

Issues & Answers



March 2021

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What We Can Afford vs. What We Want

By Glen Simecek, President and CEO,
Washington Bankers Association



A basic tenet of financial literacy is understanding the difference between “upfront cost” and “lifetime costs”.

It's much more than semantics.

Over the years, almost all of us have learned that the house

or car cost us far more than the initial purchase price.

I'm reminded of those experiences as I think about the Legislature's current session and discussions regarding the 2021-2023 biennial budget and what taxes are necessary to balance it.

Fortunately for lawmakers – and the people they are elected to represent – state revenue collections haven't fallen as drastically as originally feared in the wake of COVID-related economic

disruptions. Actual revenue collections since the November forecast have beaten state estimates by nearly \$600 million.

These better-than-expected projections mean that budgets for the remainder of this biennium, which runs through June of this year, and for the next two-year cycle can be balanced with existing revenue sources, federal stimulus dollars, and a modest transfer of state reserves. (There's a reason it's called a Rainy Day Fund, right?)

The minority party has provided a road map for how this could be done. They've released budget proposals that don't impose new taxes, maintain state services, and fund a Working Families Tax Exemption that's been on the books for more than a decade without ever being implemented. Make no mistake, these are not austerity budgets; they increase state general fund spending in the 2021-2023 biennium by more than \$3 billion, or about six percent.

I point out these Republican proposals not out of partisanship, but to share our concern

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regarding the implications for business and our state's competitiveness if this approach isn't taken. Rather than developing a comprehensive plan to maintain the highest-priority services to the people of the state, too many lawmakers are taking a "we can do everything" approach and pushing for new taxes that will inevitably discourage job-creation or investment.

New taxes enable the creation of new spending programs that quickly become the baseline for future budgets. Each program boasts its built-in and vocal constituency, making it even harder for lawmakers to adjust spending in the future when the economy and state revenue collections inevitably slow down.

We cannot allow today's rosier revenue expectations to lull the Legislature into a false sense of security regarding the overall health of the state economy. Federal stimulus dollars have helped prop up sales tax collections – for now. Washington is also fortunate to have many knowledgeable workers able to work remotely who continue to buy things like new cars and homes, driving up sales and real estate tax collections.

But that doesn't change the fact that major employment sectors like restaurants and hospitality have been decimated by the pandemic and will need additional assistance. Or the fact that many of their workers are now unemployed, in arrears on their rents, and placing added financial pressures on landlords trying to cope with an eviction moratorium. Or the fact that commercial buildings will almost certainly experience higher vacancy rates as some tenants fail and others increase the percentage of their employees working remotely.

In short, we should expect large swaths of our economy to remain fragile for the foreseeable future.

That's why I get nervous when I hear the broad range of new taxes lawmakers are considering.

A capital gains tax, a revised and increased estate tax, a wealth tax, an employer compensation or head tax, carbon tax, a sugary beverage tax, eliminating the first mortgage interest deduction for lenders – the list is long and varied.

Serious questions can be raised about most, if not all, of these taxes. Isn't a capital gains tax just a form of income tax? Is taxing employment and employee compensation the best strategy in a period of economic recovery? Why make mortgage lending more expensive when you're concerned about housing affordability?

The reality is that there is no state budget crisis. State revenue collections continue to grow, though not as rapidly as some would like. And our tax structure, one that so many like to criticize, has allowed Washington to weather the storm better than many states, providing enough revenues to maintain core state services for those who rely upon them.

Legislators looking to further expand state programs may tell themselves that we all can pay more in taxes. But the question they should be asking is, can we afford to?

Contact Us

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Call us at (206) 447-1700 and visit us on the web at www.wabankers.com.

Connect With Us

Connect with the WBA online by following us on our social media accounts.

On the Cover

Cherry blossoms abound each spring along with Quad at the University of Washington's main campus in Seattle.

Photo courtesy nmkef/ flickr.com

READY TO LEARN?

