

Worldwide Exposure

by [Steve Brown](#)

Recently in cities around the world it was time for the annual June event, the World Naked Bike Ride. This international event takes place each year in a number of cities and has grown as pieces of clothing have disappeared. Like a naked flash mob on

??bikes, this weirdness is all over the world. As a bit of history, the first official ride took place in 2004 in 28 cities in 10 countries. The dress code for the ride specifies "bare as you dare" and full to partial nudity is encouraged, but not mandatory. There are costumes and body painting and in general a festival atmosphere. It is uncertain which local club or country exported the idea originally, but it has spread quickly around the globe, taking place in 74 cities in 2013.

Even without taking off all of one's clothing, it seems almost everyone likes the idea of importing and exporting. A recent survey by the National Small Business Association showed 64% of small businesses have sold their products to foreign customers vs. only 52% in 2010. For many of these businesses, exports were a relatively small portion of their business, 10% or less for many. In addition, most were selling to fewer than 5 countries, so this is not overly complicated and is now an important piece of their business.

In addition to the increase in the number of small businesses already exporting, there was an even larger increase in those interested in exporting (from 43% to 63% over the same time period), as long as their concerns were addressed. The primary concern was how to get started and how to get paid. This is where your bank can come to rescue. Small businesses are your customers already so there is a business opportunity for you.

International services can be an important component of the product offerings in community banks, but some banks shy away from providing these services. If your bank doesn't provide international wire transfers and instead refers good customers to larger banks for these transactions, you are jeopardizing your relationships. Just think, if one of your competitor's customers came through your door because there was a service your competitor could not provide, wouldn't you try to steal that client?

Providing international services is not as complex as imagined. Some banks are concerned about Reg E and the new rules around consumer wire transfers. To get involved in international services, your bank will need someone to help you provide the service and as with all out-sourced or partnered product offerings, whoever your bank decides to use is critical. Close behind that, the responsibility of keeping up with all regulatory issues surrounding that service is also critical.

That is why we ask any community banker reading this to give us a call to discuss offering international services to your clients. We aren't a competitor and we have worked with community banks for years in providing international services. Transactions are completed and tracked through an easy-to-use online platform and we will train your staff how to use it. We also take care of the regulatory part so you can help the customer.

Providing international services at your bank allows you to be a resource for small businesses and capture new clients. It also generates fee income for your bank as it keeps customers happy. We

prefer to bike in our clothes, so give us a call.

BANK NEWS

CFPB Tips

The CFPB offered some tips for bankers to use to be favorably considered in enforcement situations. These include self policing (a strong compliance management system), self reporting, remediation of harm and cooperation in investigations (substantial and material steps).

Competition

Bank of America Merrill Lynch has introduced a suite of treasury management technologies targeting small businesses it calls Cash Management Essentials. The products support account management, fraud protection, payments, receivables, reporting, wires, ACH & image lockbox.

Competition

US Bank has been ordered by the CFPB to return \$6.5mm to military service members for failing to disclose all fees charged on an auto lending program it operated.

Small Biz

The Fed NY reports the number of new small business loans under \$1mm last year declined 5% and the dollar amount fell 7%.

EU Fix

European Union finance chiefs have finally reached agreement on how to deal with failing banks, adding stability to the region and global markets. These include putting the ECB in charge of financial supervision beginning next year, allowing countries to nationalize failing banks to preserve financial stability, requiring regulators to force banks to write down creditors in order of seniority, rules around government backstops and how much these funds could contribute to a failing bank (maximum 5% of liabilities).

Customers

A Novantas survey focused on the channels customers use to do bank product research finds 63% first go online, 17% ask others for advice, 13% go to a branch and 2% call the bank.

Director Responsibility

When discussing the roles and responsibilities of bank directors, regulatory documents indicate directors can delegate the day-to-day routine of conducting bank business to officers and employees, but they cannot delegate their responsibility for any consequences of unsound or imprudent policies and practices.

Younger Customers

FICO reports last year 16% of people aged 18 to 29 had no credit cards at all vs. 9% in 2005. Maybe parents are teaching kids the perils of being overleveraged or maybe this group is just shell shocked from the recession.

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