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LENDING THAW

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WHEN THE RECESSION HIT**

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RESTAURATEUR
**THOM PHAM'S
JOURNEY**

FROM VIETNAM TO
THE CHEF'S TABLE AT
**WONDROUS
AZIAN KITCHEN**

The Entrepreneurial Banker

Dave Cleveland brought the mindset of an entrepreneur to banking, and ended up helping entrepreneurs as a result. **BY STEVEN SCHUSSLER**

DAVE CLEVELAND IS one of Minnesota's best known entrepreneurs, and over the years he has encouraged and supported countless small businesses through his personal and professional endeavors. In 2001 he retired as the president and chairman of Associated Bank of Minnesota where during his banking career he advised 21 banks in the formation of new bank charters and branch applications. In 1973, Dave founded Riverside Bank, which earned a reputation as the top bank for small businesses in the area.

Despite retiring to northwestern Wisconsin, he continues to be active in the Twin Cities' community, serving on several boards including banking, business, non-profit and education. Dave is also in his 13th year as trustee for the University of Sioux Falls.

SS: How have banking regulations affected banks' ability to help small businesses and entrepreneurs?

A: I don't believe banking regulations have changed a bank's flexibility as it relates to helping businesses. However, bankers, as well as the businesses we seek to serve, are faced with increasing rules, regulations and requirements that add up to additional effort and much greater expense. I serve as director of a bank that has 25 separate required policies. These policies are very detailed, monitored and scrutinized.

SS: What is your opinion about the current state of the banking?

A: I don't have much sympathy for the changes that the banking industry is forced to deal with! I believe most of the changes have occurred because bankers wanted deregulation and, due often to greed, failed to follow proper credit granting [procedures].

SS: You are the founder of Riverside Bank, which has helped many entrepreneurs. In fact, Riverside Bank helped finance my nightclub several years ago. What was your vision when you founded the bank? Did you initially set out to specialize in small businesses or did that direction evolve as Riverside Bank grew?

A: The bank was founded to serve the banking needs of the Cedar-Riverside area which was federally designated as a "New Town - In Town" in 1971. The development was halted in the early '80s due to an environmental impact study. Our board and bank management held a planning meeting where we eventually agreed that the most under-served



market was entrepreneurs. We agreed on a goal of being known as the bank for entrepreneurs within two years. However, it was 10 years before we purchased a highway billboard that simply stated "Reputation is Everything."

SS: What are some tips for businesses and entrepreneurs looking to prepare for a meeting with their banker?

A: Be prepared! Spend time with a professional, perhaps with a SBA adviser, to help you understand the process before the bank visit. Be prepared with a business plan that is complete and professional. Remember, you are selling your ability to manage and someday return, with interest, the requested loan.

SS: One of your passions is philanthropy, and one of the major causes you are involved in is The Minnesota Cup. Tell us more about that.

A: The best indication of its role in Minnesota is the fact that since 2005, nearly 4,000 business plans have been "bright" ideas, submitted by entrepreneurs from all corners of [the state]. Each idea is judged and perhaps most importantly, comments and suggestions are returned that often bring new and improved plans.


SS: What do you attribute to your success?

A: Enjoying the trip surrounded by people who care for each other and for the businesses and individuals we serve.

SS: What advice do you have for entrepreneurs?

A: Don't be hesitant to seek advice and council from those you trust and never, ever give up your dream.

SS: What was your biggest business mistake?

A: I'm sure I tuned down some loan requests believing that I could not make a loan decision unless, and until, I totally understood the business. Eventually I discovered that I only had to be confident that the entrepreneur understood. 

« Steven Schussler (steven@schusslercreative.com) is the founder, chairman and CEO of Schussler Creative, Inc., which specializes in creating, designing and developing theatrical attractions, restaurants, retail stores and entertainment venues worldwide. He is also the author of the book, *It's a Jungle in There - Inspiring Lessons, Hard-Won Insights, and Other Acts of Entrepreneurial Daring*.