

# MID-CONTINENT BANKER

(ISSN 0026-296X)

The Financial Magazine of the Mississippi Valley & Southwest

APRIL, 1982

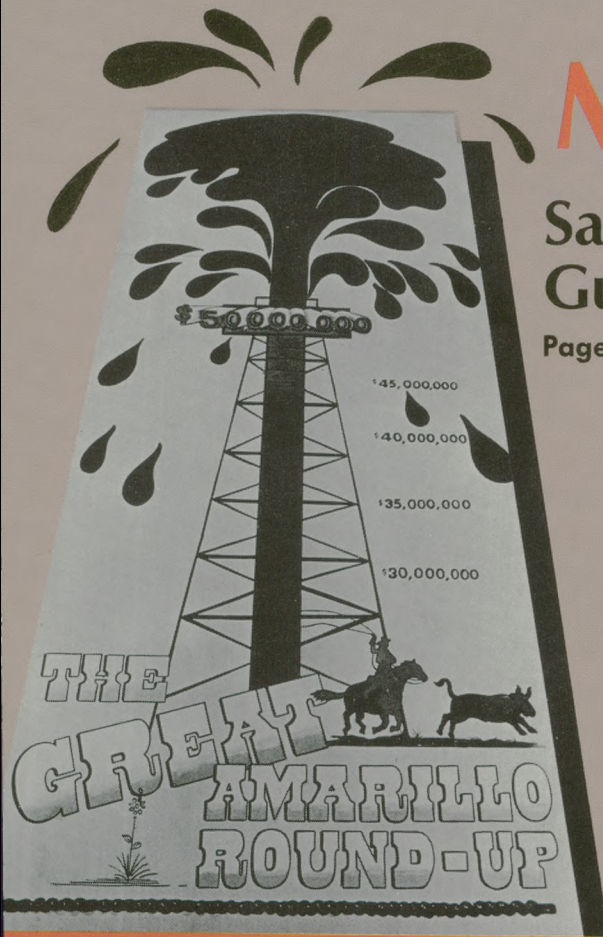
## Marketing Issue

### Sales-Incentive Program Gushes Deposits

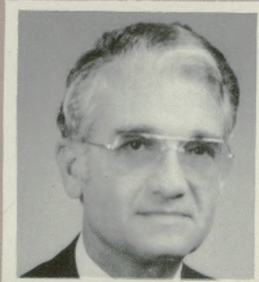
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### Making Small Fry Deposit Conscious

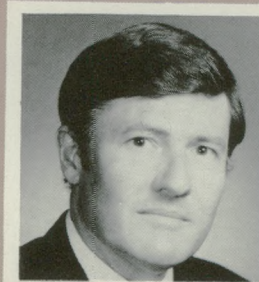
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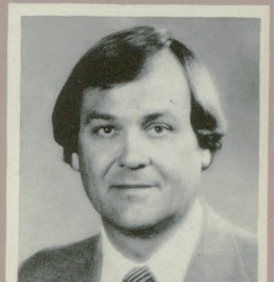
Clarence Turnipseed  
Alabama BA Pres.



Dan B. Andrews  
Tennessee BA Pres.



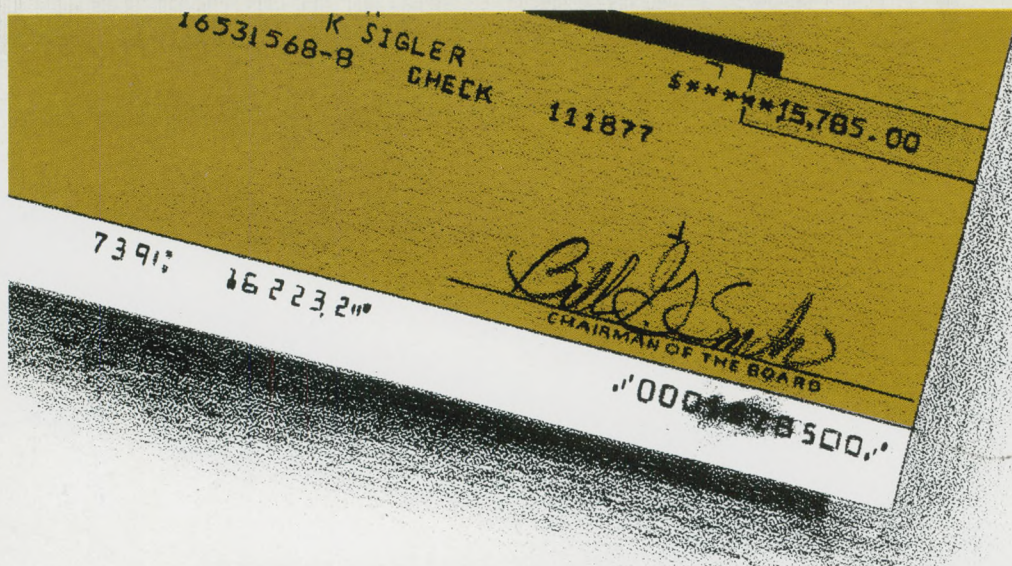
Robert G. Greer  
Texas BA Pres.



William H. Crawford  
Oklahoma BA Pres.

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## How much can a smudge cost you?

Reduce collection-slowing item-rejects with Liberty's free one-hour seminar.

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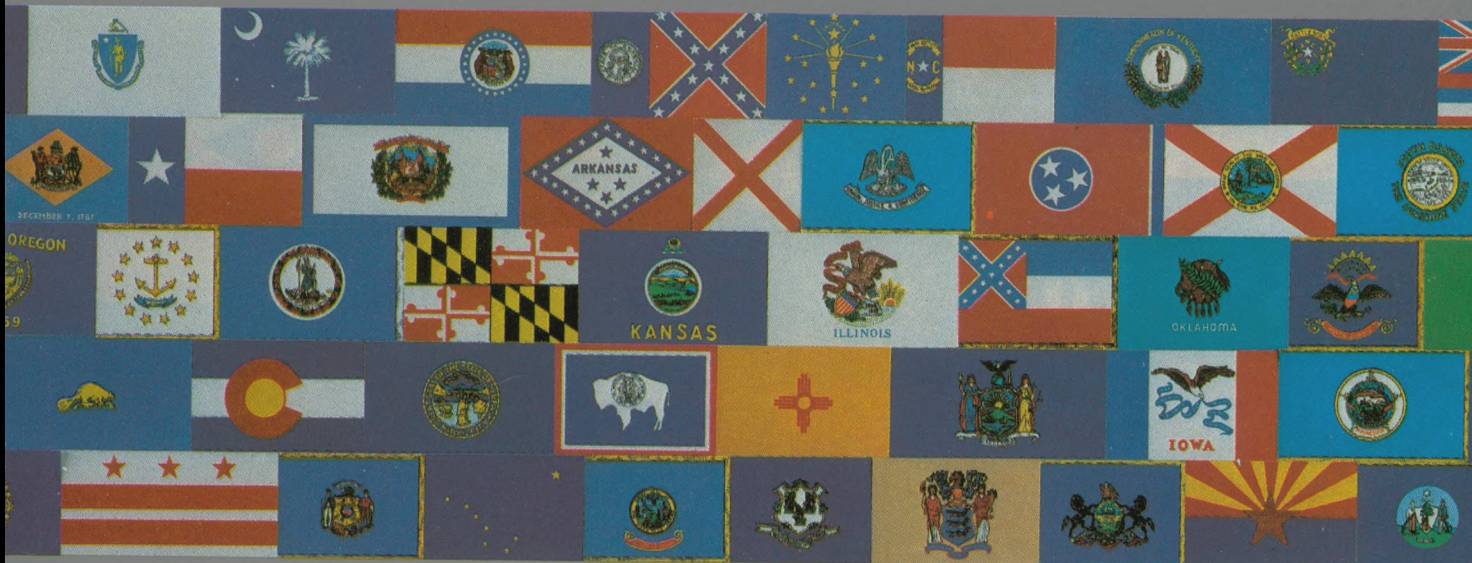


Pati White, seminar leader



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# US Bank of Nashville

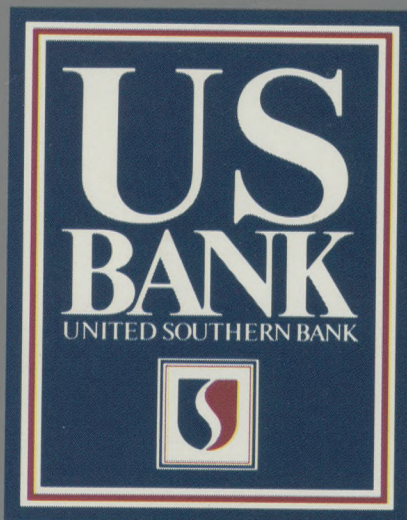
The same bank. Only better.

**W**e've changed our name, our colors and our logo. But, we haven't changed our determination to provide the best and most comprehensive correspondent services.

US Bank of Nashville keeps the flags flying for over 350 independent, community banks in nine states—Alabama, Florida, Georgia, Illinois, Kentucky, Louisiana, Mississippi, Tennessee and South Carolina. And we're committed to providing even better service in the future.

US Bank of Nashville provides a range of comprehensive services: a complete audit program, data processing, portfolio analysis, information on legal matters and governmental regulations, a regular weekly update on the financial markets and rates, marketing aids, seminars on important topics, and more. The wide range of services allows us to tailor correspondent programs to fit the specific needs of individual banks and the communities they serve.

US Bank of Nashville firmly believes that independent, community banks can continue to be the foundation of America's financial future. Our commitment to correspondent services is an investment in that future.



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# The Beginning.



**This 1958 building doesn't look or act its age.**

Inside and out, both the form and function of this bank were recently updated by Bank Building Corporation.

Decades of success and growth had committed Citizens National Bank to their established location, and they'd outgrown their building in the process. Total redesign was needed. Both inside and outside wall surfaces were removed and replaced. Floor area was doubled. In the process of becoming a more use-filled building, the new Citizens has made a strong visual impact on its community.

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budget and on time, with minimum inconvenience to customers and employees. Which comes with practice: since 1913, Bank Building Corporation has completed over 8000 projects—many of them remodeling assignments.

We know that some older buildings are right for remodeling, while others are not. And we've learned to know the differences between them.

Before your need to remodel or build becomes acute, please call Tom Spalding at 314/647-3800. Let's become acquainted and share more information.

