

# EXECUTIVE DEVELOPMENT PROGRAM



WASHINGTON  
BANKERS ASSOCIATION



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ASSOCIATION

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A 12-month program designed to motivate and  
accelerate the development of Northwest bankers

# 2019 Executive Development Program



Senior executives at WBA member banks tell us how hard it is to find middle- and upper-management talent. This talent gap constrains the success and growth of many banks. The Executive Development Program (EDP) is a proven tool, designed to help you grow the talent within your organization to fill that gap and move it forward.

The EDP is an intensive, year-long program designed to challenge and develop your most talented up-and-coming managers. Class sessions led by seasoned professional instructors help them acquire the strategic, financial management and communication skills required for successful leadership of financial institutions in today's demanding marketplace. Homework is required between sessions, and participants work with a mentor from within their banks, adding an additional dimension that is truly unique in our industry.

Feedback from more than 250 graduates and executive management continues to be strong. They report that those successfully completing the program are ready to take on broader job responsibilities and make a larger contribution to their bank's success. They're also well-prepared for additional professional development, such as Pacific Coast Banking School. When it was created 11 years ago, the EDP addressed a critical need for executive development, with each class building on the success of prior years. We expect 2019 to be no different.

We understand your need to continue growing the talent within your bank. The Executive Development Program will help you do just that.

*Glen Simecek*  
Washington Bankers Association  
President and CEO



Who are our emerging bank leaders of tomorrow? Who at your institution has the capability of becoming a future executive at your bank? Research shows us that strong leaders increase employee engagement, employee retention, profitability, customer satisfaction, productivity and quality of services. Yet, sadly enough, only 10% of those being promoted into key leadership positions have been given the training they need.

I have had the pleasure of observing, first-hand over the last 10 years, the most intelligent and hungry bankers who are willing to think outside the box, not afraid to challenge the status quo via the EDP program. These men and women work diligently to enhance their banking knowledge and skill sets. They emerge with a thirst for wanting to make a difference at their institution, and now years later, that desire has only increased. They are our future leaders, tomorrow's bank executives, they are our legacy and have expressed the most profound appreciation for the opportunity to participate in the EDP.

Who at your institution is a future bank executive who would benefit from the EDP? Consider giving them a chance to change their future forever.

*Joe Zavaglia*  
President, Zavaglia Consulting  
Executive Development Program Lead Consultant

THE WASHINGTON BANKERS ASSOCIATION IS PROUD TO OFFER THIS PROGRAM TO THE FOLLOWING PARTNER AND CO-SPONSORED STATES: **MONTANA, UTAH, OREGON, IDAHO** AND **THE WESTERN INDEPENDENT BANKERS.**

# Program Curriculum

## THE BIG PICTURE AND BANK EVOLUTION

January 8, 2019

This class will introduce and examine the evolution and importance of the banking system and the attendees' place in it. We will discuss the historical aspects of the banking and financial system, and explore the root causes of the financial crisis, its effect on the industry, and lessons to take into the future.

### Session Objectives

- Profile banking's financial underpinnings
- Challenge participants to examine their personal brands
- Create an understanding of the financial system, the way money moves and megatrends in banking
- Help participants understand their place of leadership within the financial system

**Instructors:** Steve Brown, President & CEO, Pacific Coast Bankers' Bank  
Joe Zavaglia, President, Zavaglia Consulting

## LEADERSHIP AND MANAGEMENT

January 9, 2019

Effective leaders commit to being life long learners. In these times of rapid change, leaders are continuously required to expand their ability to lead their teams into an unpredictable future. This training day will be packed with opportunities for individual reflection, small group and large group learning and practice with real time challenges. You will examine your leadership in five key competencies that leaders must possess in today's world. In addition to these skills, Intellectual Agility, Innovative Action, Productive Engagement, Vital Fulfillment and Integrated Ideals are needed for future leadership success.

