

Power Of The Press

by [Steve Brown](#)

Johannes Gutenberg is widely credited as the inventor of the movable-type printing press, arguably one of the most important inventions of all time. Consider that this device paved the way for the average Joe to gain access to books, as well as the unprecedented ability for the masses to acquire knowledge. Without JG in the mix, the internet might never have come about.

Flash forward to today, where modern technology allows people to acquire knowledge in any number of ways. They can read books, magazines and articles in print or electronically and gain insight from Google, Yahoo, RSS feeds, Twitter, Facebook, podcasts and much, much more.

There are obvious advantages that come with being able to access so much information at the touch of a button. Of course, there are also significant disadvantages to the widespread dissemination of information - just ask any bank whose reputation has been tarnished by negative press.

During the credit crisis we don't have to tell you that banks had more than their share of bad press. The bigger the bank, the more it seemed to be a target. Whether the focus was on accounting blunders, trading scandals or banks so big they were too big to jail, it strikes us that bad stuff can happen to any size bank at any time and you can sometimes get swept up just because the industry has issues.

When competitors are down and out, your initial inclination might be to pounce on their misfortune to capture more business. Instead of spending too much time dwelling on the negative, one might argue it could be a better strategy to take the high road. If things get ugly for the bank down the street, maybe it makes more sense to highlight to customers the things your bank does well as you also turn inward to address issues that may need fine-tuning. As they say it is risky to throw stones in a glass house, so when you see misfortune it is a good time to redouble efforts to provide the highest quality service to customers to avoid finding yourself in the hot seat one day.

As always, customer satisfaction remains a big area of focus. Encouragingly, banks by a number of metrics seem to be making strides here. For instance, the most recent retail banking satisfaction survey from J.D. Power found that despite ongoing public scrutiny, customer satisfaction with banks is at an all-time high. That is great and bank customers say they are experiencing fewer problems, and when issues crop up, they are more satisfied with how problems are resolved. Fees also aren't as big a source of customer angst as they used to be, the survey shows. This is great news for banks, and suggests efforts many banks are making to become more customer-centric are gaining traction, but no one should slow down so keep pressing forward.

We all know there is no end to quality customer service and there is always room for improvement, so keep looking and challenging staff to one-up each other.

Unlike in the days of the printing press, information today has become so readily available to customers that there's little wiggle room for error. You have to be quick to respond and nimble when you do so to avoid having to sort out the lead-based letters that spell W-E-H-A-V-E-A-P-R-O-B-L-E-M.

BANK NEWS

M&A

Forcht Bank (\$939mm, KY) will acquire Grant County Deposit Bank (\$79mm, KY) for an undisclosed sum.

Branch Sales

SNL Financial reports banks that have sold the most branches since 2012 are Bank of America, NC (271 branches sold), Royal Bank of Scotland, RI (159), First Niagara Bank, NY (64), Banco Popular de Puerto Rico, PR (41) and Emigrant Bank, NY (30).

Director Compensation

A survey of 300 directors and senior officers of banks nationwide by Meyer-Chatfield Compensation Advisors finds 61% of directors say they are paid fairly; 40% expect director compensation to increase in 2015; 34% of directors get travel expenses reimbursed and 32% said their CEO was the chairman of their board.

Fewer Checks

The Fed reports checks made up only 15% of all noncash payments in 2012 vs. 46% back in 2003.

Small Biz

A survey of IT professionals who work at small businesses with 100 or fewer employees by Carbonite finds estimated total data loss would cost their businesses an average of about \$468,000.

Health Care Costs

An Aflac WorkForces survey finds 56% of companies increased the employee share of health care premiums or co-payments in 2013 and 59% said they plan to do the same this year, as they moved to control costs. That makes sense when you consider the Kaiser Family Foundation finds health care premiums have soared 80% since 2003, or about 300% more than wages or inflation.

SFR Lending

Bankers should note the latest S&P/Case-Shiller Home Price Index report finds home prices climbed 0.2% in Q1 vs. Q4 but the pace of growth has continued to decline as demand slows.

Compensation Challenges

A survey of 300 directors and senior officers of banks nationwide by Meyer-Chatfield Compensation Advisors finds the top compensation challenges banks say they are facing this year are tying compensation to performance (66%), retaining key people (47%), compensation and benefits costs (40%), offering competitive pay (33%) and developing a succession plan (31%).

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