



Don't Be Afraid To Ask

by [Steve Brown](#)

Even billionaires can forget to ask for what they want sometimes. Consider that when Andrew Carnegie sold his steel company to J.P. Morgan for \$480mm in 1901, he became the richest man in the world. He was even congratulated by J.P. Morgan himself. However, with his successful deal complete Carnegie asked, "I wonder if I could have gotten \$100mm more. I probably should have asked for that." Much to his chagrin, J.P. Morgan replied, "If you had, you would have gotten it."

Bankers too often will copy Carnegie and forget to ask customers for exactly what they want. After all, how often does your customer facing team ask customers if they need other products or services? Do you track that so you can measure and improve over time? Or does your team too often think customers are happy and that their needs are limited to the one or two products they already have with the bank?

Many banks (and salespeople for that matter) believe they know their customers so well that if a customer needed anything they would know. As someone once taught us early in our career - don't talk for your customers, but let them speak for themselves.

Maybe it is time to ask customers more things more often to see what they say. After all, the world is shrinking so there are even fewer opportunities to serve existing customers or capture new ones perhaps.

For example, consider international activities. For those who refer such customers off to larger banks or ignore this altogether, the bell tolls for you. Consider that in 2014, there were 304,000 companies exporting products - of which 98% were small to medium-sized businesses with fewer than 500 employees. These are the customers of community banks and they also made up 97% of the number of importers that year.

These days, doing business across borders has been even more streamlined with the internet, new shipment options and government programs. Furthermore, businesses are always looking for cheaper suppliers and the opportunities to find them can be greater outside the US. As such, doing international business is no longer an afterthought for small business owners so it shouldn't be one for community banks either. In fact, studies have shown that around 66% of businesses doing business overseas say exporting makes up to 25% of their annual revenue. This makes for an even stronger borrower when it comes to lending as well, so think about it.

As community bankers know, the largest banks all offer international services. You too can strengthen your customer relationship by adding these important services to your portfolio and we can help you learn how, understand the nuances and even create marketing pieces to assist you.

Community banks are positioned well to take advantage even of the Brexit. Here, large numbers of overseas investors are expected to seek out safety of US assets and that includes commercial real

estate (something community bankers know all about). The more you prepare for opportunity the more it may come knocking so just ask and we will help you win the business.

To learn more about how easy it is to help your customers expand overseas as you generate fee income for your bank, join us for a free webinar on September 13th or September 15th. Visit our [website](#) and select the date/time that works best for you.

BANK NEWS

M&A Activity

1) Suncrest Bank (\$317mm, CA) will acquire Security First Bank (\$105mm, CA) for about \$18.1mm in cash and stock or roughly 1.10x tangible book.

Priorities

A survey by BMO Wealth Management finds the single biggest financial priority most important to American adults is: debt reduction (31%), increasing savings (26%), investing effectively and tax efficiently (21%).

Humans Preferred

A survey by the American Staffing Association finds 77% of adult job seekers prefer human interaction when searching for a job vs. just relying on technology.

Big Homes

The National Association of Realtors reports sales of homes above \$1mm fell 4% in July vs. the same period last year, driven by increased stock market volatility and an oversupply of luxury homes.

Millennial Phones

Research finds 75% of millennials spend more than 2 hours per day on their smartphones.

Banking Priorities

Research by Deloitte and MIT on digital disruption finds the most important technology respondents in the banking industry say what's important today is: mobile (39%), analytics (33%), security (17%), cloud (5%), and internet of things (3%).

New Bank Stall

The latest FDIC supervisory insights report finds that even though community bank earnings have recovered following the recent financial crisis, low interest rates and narrow net interest margins have kept bank profitability ratios (ROA and ROE) well below pre-crisis levels, making it relatively unattractive to start new banks.

Marketplace Pressure

Online marketplace lender Prosper reported its loans declined 55% in Q2, as credit quality concerns in the sector overall led institutional investors to pull back.

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