

Business 1100

Business



Ana Patricia Botin appointed the Chief Executive Officer of Banco Santander SA's U. K unit (Penty and Finch par. 2). Her father and Chairman of Banco Santander SA's UK unit, Emilio Botin built Santander into Euro's most valuable lender as it has over \$70 billion of acquisitions (Penty and Finch par. 2). If she salvages the bank's customer-service reputation and conduct the initial public offering she may succeed her father when he steps aside (Penty and Finch par. 8). Botin would be watched keenly by Spain where her family has been managing the bank for 115 years as she takes over duties that were performed by the former UK head who defected to a rival bank (Penty and Finch par. 4). An IPO was postponed and she would have to state the position of the bank to investors interested in Spain's banking system (Penty and Finch par. 4). Setting up the IPO would be challenging as the mortgage market is low with high interest rates while rival banks are on the revival (Penty and Finch par. 5). The Santander may sell 25% of the UK unit and if it happens, it would be the biggest IPO in the UK and ultimately increase the bank's financial strength (Penty and Finch par. 7). Botin would also have to deal with the bank's poor reputation on customer service which she confirmed needed to be improved. Plans are underway to introduce closer clients-staff relationship as the bank does in Spain (Penty and Finch par. 11). She would also replicate lending to small and medium sized businesses as she had done in Spain where 80% of the bank's business is with retail customers (Penty and Finch par. 12). She is also keen to increase profitability and efficiency in preparation for the IPO (Penty and Finch par. 13). Former colleagues see her as a self made, hard working woman. One of her earlier bosses, Martin Benagas was impressed by her team player mentality who wanted to do better and improve (Penty and Finch par. 14). Botin grew up in <https://assignbuster.com/business-1100/>

a normal family setting and has never taken advantage of her family name in her job environment (Penty and Finch par. 16). Emilio Botin managed the bank to its current profitability and hence gained a reputation of success which would always hang around Ana as she takes up the CEO job (Penty and Finch par. 18). Santander bank survived the global financial crisis with the profits see-sawing but still high as it made 26 billion euros in the last three years (Penty and Finch par. 20). It bought Alliance & Leicester Plc, part of Bradford & Bingley Plc and 300 branches from Edinburgh based RBS making it the second largest mortgage lender in the UK (Penty and Finch par. 22). Ana left the bank earlier when its lending revenues fell and bad loans from the financial crisis caused the 2010 profit decline (Penty and Finch par. 23). Overall, her individual performance in the earlier tenure is hard to judge as the entity, the real estate company, was not independent from the bank (Penty and Finch par. 25). Ana's move to the UK is beneficial to her as she will learn more about running the bank and also make vital connections which would aid her if she assumes the chairmanship from her father (Penty and Finch par. 27). Ana's husband, Guillermo Morenes through his brokerage firm M & B Capital Advisers, is linked with fraud perpetrated by Bernard Madoff who is serving a 150-year sentence for operating a Ponzi scheme (Penty and Finch par. 30). Ana has a higher pay package, 3.08 million euros when compared to Lloyds' former CEO Eric Daniels who earned 1 million pounds and 1.5 million pounds as bonus (Penty and Finch par. 33). Ana was educated in Spain, the UK and Switzerland. In 1981 she graduated in an economic class from Bryn Mawr College in Pennsylvania. She took part in extracurricular activities and was good in golf (Penty and Finch par. 34). She started working immediately after school at J. P Morgan and left as a Vice-

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president after 8 years and was hired by Santander. She exhibited a style driven by results and was determined to succeed (Penty and Finch par. 35). She took up more responsibilities as she became head of investment banking in 1991, in 1994 ran corporate banking for Latin America and southern Europe and oversaw acquisitions in Argentina, Columbia and Mexico (Penty and Finch par. 36). Ana's expansion plans were halted by the 1998 market slump caused by Russia's debt default and Asia's economic crisis. She was forced to make job cuts to adjust with the prevailing market conditions (Penty and Finch par. 39). The bank's investment branch was closed and the bank focused on retail banking (Penty and Finch par. 40). Ana was instrumental in the bank getting a contract to manage Spanish systems accounts in 2002 as she defeated Banco Bilbao Vizcaya Argentaria SA which had done the work for 18 years (Penty and Finch par. 43). She was directly involved in the bidding process; had benefits for the lender and portrayed that Banesto could competitively compete with Spain's best banks (Penty and Finch par. 43). Majority say Ana Botin may not automatically succeed her father as the chairperson of the bank as there are other individuals who may. However they are faced with one hurdle or the other to get the job (Penty and Finch par. 48).

Ana Botin is a privileged lady who took advantage of her surroundings and made a better life and career for herself. She went to school and graduated in a field of her choice; economics. She secured a job in a firm where she did not enjoy the patronage of her father and established herself as a serious banker who was more inclined to results and progress. I have learnt that it is

important to employ oneself in the opportunities of life as Ana did as it opened doors to her ultimate rise in the banking sector.

Ana has also exhibited an eye for expansive business. She is responsible for the success of the real estate branch of the bank before it closed shop. She even outsourced personnel from Hong Kong to boost the running of the business. She however does not only possess passion for her job but common sense and 'market sense' in that when the 1998 property slump occurred, she downsized the project and later left the entity when it was hard to be profitable. The same thing happened when she took over the UK unit of the bank and its problems. She stated that the bank has hired more personnel to deal with the customer relations complaints as her goal is to have profitability of the bank restored and efficiency enjoyed by the clients. I can relate to this in that for one to talk about success, one has to be smart, take risks which are sound in business and never lose sight of the ultimate goal, that is, the happiness of the customer.

Ana is surrounded by mediocre persons i. e. the husband who incidentally is a banker, Saenz the second in command at the bank, and Matias Rodriguez a board member. The husband has been adversely mentioned in the Ponzi scheme of Bernard Madoff, Saenz has a court case which could bar him from banking and Matias does not possess the relevant executive expertise. She has an opportunity to observe these people and more on the characteristics not to assume that will be detrimental to her career ascendancy. She has avoided the pitfalls that these stated gentlemen have fallen victim to and is now one step away from being the chair person of the bank. I think that when one has a passion for results and is equipped with a fertile

environment for learning and development, one should always look around for pointers on the correct combination for a successful career. Ana has managed to evade the pitfalls of lying to investors, making false accusations and has shored up enough executive experience to steer the bank's UK unit to greater financial heights.