

NO SMALL BIZ VACATIONS FOR BANKERS

by [Steve Brown](#)

People just aren't getting as much vacation or time off as often as they would like, according a survey by Marriott International. On average, Americans feel they need R&R after about 6 months on the job and 90% said they want or feel they need more allotted vacation days. Taking a vacation is a great recharger, but taking a long-term vacation from servicing your small business customers just isn't a good idea.

A recent U.S. Bank survey asked small business owners the top 5 things they'd like to see from their bank that they aren't currently getting. The answers are telling and provide a roadmap for community banks to improve small business relationships.

The survey found 24% wanted their bank to adjust to meet their individual needs; 22% wanted more money available; 22% wanted access to a network of small business owners; 21% wanted their bank to know them and their business and 20% said they wished their bank would serve as a financial mentor.

There you have critical areas to focus on when it comes to better serving small business customers. As community banks, we take a lot of pride in our personalized service, but there is always more we could be doing. For example, the needs of small businesses can change quickly and you'll never know what those needs are if you don't ask on a regular basis. A small business customer who needed a loan 5Ys ago may need completely different banking services today. If you're not asking about today's needs, you can be sure other banks are or will be.

In terms of lending, times are tough and competition is fierce, so make sure you are offering competitive pricing and adequate opportunities for small businesses to get money. There's been some bad press around large banks using government money and backstops to shore up their balance sheets, instead of bolstering small businesses. Accordingly, banks will need to work harder to overcome perceptions and communicate your lending spigot is open and flowing.

Helping to create a network is another easy way to satisfy what small businesses are clamoring for, namely camaraderie and referral sources. Consider the success of BNI, a business networking organization with more than 145,000 members worldwide. Last year alone, BNI says it generated 7.1mm referrals resulting in \$3.3B of business for its members. Bringing small businesses in your community together can bring in new business, but they will talk so make sure your pricing will hold up as well. Whether you choose to do this formally or informally, it is a great way to help your customers prosper and an opportunity to benefit your bank.

The good news from the survey is that it appears banks are doing something right when it comes to small businesses. A full 83% of those surveyed said they maintained or increased their opinion of their primary bank, higher than the 79% that gave this answer in both 2011 and 2012.

The survey also found the banking industry as a whole has received a reputation boost as well. About 51% of those polled said they maintained or increased their opinion of the industry over the past year vs. only 41% in 2012 and 33% in 2011.

It is encouraging that things are improving, but there's still more to do. When it comes to small business customers, the work is never done, so ask questions frequently and refine as you go.

BANK NEWS

2 Closures (12 YTD)

Regulators closed two of the 11 banks owned by Capitol Bancorp (\$1.6B, MI) in what could trigger cross-guarantee liability for the remaining banks. Banks closed were: 1) Pisgah Community Bank (\$25mm, NC) sold to Capital Bank (\$436mm, MD). Capital gets 1 branch, assumed all deposits and entered into a P&A agreement with the FDIC. 2) Sunrise Bank (\$66mm, GA) sold to Synovus Bank (\$26B, GA). Synovus gets 3 branches, all deposits and entered into a P&A agreement with the FDIC.

M&A

The real estate subsidiary of KeyCorp will purchase an \$111B commercial mortgage servicing portfolio from Bank of America for an undisclosed sum.

Competition

USAA has begun offering preapproved loan offers within its mobile app, along with the ability for customers to apply for checking accounts, savings accounts and life insurance.

Competition

Bank of America reports about 30% of its online banking base is now mobile.

Competition

Wells Fargo said it has completed its tablet-like ATM rollout across its nationwide network. The updated screens are customized to each person based on transaction history and preferences, include account balances for the most used accounts and highlight the most common transactions in green, among other features. Swing by a Wells Fargo ATM if you get a chance to see how fast tablets and visualization are moving.

Customers

A study by comScore of 230mm US mobile phone users finds 27% accessed financial data during the prior month and 87% of those accessed bank content.

Clarification

Last week we suggested banks ask their good customers for referrals or testimonials that could be used in advertising. We were reminded by a regulatory reader with specialty in this area, that when doing so, banks should be careful to follow FTC rules on testimonials, advertising and privacy of consumer information. We are passing it along to ensure you consult with marketing, compliance and legal professionals in this area to avoid issues down the road.

Farm Prices

The Chicago Fed reports the value of irrigated cropland in its district climbed 16% and the Kansas City Fed said it jumped 30% in 2012.

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