

Insights from the American Bankers' Association Conference for Community Bankers

By Jeff Marsico, President

San Antonio sun, buzzing conversations, and a room full of bankers hungry for boardroom transformation. That's where I found myself, tackling a topic close to my heart, Turning the Board from Tactical to Strategic, at the ABA's Conference for Community Bankers (ABA CCB). The session's turnout surprised even me. The post-session buzz confirmed that many banks still wrestle with this critical shift.

In addition to my particular topic, I enjoyed attending several other sessions to expand my knowledge of our industry while reconnecting with friends and networking with other bankers and industry professionals.

If you were unable to make the journey to San Antonio this time around, I've assembled some key insights from both my session and key takeaways gleaned from senior bankers, CEOs, and industry experts that surfaced during the conference along with my brief commentary on each. Please note, while not direct quotes, I am paraphrasing statements from sessions during the Conference. I excluded private discussions.

Here are some of those banking gold nuggets from industry thought leaders:

On People

We are a strengths-based organization meaning we are not going to allow someone to fail in a position because it doesn't match their strengths.

~ Loni Meiborg, SVP Organizational Development, Fortifi Bank

Great point, it is all about putting people in the right seat on the bus.

If a strengths assessment indicates that an employee is analytical rather than social, putting him/her in a position that features analysis improves the likelihood of success. – JM

For succession, our goal is to leave the place better and that includes in better hands.

~ Julieann Thurlow, President & CEO, Reading Co-Operative Bank

Better hands does not necessarily mean a clone of the person currently occupying the position. – JM

TEACHING & SPEAKING ENGAGEMENTS

ICBA Live

Orlando World Center Marriot
Orlando FL • March 14-17
Product Management

Oregon Bankers Executive Development Program

Market Building
Portland, OR • March 19
Bank Profitability

Washington Bankers Executive Development Program

Washington Athletic Club
Seattle, WA • March 20
Bank Profitability

Utah Bankers Executive Development Program

Wasatch Retreat & Conference Center
Salt Lake City, UT • March 22
Bank Profitability

CONFERENCES, CONVENTIONS & OTHER EVENTS

FMS NY/NJ February Dinner Meeting

Il Villagio
Carlstadt, NJ • February 21

PA Bankers Women in Banking Conference

The Hershey Lodge & Convention Center
Hershey, PA • March 3-4

New Jersey Bankers Economic Leadership Forum

The Palace at Somerset Park
Somerset, NJ • March 7

IFI March Luncheon

1912 Club
Plymouth Meeting, PA • March 7

FMS NY/NJ Charity Social Event

The Brownstone
Paterson, NJ • March 20

FMS NY/NJ Half-Day CFO Conference with NJ Bankers

Il Villagio
Carlstadt, NJ • April 17

Performance Measurement



Strategic Management



Profit & Process Improvement



Management Advisory



Financial Advisory



Your culture is your most valuable asset, and for that reason we want our employees in the office.

~ Greg Lundberg, CEO, Fortifi Bank

Proximity plays a role, but strong culture demands intention, not just presence. Open communication, shared values and fostering employee connections across locations are key to lasting success. – JM

There are things we can do to keep emerging leaders engaged even though there may not be an immediate advancement opportunity available, such as involvement in our state banking associations.

~ Shanna Cahalane, SVP and Director of Marketing & Community Development, Reading Co-Operative Bank

This is a challenge for community banks as our emerging leaders are typically less patient when seeking their next challenge. So keep them challenged. – JM

Our jobs are probably the least interesting thing about us.

~ Rebecca Udem, Growing Small Towns

Give your employees a higher purpose beyond a nine to five, paycheck, or enriching only shareholders and the good ones will embrace it! – JM

On Regulation

Last year, the Fed published 5,000 pages of rules, guidance, and other regulatory requirements.

The uncertainty is a significant burden on people running a bank.

~ Michelle (Mickey) Bowman, Board of Governors, Federal Reserve System

I agree. My concern is that Ms. Bowman might be the ONLY one of the Board of Governors who thinks this is an issue. – JM

We think the new Community Reinvestment Act rule will have the opposite effect of the CRA's purpose.

~ Rob Nichols, President & CEO, American Bankers Association

There are many proposals that will have unintended consequences and I'm sure bureaucrats know of them. The real question we need to ask is, do they care? – JM

Opaque regulatory supervision could increase risk at community financial institutions.

~ Michelle (Mickey) Bowman, Board of Governors, Federal Reserve System

If there are a myriad of things, new and old, that we must do to comply, it stands to reason the most impactful will receive less attention. Only our government seems to have endless resources. Community financial institutions must generate a profit. It's the "E" in CAMELS. – JM

On Strategy

Trust can be a comparative advantage for banks.

~ Michael Hsu, Acting Comptroller of the Currency

The Acting Comptroller spoke more about strategy than pending regulation or enforcement of current regulation, which I found peculiar. But I think he has a valid point here. – JM

Banks have many different levers to pull to provide grace to their borrowers.

~ Michelle (Mickey) Bowman, Board of Governors, Federal Reserve System

This is true and can be a competitive advantage for banks that are closer to their customers. The challenge is that bureaucrats will start asking you to slice up those you provided grace to into groups and subgroups to prove or disprove bias in your grace giving resulting in...no grace. – JM

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It's a quicker route to your future if you focus on what you want rather than what you don't want.

~ Tony Silbert, Co-Founder, Spartina Consulting

If you don't know where you want to go, any road will get you there. – JM

Growth for growth's sake without profitable growth is not a good idea.

~ Ed Manzi, Chairman and CEO, Fidelity Mutual Holding Company

Your most profitable products or lines of business can lift up your unprofitable ones, the key is knowing which ones are profitable and which are not. – JM

One of the most important changes we made to fuel profitable growth was organizational design.

~ Ed Manzi, Chairman and CEO, Fidelity Mutual Holding Company

Silos are strong. What must be done at your bank to get your team to buy into your growth strategy? – JM

Transactional giving yields little to no knowledge of the impact of your gift and can lead to burnout.

~ Rebecca Udem, Growing Small Towns

Intentional giving, consistent with your core values and vision, can benefit communities and ultimately the bank because it benefits from thriving communities. Finally, it gives your employees that feel-good higher purpose that makes an impact on where they live and work. – JM

Data is more important than gut instinct. It helps calculate the lifetime value of a customer.

~ Joann Marsili, EVP Chief Growth & Client Experience Officer, Fidelity Co-operative Bank

Very few can say who their top 10 lifetime value customer cohorts are, in my experience. Knowing them will help banks focus on serving them, resource allocation, project priorities, personnel decisions, etc. Not knowing them pushes banks to serve everyone, diluting already scarce resources to the point of inefficiency and ineffectiveness. – JM

On Governance

Don't let outsiders dictate your checklist when composing your board. You should have a checklist, but it should be your checklist, driven by executing board responsibilities, as you define it and consistent with regulatory guidance and avoids a board's worst enemy - groupthink.

~ Me

I can quote myself, right? – JM

Hope to see you out there at future conferences!