

Ensuring A Fast Start To 2015

by [Steve Brown](#)



As community bankers enter the New Year, we wanted to take a moment to provide some tips to help you achieve your goals this year. We do this because believe it or not, studies show that even as quickly as one week after making resolutions for the new year, only about 40% stick to their goals. It seems that almost everyone could use a nudge to stay on track.

For this year, expectations vary, but we certainly expect competition to remain fierce, interest rates to rise in the back half of the year and regulation to weigh heavy. To keep moving forward it makes sense to try and start out strong in our humble opinion. For some specific ideas, the first trick we use is to put a yellow sticky note somewhere obvious and central that says 2015. It may sound goofy, but think about how many times you have to rewrite or retype the date as the calendar rolls over each year. The year of 2014 is heavily ingrained into your brain, so you have to focus for the first few weeks to make sure you are using 2015.

Next, we suggest you get a copy of the strategic plan you worked so hard to produce at the end of last year and revisit your goals for the year. To hit your goals, experts say you must boil them down to just a handful until each one is accomplished. Focus on setting 3 to 5 specific goals, determine how you are going to measure results, make sure they are attainable, make sure they are relevant and track results along the way to be sure you are moving in the right direction. There is plenty of information on the internet about SMART goals and many bankers use them, but the key to getting to where you want to go this year is to stick to goals relentlessly to achieve real results.

A third tip that has worked well for us is to create a "to do" list in whatever format works for you. We use MS Word and number the items. Once you have your list, take a moment to prioritize it. Then as each day progresses, try to complete 3 to 5 things on the list by focusing on each one until it is done. Start each day with something small that can be completed so you can get the ball rolling and things will move easier from there. Also, be sure to take mental breaks every 30 to 45 minutes or so as your brain just can't do much more than that. Take a walk around the building, say hello to coworkers or just sit quietly somewhere and read something that isn't industry related to free up your creative juices. This takes work to stick with, but it can help if you do.

Next, make sure you are focusing every day on what is important. It is critical not to get stuck in a rut just doing the same thing over and over. Community bankers need to evolve and keep moving to build a better bank, given all the competition out there, so think about every piece of paper that crosses your desk or email group you are in and ask why. If you can reduce the inbound clutter each day and simplify your business processes, you will be freed up to do more and your bank will continue to move forward. Some processes are needed because of regulations, but many are there just because things have always been that way. Don't wait around for others to make changes. Just ask risk management if a given document or email is required and you will be amazed how many times they will say something you get every day just isn't needed.

Finally, make 2015 the year you require agendas for every meeting. Force meeting planners to produce an agenda and make sure all attendees are absolutely required to address the matter at hand (and will add something valuable and concrete). Studies show the most effective meetings have a maximum of 6 attendees, so try to limit the list and then route the minutes afterwards to keep larger groups informed. Then, be sure to start on time, end on time, stick to the agenda, follow up and keep meetings short enough so your own mind won't wander. Effectiveness will soar with these simple ideas. Happy New Year to all and we hope these tips will help get you started with your own resolutions.

BANK NEWS

M&A Activity

1) Guaranty Bank & Trust (\$1.3B, TX) will acquire Texas Leadership Bank (\$75mm, TX) for an undisclosed sum. 2) The BHC of Falcon National Bank (\$171mm, MN) and State Bank of Richmond (\$87mm, MN) will acquire Community Pride Bank (\$96mm, MN) for stock. 3) LCNB National Bank (\$1.1B, OH) will acquire Brookville National Bank (\$109mm, OH) for about \$12.6mm in cash and stock or roughly 1.19x tangible book. 4) First NBC Bank (\$3.7B, LA) will acquire State-Investors Bank (\$269mm, LA) for about \$50mm in cash or roughly 1.18x tangible book. 5) Citizens State Bank and Trust Co. (\$111mm, KS) will acquire The State Bank of Delphos (\$44mm, KS) for an undisclosed sum. 6) Armstrong Bank (\$653mm, OK) will acquire Benefit Bank (\$188mm, AR) for an undisclosed sum.

Branch Closures

1) Home Federal Bank (\$1.3B, SD) will close 3 branches as it seeks to boost efficiency and reduce expenses. 2) United Bank (\$5.3B, CT) will close 5 branches as part of a restructuring initiative following a merger in Apr.

Bank Closures

The total number of bank closures the past 3Ys has been 2014 (18), 2013 (24), 2012 (51). Using this data it looks like 2015 could result in only about 10 closures.

Regulatory Warning

Heavy competition for loans has pushed many banks to ease lending standards, pushing the OCC to warn of increased credit risk if the process continues. Underwriting standards have now eased for the 3rd year in a row according to the OCC. Our experience shows any time a regulatory agency warns about something, bankers can expect a much closer look in that area at the next exam so preparation is key here.

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