MOTIVATING YOUR STAFF
to
MAXIMIZE BANK PERFORMANCE

2016

ICBA

Community Banking Live

New Orleans, LA

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Motivating Your Staff
to
Maximize Bank Performance

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2. Live your Vision/Mission/Values
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3. Establish career paths
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4. Balance family and work expectations

5. Assess your culture
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6. Measure and reward performance
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SAMPLE
STAKEHOLDERS EXPECTATIONS

A. Remain a viable independent community bank.
B. Live our Vision, Mission and Values.
C. Build a high quality management team.
D. Achieve a strong service/sales culture throughout the organization.
E. Continue to diligently manage credit, market, compliance, reputation, employee and strategy risks.
F. Achieve a combined rule of 30 including capital, ROE and net income growth.
G. Pay dividends only when capital is not needed for growth and expansion.
H. Maintain or achieve market dominance in each market we serve.
I. To stay near the leading edge of technology.
J. Generate positive operating leverage by growing revenues at a faster rate than expenses on a three year rolling basis.
K. Grow net consumer and business DDA accounts at two times the population growth in our market area.
L. Target a non-interest income ratio of at least 35%.

* Most banks only have 8-10 Expectations, this is meant to demonstrate a variety of possible Stockholder Expectations.
VISION

- Create Lasting Relationships Built on Trust and Success
- Achieving Dreams Together
- Happy Employees – Happy Customers
- Where Values Matter!!!
- Your Premier Choice for Financial Solutions
- To Be the Cornerstone of the Community
- Create Positive Experiences

MISSION

To Be The Bank:

Whose CUSTOMERS wouldn’t think of banking anywhere else.
Whose EMPLOYEES are envied by their peers.
Whose SHAREHOLDERS cherish its stock.
Whose VENDORS covet its business.
Whose REGULATORS consider it the industry standard.

Pursuits

- Cultivating excellence by challenging ourselves with courage and confidence.
- Inspiring a fun environment where innovation thrives, mentoring is essential and our journey is celebrated.
- Delivering a legendary experience through our unrivaled service and empowering solutions.
- Vested in our communities’ success with leadership, resources and time.
Team Promises

- **RESPECT** – We will treat every person with dignity and courtesy. We will encourage and praise others for their accomplishments. We will focus on shared vision, not personalities. We will be on time for work, appointments, meetings and commitments.
- **INTEGRITY & HONESTY** – We will do what we say we will do. We will be honest and forthright in all our dealings. Each of us will conduct ourselves in a responsible manner that promotes positive contributions to the company, community and ourselves.
- **CONFIDENTIALITY** – We acknowledge that people share with us very personal and private information. Employees who cannot keep this information confidential will lose their jobs, simple as that.
- **POSITIVE & HELPFUL** – We will be a positive, helpful team. Disparaging remarks about our company or team members will not be tolerated. We will approach our co-workers and our jobs with a positive “can-do” spirit.
- **TEAMWORK** – We are all on this team together. No one sits on the bench. We will always be either learning or teaching. The phrase “that is not my job” should not be used. Once a decision is made, we draw together and support it.
- **PERFORMANCE** – We believe people can and should perform in an extraordinary way. We accept the duty of giving our company and co-workers our best possible efforts. We make and achieve goals.
- **COMMUNICATION** – Everyone has a responsibility to communicate. No idea, thought, information, or concept is of value until it is shared with those who need to know. We may disagree with one another on issues and how to solve problems, but we do so constructively.
- **QUALITY SERVICE** – We will exceed expectations. We will take pride in our work. Customers are attracted to good service. They tell their friends about it. They keep coming back for more. We always want them to come back for more.
- **INNOVATION** – We will seek better, faster, and different ways of doing things every day.
- **THE JOURNEY** – We Pledge to enjoy our time here. We have not just a job, but an opportunity to grow personally and professionally. We will enjoy the company of our associates and our customers, serve them to the best of our ability, and feel good at the end of the day for having done a good job. We will enjoy and engage the journey.
# Sample Career Path

<table>
<thead>
<tr>
<th>Title</th>
<th>Spread and Fee Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Banker</td>
<td>&lt; 250,000</td>
</tr>
<tr>
<td>Business Banking Officer</td>
<td>250 – 500,000</td>
</tr>
<tr>
<td>Sr Business Banking Officer</td>
<td>500 – 750,000</td>
</tr>
<tr>
<td>Vice President Business Banking</td>
<td>750 – 1,000,000</td>
</tr>
<tr>
<td>Sr Vice President Business Banking</td>
<td>1,000,000 &gt;</td>
</tr>
</tbody>
</table>
Staff Survey

1=Unsatisfactory 2=Fair 3=Satisfactory 4=Good 5=Excellent

1. Generally speaking, working at this bank I would rate as: ___

2. The extent to which bank policies and procedures have been clearly defined and communicated is: ___

3. Working conditions, rest rooms, and physical facilities are: ___

4. The extent to which the benefits package meets my needs is: ___

5. My understanding of my benefits package is: ___

6. The extent to which the benefits package meets my needs is: ___

7. Management’s willingness to make corrections and change is: ___

8. I would rate my compensation package as: ___

9. The extent to which I understand the criteria used to determine my rate of pay is: ___

10. The atmosphere in the bank is: ___

11. The extent to which ongoing training programs for employees to participate in has been: ___

12. My understanding of the duties and responsibilities as outlined in my job description is: ___

13. My understanding of what performance standards I am expected to meet is: ___

14. Communication of both bank events and happenings to employees has been: ___

15. The extent to which I am informed ahead of time regarding changes that affect my work is: ___

16. When I do a job well, the recognition I receive is: ___
17. When I make a mistake, the extent to which I receive supervisory constructive criticism is: ___

