
KEEPING THINGS IN FOCUS

by [Steve Brown](#)

The eye is a powerful thing. For instance, when a human concentrates on something up close, the eye accommodates by increasing muscle tension, allowing the pliable lens to become more rounded. Since light rays from close objects diverge away from each other, this allows more refraction for focusing and presto - you can see what you are doing. When something is far away from us, on the other hand, light rays from distant objects are nearly parallel. That means we don't need as much refraction to bring them into focus, so the muscle around the eye relaxes, the lens is flatter and presto - maximum focal length is achieved for distance viewing. Sometimes even things up close aren't always in focus, particularly when it comes to the banking industry.

Consider for instance the results of a McKinsey study. It found that only 35% of executives say their management team focuses the right amount of time on the most important things. That isn't surprising, when you consider that so many bankers are busy fighting fires on a daily basis. Suffice it to say we too, have fallen into this trap, so we can certainly relate. Since the "eye's" have it, perhaps we can all improve performance by working to stay focused on achieving the most important tasks every single day.

One important thing to do, once you figure out what you are trying to accomplish, is to get going and to keep a steady pace as you go. Scientific research shows, in fact, that trying juggle too many problems at once actually overloads brain circuits and slows you down. Multitasking, while seemingly efficient, is sometimes counterproductive and the research shows doing so takes longer overall than doing each task one at a time. If that isn't enough to bring things into focus, consider that research also indicates multitasking actually leaves you with reduced brainpower to perform each subsequent task and can lead to "blanking out." As such, keep things moving by keeping focused on what is important and continuing to work on those top issues first. To avoid a "brain crash," at all times, avoid getting too involved in too many projects at once.

Now that you are focused, let's look to the rest of the management team. Tips here abound, but some that we have tried begin with working to bond as a team. One way to get others to know how much you care is to show them through example. Step up, help out and don't ask for anything in return. This sort of approach is contagious and pretty soon you look around and everyone is working together. To keep things focused even further, whenever possible, try to also make sure that you also work in time to have fun, keep positive and make sure everyone knows what is expected of them. Finally, as with most things in life, people respond the best to praise. If you are working with a group and someone is a standout in your opinion, take time at least to give them praise directly and if the efforts go above and beyond, make some noise in front of the entire team.

No matter what you do this year, you will accomplish more by staying focused and working steadily on what is important. Revenue matters, but net income matters more, so set goals you can attain, make it happen and keep moving. Keep your focus on the goal at hand and before long, everything will be clear.

BANK NEWS

6 Banks Closed (34 YTD):

The FDIC closed 6 banks that included: 1) Bartow County Bank (\$330mm, GA) sold to Hamilton State Bank (\$225mm, GA). Hamilton gets 4 branches, paid a 1.0% premium for deposits and entered into a loss share on 92% of assets. 2) New Horizons Bank (\$111mm, GA) sold to Citizens South Bank (\$1.1B, NC). Citizens gets 1 branch, paid a 1.0% premium for deposits and entered into a loss share on 77% of assets. 3) Nexity Bank (\$794mm, AL) sold to newly-formed AloStar Bank of Commerce (AL). AloStar gets 1 branch, paid no premium for deposits and entered into a loss share on 48% of assets. AloStar is backed by four private-equity firms. 4) Superior Bank (\$3.0B, AL) sold to a newly chartered unit of Community Bancorp, LLC (TX) that will also be called Superior Bank. Community gets 73 branches, paid no premium for deposits and entered into a loss share on 61% of assets. Community Bancorp raised \$1B last year to invest in community banks and with this transaction will have 111 branches and \$4.5 billion in assets. 5) Rosemount National Bank (\$38mm, MN) sold to Central Bank (\$777mm, MN). Central captures 1 branch, paid no premium for deposits and entered into a loss share on most assets. 6) Heritage Banking Group (\$224mm, MS) sold to Trustmark National Bank (\$9.5B, MS). Trustmark gets 8 branches, paid a 0.15% premium for deposits and entered into a loss share on 70% of the assets.

Earnings

Citibank 1Q earnings came in ahead of expectations but fell 32% from last year due to sluggish revenue and little loan growth. The 3rd largest bank in the US earned \$3B of net income for 1Q.

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