

GETTING YOUR BANK ON THE PLANNING TOUR

by [Steve Brown](#)

This may be heresy in banking circles, but we have to admit we find pro golf boring to watch in person. We sat for 10 min. watching Jim Furyk sniff, squat, squint, take soil samples, get the meteorological forecast and analyze satellite photos before hitting a 10 foot chip. Worse yet, we had to be completely silent while Furyk did this. We watch brain surgery on the Health Channel and note that there is a fair amount of talking. Obviously, golf requires a little higher level of concentration. This is not to say that the PGA Tour is good for nothing - on the contrary. We recommend that bankers use the PGA Tour as a metronome to their strategic planning. A common problem in planning is that most banks wait until the 4Q to hold their sessions. Some great ideas come up, but few get researched and before everyone knows it, the holidays have arrived and the time table slips. Momentum is lost either directly, due to other priorities like making current year budget or indirectly, as there is not enough time or resource to properly review alternatives (such as running ALCO scenarios). As a result, most banks lay up well short of their strategic initiatives. Strategic planning isn't a 1 time event, but rather a year-round activity. The best banks treat strategic planning as if it were part of their lifestyle. Here is where the PGA Tour provides direction. Planning should take place in short meetings, lasting less than an hour, over the course of the year. In fact, there should be a meeting every time there is a PGA Tournament, which is either weekly or every other week. The Tour is composed of roughly 43 separate weeks of events starting in January and ending with the Walt Disney Classic on Nov. 1. Most strategic sessions should be management level meetings, with the exception of two. During the Masters in April, the Board should get together offsite for the sole purpose of giving management input on strategic direction. This is the time to think big and brainstorm the question - Where should the bank be in 5Ys? From that input, management should come back with a short-list of semi-vetted recommendations (including a risk/reward equation for each) for the next Board Offsite (just in time for the U.S. Open in June). After the Board approves the strategic initiatives for the next 5Ys, management is then tasked with coming up with tactics, an implementation plan and task force in time for the PGA Championship in early August. These approved tactics are then refined and incorporated into a draft budget by the President's Cup in late Sept. This should leave bankers enough time to complete a final budget for the Nov. board meeting, just as the Tour goes to Orlando. Like the Tour, the month of December can be more relaxed and focused on celebrating the holidays. The quality of strategic planning separates good banks from great banks. Devoting more time to the process not only yields better results, but it also ingrains the process into the fabric of the bank. As this year's PGA Tour season kicks off with the Sony Open in Hawaii, consider revising the process. Who knows, bankers may be able to find solutions to funding, loan competition and fee income within the time it takes Tour pro Brian Gay to tee off.

BANK NEWS

M&A

Florida Bank Group (\$455mm, FL) will acquire the Bank of Tallahassee (\$74mm, FL) for an undisclosed amount of cash and stock.

Sale

Zions First National Bank (UT) will sell its insurance agency to the Leavitt Group for an undisclosed amount. Leavitt is the 17th largest insurance broker in the country.

Regulatory Help

A bill has been introduced in Congress that would eliminate Currency Transaction Reports (CTRs) for customers that have been doing business with their bank for 12 months or longer. These customers would still be covered under SARs, but the \$10k CTR reporting requirement would no longer be needed.

Competition

E-Loan will become an online bank under a restructure announced by its owner, Popular Inc. (Puerto Rico's largest banking group). Popular said it would market E-Loan in an effort to raise U.S. deposits, capture more customers and increase lending business.

M&A

Those wondering if large-scale acquisitions will continue through 2007 should know that a record \$1.6T in private-equity capital has been raised and is actively seeking investment projects.

Spouse Coin

The 1st 4 coins from the U.S. Mint's "Spouse Series" are unveiled. Starting in May, these coins will depict Martha Washington Abigail Adams, Dolley Madison and Lady Liberty (since Thomas Jefferson's wife died before he was elected president). Not only will these coins give the \$1 Presidential series someone to argue with, but ironically, they will be worth more. The Spouse coins will be made with a half-ounce of 24k gold and have denominations of \$10 or more.

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.