITY POST-BREXIT

M&A has slowed but there's still a reasonable amount of activity. If you move into a lower growth environment, then it's not surprising that companies will look towards M&A to capture synergies, cost savings and opportunities to grow.

It's an opportune time to look at new markets. I believe that if you focus on developing good products and services, and really delivering for your customers, then you'll begin to adapt to whatever environment Brexit might bring.

Of course, looking at where the risks are for your business and developing contingency plans are what good leaders should be doing.

There are both opportunities and challenges, but I think we will begin to see markets normalise.



You need to constantly tell people about the behaviour and showcase what you want.

### Have you got any advice for other leaders?

The learning point for me was putting my team together. Think carefully about what sort of values and behaviours you want. If you've got technically capable people who you know don't espouse the values you want, then you know there isn't a place for them.

Making the tough decisions at that point will enable you to embed the culture you want. Then it's simply about checking that everything you do and say is consistent with the values that you put on paper.

### Is there a focus on branch banking at Santander, or has there been a lot of investment in digital technology?

We have to invest in digital, while also running the branch network.

#### SANTANDER'S BEHAVIOURS

1. Bring passion
2. Talk straight
3. Embrace change
4. Show respect
5. Speak up
6. Keep promises
7. Give support
8. Truly listen
9. Actively collaborate

Branch banking is still hugely important to Santander, as we blend the capability that digital brings and explore new payment systems, new channels and so on.

### Is digital impacting the corporate and commercial bank?

There are efficiencies to be had from digital investment that will create a better customer experience that we can't ignore.

In this part of the business, what we have to do is put together different types of solutions alongside effective delivery. Whether that's structuring a piece of debt, or reaching out to new markets and helping them trade abroad – digital enables us to do that smartly and efficiently.

### Where would you say you're looking to innovate?

We have a growth capital business, which is a product aimed at the SME market – £1 to 15 million turnover companies – which are growing. We've completed just over a hundred deals in that space over the past few years. That's making a difference and is recognised as having been innovative in the banking sector.

Equally, it's about enabling mid-market customers to reach parts of the world that might be more challenging for them to understand. This is something we're aiming to grow in the larger SME and mid-corporate market.

### The heavy lifting within the corporate bank is largely complete. What is your focus over the next five years?

We are going through preparations for banking reform, which is a big event for the industry.

A lot of effort will go into getting ready, while continuing to grow. For me, that means identifying the types of customers that we believe match the offering we have.

That's working towards the differentiators of international, event-driven finance, and developing the customers we've got, as well as adding more to the portfolio. ■

Mike was a speaker at Criticleye's recent Non-executive Director Retreat, in association with Santander. Find out more [here](#)



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Mike is Managing Director, Corporate Banking, within Santander Corporate, Commercial & Business Banking. Mike has 35 years of banking experience and joined Santander UK in 2009 to establish the corporate and structured finance business.

Mike is also a Non-executive Director at the Peterborough and Stamford NHS Foundation Trust.

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