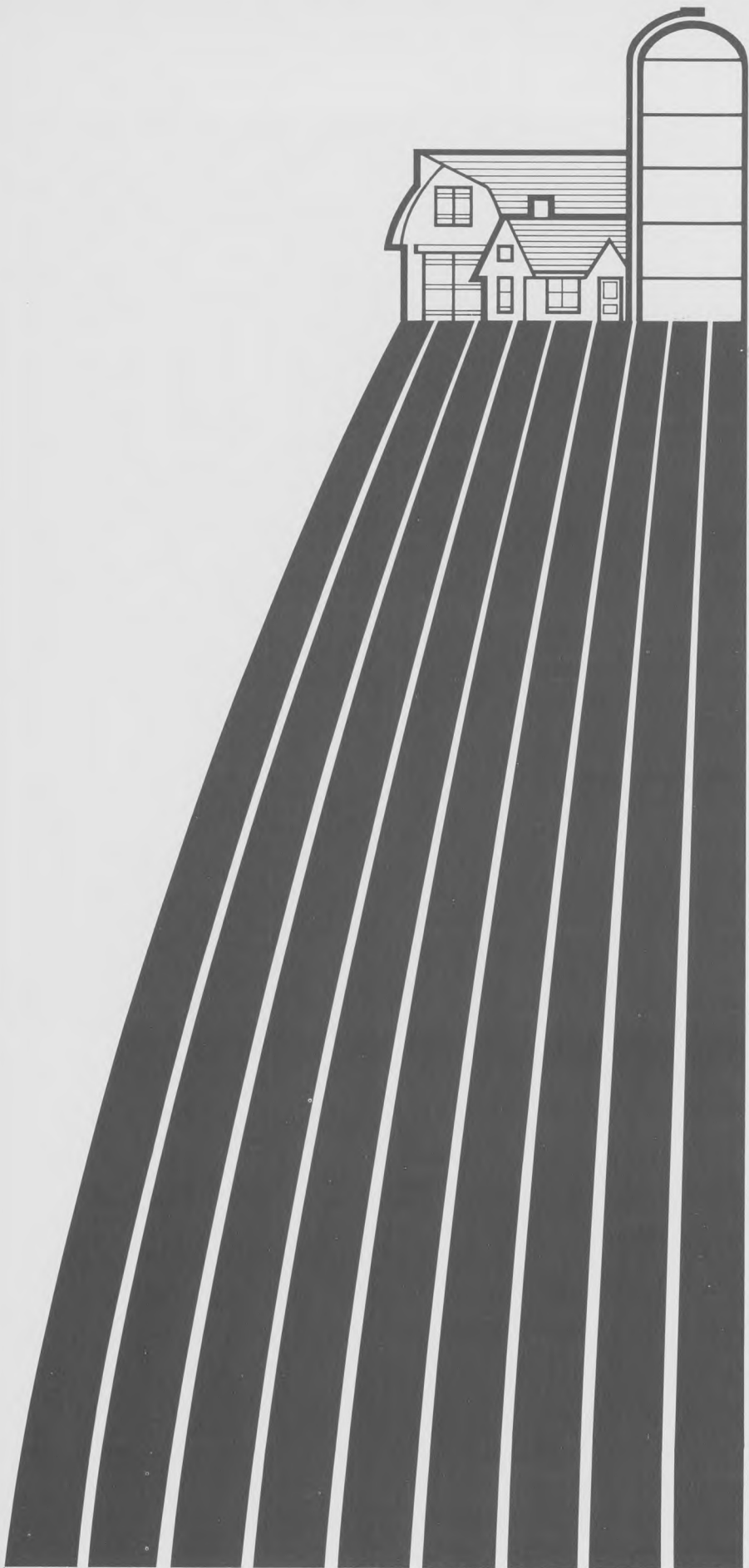
Ask us to show you a new beginning or two.

**Bank Building  
Corporation**



1130 Hampton Avenue  
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Performance According to Plan.



**When your  
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customers  
need  
additional  
help.  
We make  
things grow.**

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We've been lending money to farmers and the agricultural community for years and years. As a matter of fact, we have two officers who do nothing else.

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Charter Bank  
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MID-CONTINENT BANKER for April, 1982

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## New Orleans banking tradition is at work throughout the Gulf South.

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If your money market needs go beyond routine Federal Funds transactions, we also specialize in

the purchase and sale of various money market instruments and provide automated bond portfolio services to help you manage your bank's investment securities.

Years ago, our ancestors brought to you the most modern correspondent services of their time. Today, we have the same commitment to service, supported by modern banking methods and technology, because at First NBC, Correspondent Banking is more than just a line of business—it's a tradition.



### First NBC

**New Orleans banking tradition**

210 Baronne Street, New Orleans, Louisiana 70112. Phone 1-800-462-9511 in Louisiana or 1-800-535-9601 from Mississippi, Alabama, Arkansas, Oklahoma and East Texas. Outside these areas, call collect 504-561-1371. Member FDIC

MID-CONTINENT BANKER for April, 1982

# Take the risk out of Home Improvement Lending with Insured Credit Services.

Without question, there is significantly more risk involved in lending today than ever before. Even the best lender can incur a loss when a stable borrower suddenly becomes a victim of unemployment, divorce, disablement, or bankruptcy.

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Insured Credit Services, Inc. is a wholly owned subsidiary of Old Republic International Corporation, the nation's largest provider of consumer credit insurance coverages. If you want to take the risk out of home improvement lending and feel more secure about aggressively pursuing this profitable market, please contact:

William F. Schumann, President, Insured Credit Services, Inc.: 307 North Michigan Avenue; Chicago, Illinois 60601; (312) 621-9400.



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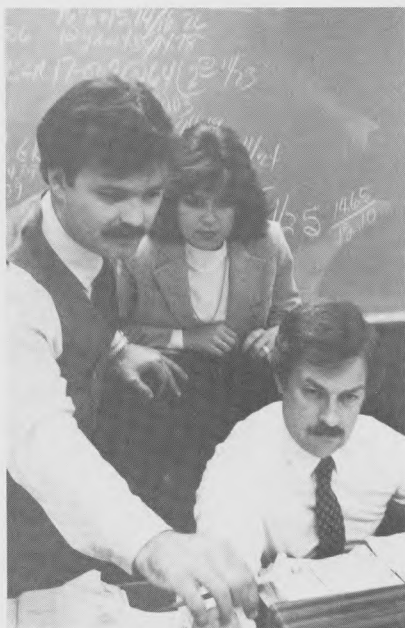


# Is now the time to stay "short"?

Westcap wishes there were an easy answer to the question—regretfully there isn't one!

Conventional wisdom says "stay short whenever conditions of uncertainty exist". You can get burned but only for a short time! On the other hand, staying short at the wrong time can cause loss of profit and an unbalanced portfolio. The dilemma becomes more difficult as margins between returns on assets and liabilities narrow.

Without strong indications of a direction in interest rates, your asset/liability management must become more tightly tuned, and each individual situation assessed more critically. Investment decisions will depend less on market direction information and more on



Knowing when to stay short requires sound judgment of market trends and how they may affect your individual portfolio performance. Left to right, Ken Ward, Nancy Lipper and James (Alex) Alexander are typical of the Westcap people who can assist you in making those difficult decisions.

personalized judgments of your specific portfolio requirements.

## Invaluable assistance

The assistance of a knowledgeable securities dealer during these times can be invaluable. This becomes clearer as you appraise your future needs and try to anticipate changes in the yield curve.

*In a rising or falling, but orderly, market, adjustments on either side of the ledger normally bring increased profits. You can more easily determine your affordable risk and adjust maturities accordingly.*

This strategy becomes less appealing in today's volatile market. Maintaining the proper reserve requirements while balancing future liabilities and asset maturities becomes more delicate and difficult.

New tax situations, unpredictable competition from all sides, narrower margins, less loyal depositors, loan shoppers, government regulators...the list grows everyday of pitfalls to your profit performance.

*The past two years saw a remarkable change in your investment thinking. Almost everyone is now under water with long term commitments. The alert bank will minimize these losses with astute attention to current choices within the widened, more complex, and more rapidly changing investment world.*

Now, more than ever, you need professional assistance in portfolio management.

*Westcap can supply that professional touch.*

## Instant communication

Our account people add experienced brainpower and constant

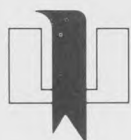
market evaluation to your own portfolio management team. Our traders physically sit on the same floor as our account executives. Changes in the market are communicated instantly to your representative. Split second reaction to opportunities that fit your individual situation is not only possible, but routine on the Westcap trading floor.

Anybody can sell securities! At Westcap, we do it a little closer to our customers. They appreciate the difference.

## Should I stay short?

*(A checklist of considerations)*

1. How profitable is my institution?  
—how much more could it be?
2. Are my maturity schedules properly balanced?
3. Which way will interest rates move?  
—how far and when?
4. What are my reserve requirements?  
—how liquid must I be in future time frames?
5. Do I have "hot money"?
6. What is my loan demand expectation?  
—short, medium and long term.
7. Is my deposit base predictable?
8. How will the new tax laws affect my investment strategy?
9. Can I rely on my securities account executive for up-to-the-minute advice?



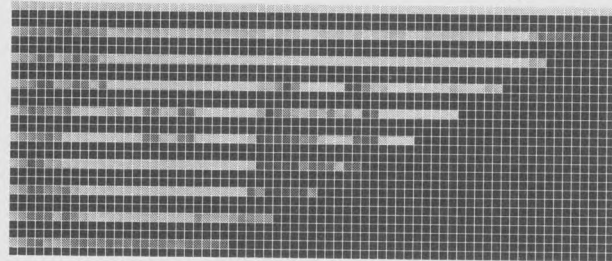
The Westcap Corporation

1300 Main Street/Houston, Texas 77002/713:651-1111

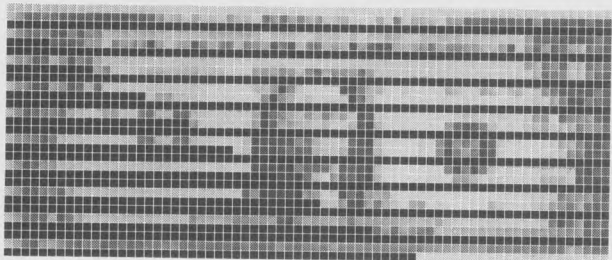


# Surefire wire.

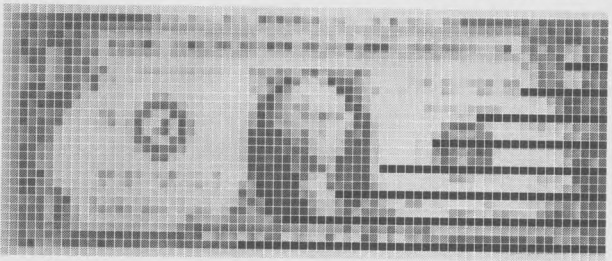
Money management. It's a matter of transferring the right amount to the right account at the right time. It's one of the things we do best at Commerce Bank.



The money management specialists at Commerce deal in a large volume of transfers averaging about one billion dollars a day. We have handled as many as one thousand transfers in a single day.



In a business where millions of dollars change hands each hour, you can't afford a bank that makes mistakes. In some cases we'll follow a wire transfer up with a phone call to make sure that funds have been deposited to the proper account. And, if there is a problem, it is resolved quickly, usually within the same business day.



Fast, accurate service from friendly professionals.

We think it's the surefire way to keep our correspondents happy.

