

USING NETWORKING SITES IN BANKING (PART II)

by [Steve Brown](#)

Yesterday, we highlighted the growing use of professional networking sites in banking. Predictably, a gaggle of bankers added us to their "connections." As proof of concept, our network grew by roughly 500k people. We went from being 5 degrees separated from Kevin Bacon to 2 degrees. More importantly, we are now 1 degree separated from Fed Chair Ben Bernanke.

Regardless of your separation, the question comes up over how to make your professional online networking efforts more effective. The key to building relationships in LinkedIn (or other sites) starts by inputting a detailed profile targeted at the type of network that you want to connect to. If you just want to build banking relationships, skip your association with your local kennel club and just focus on banking and community business related connections. Here are a couple of more tips for creating your LinkedIn page:

Think of keywords people would type in to find you. LinkedIn's internal advanced search feature looks for key words like "Treasury," "Credit Management," "Bank Management" and "Commercial Lender," so choose carefully. Include any URLs that are relevant to your business. While this should include your bank's website, it should also include the ABA, ICBA, RMA and popular blogs/forums pertinent to banking.

The same goes for forums within LinkedIn. There are a few banking and finance related "Groups" that will attract other like-minded professionals. These Groups will not only be key to answering questions you post (thereby providing an efficient education), but doing so (and answering other's questions) will now create an expertise for future users to tap. Being active in these groups further increases your professional network. Remember, LinkedIn users find connections through other users, so getting your profile and activity out there can help.

While you are at it, add job details to your profile, as just the title doesn't do you justice. Descriptions of roles, responsibilities and accomplishments will dramatically improve your appearance in search results (as well as present a fuller picture of who you are). The same goes for your educational profile. Once your LinkedIn profile is built out, place it in web search results (called "going public") so that the professional image you earned is presented to the world. This will attract other users via Google and other search engines that you may want a connection to (you always have the ability to decline connections).

Once you get comfortable with the application, you can start to import other contacts from your address book, such as Outlook. LinkedIn and other sites will then go out and locate these people in an effort to "connect" you. In doing so, you will gain a geometrically expanding network of contacts. This point is really at the heart of these social networking sites - efficiency. If you spend 1 hour at a cocktail party, you can probably make 4 to 6 connections. Thru 1 hour on LinkedIn we established over 1mm connections.

If you say that these connections are of "lower quality" than those that you meet at a cocktail party, you might miss the mark. These networking sites allow such an easy way to connect, ask questions

and send messages that we find the network is infinitely more productive. Connections at parties and thru friends have a finite period for utilization. That is it is difficult to contact someone 2Ys after you meet them for a favor. However, on these networking sites, this is socially acceptable and the norm. People join and contribute in order to help each other out. This dramatically increases the quality.

Don't overlook these professional network sites because they are growing in popularity among bankers. If you want to start off with a million people in your network, including Big Ben, feel free to add us to your circle of contacts.

BANK NEWS

M&A

First Community Bancshares (\$2.B, VA) will purchase the HC of Mooresville Savings Bank (\$157mm, NC) for \$33.1mm, or about 1.75x book.

Liquidity Pressure

The latest FRB report shows investment and commercial banks borrowed an average of \$18B per day for the latest week. That is a 7% increase over last week and denotes a new record.

FDIC Insurance

We observed 2 bank lobbies yesterday and noticed more than half the customers asked questions regarding FDIC insurance. In one case, the banker talked about the maximum \$100k coverage without telling customers how this can be expanded through the structuring of accounts. In this critical time, make sure your account staff is well versed on the ins and outs of FDIC insurance.

IndyMac

Insured deposit money was returned yesterday. Our point - the system works and there are a lot of households with extra cash to invest. As a result, short-term demand is driving down brokered CD rates. Can we show you an attractive rate? If so, contact us via e-mail or phone.

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