### Session Objectives

- Understand that Intellectual Agility is leading with an open mind, seeking genius at every level of the organization
- Understand that Innovative Action is deciding and acting based on new and emerging information
- Learning that Productive Engagement is having interactions that build trust and inspire action
- Understanding that Vital Fulfillment is creating a workplace experience as a source of energy for life
- Developing understanding that Integrated Ideals brings your leadership vision, mission and values into day-to-day business and practice

**Instructor:** Carol Zizzo, Owner/COO, Henley Leadership Group

## UNDERSTANDING BANK FINANCIAL STATEMENTS

February 6, 2019

This session will focus on calculating and interpreting key banking ratios so that a comparison with the Uniform Bank Performance Report can be performed to determine how your financial institution compares to your peer group of banks. We will accomplish this by understanding the items on the balance sheet and income statement and how each account relates to the other. We will calculate and interpret earnings and performance ratios that bank management should monitor to ensure a safe, sound, and high performing bank. We will end the day by focusing on the CAMELS rating system and other key risk areas.

### Session Objectives

- Analyze a balance sheet (including earning assets, the types of debts typically found and Stockholders' Equity Accounts)
- Calculate and interpret key bank earnings and performance ratios and how they compare to peer banks using the UBPR
- Identify liquidity and other funding source opportunities and threats

**Instructor:** Jeffery Johnson, President, Bankers Insight Group



“The Executive Development Program opened my eyes to elements of banking outside of my job function and department and effectively increased my value proposition to my bank.”

*David Raney, SVP/Residential Lending Manager,  
Sound Community Bank,  
Executive Development Program Graduate*



## SALES PERFORMANCE, EXPECTATIONS, AND MEASUREMENT

March 6, 2019

In this session, we will conduct an in-depth review of incentive programs, performance scorecards, recognition and reward programs, and the importance of the link among them. Together we will build an incentive program, performance scorecards, and recognition and reward programs that inspire employees to achieve results beyond the norm. We will also discuss setting sales goals and the impact they have on results.

### Session Objectives

- Demonstrate the link among performance measurement systems, incentive programs and recognition and reward programs
- Provide examples of successful business plans and the importance of measuring how much, and what, by when
- Define what actions are needed on a daily, weekly, monthly, and quarterly basis to ensure you meet and exceed your performance goals

Instructor: Joe Zavaglia, President, Zavaglia Consulting

## BANK PROFITABILITY

April 17, 2019

Unlike the manufacturing and retail industries, financial institutions rely largely on the assets and liabilities on their balance sheets to generate income. This session will examine how banks make money, the capital required versus the risks inherent in the balance sheet, and an overview of how bank profitability is performed. The day begins with an overview of the industry, and drills down into organizational, product, and customer profitability details, with a discussion on how profitability is utilized in strategic decision making.

### Session Objectives

- Orient attendees on how profitability reporting is accomplished
- Identify effective ways to use profitability data, with an emphasis on strategic decision making
- Build an understanding of funds transfer pricing, and risk adjusted return on capital

Instructor: Jeff Marsico, Executive Vice President, The Kafafian Group

## COMMUNICATION AND INFLUENCING OTHERS

May 8, 2019

In this session you will learn about your communication strengths and blind spots and how to recognize those of others. We will cover how to adjust your style to be compatible with those you work with and how to inspire your colleagues to work toward continuous improvement. You will learn how emotions and stress impact your moods and communication. Finally, this session will teach coaching techniques and communication practices to use both in person and through email.

### Session Objectives

- Identify your communication style and the styles of others
- Understand how perception and stress affect emotions and health
- Define your strengths and blind spots in coaching and communication

Instructor: Jason Swain, President, Symbio



“I really enjoyed the instructors; there was a diverse range of teaching styles and content. The examples and materials used were actually applicable. I would say I have gained a good understanding of the overall function of the bank. There is a time commitment, but it is definitely worth it.”