Get the latest on WBA events online at
www.wabankers.com/calendar

Banker Spotlight: Tasha Feagan

Periodically we profile a Washington banker. If you have a banker you would like to spotlight, please contact Megan Managan at megan@wabankers.com.



How did you get started in the banking business?

Like many other bankers, I didn't set out to be a banker. Instead, I fell into the job and ultimately fell in love with the world of banking. Before banking, I managed a small money service business. Part of my job was to make deposits at a bank branch near my home. Because I did this six days

a week, I began developing relationships with the staff and management from that bank. As soon as they had a banker position available, they worked hard to recruit me, and so many years later, I am grateful they did!

What advice would you give to someone who is considering a career in banking today?

Banking is an amazing industry with unlimited potential for career growth with various career paths. New bankers can work in a variety of different departments and gain experience in just about any field within the finance industry. To name just a few departments within one bank, you have operations, lending, small business, legal, accounting, quantitative analysis, facilities, information technology, security, leadership development, HR, or training...the list goes on. Banking is truly the place to be for a lifelong career.

If you were to thank one person for helping you become the person you are today, who would it be and what did they do?

I could certainly say my mother or father, my husband, or another family member, but if I am being truly honest, I had a wonderful mentor and manager somewhat early in my banking career. She taught me about professionalism, grace, humor in the workplace, consistency, and building relationships. She saw potential in me and actively put me in positions to grow and shine. As a leader, I follow her example every day. Thank you, Julie.

How are you involved in your community?

I've had the pleasure of volunteering with several organizations; however, my favorite volunteer opportunity is building homes for Habitat for Humanity. There is nothing quite like working on a home side-by-side with the future homeowner. Since COVID, my time volunteering has been limited so I've recruited my husband and two boys to grab some gloves and trash bags to join me in river clean-up. We often leave with 2-3 bags of garbage each time and a new feeling of pride and achievement.

Why do you take time from your busy schedule to volunteer?

Volunteering my time brings me joy and a sense of accomplishment. Volunteering my time also sets a good example for my children to follow as they approach their teenage years and on to adulthood.

How has your involvement with the WBA helped you advance your career?

As a 2014 graduate of the WBA's Executive Development Program, I can easily say the experience was invaluable. While in the program, I was promoted to a senior leadership role where I was blessed to work with amazing team members. I enjoyed my time in the role and with what I learned; I became a more competent and effective leader for my team. The EDP also prepared me to work with executives, senior leaders, and commercial bankers as I could better interpret and speak the language.

What do you do for fun when you're not in the office?

As a mother of two boys (13 and 11) we all spend a lot of time playing board games, video games, watching movies, taking hikes, going camping, swimming, and kayaking when the weather is nice.

Day Job: Senior Learning Consultant at First Interstate Bank

Success is: Doing something you enjoy and excelling so much at that thing you enjoy doing that you lift others up and allow them to rise higher than you.

Defining Life Moment: In 2016, I survived a stroke and as a young wife and mother, it was quite a shock. After recovering from the stroke, I changed my career path from retail banking to people development. Since then, I have found a true passion for strategy, growth, learning, leadership, and development.

2021 VIRTUAL EMERGING LEADERS CONFERENCE

MARCH 23-24

Register online at www.wabankers.com/elc/



Plan for Advancement with WBA Upcoming Events

Virtual Understanding Banking Performance Program Begins in May

Bankers in executive roles understand how the bank not only builds the bottom-line but the strategic maneuvers and policies that will help the organization get to where it needs to be. Understanding the way a bank grows a balance sheet and ratios applied to the portfolio is critical to advancing in the industry.

To help bankers build these skills, WBA is launching our **Virtual Understanding Bank Performance** program this May. This eight-session program will help bankers learn to assess and analyze a bank's financial performance using real data from a model bank, as well as their own. Students will become familiar with balance sheets, income statements and learn how to apply key performance metrics to data in those documents. The program will finish with students putting into practice what they've learned in a capstone project.