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of Kansas City<sup>NA</sup> MEMBER FDIC

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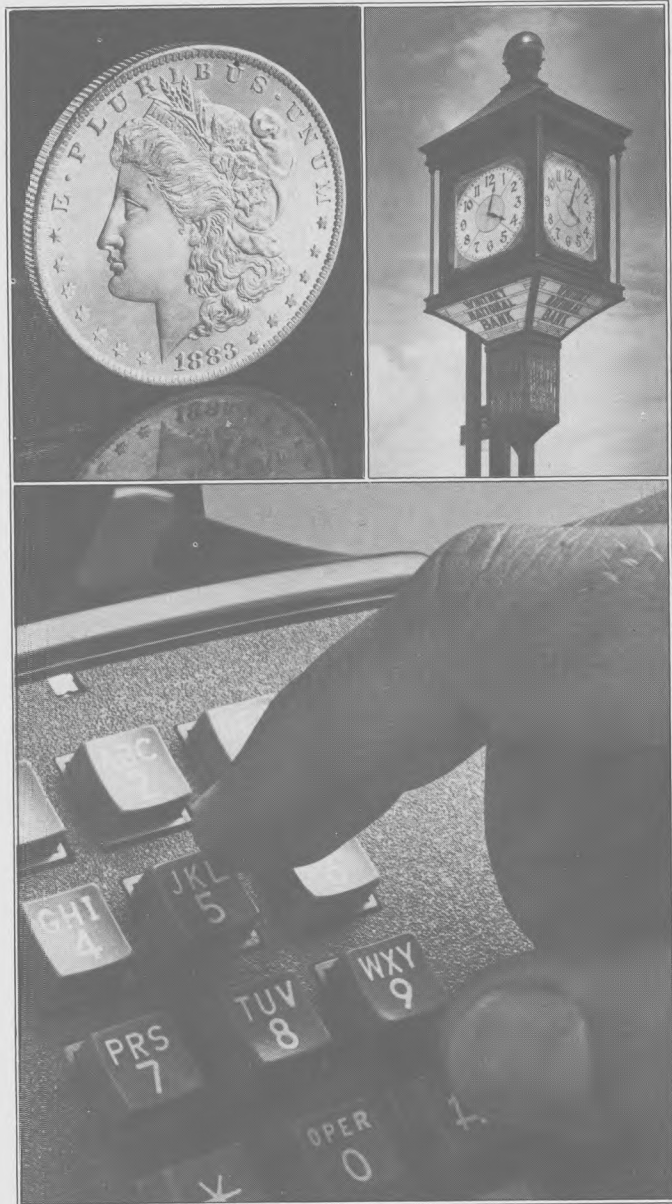
## 99 years of continuous service . . .

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# Whitney

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A GREAT BANK FOR A GREAT CITY



# HARRIS BANKCORP, INC.

## Consolidated Statement of Condition

### ASSETS

December 31, 1981  
(in thousands)

Cash and Due from Banks .....	\$ 830,061
Interest-Bearing Deposits at Banks .....	1,065,286
Investment Securities .....	539,822
Trading Account Securities .....	330,598
Federal Funds Sold and Securities Purchased under Agreement to Resell .....	197,375
Loans, net of unearned income .....	3,953,281
Allowance for Possible Loan Losses .....	(30,927)
Direct Lease Financing .....	44,110
Bank Premises and Equipment .....	94,720
Customers' Liability on Acceptances .....	281,725
Other Assets .....	181,978
Total Assets .....	<u>\$7,488,029</u>

### LIABILITIES

Demand Deposits .....	\$1,537,955
Savings Deposits and Certificates .....	831,228
Other Time Deposits .....	1,129,985
Deposits in Foreign Offices .....	1,075,312
Total Deposits .....	<u>4,574,480</u>
Federal Funds Purchased and Other Short- Term Borrowings .....	1,856,989
Commercial Paper Outstanding .....	150,041
Acceptances Outstanding .....	281,855
Accrued Interest, Taxes and Other Expenses .....	112,581
5% Convertible Capital Notes Due 1993 .....	1,095
Other Liabilities .....	151,081
Total Liabilities .....	<u>\$7,128,122</u>

### STOCKHOLDERS' EQUITY

Preferred Stock (No Par Value); Authorized 1,000,000 Shares; Issued None	
Common Stock (\$8 Par Value); Authorized 10,000,000, Issued 7,046,560 and Outstanding 6,586,235 Shares ..	56,372
Surplus .....	77,525
Retained Earnings .....	239,567
Less: Treasury Stock—460,325 Shares at Cost .....	(12,718)
Restricted Stock-Performance Incentive Plan ...	(839)
Total Stockholders' Equity .....	<u>359,907</u>
Total Liabilities and Stockholders' Equity .....	<u>\$7,488,029</u>

### DIRECTORS

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# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

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April, 1982

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## Convention Calendar

- April 18-20: Conference of State Bank Supervisors Annual Convention, New Orleans, Fairmont Hotel.
- April 18-20: Consumer Bankers Association Central/Western States Regional Meeting, Lexington, Ky., Lexington Marriott.
- April 18-21: Bank Marketing Association Video Communications/Training Workshop, St. Louis, Marriott Pavilion Hotel.
- April 18-21: Bank Marketing Association Marketing Research Conference, Atlanta, Colony Square.
- April 18-23: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.
- May 2-5: Bank Marketing Association Public Relations/Communications Conference, New Orleans, Fairmont Hotel.
- May 2-6: Alabama Bankers Association Annual Convention, Lake Buena Vista, Fla., Disney World, Contemporary Hotel.
- May 2-13: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- May 3-6: Annual Premium Incentive Show, New York City, Coliseum.
- May 9-12: Oklahoma Bankers Association Annual Convention, Oklahoma City, Sheraton-Century Center.
- May 9-12: Tennessee Bankers Association Annual Convention, Atlanta, Peachtree Plaza Hotel.
- May 11-14: ABA Northern Regional Bank Card Conference, Chicago, Hyatt Regency Chicago.
- May 12-14: Association of Bank Holding Companies Annual Meeting, San Antonio, Tex., Hyatt Regency.
- May 13-15: Missouri Bankers Association Annual Convention, St. Louis, Stouffer's Riverfront Inn.
- May 13-15: Texas Bankers Association Annual Convention, Dallas, Loew's Anatole Hotel.
- May 15-18: Arkansas Bankers Association Annual Convention, Hot Springs, Arlington Hotel.
- May 16-18: Bank Administration Institute Bank Tax Conference, New Orleans.
- May 16-19: ABA National Conference on Real Estate Finance, Washington, D. C., Capital Hilton.
- May 16-19: Bank Marketing Association Corporate Marketing Conference, Tarpon Springs, Fla., Innisbrook Resort.
- May 17-18: ABA Insurance Industry Conference, Washington, D. C., Washington Marriott.
- May 17-19: Bank Administration Institute Bank Tax Conference, New Orleans, New Orleans Hilton.
- May 19-21: Kansas Bankers Association Annual Convention, Wichita, Wichita Royale Hotel.
- May 20-23: Mississippi Bankers Association Annual Convention, Biloxi, Broadwater Beach/Biloxi Hilton Hotels.
- May 23-26: ABA National Marketing Conference, San Francisco, Hyatt Regency Hotel.
- May 23-28: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.
- May 23-28: Bank Marketing Association Essentials of Bank Marketing School, Boulder, Colo., University of Colorado.
- May 23-June 4: Bank Marketing Association School of Bank Marketing, Boulder, Colo., University of Colorado.
- May 29-June 3: AIB Leaders Conference, Dallas, Hyatt Regency Dallas.
- May 30-June 4: Independent Bankers Association of America Bank Executive Development Seminar, Little Rock, University of Arkansas.
- June 2-4: Association for Modern Banking in Illinois Annual Convention, Bloomingdale, Indian Lakes Resort.
- June 6-8: Illinois Bankers Association Annual Convention, Stouffer's Riverfront Towers, St. Louis.
- June 6-9: Bank Administration Institute Strategic Planning Conference, Chicago, Chicago Hyatt.
- June 6-11: Louisiana Banking School for Supervisory Training, Baton Rouge, Louisiana State University.
- June 6-18: Stonier Graduate School of Banking, New Brunswick, N. J., Rutgers University.
- June 7-10: ABA Risk and Insurance Management in Banking Seminar, Philadelphia, Bellevue Stratford.
- June 10-12: New Mexico Bankers Association Annual Convention, Albuquerque, Four Seasons Motor Inn.

MID-CONTINENT BANKER for April, 1982

# Does your correspondent banker handle each loan request personally?



## Ours do — start to finish.

How many times have you heard this? "Sorry, I'll have to refer you to our loan committee. Nothing personal, mind you."

Mercantile decided long ago our correspondent banks shouldn't have to put up with that. So we gave our account officers the authority to approve loans.

We found it saves a lot of running around and wasted time. Especially for you.

Not just on commercial loans, either. Each officer also takes care of personal and agricultural loans, plus loans for bank stock and mergers and acquisitions. He'll even help you form a syndicate, if needed.

As you might expect, this places a big responsibility on the shoulders of our account officers. So we try to make sure they stay at top form. Each officer attends seminars on credit and finance to keep him up-to-date on the latest trends.

Furthermore, each officer has 1600 Mercantile people backing him up all the way. But he knows the full responsibility for your satisfaction falls squarely on his shoulders.

So why not call a Mercantile Banker today? He's one guy who won't pass you on to some committee.

**We're with you.**

**MERCANTILE  
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Correspondent Banking Division  
Mercantile Trust Company N.A.  
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**MID-CONTINENT BANKER for April, 1982**

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## Approach 'Bail-Outs' With Caution

WASHINGTON is a city haunted by memories. In defense and foreign policies, decision-makers in the Administration and in Congress step carefully around situations that bear any resemblance to U. S. involvement in Vietnam. Similarly, when unethical action involving public officials surfaces here, the media — a part of the Washington establishment — inevitably compare it to Watergate. In the same way, whenever there is a suggestion that the government channel financial aid to ailing businesses, visions of what became known as the Chrysler "bail-out" suddenly appear.

The last episode being recent, politicians with one eye on the mood of the country and the other on their upcoming election campaigns might be expected to shun requests for such aid. At present, however, that is not exactly the case.

The latest petitioner, the specialized thrift industry, traditionally has been a favored cause in Washington, in part because home ownership is viewed in some circles as a wonderful way to keep the voting public occupied with something other than politics while, at the same time, giving people a stake in the system. Less philosophically, the political heat that can be generated by specialized thrifts and affiliated industries, such as home building, can singe eyebrows and sideburns all over town. Thus, politicians are inclined to lend at least a sympathetic ear to problems of specialized thrifts.

At the same time, however, their freedom to act in behalf of specialized thrifts is severely constrained by other political pressures — pressures on the government's pockets.

Those pressures arise from an historic effort by the government to reduce the portion of the nation's income it preempts. By necessity, this effort includes reductions in social-welfare programs, such as food stamps and educational support.

*Editor's Note: This column was prepared by the ABA's public relations division.*

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**Explicit, limited duration is an important point. Once any aid is signed into law, politicians will come under terrific pressures to extend it, perhaps indefinitely. Thus, any aid should be limited to a certain time period and not become institutionalized.**

---

Opposition to this effort is running strong, especially from groups resisting cuts in social-welfare programs. Politicians realize there is a risk that any financial aid they channel to thrifts will be painted by others as sustenance literally squeezed out of the poor, helpless and elderly just to nourish faceless financial institutions.

Fortunately for politicians, aid for specialized thrifts can be tied to a wider program for stimulating hous-

ing. This strategic maneuver would outflank the critics by making any opposition appear unsympathetic to the public's needs. It would take quite a political light-and-sound show to carry off the combination, but as crises in the housing and thrift industries grow, the likelihood of governmental action increases. In anticipation of this probable outcome, there has been no shortage of suggestions on how politicians should proceed to aid specialized thrifts.

