# MEETINGS AND FAUCETS

by Steve Brown

It has happened to us all at one point or another. Lying in bed while trying to sleep, our ears zero in on a slow but steady drip, drip, drip coming from the bathroom faucet. At first, we try to ignore it, then, we cover our heads with another pillow, finally, we capitulate (because the sound seems to be getting louder) jump out of our warm beds and wander into the bathroom to tighten down the handles on the faucet.

Working at a bank can be like a dripping faucet at times, as a slow but steady stream of co-workers stops in, asks ludicrous questions or pulls you into an endless flow of mind-numbing meetings. Things can get so bad at times, that people go home wondering what they have accomplished all day. Let's face it - meetings are part of any bank, but that doesn't mean they have to be unproductive.

As banks turn to teams more than ever, it is likely the number of meetings being held has also increased. To ensure meetings are productive, one trick bankers can try is to take a page from attorneys and assign each person that attends the meeting a billing rate. For instance, assign a charge for EVPs of $300 per hour, SVPs at $250 per hour and VPs at $200 per hour. Then, each time a meeting is held, calculate the time spent and multiply it by the billing charge. If the cost of the meeting did not produce a sufficient ROI, reconsider who needs to be at the next one, whether it should be held at all and what needs to come from the meeting to produce more return.

One community bank we know tried this for a few months, then annualized the costs and came up with nearly $3mm in annual meeting costs. The bank then subtracted out the rough profitability/return achieved from each meeting and came up with a positive $2mm in return that had been generated. Once the bank did the math and found out they were upside down by nearly $1mm per year, they began a process to restructure and redesign their meetings.

For any meeting, structure and process are critical to improve productivity and return. Scheduling, participation, documentation and overall goal of the meeting are basic building blocks to consider and meetings should be held to 45 minutes or less. Other key considerations include: making sure critical decision makers are in attendance so a result can be achieved; letting participants know in advance what you are trying to achieve at the meeting, their role and the importance of their attendance/participation; providing an agenda two days in advance so people can come in prepared; during the meeting, it is important to record all items that require follow up and who is responsible to take action (dates of completion for each item should also be noted); email the notes/minutes of the meeting to all attendees to be sure action steps are known and progress can be tracked.

As for the agenda, remember that it is designed to serve as a guide to participants, making the meeting more efficient and productive. It should therefore include the date, time and location of the meeting; its objective; who will be facilitating; meeting topics and priority; any pre-meeting work that is required; and any items attendees should bring with them.

In a business world that is faster and more downsized than ever, banks need to improve meeting productivity. Like any skill, doing so takes training and commitment. One good way to begin (beyond the steps already included above), is to limit the number of meeting invitees to only those required to make a decision or who possess information crucial to accomplishing the meeting goal. Doing so can help any bank tighten down the faucet handles to reduce the drip, drip, drip of unproductive activity.

## BANK NEWS

**Housing Support**

In an effort to toughen underwriting, FNMA will require a higher minimum down payment and FICO score for borrowers with a foreclosure in their past. The move creates a disincentive for borrowers to walk away from current mortgage obligations.

**Card Abuse**

The Fed will release 2 proposals designed to slow abusive credit card practices. One will be an update to existing Reg Z and will curtail practices like double-cycle billing, universal default rate increases and payment allocation. The other will focus on credit card disclosure practices.

**Happiness**

A recent Harris Interactive poll finds 65% of people say they frequently worry about their financial position.

**Housing Weakness**

A recent projection from the insurance company spun off by GECC indicates home prices may fall another 15% before finding a bottom.

**More Housing Weakness**

The average number of months required to sell a home is currently 11. That is about 300% greater than the average of the prior 5Ys (i.e. 4 months).

**Good News**

FNMA is projecting 90% of loans refinanced in the first half of 2008 will be from homeowners switching from adjustable-rates into fixed rate loans. Nearly 67% of foreclosures in the 4Q were on adjustable rate mortgages and nearly 60% of adjustable rate loans are tied to Libor (including nearly 100% of subprime loans).