Space for the program will be limited to ensure high-level interaction with instructors and fellow students.

"The knowledge I gained from attending the **Understanding Bank Performance** class has helped me engage more in strategic discussions, ask better questions, and more easily relate our daily operations to financials," said Erin Nicolaus, EVP and Chief Human Resources Officer at Sound Community Bank. "The virtual class was well run and provided several ways to interact with peers. The course materials were helpful to increase my grasp of concepts and the breakout groups provided supportive discussion. I highly recommend to both new and established banking professionals."

For those looking at other ways to build their skills, WBA is offering two other Development Programs this spring, along with our slate of virtual conference.

Starting on April 28, we'll be offering a virtual session of the **Management Development Program**, while the virtual **Commercial Lending Development Program** will begin on April 8. Both programs are designed to help students build strong foundations in their core areas of the bank, and prepare bankers for new responsibilities.

Many students of our 2020 virtual programs found the format to be highly effective. One MDP graduate said: "I thought the structure of the virtual classes was very well put together. The speakers of every session were extremely knowledgeable and provided great advice for up-and-coming bankers."

This spring's conferences also offer bankers a way to stay connected to the latest industry updates. On March 2-3, we will host the **Virtual Senior Credit Conference**, featuring two half-days of sessions relating to credit. Sessions will include an update from ABA's Dan Martini on the latest round of PPP, including what banks need to know going forward through 2021 about the program, and other SBA programs, as well as a regulatory panel with Shannon Tushar, chief of examinations for Washington's Department of Financial Institutions.

The first-ever joint **Virtual Marketing & Retail Conference** will be held March 17-18, featuring a keynote session by Debra Jasper on ways to effectively do business in a virtual world. Amber Farley, with Financial Marketing Solutions, will speak on social media, while Joe Micallef will discuss ways banks can engage their customers during difficult times. The conference also features breakout sessions specifically created for marketers and retail bankers.

The **Virtual Emerging Leaders Conference** will be held on March 23-24. The conference focuses on leadership and ways emerging leaders can not only stay engaged with their peers, and direct reports, but ways to lead in a virtual environment.

On May 25-26, WBA will host a virtual **Education/Human Resources Conference**, focusing on how the pandemic has impacted the industry and what training and education professionals need to know. Sessions will cover how banks can update their procedures and plans to fit with the new normal.

We will host the second annual **Virtual Fintech Conference** on June 16-17. This event features all of the various ways that technology and banking intersect and opportunities for new partnerships.

The **2021 Virtual Bankers Convention** will be cosponsored by the Oregon Bankers Association on July 14-16.

In the fall, bankers can choose from the Credit Analyst Development Program or the Retail Branch Manager Development Program. The Northwest Agriculture Conference, Northwest Compliance Conference, Women in Banking Conference, and Bank Executive Conference are also slated for fall and early winter.

Please visit the WBA website at www.wabankers.com for more information about registration for any of our upcoming fall programs.

Events Calendar

March 2-3 – Virtual Senior Credit Conference

March 17-18 – Virtual Marketing & Retail Conference

March 23-24 – Virtual Emerging Leaders Conference

April 8 – Virtual Commercial Lending Development Program

April 28 – Virtual Management Development Program

May 25-26 – Virtual Education/Human Resources Conference

June 16-17 – Virtual Fintech Conference

July 14-16 – 2021 Virtual OBA/WBA Bankers Convention

**Classes and conferences will be virtual unless otherwise noted.*

To register or to learn more about any of the listed events, please visit www.wabankers.com/calendar.



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Sign-up for the weekly Legislative Update e-newsletter by contacting megan@wabankers.com.



2021 EDP Students Learn from Local Bank CEO

In late January, 39 students from 12 banks throughout the Pacific Northwest began the year-long Executive Development Program.

After covering the basics of the banking industry and setting the stage for the rest of EDP in January, students then dove into credibility and ethics in early February, before tackling management and leadership for a new era at the end of February.