The most straightforward approach is a plan for the federal government to "warehouse" low-yielding mortgage loans. While holding the mortgages temporarily, the government would pay original holders market or near-market rates. In theory, when the economy rights itself, the mortgages would be exchanged again.

Another, theoretically less costly, approach would be to have the government issue promissory notes to financially troubled institutions to beef up the net-worth entry on their books and keep it at a minimum level. The note would be honored only if the institution failed. The political advantage to this approach is that the aid would cost the government nothing if an institution rode out the storm.

Similarly, there are suggestions for changing accounting rules so that institutions would appear healthier than they do under current procedures. And there still are other recommendations to take the tax-exempt-deposit concept behind the all-savers certificate and expand it into a longer-lived program.

Taken to extremes, any one of these approaches has the potential of creating problems greater than those it seeks to solve. Because of this danger, the ABA's economic advisory committee has established criteria against which any aid to troubled financial institutions should be measured. These standards are meant to ensure that assistance be made available in a responsible manner.

In looking at the alternatives, politi-  
*(Continued on page 86)*

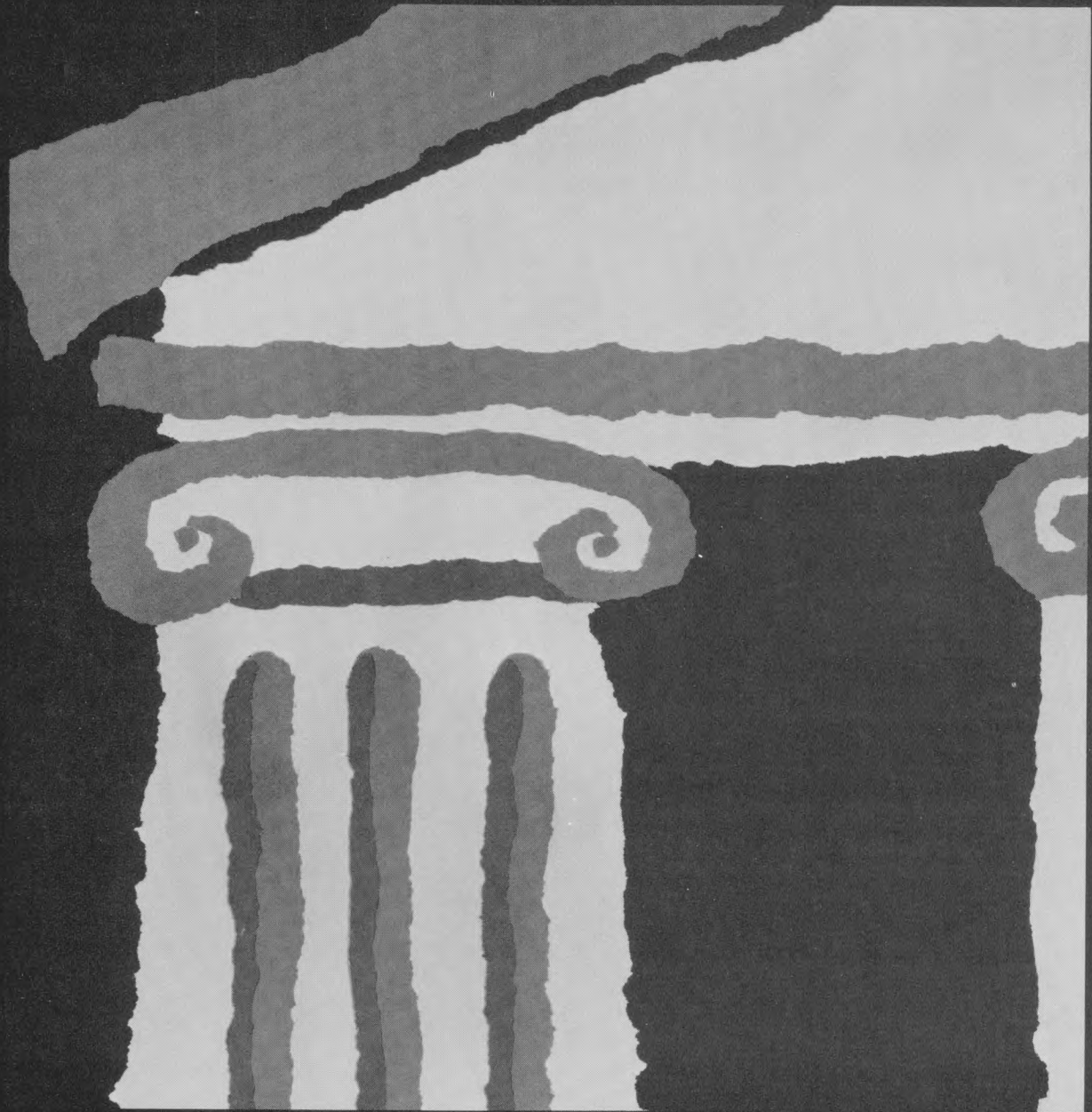
### DIDC OKs 91-Day CD

WASHINGTON, D. C. — Banks and thrifts can offer a new 91-day CD at market rates starting May 1, following action by the Depository Institutions Deregulation Committee (DIDC) March 22.

The committee also adopted a schedule for eliminating all federal interest-rate ceilings by March 31, 1986. The schedule goes into effect May 1, when CDs with maturities of 3½ years or more are deregulated.

The DIDC also authorized a staff study for a new savings account that would permit financial institutions to be more competitive with money-market funds. A report is expected within 30 days. The new 91-day CD is similar to existing six-month CDs. It will require a \$7,500 minimum deposit with a rate tied to the discount rate on 13-week T-bills. Thrifts will be able to pay ¼% more than banks for one year, but if the T-bill rate drops to 9% or less for four consecutive weeks, the differential will not apply.

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# NEWS OF THE BANKING WORLD



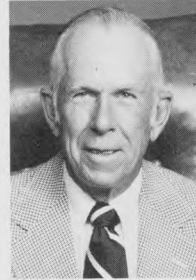
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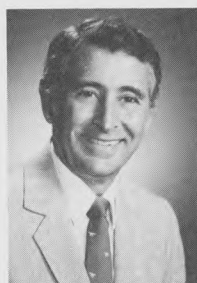


KARN

Harry Taylor was elected president, Manufacturers Hanover Corp., New York City, last month, and John R. Torell III was elected president, Manufacturers Hanover Trust, New York City. They had been vice chairmen of both organizations since 1978 and succeed John F. McGillicuddy, who had been president of each institution. Mr. McGillicuddy continues as chairman/CEO of the HC and bank. Mr. Taylor also was elected executive vice president, Manufacturers Hanover Trust, and Mr. Torell, executive vice president of the HC. Mr. McGillicuddy joined Manufacturers in 1958, became president in 1971 and chairman/president/CEO in 1979. Mr. Taylor started with the bank in 1969. Mr. Torell went to Manufacturers Hanover in 1961.

John E. Karn and John V. Giddens have been elected chairman and president, respectively, at First Stock Yards Bank, St. Joseph, Mo. Mr. Karn succeeds H. H. "Beanie" Broadhead, who retired March 1, and Mr. Giddens succeeds Mr. Karn as president. Mr. Giddens also was elected to the board. Mr. Karn joined the bank in 1960, was elected vice president/cashier in 1970, executive vice president in 1975 and president in 1978. Mr. Broadhead had been with the bank since 1939. He was elected president in 1970 and chairman in 1978. Mr. Giddens joined First National, St. Joseph, in 1964 in the agricultural and correspondent department. He was elected vice president/EDP in 1969. Last June he moved to First Stock Yards as executive vice president. Both banks are members of First Midwest Bancorp.

Herbert Levy has joined the international advisory board of Republic-



GIDDENS



LEVY

Bank, Dallas. He is chairman/administrative council, Banco Itau S. A., Brazil's second largest bank. He also is chief editor of "Gazeta Mercantil," economic newspaper of Brazil. He also is deputy speaker of the Brazilian chamber of deputies and agriculture secretary for the state of Sao Paulo.

Mary Jane Fletcher has been appointed director, corporate marketing department, Bank Marketing Association, Chicago. She formerly was assistant vice president/director of BMA's trust marketing department. She succeeds Michael J. Lindahl, who resigned to become vice president at First National, Zanesville, O. Ms. Fletcher previously was vice president/director of marketing at Essex Bank, Boston.

Harry A. Shuford, former chairman, First National, Dallas, has received a presidential citation for his work with the Dallas National Alliance of Business. The presentation was made by John V. James, chairman/CEO, Dresser Industries, on behalf of President Ronald Reagan. The citation noted Mr. Shuford's "exemplary service to the nation in advancing job opportunities in the business sector for disadvantaged citizens, needy youth and offenders." He and his staff also were praised by Texas Governor William P. Clements for "placing hundreds of un-

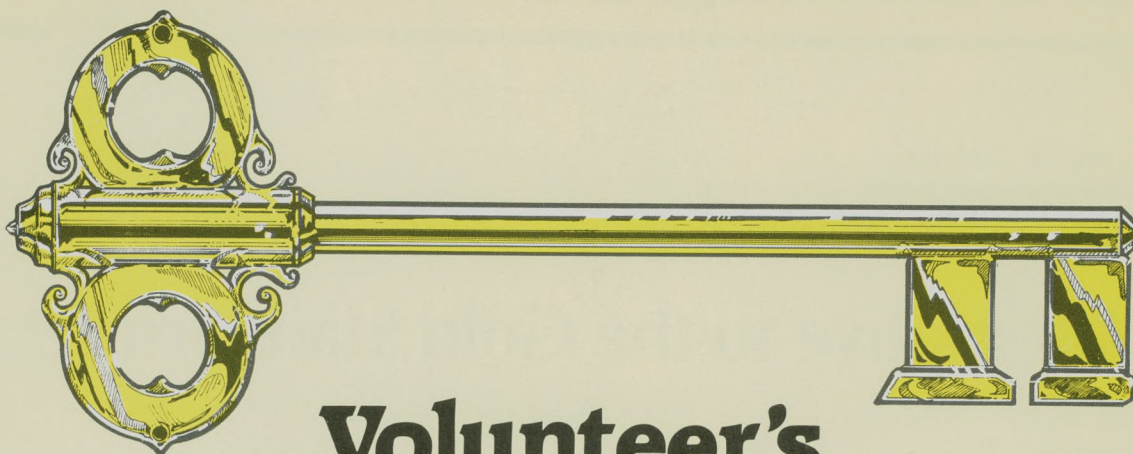
employed Texans into unsubsidized private-sector jobs."

Brent D. Brandvold and Ronald D. Dozier have been promoted to senior vice presidents at Federal Land Bank of St. Louis. Mr. Brandvold heads bank operations and Mr. Dozier heads credit/association services. R. James Bernard was promoted to vice president/treasurer, Robert E. Coots to vice president/application services, Larry G. Howard to vice president/association credit and operations and Dennis J. Kaczmarczyk to vice president/data services and research. The promotions are part of a restructuring of bank management.

Jean M. Lovati has been named assistant vice president of the St. Louis Fed. She is in charge of the financial institutions department and succeeds Randall C. Sumner, who has been appointed vice president/manager, Memphis Branch. Ms. Lovati joined the Fed in 1974 as an economist. She was named manager, banking statistics division, in 1979 and more recently has been manager/special projects.

