

WHAT CAN BE LEARNED FROM THE OLYMPICS

by [Steve Brown](#)

Now that we have one full week of Olympics in the books, we pause and ask ourselves what is the best lesson we can learn so far? While the athlete's focus, hard work and perseverance are easy ones, our favorite lesson is from the British Olympic Organizing Committee for their Opening Ceremony. Having just been to London and Beijing, we can tell you first hand that the competition and desire to outdo the prior Olympics was as intense as any swim relay. How London competed against Beijing, serves as a lesson for community banks when going against large national banks.

In our opinion, the Beijing opening ceremony was one of the best ever. It exhibited precision, uniformity, control and execution. It was a spectacle to behold, largely because of its massive coordination. The London Games on the other hand, have been the opposite. Rather than try to compete to be "grander" (which would have likely been nearly impossible), the UK chose a path familiar to many smart community banks - it took a different path. London was awkward, humorous, self-deprecating, creative and whimsical. In short, it was a celebration of humanity and an inclusive open society, in a way that took as much courage as any athlete can show.

One of the best examples of this was having a stunt double Queen jump from a helicopter - very creative. However, the poetry came when she landed at the ceremony and the real Queen came wandering out against the backdrop of the Sex Pistols antimonarchisting song, "God Save the Queen" - a song that basically paints the Royal Family as a group of morons. It's doubtful that this event could have happened at any other Opening Ceremony in the history of the Olympics. The organizers also had a diverse group of sick kids singing badly and being threatened by a 40-ft Voldemort, only to be rescued by the prim and proper Mary Poppins. Then, there was our favorite, as comedian Rowan Atkinson mocked the proper London Symphony Orchestra by playing the single pedal tone during a rendition of Chariots of Fire (while throwing snot rags, texting, scratching himself and falling asleep). There was a recreation of the riots, a reference to the heroin addicts from Trainspotting and organizers even worked in kids not listening to their parents because of video games and texting. If all that wasn't enough, there was the famous TV clip of Michael Fish on the video cube doing his iconic weather forecast on the BBC. He was the weatherman that dismissed and downplayed a live callers concern about high winds on Oct, 15, 1987, only to have a hurricane hit the next day, resulting in record damage.

All the subversive, humorous and sardonic events served to highlight the fact that we are all fallible and that is what makes human nature wonderful. In order to compete, the British chose to highlight their flaws instead of hide them. They played up their rebelliousness as a strength and put their imperfections in direct contrast to the picture perfect China rolled out in Beijing just four years ago. By redefining the rules of competition, London showed the world that it is an able competitor.

Community banks can (and do) choose to do much the same thing. They celebrate imperfections and position themselves not as a small, large bank, but as a bank reinvented. Yes, community banks make mistakes, but the difference is that they admit them. While community banks may not have an extensive branch network that is made up for in personal service. As a generalized comment about the industry, it is likely community bankers spend too much time marketing uniformity, instead of

acting like the British and celebrating uniqueness. We say go ahead and show the creativity that sets community banking apart. Now, if we can only get Rowan Atkinson to be a spokesperson.

BANK NEWS

M&A

Heartland Financial USA (\$4.4B, IA) will acquire The First National Bank of Platteville (\$135mm, WI) for about \$11mm in cash and stock.

Branch Closures

Community Bank System (\$6.9B, NY) has reported it will close 5 branches.

Community Bank Support

A report from Biz2credit.com based on analysis of 1,000 small business loan applications found banks with assets less than \$10B approved 47.5% of loans in June vs. only 11.1% for banks above \$10B in assets.

Unemployment Pressure

USA Today reports 35% of unemployed people have pulled money from retirement savings in 2012. Meanwhile, analysis from 24/7 Wall St. finds things are ugly in some states for those aged 20 to 24Ys old, where the states with the highest unemployment rates for this group in order are MS (22.2%); AL (20.2%); SC (19.9%); NC (19.6%) and TN (18.3%).

Slow Growth

The current economic expansion at this point in the recovery, is running at about 50% of the pace of the prior 5 economic recoveries.

Housing

In a recent speech, Treasury Secretary Geithner said the housing sector will need two to three more years of "creative" financing in order to recover.

Less Retirement

The largest 401(k) administrator in the U.S., Fidelity Investments, said the average balance of its 12mm accountholders was \$72,800 at the end of Jun. or 2.4% less than the end of Mar.

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