

DO YOU HAVE A BANKER OR A LENDER?

THERE IS A DIFFERENCE!

By Kittridge Chamberlain, EVP/Chief Banking Officer, Pacific Mercantile Bank

Starting a Business in the Digital Age Is Easier Than Ever Before

In some ways, starting a business is very easy. You can form a corporation online. You can market your products and services through a multitude of digital platforms, and sell them with devices as ubiquitous as smart phones.

Sustaining and Growing a Business Is Another Story

Increasing regulation complicates the business landscape. Competition has intensified because information flows so freely, making pricing and other data far more transparent. The pace of change is so fast that strategic planning and decision-making are nearly full-time pursuits for entrepreneurs who want to grow faster than their competitors and the overall economy. And in addition to traditional forms of capital, newer methods like peer-to-peer lending and crowd funding create another decision point.

With these factors and others in play, how can an entrepreneur best position a company for success? It takes a strong team within and around your company. Your outside team should include accounting, insurance, legal, and banking professionals.

If you're starting or running an emerging company, you might see these advisors as overhead that your business can't afford. Here's why they're so important: it's a lot easier to get into trouble than out of it. Good advice in these areas will save you time and money, as well as headaches that you don't need as you grow your business.



Choosing the Right Banking Partner Should Be High on Your List

You need a bank that can support your company over the long term. You need a bank that understands – and likes – your market segment. You need a bank that has built a team of bankers, not lenders.

A banker is a skilled professional who will really get to know you and your company -- not just your sales and profits, but your near-term goals, long-term strategy, aspirations and what keeps you awake at night. Good bankers know that every company is unique. They want to understand what makes yours distinctive.

A banker will help you decide how to fund your company's growth. He or she will consider your company's financial condition, stage of development, revenue model, customer base, and other factors. Not all financing is created equal; a good banker can show you the advantages and possible disadvantages of various types of capital.

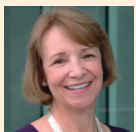
A banker understands that managing your company's cash can be just as important as financing its growth. Good bankers will make sure that you're using up-to-date tools for monitoring your cash, keeping it safe, and managing your receivables and payables to optimize your cash position.

Most important, a banker will build a relationship with you based on mutual trust and respect. Regardless of your company's size, he or she will take you seriously. You'll be a client, not just a customer, through good times and challenging times.

On the other hand, a lender will simply ask you how much you want to borrow.

A Banking Partner Cares About Your Goals, Your Strategy and Your Success

No matter what size your company is, no matter what business you're in, you need a banking partner who cares about your goals, your strategy, and your success. It's one of the most important choices a business owner can make.



Kittridge Chamberlain is EVP and Chief Banking Officer at Pacific Mercantile Bank. With over 30 years of experience in sales, relationship management, and risk management, she is responsible for commercial banking activities in the Bank's seven regional offices as well as the Bank's marketing programs. Prior to joining Pacific Mercantile Bank, Kittridge was a consultant to banks and other capital providers. Previously, she was a Senior Credit Officer and Senior Relationship Manager at Silicon Valley Bank. Kittridge also held positions at Tokai Bank of California, First Interstate Bank of California, and Bank of America. To explore how Pacific Mercantile Bank could be the right banking partner for you, email Kittridge.Chamberlain@pmbank.com.