Instructor Jackson Hataway, senior vice president of marketing, communications, and member services at the Missouri Bankers Association, hosted a discussion with Lori Drummond, president & CEO of Olympia Federal Savings & Loan.

Drummond shared how she began her career as a receptionist at the bank and transitioned to a variety of roles before ultimately taking the helm of the bank. She said she learned very early in her career the value of mentors and that when a company treats employees well when they are willing to go the extra mile.

“Mentorship is so important,” she said explaining that asking for help or to learn about an area someone may know less about isn’t a weakness; it’s a strength to recognize the need for



extra support.

Drummond also told the students that she believes helping others is a crucial part of any leader, whether or not someone holds a leadership title. She said that volunteering and working in the community not only helps people learn valuable skills but “it’s good for you, your company, and the community”.

As a longtime supporter of the EDP and other WBA programs, Drummond said she believes in the program because she’s seen how well it works.

She said graduates of EDP at OlyFed have greater communication and elevated awareness of how the bank functions. She encouraged this year’s students to share their knowledge with their teams.

She also encouraged the students to continue to be lifelong learners, something that is an important core value at OlyFed. Drummond said pushing the envelope on their learning and participating helps bankers learn more about the industry and build their careers.

Industry News

New Hires

Jeff Sterken
Credit Administrator and Finance Manager at Mountain Pacific Bank

Alexandra Follet
Customer Experience and Product Strategy Specialist at First Federal

Jon Stewart
Vice President and Branch Manager at Coastal Community Bank

Amy Row
Commercial Loan Officer at Sound Community Bank

Cody Brunker
Commercial Loan Officer at Sound Community Bank

Lisa Marie Warren
Residential Loan Officer at Sound Community Bank

Nick Anderson
Vice President and Senior Relationship Manager at Banner Bank

Kari Calderon
Loss Mitigation Operations Manager at HomeStreet Bank

Scott Dirksen
Financial Advisor at Peoples Bank

Promotions

Mele Miller
Senior Relationship Manager and Vice President Community Development Lending and Investments at KeyBank

Bob Beall
Assistant Vice President and Lending Compliance Supervisor at Sound Community Bank

Dena Marlett-Lopez
Assistant Vice President and Hub Branch Operations Manager at Sound Community Bank

Meghan Dort
Vice President and Residential Loan Officer Team Lead at Sound Community Bank

Gary Stand
President of Washington Division at Northwest Bank

Scott Higgins
Vice President and Senior Commercial Loan Officer at Sound Community Bank

Chuck Turner
Executive Vice President and Chief Credit Officer at Sound Community Bank

Kevin Geister
Vice President and IT Officer at Kitsap Bank

Marlo Desser
First Vice President, Construction and Appraisal Supervisor at First Federal

Derek Thornton
Executive Vice President and Chief Financial Officer at Peoples Bank

Kamyar Monsef
Executive Vice President and Chief Retail Banking Officer at Peoples Bank

Aldi Klogjeri
Senior Vice President and Commercial Banking Officer at Peoples Bank

Drew Smith
Senior Vice President and Commercial Banking Officer at Peoples Bank

Erin Sclegel
Senior Vice President and Commercial Banking Officer at Peoples Bank

Grant Hauber
Senior Vice President and Commercial Banking Officer at Peoples Bank

Melissa Siv
Vice President and Retail Branch Manager at Peoples Bank

Tiffany Blair
Vice President and Retail Branch Manager at Peoples Bank

Ria Van Weerdhuizen
Vice President and Retail Branch Manager at Peoples Bank

April Emry
Vice President and Retail Branch Manager at Peoples Bank

Todd Gainey
Vice President and Business Banking Relationship Manager at Kitsap Bank

WBA Member News



Olympia Federal Employee Honored with Master Builder Award

In 2021, the Olympia Master Builders announced Barbara Whitlow earned two awards. She was named the winner of both the President's Award and Norman A. Paulsen Memorial Service Award.

