ADDRESS OF M. MONROE KIMBREL

Vice President of The American Bankers Association, before the Annual Convention of the Michigan Bankers Association, Grand Hotel, Mackinac Island, Friday Morning, June 22, 1962. Mr. Kimbrel is chairman of the board of the First National Bank in Thomson, Georgia.

Unless your bank is different from most banks in the country, you are facing a profit squeeze. Costs are climbing—in many cases faster than profits. Bankers all over the country are experiencing this squeeze. In my travels during the past several months, I have heard this topic discussed many times. Bankers are getting out the microscopes and sharpening their pencils to try to cut costs wherever possible. I am sure that many of you have found ways to trim a little here and a little there.

But in your efforts to cut costs, I hope you are taking a long-range look at the problem. I have heard a few bankers suggest the possibility of eliminating their public relations departments.

I believe this is shortsighted because when you stop and analyze it, you realize that, although you can eliminate the public relations department, you can't eliminate your public relations. Banks had public relations long before they had any formal public relations programs.

To illustrate this point, let's suppose the XYZ bank decides tomorrow to eliminate its public relations department. Suppose the bank is robbed the day after the department is eliminated. The newspapers would still find a way of getting the story. It might not be accurate, but they would have their story.

Suppose the bank had to reduce its dividend for some reason. The stockholders would still demand an explanation from someone in the bank.

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If the XYZ bank elected a new president, it could not be kept secret. The news would sooner or later spread.

What would the bank do if it changed its services in some way without notifying its customers? The customers would try to find out from someone in the bank.

As you can see, it is impossible to eliminate public relations. By eliminating the department, a bank would simply be spreading the work around. It is like the saying about the boy and the country. You can take the organization out of your public relations, but you can't take the public relations out of your organization.

Now I am not an expert on public relations, and I wouldn't presume to say how another bank's public relations operations should be organized. But I don't think it takes an expert to realize that a good public relations program must be organized. It must be centered in one unit. It must be the responsibility of an individual--either full or part time. Everyone in your bank should know how your PR operation is organized. What's more important, the media people--newspaper editors, TV newscasters, magazine editors--should know who is in charge of your PR.

This probably sounds rather elementary, and many of you might wonder why I even mention it. The answer is this: recently Lee C. Erhard, vice president in charge of public relations for the Fourth National Bank of Tulsa, conducted a survey of newspapermen to find out what they thought of bankers and bank public relations. The most frequent recommendation was that one person should be designated specifically to handle public relations. At least 50 per cent of the newspapermen who took part in the survey placed this recommendation at the top of their list for better cooperation.
One of the reasons I decided to use these few minutes to discuss public relations is that the banking Centennial celebration next year will give us all a chance to capitalize on a nationwide public relations program.

The film we just saw—with that star-studded cast—gives you an idea of some of the projects that are being considered for the Centennial year. But these ideas will not be effective, nor will the Centennial observance have much impact unless we take full advantage of it. This means that each and every bank in the country is going to have to plan and organize its own public relations programs to tie in with the backdrop of national publicity and national advertising.

This will take a lot of work, and it will require time. For example, as we saw in the film, President Kennedy is expected to participate in a reenactment of the signing of the National Currency Act. When your local newspapers hear about this, their first inclination, in most cases, will be to try to find a local angle to the story. They will want to know something about the history of your bank. Do you have a history in writing? This is not the type of project that can be done at the last minute. What if the editors want pictures from the early days of your bank? Are they available?

What if the local schools want to find out more about the history of banking in conjunction with the Centennial? Will you have any information for them? Will you have booklets? Will you have people qualified to discuss the history of banking's role in the development of your community and state?

In addition to the hard-cover book on the history of banking by Dr. Trescott, which is being done on a grant from the Centennial Commission, the A.B.A.'s Centennial Commission is also having a smaller booklet on the history of banking produced for mass distribution. The Commission is also preparing a 16mm color film on banking which can be purchased or rented by banks.

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In addition to the booklets and film being prepared specially for the Centennial, there are numerous films and booklets about banking that are available now. If you have not used any of these before, you might start to look at what is available so you can use them to supplement the Centennial materials.

Will your Centennial celebration include an open house program? Those of you who have held open house in the past know that this takes considerable planning—and unless there is sound planning, the idea had better be dropped in the beginning.

In a few months it will be annual report time again. Are you going to take advantage of this medium to tell some of the Centennial story to your stockholders?

What means do you use to communicate with your employees? They should know as much as possible about the Centennial and your plans to celebrate it well in advance of any events. If you have an employee publication, is the editor working on background material now?

Are you going to have any window displays during the Centennial year? They require planning and time to construct. If you are going to use coin displays, the coins will have to be collected.

These are just a few of the many ways that your bank can participate in the celebration of the Centennial. The Centennial Commission plans to distribute a whole kit of ideas—these and many others—for you to consider.

