



Practical Approaches To Big Competition

performance business customers

Summary: Consolidation is intensifying competition. We provide some practical approaches for this tough market.

For those seeking to be more successful, here are a few things Entrepreneur surfaced that the most successful people do, but most others do not: they consistently read, they take advantage of introductions to others, and they do the little things in relationships that have an impact (remember names, follow up when they say they will do so, send a quick text to someone, etc.).

Success is difficult to achieve and harder to hold onto, which is why we discuss practical approaches to competition today. We look at a few community financial institutions (CFIs) in FL since many have been hit hard by the trend toward consolidation. While they are definitely not alone, they have seen regional and national banks try to nibble at their markets. Some CFIs continue to succeed despite the challenges with these big competitors.

For starters, one seven-branch CFI is known for keeping an eye on costs. When it comes time to refurbish old offices, bank managers will look for gently used desks that they will keep in the back room far away from customers' eyes. The new furniture pieces will then be installed where the clientele is doing business.

This frugal policy doesn't necessarily mean that management is reluctant to spend. The CFI has splurged on technology to offer secure online transactions via computers and mobile devices. It needs to compete effectively with big competitors. Over the past 11Ys, this CFI has originated more than \$1B in residential mortgage loans, for example.

Another CFI in FL emphasizes its quality approach. There is no need to rely on big data, analytics and credit scores, when the VP personally knows the local business people and their needs for small business loans. That's how 98% of every dollar deposited can be reinvested in the community. Large organizations are often unable to seize that possibility, because they don't even see it. Juicy smaller loans elude them, just as wealth management opportunities can. Clients with \$500k to invest can be an important part of a customer relationship, while the biggest banks wouldn't even consider it.

Another approach is to simply make the call and hit the pavement. Another FL CFI has a team that studies the local market and spots the good prospects. Then employees follow-up and keep contact for months. When customers are ready to move, the first institution that comes to mind is of course that persistent CFI.

While these are some examples of how CFIs in FL are finding a way to compete effectively in their markets, we know that there are many others in many more states across the US. Community financial institutions are doing great things every day, so stay strong out there!

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