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The Making of a Banking Star

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REBECA Romero has all the fresh-faced charm and enthusiasm of a young woman embarking on life and a career. Some might say that at age 22, the Wellesley graduate is a little young to be president of a bank with $100 million in assets and 60 employees.

Back in February she was named head of the Centinel Bank of Taos, New Mexico, which is among the 500 largest Hispanic-owned businesses in America. It's not as if Rebeca started at the top, however. Her grooming by her father and mother has been careful, thorough, and remarkably packed with formal and informal training over a short span of years.

"I feel as if I've grown up in banking," says Rebeca, who succeeded her father as president; Martin Romero, 48, became Centinel's chairman. Although she's the youngest bank president in the country, according to her trade association sources, Rebeca is already doing and saying all the right things.

"I may be young, but I've been doing this for a while, and it's nothing new to me. I know the community very well. I know the nature of our economy. And one of my basic philosophies is: 'I may be president of the bank, but I'm not doing this alone. A big part of my success is going to depend on the team I have working for me.'"

To sustain her in the challenges that lie ahead, Rebeca can call on a proud heritage. Her grandfather, Eliu Romero, who founded Centinel Bank in 1969, is a man of true grit and determination. Eliu came from a family of subsistence farmers living in the Taos area for four generations. After putting himself through college and law school, he applied for a small loan from a local bank to start his law practice. When the loan was denied, he decided instead to open a bank to help others in the community avoid similar rejection. He went door to door and lined up over 300 investors to share his dream of chartering the first Hispanic-owned bank in the community. His application for bank insurance was rejected several times before being approved by the Federal Deposit Insurance Co.

Centinel Bank today provides a range of commercial and personal banking services to residents of Taos County, where 60 to 70 percent of a population of about 27,000 are Hispanic by background. The bank prides itself on supporting enterprise in the community, providing "non-traditional" loans to small businesses that might not satisfy the rigid credit requirements of larger banks. "We look for ways to make things happen," Rebeca says. The bank also invests in youth in the community, providing annual scholarships to college-bound seniors.

During his tenure as president, Martin led the Centinel Bank through 15 years of growth, from $18-$20 million in assets to $95 million. His wife, Rebeca's mother, was also employed in the bank as director of human resources. Rebeca has been hanging around the bank since age 10, doing odd jobs after school like filing for her mother and "shadowing folks," learning everything she could. At 15 she trained on the teller line during the summer.

Other summers, she worked in accounting, then in the loan department. Meanwhile, at Taos High School she was a state champion in an extemporaneous speaking contest and valedictorian of her graduating class. And one summer during college, she had a chance to run one of the bank's five branches, in the town of Questa. "That was my first real experience trying to pull together everything I had been learning over the years," she says.

At Wellesley, Rebeca majored in political science with a concentration in economics, taking her junior year abroad in southern Spain. In her independent study project, she interviewed people in family businesses, many of whom were facing the same challenges of small business owners in Taos County. She met retailers in Granada whose businesses were threatened by bigger competitors moving into their neighborhoods, Spanish versions of Wal-Mart and Albertson's. She was impressed by the incredible determination of these smaller businesses to withstand the competition. "That was the one thing that really stood out in my study, and helped me appreciate and explain part of our success at the bank," Rebeca says.

One woman, whose family made the fabric used in Spanish shawls and other traditional clothing, was trying to figure out how to step into the role of manager of the business. Her father, who had run the business for many years, was elderly and ill; her two siblings had died tragically. There was no succession plan in place. In addition, no woman had ever run the company, and she faced considerable opposition in a highly patriarchal culture. The woman's attitude reminded Rebeca of her own grandfather's relentless persistence in creating the bank. According to Rebeca, the woman was saying: "'By golly, I know this is going to be tough, but I'm going to make it work. I am going to succeed at this and show everybody.' That was quite an inspiration to me."

SUCCESSION FAST-TRACK

Rebeca's parents took every opportunity to teach her about banking, but never pushed her into the business. For that, she says, she'll be forever grateful. "Our parents completely supported us in whatever we wanted to do with our lives," she says about her and her two younger brothers. The oldest, 21-year-old Miguel, is happy with his own welding business. Chris, 18, is in college and may be interested in the bank.

The whole time she was away at college, Rebeca talked with her parents about a career at the bank. She wasn't clear she wanted one until her senior year. When she reached her decision in 1996, she and her parents talked about a succession plan.

Rebeca returned to the bank and became executive vice president. She began spending a lot of time with her father. "Wherever he went, I was right there with him, whether it was meeting with customers or at a public gathering," she recalls. "He was introducing me to our larger customers so they had a chance to get to know me with him there. He really went to great lengths to explain who I was and why he thought I'd be good in the position." During this mentoring period, Rebeca also managed to get away for formal training, taking courses at the Pacific Coast Banking School at the University of Washington in Seattle, and at the Commercial Lending School run by the American Bankers Association in Indiana.

The biggest part of the plan was just talking about it, so it wasn't a sudden transition for the employees, the family, the community, and the regulators. The succession was announced at a meeting of employees a year-and-a-half before it happened. Martin let his daughter take charge of new hires even before she took over, "so they would relate to me," she says.

Most of her staff are longtime employees, members of her father's team. To enlist their support, Rebeca has made a point of talking to each one individually, letting them know her goals and expectations and listening to their career desires and dreams. Has she encountered resistance to one so young as a boss? "Not yet," she admits. "I expected there would be, and I was prepared to deal with that." Nonetheless, in a culture that's still patriarchal in many ways, it has been a challenge to gain the acceptance of some of the bank's elderly

customers. Rebeca has met with many of them, to win their support. "Because our family has been in Taos so long," she says, "we have been able to earn people's trust. So if [making me president] is what my father and grandfather wanted to do, people have been supportive of the decision."

As president, Rebeca is in charge of the day-to-day operation of the bank, including approval of major loans. Her father now concentrates on technology planning and business development, and he and Rebeca work jointly on strategy. They share a quiet office on a floor above the hurly-burly of the bank, where Rebeca can get away for moments of reflection and, if she needs it, some advice from dad.

What is her vision for the bank's future? "Vision is our favorite word these days," she says with alacrity. Rebeca has been focusing on improving the bank's efficiency by bringing in new technology and looking at new forms of banking over the Internet. She's also opening the bank's first branch outside Taos County—in Las Vegas in San Miguel County, which also has a large Hispanic population. "For the general growth of the bank, there's some great potential in other communities across northern New Mexico," she says.

Over the years the Romero family has bought out the shares of the 300 original investors in the bank. Rebeca wants the bank to remain closely held. The stock is divided among the six Romeros: her grandfather, father and mother, herself, and her two brothers. She doesn't see family ownership as limiting the bank's future growth. "We have the flexibility to do what we need to on a daily basis," she says. "I think that's very important, given the changing nature of banking. As we move forward, we're dealing with some capital planning issues, but we intend to do that completely within the family."

Rebeca Romero is the first to admit she doesn't have all the answers; clearly, that's one sign of her maturity. But she's confident she knows how to go about getting answers, and she has plenty of support in her family and the community. Eliu, now 72 and a director emeritus, is probably pretty proud. He'll be watching his granddaughter take the bank he founded to the next level. "He calls to check up on me once a week or so," she says. "He likes to know the bottom-line numbers, what we're doing about growth, any big-loan customers we're dealing with, any potential problems. He's always great about giving me insights and advice." ▪

Howard Muson is a writer, editor and consultant, and former editor and co-publisher of Family Business Magazine.

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