Whitlow, AVP/residential real estate relationship manager, was honored for her work with the organization and the community over the last several years.

"These two awards are OMB's most esteemed honors and there is no one more deserving of this recognition than Barbara," said Lori Drummond, president & CEO of OlyFed.

Whitlow served as chair of the OMB's Tour of Homes, and in 2020 established a virtual event featuring a dozen home sites with a section dedicated to highlighting community partners like South Puget Sound Habitat for Humanity and Homes First.

Whitlow helped establish OlyFed's green lending program and has been instrumental in advocating for affordable housing resources and support.

"I've had the pleasure of working with Barbara my entire career at OlyFed and I've always appreciated her care, concern, and compassion for serving the needs of others," Drummond continued. "Barbara has a heart of gold, which is why she's earned the trust and respect of so many people. She truly embodies the values of OlyFed."

KeyBank Supports Urban Impact with Donation

KeyBank announced in January that it would be supporting Urban Impact with a \$2,500 grant to celebrate Black-owned businesses in the greater Puget Sound area.

Kitsap Bank Announces Employee of the Quarter

In early 2021, Kitsap Bank announced that Jonathan Caum, network administrator II, was named the employee of the quarter for the fourth quarter of 2020.

Caum joined Kitsap Bank in 2017 and was selected for the award by his co-workers who praised him for his outstanding drive, creativity, exceptional teamwork, and eagerness to succeed. His colleagues noted his efforts were critical to the success of launching the Paycheck Protection Program at the bank.

"Jonathan is a valuable employee; his hard work and dedication make him a valuable member of the Kitsap Bank team," stated Jackie McVay, senior vice president, and chief information officer. "We're very pleased to recognize Jonathan's excellent performance with this well-deserved award."



North Cascades Bank Donates to Wellness Place

Early in 2021, North Cascades Bank announced it would be making a \$2,500 donation to Wellness Place in honor of a former employee.

The bank donated in memory of co-worker and friend Jody Steele who died of cancer. Wellness Place offers support and free resources to individuals, families, and caregivers through their cancer journey.



1st Security Bank of Washington Donates to Northwest Life Center Food Bank

In mid-January, 1st Security Bank of Washington's Elma branch donated to the Northwest Life Center House of Prayer Elma Food Bank.

The Center hosts a food bank twice a month for community members in need.

Seattle Bank Partners with College Success Foundation to Support Underserved Students

In early February, Seattle Bank announced a new partnership with College Success Foundation (CSF) to benefit students and families throughout the region.

CSF serves the underserved, including young people from low-income families, foster youth, and first-generation students. Seventy-one percent are students of color.

"We believe that a thriving community needs strong partnerships and collaborations with the business sector," said John Blizzard, president & CEO of Seattle Bank. "When we thought about our community and the impact we wanted to achieve through our corporate citizenship, the obvious choice was to partner with CSF. Helping students with immediate needs worsened by the COVID-19 financial crisis was the first step and supporting the pursuit of their academic dreams is a longer-term investment in both them and our communities."

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The partnership will help with CSF's COVID-19 student support fund, which quickly responds and meets the urgent needs of students and their families with food, housing, transportation assistance, and more. It also will create the Seattle Bank Scholarship, which is a four-year scholarship to help students overcome financial barriers to attending college. The partnership will also launch the Seattle Bank Internship for college juniors interested in business.

"We need more companies like Seattle Bank in our community," said James Dorsey, president & CEO of College Success Foundation. "They diligently considered the challenges our students face along with the talents and resources they could provide and created a holistic partnership to benefit our community in many different ways. We look forward to growing this partnership over time to help improve educational equity for low-income students."

Pacific Crest Savings Bank Hosts Toys for Tots Drive

Over the holiday season, Pacific Crest Savings Bank hosted a donation drive for Toys for Tots, which collects toys during the holidays to give to underserved children.