All of these programs will require well organized plans. They cannot be undertaken on the spur of the moment. The starting point for the whole celebration, as far as each of our banks is concerned, is to sit down and map out plans on just what we want to do. Then definite assignments should be made

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all the way down the line. Since time is a big factor, deadlines should be set for all assignments—many people don’t realize the amount of work involved in organizing a special project. The important thing is to start now.

I didn’t mean to spend quite so much time on the Centennial, but it seemed to fit very nicely into a discussion of the need for organized public relations functions.

There has been quite a bit written and said in the past few years about public relations in banking. I think at times bankers have been too willing to criticize themselves in this area. Personally I think banking PR has come a long way in a short time. In the past 15 years or so, it seems to me, the complete outlook of banking has changed. This can be seen in bank advertising, bank architecture, bank services, and just about any other aspect of banking that you might consider.

Our tendency to be overcritical stems from several sources. One is that we at times expect too much from the public relations aspect of an activity and do not spend enough time developing the activity itself.

For example, a man came into my bank a few weeks ago and asked to speak to the person who wrote the easy loan ad. To my way of thinking it would be better to have no promotional activities than to have those that do not stand up in practice. In other words, if the actions of a bank are good public relations, the public relations program will be good in spite of the quality of the public relations personnel. If the actions of a bank are not good public relations, the best PR man in the world will not convince anyone that they are good.

You know as well as I do that the best way to have good stockholder relations is to pay a good dividend and do everything possible to maintain

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or increase the value of the stock. If the dividends are considered good, no one will criticize a quarterly or annual report that is short on style. But if the dividends are low, the best annual report in the world will not improve your stockholder relations.

If you tell people that your bank is a friendly bank and the tellers or telephone operators are rude or impolite or just plain unfriendly, the customers then begin to question everything you say. But on the other hand, if your tellers, loan officers, and other staff members are friendly, you don't have to spend a lot of money and effort convincing customers about it; they will know.

One of the most important steps we in banking can take to improve our relations with the public is to increase the training and indoctrination of employees. I don't mean just for new employees or employees who are transferred from one job to another. I mean continued training for those who are on the firing line.

This idea was suggested to me by an official of a large soap company. He pointed out that they have control laboratories that check the quality of the product from the time the raw material comes in until it leaves the plant. This is done to make sure that the product meets the high standards set by the company. Now we in banking are not selling a product which we can check and control, but we are selling services that we can control and we can find out if our training programs are effective.

I often wondered how telephone companies were so effective in training telephone operators to be courteous. I asked a telephone company official about it one time, and he said they maintain courtesy through controls.
I asked him to explain, and he said when new girls are hired they are given a training program. But once the girl is working on a regular job as an operator, she gets additional instruction from a supervisor who monitors the calls the girl handles. If the call is complicated or the girl needs additional information, the supervisor can take over. The supervisor then has a chance to review a call with the trainee and explain how she should have handled it. After a while the supervisor doesn't monitor every call, but she can listen in whenever she wants to or whenever the trainee has a problem.

This is control at the customer contact level. It would be hard to practice at the tellers' windows; but the more of it we could do, the better our service would be.

We do exercise this type of control with young officers when we are giving them new accounts. Invariably the new officer goes with an older officer on the first few calls. When an important customer comes into the bank, a new officer might sit in on a meeting with the older officer. But at the teller's window we seem to take too much for granted. We quickly train tellers and show them the fundamentals, and then they are on their own. Yet customers at the teller's window feel they are just as important as any other customer—and they are.

Have you ever talked to your customers about the service of your tellers? Have you been behind the tellers' windows recently to see how things are going? Do you have any kind of refresher courses for your tellers to show them new services or new operational procedures?

I have purposely emphasized the importance of tellers because I think they can be one of the most effective links in a good public relations program. Customers every day talk to tellers who don't know the bank has a public relations department. As far as many customers are concerned, the teller represents the bank.
I think many banks today are starting to realize this, and they are paying a lot more attention to tellers than they ever did before. Some banks have rewritten job descriptions for tellers putting more emphasis on customer relations, new business, and courtesy. With these factors part of the job requirement—with a direct relation to pay increases—the teller is given the necessary incentive.

Similar approaches could be taken in many other operations that include direct dealings with the public.

What I have been attempting to point out is that good public relations is a profit-making activity. It is not a bothersome expense item that should be kept at a bare minimum. Good public relations starts at the top and permeates the whole bank.

When the activities of the bank are in the public interest, the public relations department can do much to explain the bank's story to the public. Such activities create the demand for a public relations department. Lack of such actions makes a public relations department superfluous.

I have not really scratched the surface on public relations, but several points seem obvious: First, public relations is a functional necessity for every bank. Second, public relations is not a gimmick that will make banks appear to be what they are not. Third, and most important is the point I have mentioned earlier: Public Relations is not an end in itself. Our primary concern should be to do a good job of banking. The better we do, the better our public relations will be.