Continental Illinois Leasing Canada Ltd. is the name of a new wholly owned leasing subsidiary of Continental Bank, Chicago, that manages medium-term lease-financing programs previously administered directly by Continental Illinois Bank (Canada). The new subsidiary was formed as a result of the Canadian Bank Act of 1980, which requires leasing of assets to be managed by a subsidiary of a Canadian bank. Continental Illinois Leasing Canada has assets of \$500 million and is managed by a board of three Canadian and two U. S. citizens. It is headquartered at Continental's office at First Canadian Place, Toronto.





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# The Banking Scene



By Dr. LEWIS E. DAVIDS  
Illinois Bankers Professor of Bank Management  
Southern Illinois University, Carbondale

## An Alternative to the Gold Standard

**L**AST MONTH'S column described some of the considerations of the proposal to reinstate the gold standard. This column describes a rather esoteric concept — the energy standard.

It's important to remember a basic point when discussing such standards: Money is anything that's generally accepted by society as a means of payment. Money facilitates production, exchange and consumption of goods and services. Without it we would have to revert to an impossible barter system.

Looking at the history of money from prehistoric times, we find that almost anything and everything at one time or another has been used as

**Would it make sense to adopt a new medium of exchange so that the value of a dollar is not 100 cents but 100 BTUs (British thermal units)?**

money. In ancient Mesopotamia live animals — oxen and sheep — were a form of money. Someone buying a small item and using a whole ox or sheep as payment would encounter a conversion problem!

As societies evolved, money performed certain basic functions. One is as a medium of exchange. Wage earners, landlords and capitalists readily accept it in exchange for services, land or capital.

Another major function of money is as a standard of value. If a pair of shoes is priced at \$100 while a wallet is \$10, it's fair to conclude that buyers and sellers consider the wallet one-tenth as valuable as the shoes. The prices of a given market expressed in money terms reflect our appraisal of the multitude of business services offered for sale. Thus, money serves as a unit of measurement and a measuring rod of value.

Money also serves as a store of value. During the past decade, performance of the U. S. dollar in this area hasn't been satisfactory. In normal times, people save money for future use and expect to draw on it with the expectancy that it will buy about the same quantity of goods and services as it would have when originally placed in savings.

The dollar performed this function relatively well from World War II to 1965. In the 1970s, however, savers learned that the inflation rate was higher than the savings rate. This resulted in a substantial drop in the national savings rate. It became more attractive for savers to spend their excess cash or to invest it in collectables.

Partly related to the store-of-value concept is the function of the standard of deferred payments. Creditors will be paid by debtors at some future date. Creditors are confident that the future purchasing power of funds used for loan, when repaid, is worth the risk and the deferral of consumption made during the loan term. This is one of the crucial aspects of the problem facing the thrift industry. Thrifts have found in the last decade that the principal amount returned on a 25- or 30-year home mortgage is only a fraction of the value of the original obligation. Obviously, this affects the creditor's view of the extension of funds over long periods of time. A few small voices have been suggesting that gold and silver, while important standards of money in the past, no longer can serve this function.

The energy crisis of the 1970s resulted in dramatic increases in the cost of energy. Looking at the various types of energy sources, we find that oil, natural gas and coal tend to dominate, with water power, geothermal and nuclear energy playing smaller, but increasingly important, roles. Looking at price indices and adjusting for environmental considerations, one notes

a tendency for energy sources to be equated by the cost per British thermal unit (BTU). Since everybody uses energy, everybody, in one form or another, must pay for energy in one form or another. Would it make sense to adopt a new medium of exchange so that the value of a dollar is not 100 cents but 100 BTUs?

One of the things creating value in paper money is the requirement that it be used to pay taxes. Since most people pay taxes, they need paper money. Years ago John Law used this concept in France. The French assignat was tied to lands taken from nobles and the sovereign by the leaders of the French Revolution. For a while, the French assignat traded at a premium over gold

**A number of proposals have been made to index U. S. money to some such thing as the consumer price index, which has a simplistic appeal.**

because it was in relatively short supply vis-a-vis the taxes that had to be paid with them. However, as is true of most governments, there was a tendency to not control the money supply well enough to preserve the assignat's purchasing power. In a short time, the assignat's value diminished substantially.

We are doing the same thing in the U. S., to a degree, in the sense that much of the national debt has become monetized. The debt, — in the form of bills, notes and bonds — tends to be acquired by the Fed through open-market operations, thereby increasing the supply of paper money.

A generation ago, money tended to be defined narrowly as demand deposits, subject to draft by check; and currency, including coins, paper money, Federal Reserve notes and sil-

*(Continued on page 42)*



Charles E. Foret  
Vice President  
and Manager

# Jus Help'n



Carroll Griffith  
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# Banking's Competition

## More Powers for S&L Service Corporations?

**E**XPANSION of activities of service corporations of federally chartered S&Ls into such fields as money-market-mutual funds, commercial lending and various kinds of insurance has been proposed by Richard T. Pratt, chairman, Federal Home Loan Bank Board (FHLBB). He is accepting comments for 60 days (from February 25) on the proposals, which would:

- Allow service corporations to offer money-market-mutual funds and engage in certain securities-brokerage activities. FHLBB officials maintain the service corporations are exempt from the Glass-Steagall restrictions and, therefore, it's appropriate to determine further what powers S&Ls should have to compete effectively in the marketplace.

- Permit service corporations to underwrite casualty, property and life insurance and to offer mortgage insurance. In the past, the FHLBB

has limited these corporations' insurance activities to acting as agents in the sale of liability, casualty, auto, life, health, accident and title insurance.

- Extend service corporations' real-estate-brokerage authority to allow them to offer these services to third parties. Previously, they have been restricted to brokering real estate only for themselves and their parent associations.

- Liberalize service corporations' authority to engage in commercial lending, letters of credit and leasing activities. Previous regulatory authority has allowed them only to make commercial loans related to real property or to finance inventories for dealers in consumer goods.

- Extend the list of pre-approved service-corporation activities to include acting as a futures-commission merchant, manufacturing of mobile

homes, leasing of consumer and business goods, debt-collection services, expanded loan servicing, coin/currency services, preparation of tax returns for businesses, investing in certified development corporations and trading Government National Mortgage Association options.

- Eliminate the current customer limitation on certain pre-approved activities such as credit analysis and appraisal, development and administration of personnel-benefit programs, advertising and procurement of savings accounts and loans, serving as escrow agent or trustee, providing liquidity-management and financial-consulting services and establishing and operating remote-service units.

In announcing these proposed activities, Mr. Pratt said he's concerned about the long-range viability of thrift institutions and, therefore, welcomes public comment on sug-

### ABA Attacks Pratt Proposals on S&Ls

**T**HE ABA quickly attacked the S&L industry's proposed new powers, on which Federal Home Loan Bank Board Chairman Richard Pratt has requested comment (see accompanying article). The proposed new rules would allow S&L service corporations broadened powers, including authority to make commercial loans and offer money-market-mutual funds.

ABA President Llewellyn Jenkins, vice chairman, Manufacturers Hanover Trust, New York City, said that in proposing expanded powers for the S&L industry, the FHLBB is improperly trying to usurp the prerogative of Congress.

"It is imperative," said Mr. Jenkins, "that Congress consider crucial deregulation issues for depository institutions and legislate. We share Chairman Pratt's frustration that Congress hasn't moved faster on these broad competitive issues. But bankers and savers are disappointed that the chairman's zeal for deregulation has not extended itself to deregulation on the savings side.

"If money-market-fund authority is deemed necessary by Chairman Pratt to allow S&Ls to attract funds, then we wonder why he hasn't used his vote on the Depository Institutions Deregulation Committee to promote a more competitive savings instrument for all depository institutions.

"Bankers believe that having a better deposit product that can compete with money-market funds is more important than being able to offer money-market funds directly to our customers.

"The ABA has stated that we could accept limited commercial-lending powers for thrifts, but that this must be done in the context of broad legislative and regulatory action giving all depository institutions broader powers to compete."



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Roy B. Lawrence  
Vice-President



In Nashville  
Member F.D.I.C.

gestions to give thrifts "a better opportunity to compete in the ever-changing financial marketplace by both broadening the powers their service corporations already have and opening new avenues of revenue to them."

He pointed out that it is unusual to specify a 60-day comment period, but the board believes that step is conducive to generation of useful public comment on this broad and important proposal.

"These proposals," said Mr. Pratt, "reflect the feeling of the Federal Home Loan Bank Board that the allowable activities of institutions are not sufficient to maintain a good, competitive, viable framework in the long run." ●●

## Interstate Merging Of S&Ls Is Target Of IBAA Lawsuit

WASHINGTON, D. C. — The Independent Bankers Association of America (IBAA) has filed suit in the U. S. District Court for the District of Columbia challenging the legality of the Federal Home Loan Bank Board's policy that allows interstate operation of federal S&Ls. The FHLBB would not comment on the suit because it does not discuss pending litigation.

The FHLBB has approved six interstate-merger transactions involving 23 S&Ls since amending its statement of policy on establishment of branches March 23, 1981, according to the IBAA.

Defendants named in the suit are the FHLBB, its chairman, Richard T. Pratt, FHLBB member Andrew A. DiPrete and the Federal Savings & Loan Insurance Corp.

The IBAA suit claims the FHLBB/FSLIC policy approving interstate mergers is an "illegal scheme" issued without prior notice or opportunity for public comment. Although the FHLBB purports to limit its merger policy to "supervisory exceptions," the IBAA suit charges, the "exception" is "so broadly, vaguely and generally worded as to permit the Bank Board and/or FSLIC unfettered discretion to approve interstate operation of federal S&Ls without regard to any demonstrable objective standards."

The lawsuit claims the change in the FHLBB's policy statement allowing interstate branching is a radical departure from previous regulatory policy and express comments to Congress and is in violation of statutory prohibitions.



## Fed Answers Reg Questions

*John W. Rosbrugh, examiner in the St. Louis Fed's consumer and community affairs department, answers common questions about federal regulations affecting most banks. Information given here reflects Mr. Rosbrugh's opinions, not necessarily those of the St. Louis Fed or the Board of Governors.*

### Regulation Z

**Q.** Are model forms available that comply with requirements of Simplified Regulation Z?

**A.** Several companies have forms that were developed following adoption of the simplified regulation in March, 1981. Financial institutions acquiring samples of these forms should compare them with the model forms and clauses contained in the regulation appendices. If the forms follow regulation specifications closely they should be used for compliance.

**Q.** How should contract terms, security interest information and disclosures be segregated?

**A.** Simplified Regulation Z requires that all applicable disclosures be segregated from other terms in any manner that clearly distinguishes required disclosures from other contract terms. Disclosures may be enclosed in a colored area, heavy

lined box, separated from other information by heavy lines or printed in a different color.

### All-Savers Certificate

The term "qualified net savings" includes interest and dividends credited to deposit accounts. The term means the excess of (a) amounts paid into pass-book-savings accounts, six-month money-market certificates, 30-month small-savers certificates, time deposits with a face amount of less than \$100,000 and tax-exempt savings certificates issued by the institution over (b) the amounts withdrawn or redeemed in connection with the accounts and certificates described in "a" above.

