

## FINDING CUSTOMERS IS EASIER THAN AN EGG HUNT

by [Steve Brown](#)

As a child, we used to look forward to Easter, when plastic eggs would be strewn about the yard filled with jelly beans and other candies. The thrill of the hunt itself, gorging afterwards on handfuls of candy and wiping smeared chocolate from around one's mouth are some of the best memories any child can have in our book. We bet if you asked customers of community banks, they might have some of the same positive feelings - particularly given the way community banks focus on building lasting business relationships.

We recently read with interest a survey that was focused on what separates top investment advisors from others. We found it interesting not because of its subject matter, but more about how closely the information paralleled community banking, so we share it with you this morning.

Not surprisingly, the survey found that relationships are one of the most important differentiators between those at the top of their game and those who are not. The survey found deepening and maintaining relationships over time is one of the main things the very best sales teams do day in and day out. In fact, the survey found 47% had worked with their average client for 5 to 10Ys, while 31% had worked with their best clients for more than 10Ys. We bet many top performing community banks can boast relationship timeline records at least that long with many of their own small business clients.

Another thread that rings true in both community banking and investment advisory revolves around face time. If you want to get to know someone, the best way still remains getting in front of them, talking and listening. Of the top performing group, 56% said they make the time to meet with their clients quarterly and 41% also did so outside of regularly scheduled office visitations. Building relationships is the bedrock of community banking and having a regularly scheduled calling effort is critical to success.

The single biggest method utilized by the best advisors, which also applies to community banking, was to stay in touch through occasional phone calls, emails, community involvement and customer appreciation events. We have seen and been to our fair share of these events on the community banking front and find them to be quite effective in building and cementing customer relationships. Sometimes, the tried and true is a good way to make sure your business continues to grow and prosper.

Finally, to be in the top echelon and to grow the business, the survey found it was critical to ask for referrals. Providing top quality service sets the tone, but this group also followed up by consistently asking clients for referrals.

The reason we bring all this up is not only because of the consistent parallels to community banking, but also because doing some of these basic things well can be like finding hidden Easter eggs over and over again. In fact, by using these techniques and getting out there and hustling for the business, the top performing group produced revenues that were 550% greater than the industry average.

Customers want to build relationships and as with investment advisors, community banks are great at doing just that. Enjoy the egg hunt.

# BANK NEWS

## Earnings

PNC net income came in more than expected at \$3.63mm, up 15% from the same period last year. NIM was stable on flat loan growth and most of the improvement came from lower non-performing assets. No loan growth was reported. BB&T reported a 21% increase in earnings to \$234mm, or slightly higher than expected. NIM and loan growth were largely unchanged from the quarter before and most of the earnings came from a 40% drop in provisions. Cap One posted profit that was 60% higher at \$1B on better credit card recoveries and lower charge offs. 5th 3rd said net income rose to \$265mm from a \$10mm loss from a year earlier and Suntrust posted a \$38mm gain compared to a loss of \$229mm a year earlier. Both 5th 3rd and Suntrust had improvement due to better credit quality.

## Dropped

Shelia Bair, ranked by Forbes last year as the 2nd most powerful woman (behind Germany's Angela Merkel), falls to 15th this year behind Lady Gaga.

## Annuities Sales

Earnings related to annuity sales at bank holding companies dropped 1.8% in 2010, according to the American Banker. More than 74% of large holding companies reported earnings in this area.

## Pregnancy

A Families & Work study finds 16% of employers offer fully paid maternity leave, down from 27% in 1998.

## Employee Desires

A new survey finds that when employees are asked to rank their biggest employment goals, 21% want a steady paycheck, 20% want health benefits and 14% seek a work/life balance.

## RBC

The Bank joins a list of others that has or will put its consumer banking division up for sale due to profitability. Rumors swirl that US Bank, BB&T, Toronto-Dominion and BBVA might be interested in the 410-branch network with its share of real estate related loan problems.

## Cold Cash

The Fed's latest calculation of coin and currency in circulation tops \$1T, the largest amount on record, up from \$200B in 1986.

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