

MENTORING WOULD BE SMALL BUSINESS OWNERS

by [Steve Brown](#)

This month, the SBA and AARP are teaming up to host National Encore Entrepreneur Mentor Month targeted at entrepreneurs over the age of 50. The two groups aim to match older, entrepreneurs with successful business owners and community leaders for advice and assistance.

Boomers who are contemplating starting a business in their later years have a particular need for business planning and community banks have a golden opportunity to help. At the same time, it opens door to cross-sell many more services including business and personal loans, business checking, cash management, college planning and retirement planning.

There's a sizeable market here for banks, as 25% of people ages 44 to 70 are interested in becoming an entrepreneur and 63% of Americans plan to work during retirement, according to [encore.org](#).

To woo older entrepreneurs, come up with concrete ways your bank can help them succeed in their new business endeavors. They'll likely need a host of products and services, many of which your bank will be able to provide. Education is critical.

The soft sell approach also works well. For example, throughout April, SBA District Offices, state AARP Offices and SBA Resource Partners hosted more than 100 events around the country. Banks can leverage off these meetings by following up with your own to bring in prospects interested in starting a business. Some ideas for programs you might want to try include speed mentoring, which allows mentors and entrepreneurs to share information for five-minute sessions or hosting mentor lunches for entrepreneurs so that they have an opportunity to learn best practices from successful small business owners.

Simply making your customers aware that such programs exist is a public service that will put you in a positive light and there's no limit to the potential benefits. For example, your customers may not know that SBA has a toolkit for people ages 50+ that includes free online courses targeted at helping older entrepreneurs start or grow their businesses. AARP and SBA are producing webinars to help current and potential entrepreneurs that you can also leverage.

Helping your customers and prospects grow or start a business is only one step in what should be a long partnership. If customers see you as a true business partner, they are more likely to trust you when it comes to other needs.

Consider how unsure Baby Boomers are in their retirement security and you'll see a large opportunity to make inroads. In fact, a recent Insured Retirement Institute (IRI) survey found the percentage of Boomers confident in their retirement preparations has declined by 7 percentage points in the past two years, to 37% in 2013. Clearly they need your help.

Confidence comes with knowledge and knowledge often comes from working closely with a banker. Indeed, the IRI found 48% of Boomers who work with a financial professional are very or extremely confident with their financial preparations for retirement, compared to only 28% working on their own.

Getting a foot in the door with older entrepreneurs can deliver results with a good plan and proper execution. After that, the possibilities for expanding the relationship are plentiful.

BANK NEWS

Customers

Research by Market Strategies International finds less than 10% of customers consider their primary bank to be their only financial relationship.

Cyber Attacks

Research by Symantec finds companies with less than 250 employees were the focus of 31% of all cyber attacks last year vs. 18% in 2011. About 56% of scams came through social media and were fake gift cards or surveys. Other interesting information from the survey: 1 in every 291 emails contains a virus; 1 in every 414 emails is phishing; the number of identities stolen per breach has jumped 350% vs. 2011; financial services was the 2nd highest industry attacked at 19% vs. 24% for manufacturing at #1; and the top causes of data breaches last year were by hackers (40%), accidentally made public (23%), theft or loss of computer (23%) and insider theft (8%).

Customers

Analysis by Cisco finds 65% of people say they would like their bank to provide more services including financial education, accounting advice, tax assistance, legal advice and insurance offerings.

Risk Management

A survey of bank directors by Wolters Kluwer Financial finds 63% of bank directors say the time spent in board meetings discussing risk has doubled or tripled over the past 3Ys. Meanwhile, 67% of directors say their risk appetite statement links to the strategic plan; 56% say operational risk worries them the most; 69% say keeping up with regulatory expectations is their #1 challenge and 75% say their bank is in process or already has an enterprise risk management program.

Social

The Guardian is reporting Facebook lost 4.0% of its users in the US (9mm) and 4.5% in the UK (2mm), as people spent less time on desktops and mobile usage increased.

Housing

Analysis by CNBC of the Home Affordable Modification Program (HAMP) designed to help people stay in their home and avoid foreclosure finds 46% of the oldest permanent modifications have re-defaulted.

Mega Bank

The largest bank in the country is JPMorgan Chase, which has grown 60% from 2006 through the end of 2012 and is now \$2.03T in size.

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