By the end of the next calendar quarter, the institution must invest into "qualified residential financing" at least 75% of the lesser of (1) proceeds from all-savers certificates issued during the calendar quarter or (2) "qualified net savings."

## Free-Throw Competition For Grade-School Girls Is Sponsored by Bank

First National, St. Joseph, Mo., is sponsoring a special free-throw competition being held in conjunction with the National AAU Women's Basketball championships in that city April 13-17. The bank is sponsoring the women's AAU tournament and donated \$5,000 to help support it.

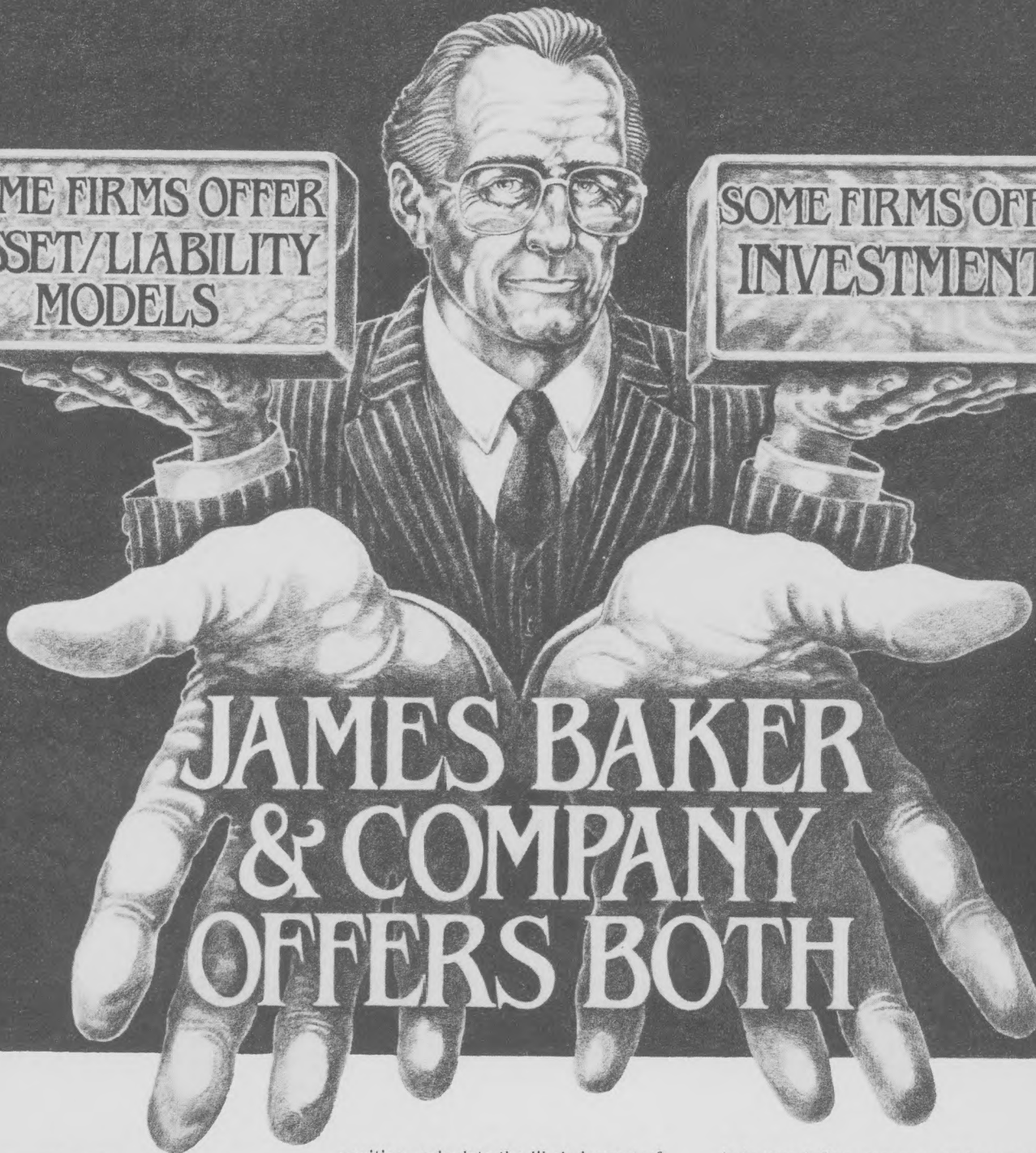
The girls' free-throw contest is open to fifth-through-eighth-grade girls

throughout the Midland Empire. Preliminary free-throw competition was held at each school, and finalists will compete in two categories — one for fifth and sixth graders and one for seventh and eighth graders. Finalists will shoot two rounds of 10 throws each during halftimes of the tournament games, with "shoot-offs" of five throws each to break ties, if necessary.

Trophies will be given the top three winners in each category.

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## JAMES BAKER & COMPANY Investment Bankers

## Current Recession to Moderate?

**A** MODERATION in the current recession has been forecast by a Harris Bank of Chicago economist, and an equally upbeat forecast has come from Morgan Guaranty Trust, New York City.

Dr. Robert R. Davis, Harris Bank vice president/economist, says, "While the economy still is definitely in the grips of the recession, it looks as though the recession has moderated, and there are factors that give us some reason to believe there is light on the horizon."

In the March edition of *Harris Sound of Business*, monthly cassette-tape program on the economy, Dr. Davis proclaims this first good news in a long time. He bases his projection on the slowdown in rate of decline of leading indicators and the recent increase in the money supply.

Concurring in this optimistic projection, Dr. Robert J. Genetski, vice president/economist at Harris Bank, also sees monetary stimulus as the basis for a recovery. "With the sharp increase in money that is underway," he points out, "and has been underway for the past four months, we can (be more confident) that the next move is going to be toward signs of recovery."

"I expect we are going to see those signs come within the next one to four months, somewhere between April and July."

According to *Morgan Guaranty Survey*, monthly economic newsletter put out by Morgan Guaranty Trust, latest economic indicators raise hopes that the worst of the recession is over and a recovery could get underway in spring or early summer.

Reductions in business inventories, which have accounted for the bulk of the drop in gross national product since last July, probably will continue to fall another 3% (annual rate) or more in the current quarter, a study by Morgan Guaranty Trust economists shows. This would be the sharpest reduction since the 1975 recession.

"With a good chance that most of the adjustment in stocks will be over by early spring," according to the bank's analysis, "the inventory drag on GNP growth should diminish noticeably in the second quarter."

Morgan Guaranty projects the second-quarter "real" GNP to rise at an annual rate of just under 3%, noting "that rise should get a sustaining lift from forces already programmed into the economy at mid-year: the second state of the income-tax cut and a rise in social security payments — a \$50-billion package." GNP declined at 3.5% annual rate in the first quarter of this year and 4.7% in the last quarter of 1981.

**Budget Deficit.** Another subject, the ballooning federal-budget deficit, also was discussed in the March edition of *Harris Sound of Business*, Dr. Herbert E. Neil, the bank's vice president/bond specialist, contends that cutting the defense budget would not bring about immediate results because

major increases in that budget will take effect in the future.

"One approach," suggests Dr. Neil, "would be to squeeze out the cost-of-living adjustment (COLA) in social security as of July 1. Theorizing that this move would open the door to a COLA freeze on military-retirement benefits and the civil-service-retirement budget, if you eliminate the COLA, you're probably talking about close to a \$20-billion savings in budget expenditures in fiscal year 1983."

"This is where you have to turn, because these components, this whole retirement side of the picture, interestingly, makes up about 60% of all the entitlement programs." ●●

## Corporate News Roundup

● **Stern Brothers.** Mark J. Grant, a vice president in the Kansas City headquarters, has been placed in charge of the expanded government/corporate bond department. He has been with the firm for eight years. The department deals in government, federal agency and corporate bonds at retail and institutional levels.

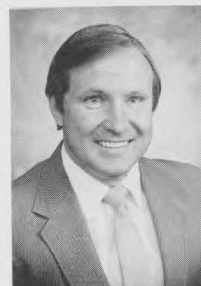
● **Associates Corp.** Donald H. Neustadt has been elected vice president. He participates in strategic planning and analysis for the Associates' parent firm, Associates First Capital Corp. He joined the firm in 1972 and is based in Dallas.

● **American Express.** Alger B. Chapman Jr. has been named vice chairman, American Express International Banking Corp. He has worldwide responsibility for the firm's private banking business. He formerly was board co-chairman at Shearson/

American Express and, prior to that, was president/CEO, Shearson Ham-mill & Co., prior to its merger with Hayden Stone in 1974. Gerald R. Ford, former U. S. President, has been elected to the board of American Express. He also is a director of Shearson/American Express.

● **Bank Building Corp.** Joseph E. Hill has been promoted to president, American Materiel Co., national procurement division of BBC Companies. He previously was general manager of the firm.

● **Mosler Safe Co.** Mel Lindsey has been appointed account executive for most of the state of Kansas, based in Wichita. He joined the firm last January.



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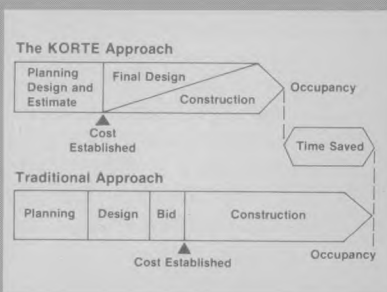
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# Sales-Incentive Campaign Exceeds Its Goal Not Once, But Twice!

WHEN First National of Amarillo, Tex., decided to tap one of its best sources of new business — its employees — by conducting a sales-incentive campaign, it set a \$30-million goal to be reached within four months.

However, the bank's employees did so well that this objective was reached in 11 weeks! So, with time to spare, the bank raised the goal to \$50 million, and even this amount was exceeded by the time the program ended.

Final-dollar total of business brought in through the program was \$57,485,806; total bank-personnel participation (employees who obtained at least one piece of business during the contest) was 77.6%; bank-officer participation — 100%; contact staff (non-officer personnel with public contact) participation — 89.1% and noncontact staff (non-officer personnel with public contact) participation — 65.7%.

The more-than-\$50 million brought in represents a little over \$100,000 of new business per employee, almost double what was expected of them, according to Don Walton of the Dallas office of Maritz Motivation Co., St. Louis, creator of the program used by First of Amarillo. Maritz supplied prizes and materials for the program, and its travel company handled the trips awarded some winners.

Mr. Walton says his company estimates attainable goals by multiplying \$60,000 times the number of employees in a business. Using this formula, he expected First National to reach a goal of about \$27 million. For that reason, Maritz recommended the original \$30-million goal, believed to be "pretty heavy" at the time.

**This chart shows how First Nat'l, Amarillo, Tex., assigned award credits in its four-month sales-incentive campaign, called "The Great Amarillo Roundup."**

"I'd say," he concludes, "that on a per-employee basis, this is one of the largest programs we (Maritz) have been involved in."

First National, with assets of \$800 million, is the smallest bank to try to put on such a program, according to Mary Coyne, publications editor there, but it was the most successful bank — in terms of dollars achieved and percentage of employee participation — Maritz has worked with.

In light of this, she says, the bank believes it has completed a program that could be used as a model for other banks' incentive programs. She gives most of the credit to the program's director, Margo Fields, assistant vice president and head of the marketing services department.