*Teresa Wyman, VP, Commercial Loan Officer,  
Skagit Bank, Executive Development  
Program Graduate*

## EXECUTIVE DEVELOPMENT PROGRAM MENTORSHIP PROGRAM

A unique aspect of the EDP is the mentorship program. It was designed to pair EDP students with an executive mentor from their bank who works with them on a monthly basis to reinforce the classroom learning experience, introduce them to key executives at their institution, and pair them with business experts for assistance in their homework preparation. Each student is required to have a mentor during the program; they are expected to interact frequently with them and to use them as a sounding board to assist in understanding topics that may be outside their current knowledge base. This is one of the few banking-related executive development programs in the country where mentor and mentee are partnered to ensure the most complete development of the student.

## CREDIT AND RISK REVIEW

June 5, 2019

In today's current economic environment, managing the commercial and consumer loan portfolio is paramount to maintaining a safe and sound financial institution. The class begins with a discussion of those macroeconomic, industry, business and management factors that must be considered as part of credit and risk assessment. This is followed by an examination of the bank's loan management functions including: identification of potential problem loans, management oversight of the loan portfolio, and the bank's corrective action plans when problems are identified.

### Session Objectives

- Assign credit risk ratings utilizing a clear, measurable and objective risk rating system
- Review of essential loan documentation procedures to ensure the bank's collateral position is legally enforceable
- Discuss effective methods of performing an internal loan review including an assessment of the bank's asset quality trends and performance/capital ratios

Instructor: Jeffery Johnson, President, Bankers Insight Group

## LEGISLATION AND POLITICS

July 17, 2019

This class is designed to broaden participants' understanding of the complexities of the legislative process in Washington and Idaho. More specifically, we will review legislation and its impact on the banking industry. We will discuss the differences among various banking organizations, their purpose for existence, and key legislative and political challenges facing each organization.

### Session Objectives

- Discuss the role politics plays in the banking industry today both on a national and local level
- Identify how legislation has negatively impacted the banking industry over the years and what the results have been
- Define how credit unions are benefiting from the current political environment and what this means to our industry

Instructors: Trent House & Carrie Tellefson, WBA Lobbyists  
Steve Scranton, CFA, Chief Investment Officer & Economist, Washington Trust Bank

## AUDIT AND COMPLIANCE

August 7, 2019

The U.S. government must ensure that all financial institutions are operating in a safe and sound manner. Banking leaders must learn how to maximize their profits, yet stay within a framework provided by certain regulatory oversight groups. Find out who these oversight agencies are, how they measure your bank's overall health, and how they audit your bank. As a future leader of a bank, you will need to understand what the consequences may be if your bank is unable to comply with the standards set by your oversight agency.

### Session Objectives

- Review the history of banking problems and how the regulatory agencies are structured
- Explore the different ramifications when a bank falls outside the safe and sound criteria rating
- Interact with regulators to discover what actually happens in the field

Instructor: Dave McCrea, Consultant, McCrea Consulting, Lake Stevens, WA

We have 14 graduates of the EDP program. When I look at the positions these individuals hold in the bank and **their contribution, I see a group of engaged, committed middle managers.** The EDP experience has prepared them all for additional leadership opportunities and they have all stepped up! The quality of the training is well worth the investment.

Laurie Stewart, President & CEO  
Sound Community Bank



# ASSET LIABILITY MANAGEMENT

September 4, 2019

Bank managers and leaders need to understand the relationship among financial goal setting, budgeting and planning, and the ALCO and balance sheet management process. Externally, bank regulators, shareholders, stock analysts, and the SEC all expect that bank management have an effective plan and process in place to reach financial goals while managing the relationship between various forms of risk and return. The focus of this session is to introduce and apply various tools and techniques in developing an effective ALCO process.

## Session Objectives

- Understand the difference between a static and dynamic ALCO process and why it makes sense to convert to dynamic
- Understand and apply the most crucial decision-making tools in growing, maintaining, pricing, and assessing deposits
- Be able to discuss issues involved in making ALCO decisions using enterprise risk management metrics

**Instructor: Dave Koch, President & CEO, Farin and Associates**

# NEGOTIATIONS AND CONFLICT RESOLUTION

October 9, 2019

As bank executives struggle to navigate a financial services industry in the throes of tumultuous transition, their negotiating and conflict management skills are being challenged as never before. Whether it's bargaining with customers over rates or structure, supporting credits through the approval process, dealing with staff performance problems, sorting out compliance issues with regulators, or simply managing everyday differences with colleagues, today's relentlessly dynamic banking industry demands nothing less than best-in-class negotiating and conflict resolution skills.