In 2020, the bank collected more than 60 toys, books, and games for the organization.



HomeStreet Bank Donates Laptops to InterConnection

With most children in Washington still attending school remotely, HomeStreet Bank donated 220 laptops no longer needed to InterConnection, a nonprofit which refurbishes them and distributes them to students in need of new technology.

Along with the laptops, the bank also donated \$1,000 to help with the costs of preparing the laptops for their new owners.

Washington Trust Bank Partners with Brays Coffee for Giveaway

In late January 2021, Washington Trust Bank announced it was partnering with Brays Coffee near the bank's Smokey Point location for a special morning coffee giveaway.

Anyone who stopped by the coffee shop at a certain time was eligible for the giveaway thanks to the bank.

Olympia Federal Savings Announces Employee of the Quarter

Olympia Federal Savings announced that Rebecca Bonneville, loan officer in the Belfair branch, was the bank's employee of the quarter for the end of 2020.

She was selected for her tireless efforts to support the team at the Belfair branch while managing a full portfolio of customer loans and community involvement.

Bonneville is also a board member with the North Mason Chamber of Commerce and chairs the annual Giving Tree event, which provides food and gifts to hundreds of families in need during the holidays.

"Rebecca consistently handles challenging situations and workloads with grace. She never settles for anything less than excellence in her service to our customers and community members," said Lori Drummond, president, and CEO of OlyFed. "Rebecca is incredibly kind and thoughtful and generous in all her actions, demonstrating the tenets of servant leadership in her words and actions."

First Interstate Bank Announces 2020 Giving

First Interstate Bank announced in mid-February giving totals from 2020.

The bank donated \$5 million throughout the year, committing 2 percent of its net income before taxes to charitable giving.

In total, 965 nonprofits were served, and 66 percent of those tackled poverty and served low-to-moderate income individuals.

The bank helped support 23 mini-banks, which were opportunities for children to save through their local school.

Thanks to the bank's volunteer match program, employees volunteered 18,400 hours in 2020 and contributed \$124,000 toward local organizations.



First Financial Northwest Banker Honored by Chamber of Commerce

In late January, the Bothell Kenmore Chamber of Commerce announced that Ryan Mills, retail relationship manager at First Financial Northwest Bank was the ambassador of the year.



Heritage Bank Employees Volunteer at Emergency Food Network

Members of the Heritage Bank team volunteered in early 2021 at Emergency Food Network filling break bags for local families.

These bags are filled with kid-friendly snacks and nutritious

staples for families to make meals and are given to students who normally receive reduced-cost lunch or breakfast during the school day.

The bags also included financial literacy information from Junior Achievement of Washington.

HomeStreet Bank Announces 2020 Giving Totals

In early February, HomeStreet Bank announced its annual giving totals for the previous year.

In 2020, the bank's employees volunteered 7,000 hours with 280 different organizations, and the bank donated \$1 million to 200 charities.

The bank also awarded 45 volunteer grants, given to non-profits where employees volunteer in the bank's footprint.

If you have WBA member news to share, please email Megan Managan at megan@wabankers.com. Submissions are run on a space available basis.

WBA Endorsed Vendor: Harland Clarke

How Banking Digitalization Went From How's It Coming to How Fast Can We Get There?

By Jeffery Hassemer, SVP, Marketing, Harland Clarke



2020 is the year that is unbelievable in every possible way. Recapping it is pointless and redundant. Plus, there's no time. There's no direction to go but forward.

I coach a girls' fastpitch softball team in my spare time. I constantly motivate my players with the classic Billy Sunday quote, "It doesn't matter how well you start if you fail to finish."

I say it often.

So often, they now joyfully complete my rallying cry for me. I'm proud of that. It's now our mantra. It has galvanized our team. And it shows up in our performance on the field, as well as how we're perceived by our competition.

For all of us, whether at work or play, expectations are always high — even when the stakes go up faster than you could turn a bang-bang double play.