In turn, Mrs. Fields gives her reasons for the success of the bank's program: "The two major challenges of administering a sales-incentive pro-

	Business Development Calling Personnel Award Credits	Contact Officer Award Credits	Contact Employee Award Credits	Non-Contact Officer Award Credits	Non-Contact Employee Award Credits
Checking Accounts per \$100 Deposit	72	144	288	432	576
Checking with Interest per \$100 Deposit	40	80	160	240	320
Savings Accounts per \$100 Deposit	48	96	192	288	384
6-Month Money Market Certificate per \$1000 Deposit	64	128	256	384	512
2-1/2 year Certificate of Deposit per \$1000	64	128	256	384	512
Certificates of Deposit per \$1000 Deposit	16	32	64	96	128
IRA/Keogh per \$1,000 Deposit	40	80	160	240	320
Direct Deposit	80	160	320	480	640
Draft	80	160	320	480	640
Safe Deposit Box	32	64	128	192	256
Trust Accounts	Decided by Committee				
• 24-Hour Bankcard					
New Customer Application	40	80	160	240	320
Current Customer Application	80	160	320	480	640

gram are good communications and keeping the program interesting to its participants. We were able to keep the program lively by offering specials, such as giving double-award credits for bringing in a safe-deposit-box customer during a set period and having parties to celebrate certain goals being met. It is essential that participants know about the exciting things that are happening and are challenged to continue to do better. This is where good communication is valuable. Our bi-weekly newsletter and multitude of memos to bank personnel helped keep the program fun to take part in and alive — and also was a major factor in bringing in over \$57 million.

“Having the support of the bank’s management also was vital to the program. The excitement of the program filtered down from the top and provided each employee with a challenge to sell the bank’s services.

“I can’t overestimate the importance of good training before and during the program. Maritz Motivation Co. provided excellent training for team leaders, who, in turn, trained personnel on their teams. Product training and sales training for bank personnel are big factors in the success of a sales-incentive program.”

First National decided to call the program “The Great Amarillo Roundup” because it expected employees to “round up” new business for the bank.

The program was introduced last September 8 at a bank-wide party on the top level of the bank’s parking garage. Employees were treated to a barbecue dinner with all the trimmings.

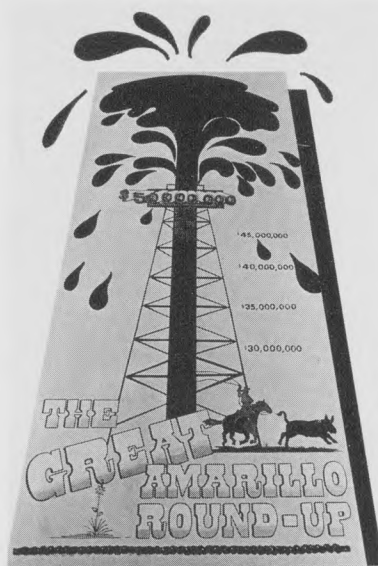
“Bogus bucks” were given all who went so they could bid on gifts at an auction during the party. A number of gifts were auctioned, and 20 door prizes were given to winners of drawings conducted throughout the evening.

The program began September 14, 1981, and ended January 15, 1982.

Employees were divided into 46 teams of about 10 persons each, with each team conducting weekly meetings throughout the four-month period. Through information dispersed at these meetings, employees became more informed about all the services offered by First National than they were before the program began.

Employees were classified according to five categories (everyone at the bank was eligible to enter): business-development-calling personnel; contact officers; contact employees; non-contact officers and noncontact employees.

They earned points for each service



Poster for “Great Amarillo Roundup” sales-incentive program at First Nat’l pictured familiar sight for Texans — oil-well gusher — to illustrate campaign’s reaching \$50-million goal. Program originally had goal of \$30 million, which was attained in just 11 weeks, and bank then set new \$50-million goal. It was exceeded by about \$7 million by time program was over.

sold, and these points could be redeemed for merchandise, which included everything from clothes and furniture to appliances and sporting goods. Information on and pictures of all these products were contained in a hardbound, full-color catalog, which was sent to each employee’s home a week before the program began. In this way, an employee’s entire family could see what could be earned by getting new business for the bank.

All employees received introduction cards, which were to be filled out each time a solicitation was made. Prospective customers were asked by employees soliciting them to take the completed cards with them when they went to open accounts. These cards were important because they were the only records the bank could use to assign award credits.

Any employee who referred a new customer received all award-credit earnings the new business generated. When a customer opened an additional account through a second employee, the latter earned award credits for selling the additional service or services at the rate of 25% of the basic-award credits assigned.

During the four-month competition, awards were made as follows:

**Commitment bonus** — when employees filled out and returned their personal-commitment cards to their

team leaders before the end of the first full week of the program, September 18, they received 500 bonus-award credits. Once they reached goals set on the commitment cards, they received an additional 1,000 award credits.

**Fast-start bonus** — every eligible account sold before the end of the first two weeks of the program — September 25 — earned double-award credits.

**Biweekly top-team awards** — every two weeks, all teams were ranked on the basis of average basic-award credits earned per team member during that period. Each person on the top three teams earned awards as follows: first — 3,200 award credits per member; second — 2,400 award credits per member; third — 1,600 award credits per member. Award-credit bonuses went *only* to team members who brought in at least *one* new piece of business during the two-week period.

**Fifth-account bonus** — for every fifth account sold, an employee earned a bonus of 800 award credits throughout the program.

**Biweekly sweepstakes** — everyone who opened an account during any of the biweekly periods had his or her name entered in a sweepstakes drawing. Ten names were drawn each two-week period, and winners received bonuses of 800 award credits.

**End-of-program top performance** — the top three performers in each of the four employee categories who earned the greatest number of basic-award credits during the program earned bonus awards as follows: first — 80,000 award credits; second — 48,000 award credits; third — 16,000 award credits.

**End-of-program top teams** — the top three performing teams based on highest-average basic-award credits per member earned the following bonus awards for each member: first — 16,000 award credits; second — 12,000 award credits; third — 8,000 award credits.

**End-of-program travel awards** — at the end of the program, the top team in each division that accumulated the greatest number of award credits per team member was declared the All-American Holiday winner. Each team member could make his or her choice of destination and date for a holiday for two, but it was stipulated that all these holidays must be taken during calendar 1982. Various destinations were unveiled during the program.

**Top performers** — the top individual who accumulated the most

(Continued on page 80)

# Bank Directors: How to Use Them To Boost Deposits

ONE OF THE finest assets any bank has for developing new business is its directors. People are selected to be directors because they play major roles in the community. Such people, as bank directors, can be utilized effectively and efficiently to solicit funds for their banks if given the opportunity.

Directors can play major roles — both externally and internally — when serving as advisers and making bank policy. The bank that fails to take advantage of its directors is misusing one of its finest assets. It's comparable to keeping excess cash in the bank instead of using it for investments or loans.

My bank's marketing department worked up a business-development program for the bank's local boards of managers and directors. The program was designed to give directors an incentive to bring accounts to the bank. We felt such a program could produce spectacular deposits for the bank.

Directors were asked to solicit demand deposits, regular savings deposits and consumer CDs. We didn't want commercial CDs over \$100,000 or public funds. All funds had to remain with the bank for at least six months before directors would receive credit for them.

A catchy name for the program was selected: "PNB Blazer Club."

A director qualified for a blue blazer (with a pocket patch bearing the bank's logo) when he brought in his first \$35,000 in deposits. Blazers were awarded at the first board meeting after a director achieved the initial goal. Directors were asked to wear their blazers at all bank functions from that time.

To encourage director participation, we offered incentives ranging from a three-day trip to Williamsburg, Va., to the top prize of three weeks in Europe.

The program was kicked off by the

**By James B. Powers  
President/CEO  
Planters National Bank  
Rocky Mount, N. C.**

CEO at an elaborate dinner that included directors' spouses. Spouses can play a vital role in the business-development area. One director's wife made 30 calls by phone and in person in one day to solicit deposits!

A simple system for reporting solicitation calls was developed. A 3 x 5-inch card bearing the account name, number and dollar amount is forwarded to the marketing department. If more than one director has called on an account, credit is given to the one making the first call, unless the account holder specifies otherwise.

We gave each director calling cards. We also gave cards to spouses. This enabled the bank to track solicitations

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In the accompanying article, James B. Powers, president/CEO, Planters National, Rocky Mount, N. C., describes a business-incentive program his bank conducted, using its directors. He is enthusiastic about its merits and heartily recommends it to other banks because it did the following:

1. Produced profits through increased deposits.
  2. Boosted morale.
  3. Enhanced the relationship between directors and bank management.
  4. Presented a challenge to bank officers to do a better job of selling its services.
  5. Improved the bank's image in the community.
- 

easily by name, date and prospect or customer.

The results were impressive — more than \$24 million in demand deposits, regular savings and consumer CDs.

The program was so successful that the bank's officers asked if they could participate in the incentive program to supplement the officer-call program. We offered the same rewards to the officers, and they produced \$6 million in new deposits in six months.

The incentive program wasn't costly — about \$50,000.

Points that should be kept in mind when planning an incentive program of this nature are:

- Include spouses. They contribute a lot of enthusiasm. Some plan a second honeymoon with the rewards; others plan shopping trips at the exotic locations winners visit.

- The CEO must be involved. He shouldn't delegate responsibility to some other official or department. All communications and reports should go out over the CEO's name.

- Extend early recognition to directors who produce. Start with the blazers, then follow up with monthly newsletters sent to directors' homes so spouses can read them.

- Give credit only for deposits the bank wants. We didn't credit CDs of \$100,000 because we felt we could purchase them. We didn't give credit for public funds because we felt we could solicit such accounts.

- Communicate by way of a newsletter on a frequent basis. Publicize each director's contributions. If a director doesn't bring anything in during a month's time, put a "zero" beside his name. This should get his spouse busy to urge more results!

- Make everything first class, from the kickoff dinner to the quality of the vacations.

The primary benefit a bank can realize from such a program is profit through increased deposits. At my bank, after-tax earnings for 12 months, after expenses, came to more than

(Continued on page 80)

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*This article is based on a speech given by Mr. Powers at the ABA's annual convention last year in San Francisco.*

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# How to Reach IRA Holdouts

**EDITOR'S NOTE:** Financial institutions must continue to solicit the public for individual retirement accounts (IRAs), says Alan B. Eirinberg, marketing director for banking/finance at Flair Communications Agency, Chicago. Mr. Eirinberg has been marketing director at Drivers Bank and Exchange National Bank, both in Chicago, and has operated his own financial marketing consulting firm. He is a former national director of the Bank Marketing Association and is a past president of the Chicago Financial Advertisers and former treasurer of the Chicago Association of Direct Marketing.

\* \* \*

**MCB:** Now that the initial thrust for signing up IRAs has passed, what should financial institutions do to generate more accounts?

**Mr. Eirinberg:** Financial institutions must keep promoting IRAs. The initial surge of IRA customers is over, but financial institutions must go after those who have not yet made up their minds about IRAs. Many of these people are confused about the accounts, due in part to competing claims made by financial and non-financial institutions. Some people actually are frightened by what they think are the complexities of IRAs. These people must be convinced about all aspects of IRAs before they will open accounts.

