



Strategic Planning Tips

by [Steve Brown](#)

Experts now predict that giant private space station refueling depots could orbit the moon in the next 3Ys. Private companies are preparing to launch rockets, orbit the moon, land on it, explore and even put in place living habitats. That's right, it might be only 3Ys until you can jump on a spaceship perhaps, jet set to the moon and hang out with your friends or family. While strategic planning for banks may not be as difficult as going to the moon, with all the regulatory burden, competition and changing industry landscape these days, some might argue that.

When it comes to strategic planning, it can be difficult to corral board members and top C-suite executives for regular and substantive sessions. Time is limited and so many participants have other businesses, jobs and responsibilities tugging at their attention. That means you have to do it with a plan.

One way to succeed is to do the best with the time you have. That typically means creating a better focus through planning, preparing and execution. In a recent McKinsey survey, more than 50% of directors wanted to spend more time on strategy, organizational health and talent. But this is typically easier said than done. With this in mind, we thought it could be helpful to provide you with some ideas for developing successful strategic planning sessions.

First of all, consider using an outsider to facilitate the meeting. They need to be a good one or you are wasting your time, but when you find one it can be valuable. Using a good external facilitator with no skin in the game yet experience doing these meetings helps keep things focused. That lets directors and officers actively participate, while any tricky terrain or tough issues can be discussed and explored. Quality facilitators can also bring valued industry perspective to bear.

The typical approach to strategic planning is to begin with a SWOT (strengths, weaknesses, opportunities, threats) analysis. That is then matched up with the prior year's strategic plan to see where changes might surface. Then, once the meeting begins, the facilitator will often begin with a discussion that asks directors how they think things are going against the plan and whether something needs to change and then repeating the process with the management team. Discussion then ensues as the planning session begins to take shape.

Surveys prior to the event can also be helpful. By creating a list of key questions and then surveying directors and officers, a comparison can be made. This approach provides a visual way to determine areas where the board and management may diverge so more discussion can be held on those topics.

Still another way to be more efficient with your strategy meetings is for a top executive to kick off the session with a 30-minute overview of the current economic and community environment. This should include how the bank is doing relative to the market and its peers. This way, everyone is immediately on the same page which will save time in later discussions.

One company mentioned in a Harvard Business Review article found that when their executives used a specific procedure to measure proposed agenda topics against the company's strategic goals, 75%

more time was spent on pertinent issues in planning meetings. Developing such a procedure takes additional time, but it clearly can pay off. With a concise agenda, along with a meeting facilitator, planning meetings are more easily kept on track.

Lastly, just as with any important meeting, make sure to establish clear goals and a timeline during each strategic planning meeting. Developing priorities and an action plan for your strategies are of course necessary for the implementation. This action plan may include check-ins between specific board members and executives, outside of the parameters of the usual strategic planning sessions, to make sure goals are being hit.

BANK NEWS

M&A Activity

1) FNB Bank (\$373mm, AL) will acquire Peoples State Bank of Commerce (\$157mm, TN) for an undisclosed sum. 2) PrimeSouth Bank (\$373mm, GA) will acquire Atlantic National Bank (\$165mm, GA) for an undisclosed sum. 3) Midland States Bank (\$3.2B, IL) will acquire investment advisory firm CedarPoint Investment Advisors (WI) for an undisclosed sum. CedarPoint manages \$180mm in assets. 4) Centennial Bank (\$9.8B, AR) will acquire Stonegate Bank (\$3.1B, FL) for about \$778.4mm in cash (6%) and stock (94%).

Wells Settlement

Wells Fargo has agreed to pay \$110mm to settle a class-action lawsuit related to its retail sales practices. This goes along with the \$185mm Wells was fined by regulators late last year related to the same issue.

Top Cyberattack

PwC research finds phishing was the top vector of cyberattack in 2016. Phishing is the fraudulent practice of sending emails purporting to be from reputable companies or persons to induce people to reveal personal information, such as passwords or account numbers.

Get Ahead

Korn Ferry research finds the top 5 competencies found in the financial services industry of C-suite executives that have been promoted above midlevel managers are: having courage, a global perspective, being resilient, having interpersonal savvy and being action oriented.

EMV Compliant

Aite Group research finds the percentage of merchants who are EMV compliant as of early this year is about 30% vs. 65% projected to be there by the end of this year.

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