

ADJECTIVES & SOLUTIONS FOR MAKING BUCKS

by [Steve Brown](#)

A Deloitte survey of CFOs at major companies has uncovered something interesting. It asked CFOs what adjectives they wanted their CEO to use when describing them. The descriptors that surfaced most often included being strategic; a business savvy thinker; a leader; reliable; responsible; loyal and being a change agent. Those are all good ways to describe many of the community bank CFOs we know and thought our readers this morning might enjoy this tidbit. If you aren't a CFO, we might suggest creating your own list of adjectives for your own CFO or yourself, so you can have some fun at the next lunch meeting of your management team. Speaking of things to discuss at your next management team lunch, did you hear about the uproar caused by specialty grocery store chain Traders Joe's last week? They announced that for some stores, the price for the company's famous "Two Buck Chuck" (Charles Shaw wine) would go from \$1.99 per bottle to \$2.49. Customers jumped to the airwaves, renaming the wine "Inflation Chuck" or "Upchuck." It goes to show you how difficult it is to change the price of a product that is so deeply entrenched. Since you won't likely be saving on wine anytime soon, we wanted to provide you with some other ways in which your bank can save and make more money this year. We recently were reviewing a Liability Coach report for a customer bank that was about \$500mm in size. Given this customer's specific deposit structure and the funding levels they were paying for each deposit category, the report showed the bank could save about \$515,000 annually by working to reduce their costs by 10bp. By leveraging the experience provided by our experts in this area, market intelligence around what the competitors were doing and applying a focused effort over time, this bank was on target to reach that goal in only about 4 months. All banks are unique, so results can vary, but it is not unusual for banks that use this service and others we offer to improve performance over time. As we wondered what that bank was going to do with the \$515,000 (about the cost of five employees), it also got us thinking about how to make sure you knew about this for your own bank and what else we could be doing to help your bank improve performance this year. We know it takes a lot of work to make money these days and that many community bankers are struggling. That is why, as a company that is owned by community banks and does business and is owned by community banks, we want to help you. That is why we have challenged each of our product teams to come up with one or two ideas that community banks can use to boost performance this year. Each team has a goal of delivering either a savings or revenue "pop" to attendees, when those ideas are unveiled at our annual Executive Management Conference (EMC) in April (last year held in May). We want to help you make or save money in 2013, so we also have a challenge for you. Over the years, we have found that many banks don't realize the potential they have when it comes to cutting costs or boosting income and a little help/expertise can work wonders. Our challenge to you is to figure out what your bank needs now to make a significant difference to profitability. Then, bring your list of challenges to the conference. Our specialists will be sitting down one on one with bankers during breaks and as scheduled to provide direct help and share ideas. 13, so we also have a challenge for you. Over the years, we have found that many banks don't realize the potential they have when it comes to cutting costs or boosting income and a little help/expertise can work wonders. Our challenge to you is to figure out what your bank needs now to make a significant difference to profitability. Then, bring your list of challenges to the conference. Our specialists will be sitting down one on one with bankers during breaks and as scheduled to provide direct help and share ideas.

As you begin to think about this, consider such topics as boosting customer profitability, capturing fee income, your cost of funds, how well you are competing, what loan opportunities you might be missing and other factors. Then, just prepare your list, throw it into your suitcase and bring it with you to our conference, where we will try to help you directly. Finally, sit back with a glass of "Inflation Chuck" and relax, because help is on the way. Sign up now at our website (pcbb.com) and we hope to see you there.

Related Links:

[PCBB 2013 Executive Manangement Conference](#)

BANK NEWS

M&A

Bank of the Ozarks (\$3.8B, AR) will buy First National Bank of Shelby (\$883mm, NC) for about \$68mm in stock.

Heaving Competition

Bank of America said loans it originated to small businesses jumped 28% in 2012 vs. 2011, as it also finished hiring 1,000 small business lenders nationwide.

Failed Bank Lawsuit

The FDIC is suing 11 former officers and directors of failed First National Bank of Georgia for close to \$30mm. The agency claims bank officials were grossly negligent in their oversight, allowed excessive concentrations to develop in risky loan types, did not follow sound banking practices and did not address warnings from examiners.

Industry Cuts

Analysis by Bloomberg finds the financial services industry is on the verge of firing the largest number of employees in 4Ys this month, as a struggle for profitability continues. So far, there have been 16,040 cuts announced for the first 3 weeks of Jan. vs. about 10,000 last year for the entire month (2,730 in 2011 and 3,921 in 2010).

Deposit Outflows

The Fed reports the top 25 banks saw \$114B in net deposit outflows for the week ended Jan. 9, as the transaction account guarantee program ended. This was the 2nd largest decline in history, behind only the Sep 11 attacks.

Customer Information

A survey by Experian finds 84% of financial institutions do not have a "single customer view," where all the data about a customer can be viewed at one time. Further, 91% said some of their customer data was incorrect.

Mega Bank

The Fed's balance sheet has topped \$3 trillion for the first time in history.

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