On March 13, the game changed for everyone. None more so than for the volatile and emotional financial services industry. But, just knowing it changed isn't enough, especially for an old ball coach like me. I had to know how much and why.

At Harland Clarke, we recently polled banks and credit unions of all sizes and asked them questions about COVID-19's effect on how they conduct business and connect with customers. We received 280 responses.

Digitalization just went from warm to red-hot

Virtually overnight, digitalization went from how's it coming to how fast can we get there? Many institutions regarded digital banking as a low-end, often-overlooked initiative by management.

The need for digitalization was always there. What changed was the transformation timeline, which was drastically accelerated by coronavirus disruption. Many financial institutions saw a huge spike in digital adoption, driving them to adapt and reprioritize their plans. What also changed was the reason for digitalization — the why. Before 2020, digital banking adoption was viewed as a cost-cutting initiative, and not for building a

resilient, innovative business model that mitigates attrition and supports growth.

Whether it's finding toilet paper or depositing a check, consumers are unwilling to accept compromise over access and quality of service. The biggest challenge for institutions was and continues to be servicing difficult transactions digitally. Today's consumer wants an end-to-end digital channel experience that reflects their value to their institution.

Data has a very personal story to tell

Don Draper said it best, "Happiness is the moment before you need more happiness." With consumer fragility at an all-time high, what could be more damaging to your brand than loudly announcing to your customers that you have no idea who they are, where they are in their financial journey, and what they need to be happy?

Our survey revealed many financial institutions are dropping the ball at utilizing data to create personalized customer interactions:

- Only 9% of responders highly personalize offers based on customer data as a best practice
- 40% of responders do not use customer data and analytics to enable personalized offerings and interactions
- 34% of responders use name and address information only

The lack of personalization shows. Accenture® reported 79 percent of customers viewed their relationship with their bank as purely transactional. Impersonal. Detached. Institutional.

And it doesn't have to be that way at all.

The game stakes are raised. Personalization is no longer simply name and address. It's not even in the same zip code. Consumers expect more. Winning in marketing is achieved by breaking down internal communication silos to meet customers exactly where they are in their journey, through every channel, with a consistent, connected and personalized message that lets them know you are there for them when they need you most.

Making change work

I don't have a lot of power hitters in my girls' softball

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ISSUES & ANSWERS

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lineup. We rely on contact, ball placement and speed. Our kryptonite is a muddy infield. So, when an unexpected thunderstorm emerges from a totally clear blue sky, in the middle of a tie game, we need to adapt quickly to an altered playing field. COVID is that unexpected thunderstorm. Working from anywhere is the altered playing field. And now institutions need to create a remote work culture that supports seamless interactions between employees, coworkers and customers and builds business continuity. That's what leaders do.

To the surprise of no one, a remote workforce has put considerable pressure on internal contact centers' ability to handle increased calls and responsibilities.

Top internal contact center challenges:

- 68% said increase in call volume
- 39% reported work-from-home
- 37% said capacity limitations due to social distancing

Contact center staff challenges range from having the tools to obtain and share knowledge broadly, to their inability to physically tap a cube neighbor's shoulder for insight, guidance and advice. It's not just about tech — it's about creating that connected experience for your employees as well as customers.

What's inspiring is how institutions have adapted to sweeping change. Employees have the same needs as customers to feel engaged and connected. The workplace is their community. The crisis has exposed our ability to

interact in new and different ways in a work-from-anywhere world. Virtual water coolers and brown bag lunches, Zoom® calls, Slack® meetings and Teams® calls have become new dictionary entries and part of our everyday language.

By investing in technologies that empower employees to work from anywhere, balancing in-person experiences with remote customer experiences, financial institutions have not only closed the gap in delivering customer service excellence, but also strengthened the bond with their teams. Empowered employees are happier, more prideful and more productive — and it shows up in each and every customer interaction.

