

SWING THE NET FOR BIZ CUSTOMERS

by [Steve Brown](#)

Experts will tell you that if you want to catch a butterfly, the best way is to raise it from the caterpillar stage. For readers that are a bit more adventuresome and a tad less patient, you can also seek out a big green field chock full of flowers and chase the little critters down with a net. Unfortunately for bankers, you cannot always find a net big enough to capture small business customers. But what can a conscientious banker do to improve the odds? To begin, we dissected a recent survey of small business owners. Problem - In it, we found that 45% of respondents plan to buy computer equipment in the next 6 months and that they will be looking primarily at desktops, laptops and printers. Solution - To address this customer need, perhaps a bank could host a small business tech forum at various branches. In conjunction with a company like Geek Squad, bankers can bring in small business clients and help them get answers to their questions. Geek Squad gets new clients and bankers make their clients happier by addressing a hot button issue. Bankers may also be able to lend money to some of these clients short-term to address specific equipment needs and clients find support, equipment and funding readily available. Deeper Solution - In addition to computer equipment, clients also say they plan on buying office equipment (22%) and furnishings (15%). Bankers may also want to invite Staples (they sell office furniture) or AT&T (to discuss phone options). By having all these providers in one room, small business owners save valuable time and find solutions that best fit their needs. Your deal with the vendors represented is that your bank gets to make all the loans to the clients that attend these events. Problem - About 36% of owners also said they plan to hire more people in the next 6 months, while 72% of those say it is due to growth in their business. Solution - Bankers seeking new clients may want to hold a job fair focused on these clients. Job posting sites, tips, expert assistance on how to interview candidates and other support would likely be welcomed. Plus, perhaps banks would like to offer the 72% group a loan to help bridge the issue, or even a temporary person hired by the bank to assist until the customer has time to find a full time employee. All of these options endear the customer to the bank and separate the banker from other less-focused organizations. Problem - About 64% of small business owners say they try to make time for themselves, but many have difficulty carving it out of a busy workday. Solution - In addition to the ideas outlined above, which will surely save small business customers time, bankers have other options worthy of consideration. Studies find the favorite leisure activities of these clients are (more than 100% as more than one answer is allowed) going golfing or doing other sports (50%), traveling (47%), socializing with colleagues and clients (28%), surfing the internet (20%), ignoring email (18%), going to the movies (16%), shopping (15%) or going to the gym (14%). In order, bankers can take customers golfing, offer points or tickets to travel destinations, deliver in pizza for a customer lunch, send clients interesting internet links, provide a class on how best to review email, offer movie tickets to hot shows, send a bus to pick up clients and take them to the mall, offer discounted passes to various health clubs in their area. Banks could also have a hosted event at the branch (specifically for small business owners) where experts provide input on healthy eating, the value of exercise and the top 10 ways to reduce stress. Better yet, take these experts directly to your best client's offices. For fun, bankers could compare the top 10 list created by experts to a more creative one surfaced by its own employees. This also helps better link employees to clients and the overall process. Catching butterflies and small business customers isn't easy, but having the right net can certainly help.

BANK NEWS

M&A

Wachovia will buy brokerage firm A.G. Edwards for \$6.8B, as it forms one of the largest retail stock brokerages in the country. The combined company will have more than 15k financial advisors, 3,300 offices and more than \$1.1T in client assets under management. The move places Wachovia in the #2 slot for retail brokerages, second only to Merrill Lynch

Private ATMs

The top 3 private (merchant-owned) ATM operators in the country are Cardtronics with 25,000 machines, TRM Corp, with 11,000 and Payment Alliance at 8,500.

Retraction & Clarification

Yesterday we incorrectly stated that Business First National (\$140mm, CA) was in its 7th year of operation and had just started to break even. To clarify, the bank actually began profitability in its 3rd year, had a loss due to expansion and management restructure in its 5th and returned to profitability last year.

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