18. My supervisor’s willingness to listen to my problems and answer my questions is: ___

19. The extent to which I am encouraged by my supervisor to offer suggestions and improvements in work methods is: ___

20. The respect and confidence I have in my supervisor is: ___

21. The extent to which I have the opportunity to use & develop my personal and professional skills is: ___

22. I regard my chances for promotion and increased pay as: ___

23. The level of cooperation among the employees in my department is: ___

24. The bank’s dedication to developing its sales culture is: ___

25. I feel the bank’s performance this past year has been: ___

26. In comparison to our peer banks, our Customer Service is: ___

27. My understanding of the bank’s products and services is: ___

28. The extent to which Customer Service meets our defined expectations is: ___

29. The extent to which management’s actions reflect our bank’s vision is: ___

30. I believe the public’s perception of our bank to be: ___

31. The bank’s dedication to its Mission Statement and Core Values is: ___

32. The extent to which the long-range Strategic Plan is clearly defined and communicated is: ___

33. Have you had a Performance Review with your supervisor this past year?  Yes ___  No ___

34. Have you participated in any additional training this past year? Yes ___  No ___
35. What **additional training** do you want to participate in?

________________________________________________________________
________________________________________________________________
________________________________________________________________

36. What **employee benefits** to you are the most valuable and why?

________________________________________________________________
________________________________________________________________
________________________________________________________________

37. What do you like **best** about working at our bank?

________________________________________________________________
________________________________________________________________
________________________________________________________________

38. What do you like **least** about working at our bank?

________________________________________________________________
________________________________________________________________
________________________________________________________________

39. What are **your suggestions** for improving our bank as a place to work?

________________________________________________________________
________________________________________________________________
________________________________________________________________
# PERFORMANCE GOALS

**NAME:** Jim  
**JOB TITLE:** VP-BUSINESS BANKING  
**DEPARTMENT:** BUSINESS BANKING  
**TIME PERIOD:** 1-1-2013 TO 12-31-2013

## Performance Criteria

<table>
<thead>
<tr>
<th>RESPONSIBILITY</th>
<th>LT</th>
<th>%</th>
<th>TASK</th>
<th>MEASUREMENT</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Result</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending</td>
<td>E3</td>
<td>20%</td>
<td>Loan Volume</td>
<td>Inc. Ave. Outstanding</td>
<td>11%</td>
<td>9%</td>
<td>7%</td>
<td>5%</td>
<td>3%</td>
<td>10%</td>
<td>.80</td>
</tr>
<tr>
<td>E1</td>
<td>15%</td>
<td>Fee Income</td>
<td>Annual Gross Fees</td>
<td>$60,000</td>
<td>$50,000</td>
<td>$40,000</td>
<td>$30,000</td>
<td>$20,000</td>
<td>$10,000</td>
<td>$15,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>E2</td>
<td>15%</td>
<td>Net Interest Margin</td>
<td>Bank-wide</td>
<td>4.40%</td>
<td>4.30%</td>
<td>4.25%</td>
<td>4.20%</td>
<td>4.15%</td>
<td>4.27%</td>
<td>.45</td>
<td></td>
</tr>
<tr>
<td>Loan Quality</td>
<td>E4</td>
<td>7.5%</td>
<td>Classified Loan</td>
<td>Qtr. Ave. Less Than</td>
<td>1.25%</td>
<td>1.50%</td>
<td>1.75%</td>
<td>2.00%</td>
<td>2.25%</td>
<td>1.20%</td>
<td>.37</td>
</tr>
<tr>
<td>E4</td>
<td>7.5%</td>
<td>Charge Offs</td>
<td>Annual Less Than</td>
<td>0.20%</td>
<td>0.25%</td>
<td>0.30%</td>
<td>0.35%</td>
<td>0.40%</td>
<td>.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Development</td>
<td>E1</td>
<td>5%</td>
<td>Business DDA’s</td>
<td>Annual Net Gain</td>
<td>10%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
<td>7%</td>
<td>.15</td>
</tr>
<tr>
<td>E2</td>
<td>5%</td>
<td>ACH New Accts</td>
<td>Annual</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>.25</td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td>5%</td>
<td>Trust New Accts</td>
<td>Annual</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>.15</td>
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</tr>
<tr>
<td>E4</td>
<td>5%</td>
<td>Ins New Accts</td>
<td>Annual</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>.05</td>
<td></td>
</tr>
<tr>
<td>Mission/Values</td>
<td></td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.60</td>
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<tr>
<td>COMPOSITE RATING</td>
<td></td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.57</td>
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</table>

<table>
<thead>
<tr>
<th>Performance Measurement</th>
<th>Bonus</th>
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</thead>
<tbody>
<tr>
<td>5-Outstanding</td>
<td>3.00 – 3.25</td>
</tr>
<tr>
<td>4-Exceeds Expectations</td>
<td>3.26 – 3.50</td>
</tr>
<tr>
<td>3-Meets Expectations</td>
<td>3.51 – 3.75</td>
</tr>
<tr>
<td>2-Improvement Needed</td>
<td>3.76 - 4.00</td>
</tr>
<tr>
<td>1- Unsatisfactory</td>
<td>4.01 – 4.25</td>
</tr>
<tr>
<td></td>
<td>4.26 – 4.50</td>
</tr>
<tr>
<td></td>
<td>4.51 – 4.75</td>
</tr>
</tbody>
</table>

**SMART:** Specific Measurable Attainable Relevant Trackable

**Review the Position Description, if needed.**

This performance plan may be modified or changed at anytime at the discretion of the Manager or CEO.