

Peoples Bank Recognized as Top Small Business Partner



Highland-(L to R) Brian McShane with McShanes and Ron Knestrict from Peoples Bank. *Tony V. Martin/Times*

In today's challenging economic times, it's more important than ever for small businesses to ensure their banking needs are being met. That means partnering with an institution that sets out to thoroughly understand your operation well ahead of pitching products and services, according to the National Federation of Independent Business (NFIB).

So, how do you go about finding a bank that's as interested in your business as you are?

By definition, community banks play a critical role in keeping their local economies vibrant and growing by lending to creditworthy borrowers in their regions. Unlike their national competitors who no longer make such decisions at local branches, community banks have the unique ability to respond to lending requests based on their close ties to the communities they serve.

As a result, this small business lending helps foster the local economy by allowing businesses to buy new equipment, add workers or sign new contracts for increased trade or services.

Federal Reserve Chairman Ben Bernanke emphasized this point during the 48th annual Conference on Bank Structure and Competition in Chicago last May stating, "Community banks play important roles in

local economies," further demonstrating that there is a real need for the customization and flexibility community banks can offer when it comes to meeting the needs of local communities and small business customers.

When it comes to the best financial solutions to meet the unique needs of small businesses right here in northwest Indiana, Peoples Bank has been providing clients with the resources and forward-thinking insight they need to take advantage of growth opportunities for more than 100 years.

"I started working at Peoples Bank as a commercial processor 14 years ago," vice president, commercial loan officer Ron Knestrict said. "Now, I'm fortunate to be part of the team that goes out and gets the business. I really enjoy getting out there and meeting different business owners. It's truly my passion to learn about their business. That's the number one reason why I always wanted to be in commercial lending – the people."

For example, Brian McShane became a Peoples Bank client following a meeting with Knestrict and longtime president and chief administrative officer Joel Gorelick five years ago.

"We always wanted to do business with them since they were a strong business in Munster which is our home base," Knestrict explained. "There's more to it than just building relationships. We wanted to see how they work and what they do so we could better understand their needs."

"We've been in business for 91 years so my grandfather and father had established some great relationships with local bankers over the years," McShane said. "However, with the changing banking environment, we were actually in the process of exploring some other options when Peoples came out to meet with us. After several meetings, they structured a program to refine how we were doing things that really met our needs. Since that time, they've introduced new

products that continue to meet our needs as they changed over time. We are very fortunate to have a bank of that capacity in our local area. Their goal is to take care of local businesses in a customer-first atmosphere.”

Along with playing a part in McShane’s year-over-year growth since 2008, Peoples Bank has helped this local business establish a new promotional/apparel company, McShane’s Total Graphic Solutions, Inc. and grow their Technology Company, which was established over a decade ago to support the computer networking needs of other local businesses.

“It’s so important for people to realize that the money stays around here if you spend it here,” McShane continued. “In 2009, for example, we started our ‘Buy Local, Give Local’ initiative and have donated over \$200,000 to 25 different local charities and organizations. As long as we’re competitive, it should be a no brainer.”

“Getting financing for their company is probably the biggest hurdle smaller businesses face,” Knestrict added. “In commercial banking we are able to give back to the community. It’s a win-win. We are building the community and improving the strength of our bank. I can’t imagine what it would be like in northwest Indiana without community banks. We work with customers who have been denied elsewhere clearly by the fact that other decision-makers do not understand our area. We know we are going up against some larger banks, so we’ve tailored our products and services to fit this community. Our decision-makers are right here in this building, and there’s no deal that’s too small for us.” It’s precisely that attitude that resulted in the recent announcement that Knestrict was one of two commercial lenders from Peoples to join the prestigious “Millionaires Club” of the Valparaiso-based Regional Development Company (RDC), which is a Certified Development Company licensed by the US Small Business Administration (SBA).

Peoples Bank was also named Bank of the Year during the RDC’s annual recognition event late last month.

“We worked with them more than any other bank in northwest Indiana for the fiscal year 2012,” Erica Passauer President & Executive Director of the RDC said. “Historically Peoples has been very active in the 504 Loan Program to assist small businesses and make

dreams come true. Our program, in conjunction with a bank, provides financing for borrowers with 90% loan-to-value versus the traditional 75%-80% loan-to-value requirement on commercial real estate property. That’s a big difference.”

Established in 1953, under President Eisenhower, the Small Business Administration (SBA) works with private lenders, such as banks, as well as a variety of regional nonprofit groups, to make loans for various entrepreneurial uses. Since its inception, the SBA has approved nearly \$300 billion in loans to small businesses across the country through its bank and lending partners.

“We understand that there are needs at different levels, and we want to help meet those needs,” Knestrict said. “Whenever there’s a new building going up or a company is expanding, it’s great to be a part of that – especially when you know it’s going to make a positive impact on the community.”



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***This article was featured in The Times on
November 11, 2012 at 12:00 am.***