## Session Objectives

- Understand the powerful anti-negotiation bias in American culture that underlies our instinctive discomfort with - and avoidance of - the process
- Be able to competently and confidently use a full range of best negotiating and conflict management practices and countermeasures
- Fully and effectively prepare to negotiate and resolve conflicts with easy-to-use planning tools

**Instructor: Jim Thomas, Chairman and CEO, Common Ground International**

# CREDIBILITY AND ETHICS

November 13, 2019

Banking is one of the most competitive professions on the planet. The banking industry has seen numerous examples of what happens when professionals violate the rules of integrity and ethics in order to satisfy the demands of a competitive environment. This class is designed to help participants understand the principles of ethics and engage in experiential learning activities to measure how they would deal with ethical issues via case studies and hypothetical exercises.

## Session Objectives

- Explore the importance of values clarification and its relationship to ethics
- Engage in a group experiential ethics and moral dilemma exercise
- Develop an understanding of the nature of ethical dilemmas, the principles for resolving them, and how to apply them in the banking environment

**Instructor: Joe Zavaglia, President, Zavaglia Consulting**

*\*\*Please note that course dates and instructors may be subject to change.\*\**

## HOMework

Participants are required to complete 6-8 hours of homework prior to each class. This prepares them to best understand the topics, challenges them to be proactive in their learning, and to seek out the advice of key individuals within their own institution when needed. After completing their individual assignments, the participants then confer with a diversified study group (bankers with differing skill sets) within their class to compare notes and learn how their peers approached the questions.



# 2019 Executive Development Program

## WHO SHOULD ATTEND?

This program is designed for self-starters – bankers who want to proactively direct their own careers. Group study exercises and activities promote a team-learning environment where the focus is more than just on the individual but on the ‘we’ as a team, where everyone works together to achieve a common goal. This executive-level program appeals to critical thinkers who want to challenge their understanding of the banking industry, who are eager to learn and share their newly discovered knowledge in better serving their organizations.

This program is designed for those:

- Motivated and driven to succeed
- With at least three years in a management position or equivalent banking experience
- Key producers that a bank wants to retain for the long term and develop for significant leadership roles
- High-potential employees poised to move into new positions
- Anyone considering attending Pacific Coast Banking School would find this an excellent precursor

## COST FOR PROGRAM

Registration forms must be received by December 14, 2018.

Members of the Washington, Oregon, and Idaho Bankers Associations:

- \$3,750 per student until September 30
- \$4,050 thereafter

Non-Members:

- \$6,500 per student until September 30
- \$7,000 thereafter

## ATTENDANCE

Attendance is required at all 12 sessions. We recognize that certain absences cannot be avoided and will approve missed courses on a case-by-case basis. It is still expected that all course work be completed for any missed class. In order to complete the entire program, there can be no more than two absences.

It is each student’s personal responsibility to attend all scheduled classes and events, complete all homework assignments, and fully participate in all group assignments and team building exercises.

## REGISTRATION INFORMATION

For information on how to register and to print the registration form, please visit our website at [www.wabankers.com](http://www.wabankers.com) or call (206) 447-1700. This form requires managerial and executive management approval. Please send your completed form and payment info to: Washington Bankers Association, 1601 Fifth Avenue, Suite 2150, Seattle, WA 98101.



**“The Executive Development Program provided a fantastic development opportunity for the employees who participated. It was a great investment for the bank. We will send more employees to this program and would recommend it highly for rising stars in your company.”**

*Jack Heath, President & COO,  
Washington Trust Bank*

With today's bankers facing unprecedented economic, regulatory, and competitive pressures, the need for strong leadership has never been greater.

**STEP UP YOUR CAREER.**



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