
A SPLASH OF COLOR AND OUTSOURCING

by [Steve Brown](#)

Colors can have a significant impact on people. For instance, research finds when people see the color red their reactions are faster and more forceful. Red also causes us to become more distracted and less effective when doing mental tasks (never paint your office red). When people see green, it boosts creativity, so if you need to think about a complex problem finding a green room and sitting on a green couch to ponder it might be a good idea. The color yellow also has mysterious powers. When we see yellow, we become more susceptible to buy a product. For banks looking to boost product sales, we suggest you try to work yellow into the presentation materials. Finally, when people see blue, the research has found we tend to think of honor, trust and tranquility. This may be why so many banks use this color in their logos perhaps and it can also be a good color for product presentation materials because of this. Most people are visual, so working particular colors into your daily banking routine might be one way to capture that little extra to help give you an edge vs. the competition.

As you look around the office to see what color the walls have been painted and wonder why that might be the case, we focus our energies this morning on outsourcing. More and more, community banks are turning to outsourcing as one way to keep up with the competition and expand services our offload certain tasks. When you step back and think about all of the issues faced by a given community bank management team, outsourcing can be very beneficial and transform the daily job from doing things that just have to get done, to doing what is each management team member's highest and best use.

To start such an outsourcing process, as part of a broader efficiency improvement program, make a list of any reports you produce during the month. Once that is completed, go back and with each one ask yourself whether there is a way to outsource this report production to remove it from your monthly list. Then ask yourself if that were to happen, just how much time and money it could save your bank and what additional expertise you might be able to capture. Cost savings are one obvious reason to outsource, but perhaps just as important these days given all the pressures, outsourcing to experts can also keep your bank moving toward strategic objectives by enhancing performance, adding specialized expertise and freeing up scarce resources that can be leveraged elsewhere in the bank.

Along these lines, a survey by Cap Gemini and Ernst & Young done some time back found the top reasons bankers outsourced included cost reduction (48%); to improve strategic focus (48%); reduce risk (42%); improve quality (35%) and to react faster to change (29%). These all make sense in many scenarios, but we would also add one more to the list - keeping key team members from burning out. Let's face it, stresses in the industry are running very high and they have been since the crisis hit in 2008. Bank management teams need a break from the grind and outsourcing things that just aren't fun to do or where the highest and best use test isn't being met are good areas to start. Prime candidates for outsourcing can include asset liability management reporting, loan credit stressing, payroll processing, electronic banking, relationship profitability, mobile payments, online banking and other areas.

While Superman's red cape probably made him faster and more forceful, bank management teams cannot be expected to hurtle every building popping up right now in a single bound. Cut yourself some slack and think about dumping tasks you either don't like to do any more, that take a lot of your time or are just not your highest and best use on someone else through outsourcing. You might be able to get needed assistance with difficult problems, as you enhance the performance of your bank along the way. Give us a call and we would be happy to show you how we can assist your bank through outsourcing.

BANK NEWS

Jobs Update

A Gallup poll finds less people were working full time for an employer in Nov. 2012 than the same period in each of the prior 2Ys, as the payroll to population rate fell to 43.7%.

EU Worry

The German Central Bank slashed growth forecasts to just 0.4% in 2013 and warned the country could slide into recession as neighboring countries fight deep recessions and extremely high jobless rates. Germany has been supporting the entire Euro zone, so this news is troubling.

Small Biz

A random sampling of small business owners by Gallup and Wells Fargo finds pessimism has jumped and now matches its worst level on record. Owners said they were pessimistic about their current situation and their expectations for the next 12 months.

Retirement Problems

A survey by Wells Fargo finds 40% of the middle class are so busy paying bills they have no strategy for retirement and more than 50% of all respondents said their most important daily financial worry is paying bills. Meanwhile, 30% said they would have to work to 80 years old to live comfortably in retirement, while 73% said employers would not allow them to do that.

Foreclosure Sales

A report by RealtyTrac shows single family residential foreclosure sales jumped 21% in 3Q.

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