

Shifting Gears: An Interview with Hilco Global's Betsy Ratto

BY EILEEN WUBBE

Betsy Ratto is senior vice president of Hilco Capital Solutions: ReStore Capital and Hilco Corporate Finance, with responsibility to drive business for ReStore Capital and Hilco Corporate Finance. She is responsible for originating and executing corporate finance and capital markets transactions, with a focus on the retail industry and other financing transactions. She joined Hilco in fall 2021 and is based in Hilco's Boston office.

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rior to joining Hilco, Ratto had a long and successful career at Bank of America, where she served as managing director and group head of the Retail Finance Group. Over her 25 years of leadership, she scaled the Retail Finance Group into one of the nation's most profitable asset-based lending platforms and a market-leading player averaging +\$20 billion in assets under management with an evolving portfolio of 90+ large national retail, eComm, apparel and brand companies. Her responsibilities included new client acquisition, loan syndication, relationship management, problem loan management, and risk management. She and her team were responsible for all aspects of problem loan management, including overseeing Chapter 11 Bankruptcy, Exit and Liquidation processes. During her leadership tenure, she oversaw \$25 billion in troubled assets worked out and managed to a zero-loss result.

Known to be an innovative and creative leader, Ratto built a reputation across the banking industry for solving challenging client issues and taking an active role in financing a broad range of complex transactions.

Ratto earned a Master of Science in accounting from Fairfield University and a Master of Business Administration from Boston College. She currently lives in Boston with her husband and two daughters.

Here, she discusses her goals at Hilco, challenges and opportunities in the retail sector, differentiating yourself at a non-bank platform, and lessons learned in leadership and career development.

Please describe your career trajectory. How did your previous roles at Bank of America help prepare you for your current role at Hilco?

I learned credit the traditional way in a training program, starting as an analyst to eventually team leader as a generalist and then DIP specialist, before I was promoted to run Bank of America's Retail Finance Platform, a job I held and loved for 18 years. The retail portfolio was both dynamic and cyclical. It afforded rich experience in sponsor finance, corporate banking, distressed credit management, DIP and



■ **BETSY RATTO**
Hilco Capital Solutions:
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exit financings and client relationship management. At a market leader you get great experience leading transactions, managing constituencies, and driving outcomes, but the role and lanes are very well defined. At Hilco Global and Restore Capital, I have an opportunity to transact from a different perspective and experience a more entrepreneurial way of doing business in the C&R space. It's new and different and the change has been good.

What are some of your goals as senior vice president of Capital Solutions for ReStore Capital and Corporate Finance? What have the first several months on the job been like?

My goals are straightforward: Have fun and help build a business by finding interesting situations where we can add value given Hilco's diverse expertise in asset valuation and monetization. We plan to forge strong partnerships with senior lenders and funds to deliver the incremental capital needed to be solution-oriented partners. The first several months on the job have been busy and the transaction flow has been diverse. Literally not a dull moment.

What are some challenges and opportunities in the retail sector we can expect to see in the coming year?

With all the restructuring activity in 2020 and the strong consumer demand coming out of the pandemic, on the whole, the retail sector is in relatively good health and operating with ample liquidity. There are certainly some headwinds that impact the sector like supply chain challenges, labor and COGS inflation that will put pressure on retailers and consumers. As far as opportunity goes, retail is constantly evolving and shifting and there inevitably will be more opportunity and distress. I hope to focus some of my effort on finding and financing women-run eCommerce apparel and unique brands that promote empowering messages.

Where do you see voids in the market and how can you better differentiate yourself at a non-bank platform?

With so many market players with capital looking to be deployed, it is hard to say there is a void in the market. What resonates with clients is when you can provide solutions and advice that go beyond making the investment commitment. At non-bank platforms, beyond price and structure, it comes down to the quality of the team, having a strategic business development effort, depth of experience and relationships that drive differentiation. Banks have the benefit of a solution set that is broad and deep from cash management to M&A and harnessing the power of a platform along with capital was the differentiating factor.

How do you think about adding value to clients and what could younger professionals learn?

There are the day-to-day disciplines of client management, like staying in touch, bringing market perspective, proactive insightful analysis and honest feedback that are fundamental to adding value. Then there are those moments when you're called on to engage deeply to solve a problem, that's when it really matters. Being present, collaborating, bringing the right team to the table and having a solution orientation in a crunch time, challenging situation has always been where I learned the most and truly delivered for the client. My advice to younger professionals is to step up and volunteer when you see those situations arise on your platform; the experience is worth the effort.

Has your view of the non-bank market changed now that you are tasked with competing against banks?

ReStore Capital focuses largely on special situations and capital solutions that have a higher risk profile. At Hilco/ReStore, the power of our platform and differentiating factor is the ability to tap into our deep asset valuation expertise and to mobilize monetization solutions. We think we can be additive, both advice and capital behind banks, who we view as clients and partners, rather than a direct competitor.

Having spent more than 30 years at Bank of America, what advice could you offer to women in the secured finance industry who switch gears or change jobs in their career?

First, I strongly recommend talking with folks in your network. As I contemplated a change, I had long conversations with business associates that I consider friends, who helped me think it through. Change can be hard. The other advice I would offer is to give consideration to the value and quality of your team before you move. It was a key factor for staying in my prior position for as long as I did and a deciding factor in joining Hilco/ReStore Capital. Finally, I highly recommend

carving out some personal time to relax and renew. My nine-month hiatus was refreshing after such a long time in the work force. Working in finance, in my experience, is intense and work/life balance is challenging for women. Often the first thing to go is time for self-care and reflection, so take back time if you can.

What are some important lessons you've learned in leadership and career development?

I was very lucky in my career to have worked with so many great mentors and leaders. My leadership skills and style

were informed by many, but ultimately are unique to me. Leadership can take on many styles, but at its core, it needs to be authentic. My career development accelerated when I worked with or for smart people with a collaborative approach. Feeding off that energy makes me engage deeply. It didn't matter if the smart person was my analyst, peer, partner or boss, if the right elements and attitude are there, growth can happen. I was responsible for a team of 15-20 for many years, I have seen so many of my former colleagues go on to be leaders in our business. I like to think I brought to the table some qualities they took in as they wove their own



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When you are not busy at Hilco, what can you be found doing?

Honestly, coming off of COVID, I'd be lying if I didn't say binging Netflix sucked up bit of free time...

But seriously, life is good. I love walking my dog, Jack, in Boston's Back Bay and Rye Beach, New Hampshire. I enjoyed renovating an 1800s barn into a party space this summer. I love design, décor and gardening, so there is always a project going. My sporting interests are skiing, yoga and a fun day of best ball golf with my Boston-based industry friends. 🏌️

Eileen Wubbe is senior editor of The Secured Lender.