Let's keep building a winning culture with an eye toward the post-pandemic world. Investing in digital transformation and transitioning to digitalization as primary business mode should be a priority for every financial institution that wants to compete, build a customer/employee-centric culture and stay relevant.

Jeff Hassemer is senior vice president of marketing at Harland Clarke. He has developed a series of strategic tools that enable product management organizations to rapidly determine high-impact development items that solve crucial business problems. His process covers product inception through go-to-market efforts to include market-led product innovation, customer-first product prioritization, high-growth pricing strategies and sales empowerment.

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One-Size Strategies Don't Fit All Situations: *Customized Overdraft Approach Offers Tailor-Made Solutions*

By Mark Roe, Executive Vice President of National Sales, JFMA

The past year has highlighted the vital role community financial institutions play in helping businesses thrive and consumers maintain their financial well-being. It has also taught us a great deal about the industry's ability to overcome difficult obstacles in order to provide valuable services and advice to keep account holders and employees safe, maintain effective work environments and keep communities up and running.

Throughout all of the uncertainty, community banks have implemented solutions to address both their specific circumstances and their customers' changing financial needs. The ability to recognize evolving conditions and make adjustments along the way reinforces our industry's resiliency and the people who make it work.

There's too much at stake for one-size-fits-all solutions

As we look ahead to 2021, community banks will continue to face operational challenges, increased demands for technology and ongoing performance concerns due to the impact of the coronavirus. Likewise, many consumers will continue to experience uncertainties due to job loss or underemployment that threatens their financial security and increases their need for safe, reasonably priced products and services to address short-term liquidity needs.

With so many unknowns ahead, not implementing tailored solutions to fit your bank's situation—or the needs of your customers—can be costly in terms of operational efficiency, profitability, compliance certainty, and service quality.

Find the perfect fit

For example, a customizable overdraft strategy can improve your overall results—based on your bank's specific operational and performance goals—with the following resources and support:

- Proven program management consulting maps out an effective plan to increase revenue potential, minimize charge-offs, maintain consistent customer communication and achieve continuous program improvement.
- In-depth employee education—that addresses your staffing situation—reinforces consistent program understanding, strengthens employee confidence and improves service quality.
- Reliable compliance expertise—along with periodic updates and advice—reduces regulatory uncertainty and legal risk.
- Fully disclosed, consumer-friendly processes and procedures strengthen customer loyalty.

Build trust with clear, consistent disclosure

At the same time, a fully disclosed solution—supported by effective messaging and transparent processes—empowers customers to better manage their finances. Armed with more information, they are aware of the option to access overdraft coverage for necessary expenses and unexpected purchases when dealing with occasional economic challenges. Plus, the right messaging and communications recommendations provide support to program users in the following ways:

- Initial program explanation introduces customers to the benefits and responsibilities of using the program option.
- Ongoing communication re-educates them regarding how the program works, explains the service's value, describes the difference between available vs. actual balance, and offers other useful information and account management tips.
- Disclosed overdraft limits—that are reviewed periodically for adjustment—fit individual customers' situations and provide valuable peace of mind.
- Periodic account activity notifications address specific circumstances and reinforce your institution's commitment to better service.

Tailor your solution with an eye on planned growth

Financial institutions will continue to experience uncertainties that add stress to staff time and resources. Some of the most common issues include addressing sustainable revenue generation, increased competition, business activity restrictions, the pandemic's ongoing economic impact and changing customer needs.

Utilizing the recommendations and support provided by a professional overdraft consultant to implement and maintain customized program policies and procedures can reduce the burden on your staff. It is also an effective way to boost employee confidence, increase performance, strengthen compliance certainty, provide opportunities to create customer loyalty, and significantly increase your growth potential.

JFMA is one of the most trusted names in the industry. Whether it's recovering lost revenue, uncovering new savings with vendor contract negotiations, creating more value, serving customers better or delivering a 100% compliant overdraft service—JFMA can help you deliver measurable results with proven solutions. To learn more, please contact your local representative or call us at (800) 809-2307.



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