**MCB:** When should financial institutions push IRAs most vigorously?

**Mr. Eirinberg:** There are two key times of the year to promote IRAs: January and income-tax time. January is the time when customers who have deposited the maximum amount in their IRAs can start depositing for the new calendar year; income-tax time is the final opportunity for individuals to take advantage of the tax-deferral provision of IRAs for the previous calendar year.

**MCB:** What are some of the best ways to promote IRAs?



ALAN B. EIRINBERG

**Mr. Eirinberg:** Statement stuffers are effective in reminding existing customers about the availability of IRAs. These stuffers should concentrate on the main points about IRAs and the rollover provision. Many people don't know they can rollover IRA funds from one institution to another. A customer who opened an IRA at an institution he no longer frequents can be reminded by his new institution to roll over his IRA for more convenience when making deposits.

Another point to stress is the sound financial counseling available at financial institutions. Of course, it's important that such a claim be backed up by excellent service from experienced personnel.

**MCB:** How important is it for a financial institution to have know-

ledgeable employees servicing IRA customers?

**Mr. Eirinberg:** It's extremely important. Financial institutions must have financial counselors who understand IRAs and who will go out of their way to discuss the accounts with prospective customers. These people can make or break an IRA promotion.

**MCB:** How can employees be motivated?

**Mr. Eirinberg:** By offering incentives. Cash awards work well; so do extra time off and travel awards. These incentives, combined with training, can work wonders to encourage maximum effort from personnel.

**MCB:** What about premiums for IRAs?

**Mr. Eirinberg:** The best premium seems to be added interest, a bonus, if you will. A premium of this type can be an excellent stimulator. It's important to keep in mind the type of customer the financial institution is seeking for IRAs. Usually, this type of customer is extremely price conscious; therefore, a premium such as bonus interest makes a lot of sense.

**MCB:** What's the long-term planning picture for IRAs?

**Mr. Eirinberg:** Financial institutions should plan for the long term because IRAs are going to be around for a long time. Every year, new people join the work force and become eligible for IRAs. There's no end to the program; it will keep growing and the new market must be cultivated.

**MCB:** How can a financial institution compete most effectively for IRAs?

**Mr. Eirinberg:** One way is to know what the competition is doing. A financial institution's success with IRAs is dependent to a large extent on the way it presents IRA benefits to prospective customers. Don't expect the product to remain static; competition will force changes. The most successful promoters of IRAs will make their products look more appealing than those of com-

Hubert, the Harris Bank Lion, was dressed in a toga for his appearance on pages of IRA brochure developed by Mr. Eirinberg.





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petitors. IRAs may become a part of a total financial package.

**MCB:** How can IRA advertising be improved?

**Mr. Eirinberg:** People are seeking more information about products today, especially financial products. Advertisements must be informative in order to involve the customer. Also, IRA marketing should be more segmented — other services should be offered with IRAs — to make them more attractive. Financial institutions must determine what those other services should be.

Financial counseling is vital to keeping customers. An experienced counselor can keep customers even if the rate offered by the financial institution isn't the highest at the moment. A counselor can explain to a customer who threatens to leave in order to get a higher rate elsewhere that rates tend to fluctuate at all institutions — skipping from one to another would be futile in the long run.

A financial institution should make sure its advertising ties in with its sales-promotion efforts. There must be a synergism between media and sales promotion. Without this relationship, it's impossible to maximize the results of the marketing expenditure.

**MCB:** Some financial institutions are becoming tainted by the extraordinary advertising claims they make about accumulated growth of IRA deposits.

**Mr. Eirinberg:** Many institutions are leading the public to believe anyone opening an IRA will become a millionaire before he retires. They neglect to factor in inflation. Their inflated figures may look good on paper, but it's easy to label them as deceptive. Much misunderstanding can be avoided by using an interest-rate factor that takes into account an estimated yearly inflation rate when figuring IRA accumulations. Constraint in advertising claims will enhance the trust customers and the public place in their bankers.

**MCB:** What about the use of devices, such as electronic information dispensers, to promote IRAs?

**Mr. Eirinberg:** If they help spread information, they are a step in the right direction.

**MCB:** You have been involved in creating specialized IRA sales promotion/marketing programs for financial institutions. Can you give examples?

**Mr. Eirinberg:** We developed promotions for Detroitbank Corp. and Harris Bank, Chicago.

We advised Detroitbank to present its IRA clearly to its staff before

**You can't afford to be without an Individual Retirement Account.**

**WE'VE GOT THE PROOF!**

**DETROITBANK CORPORATION**

Attention-getting front page of brochure Mr. Eirinberg developed for Detroitbank Corp.'s IRA marketing promotion.

marketing the product to the public. If the staff understands the IRA benefits thoroughly and personnel open their IRAs there, they become stronger advocates of the product when discussing it with prospects. Often, financial marketers neglect staff indoctrination while concentrating more on the customer and prospect.

We developed an audio-visual sound-slide presentation for Detroitbank personnel using mimes and giant props. A voice-over explained the benefits of IRAs. The large props made a dramatic impression on viewers. The audio-visual approach enabled us to avoid the use of too many confusing numbers. The program was presented to personnel at the Main Bank and all affiliates of the HC. Each session included a question-and-answer period.

To sell the public on IRAs, we developed a direct-mail piece for Detroitbank that was sent to a pre-selected-customer mailing list. The brochure was titled "You Can't Afford to Be Without an IRA — We've Got the Proof!" It made two main points: that everyone should have an IRA and that Detroitbank was the place to get one. A cover letter and reply card were included so the customer could sign up

immediately. The effort was supported by in-bank point-of-sale posters and counter cards.

At Harris Bank we created a direct mailing piece featuring Hubert, the Harris Lion. We made a story teller out of Hubert, dressed him in a toga and placed him on a pedestal. The piece included a fable about IRA savings based on the Aesops fable of the ant and the grasshopper. The point was made that, while the grasshopper fiddled, the ant stored money at Harris Bank for retirement. Compelling four-color illustrations worked well to break up the copy, create attention and hold interest.

To attract commercial customers, we developed a flip-chart sales aid for Harris Bank calling officers. Leave-behind brochures also were prepared that included details from the flip-chart presentation.

Any institution can adapt such an approach by making its own flip charts with felt-tip pens. The key to a successful flip-chart presentation is to use few words. The calling officer elaborates on the key points made, using his own words. Bankers don't want a "canned" pitch! ●●

### Three Conferences in One Planned May 23-26 by ABA

The ABA will hold a first-of-a-kind program — national conferences on marketing, compliance and planning — May 23-26 at the Hyatt Regency Embarcadero, San Francisco.

The ABA points out that the combined conferences should appeal to bank CEOs and senior management, as well as planning, compliance and marketing officers. The unique aspect, the association says, is that the three individual conferences — marketing, compliance and planning — will share general sessions on issues that have impact on all bankers. In addition, separate breakout sessions will feature subjects in all three areas, including: "Closing the Gap Between Corporate Goals and Employee Needs," "Social and Consumer Trends," "Cost of Compliance" and "Nonbank Competition."

Jerry Jordan, a member of the President's Council of Economic Advisers, Washington, D. C., will speak on "Reaganomics" May 24. "Banking in the Post-Peanut Era" will be discussed by Paul Nadler, professor of finance, Rutgers University, New Brunswick, N. J.

For more information, contact: Lauri Steller, ABA, 1120 Connecticut Ave., N. W., Washington, DC 20036.

# Final IRA Report by Mid-Continent Banks Covers February 12-March 12 Period

## 2,078 Accounts Opened by 32 Banks in 11 States

**A** TOTAL of 32 banks from 11 Mid-Continent-area states report opening 2,078 individual retirement accounts (IRAs) between February 12 and March 12. Total funds in the new accounts is \$4.4 million and the average deposit per account is near \$2,100.

The banks responded to the third and final monthly IRA account-opening survey conducted since January 1 by MID-CONTINENT BANKER prior to the deadline for this issue. Earlier surveys were reported in the February and March issues.

Total number of IRAs opened by participating banks in the three-part survey is 15,842. Total amount deposited in these accounts is approximately \$28 million.

The majority of the banks responding to the latest portion of the MCB survey rated their IRA results "average." Fixed-rate IRAs constitute the majority of IRAs opened at banks, with variable-rate accounts running a distant second. The majority of responding bankers expect the volume of new IRAs opened at their institutions to remain about the same for the balance of 1982.

More than half the responding banks elected to keep their IRA advertising budgets "about the same" for the balance of 1982. The most popular media for advertising IRAs is newspapers. Less than 20% of the banks conducted IRA seminars for the public in the period prior to January 1 or thereafter and the majority of banks said they would not make any changes in their IRA promotion practices if they could relive the period from January 1 to March 12.

Following is a breakdown of responses to specific questions asked on the February 12-March 12 survey:

- How do your bank's IRA results relate to its expectations about IRAs?

Above-average response — 19%; average response — 66%; below average — 16%.

- Which type of IRA does the majority of your customers prefer? Fixed rate — 81%; variable rate — 19%. (Some banks offered only fixed-rate IRAs.)

- What are your expectations about the volume of new IRAs opened at your bank for the balance of 1982? Increase — 31%; stay about the same — 53%; decrease — 16%.

- Will your bank's IRA advertising increase, stay about the same or decrease for the balance of 1982? Increase — 9%; stay about the same — 62%; decrease — 28%.

- What type of media does your bank favor for IRA advertising? Newspaper — 56%; radio — 31%; direct mail — 12%; TV — 9%.

- Has your bank conducted IRA

### IRA Promotional Materials



Christmas Club a Corp. is offering new programs to help financial institutions capture potential IRA deposits. Among promotional materials are IRA passbooks and brochures, held by Renee Brett, and a stuffed beaver, held by Mike McNab. Ms. Brett is in charge of advertising and displays and is product manager, checks and outlook envelopes, for Christmas Club. Mr. McNab is product manager for systems member envelopes and passbooks.

seminars for the public? Yes — 19%; no — 81%.

- If you could relive the period from January 1 to March 12, what would you do differently in offering IRAs? Thirty-one percent replied that they would make changes.

A bank in Arkansas said that it would prepare employees to talk with customers in an effort to reach more people on a one-to-one basis. An Illinois bank said it would train more employees to open IRAs. Another institution in Illinois said it needed two additional employees to sell IRAs. A bank in Indiana responded that it would spend more time and effort on existing IRA customers to keep them from being spirited away by competitors.

A bank in Kansas responded that it would start advertising IRAs earlier. Another Kansas bank would do a better job of training employees on the technicalities of IRAs and train more marketing people to go out and call on companies to set up company IRA plans. A bank in Kentucky had second thoughts about the fixed rate it set for IRAs and would raise it.

An institution in Tennessee recommends a harder sell to industries to secure payroll-deduction IRAs. A bank in Texas would have held its public seminars on IRAs earlier than it did. Another Texas institution would train more employees to promote IRAs.

Following is a breakdown on each of the reporting banks, by state.

- Arkansas (two banks reporting). A \$226-million institution in a city of 36,000 opened 75 new IRAs between February 12-March 12. Average deposit per new account stands at about \$1,100. The response was termed "average." Of the bank's total IRAs, 66% are variable rate and 34% are fixed rate. The bank has spent about 40% of its IRA advertising budget on direct

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CRS does all this, and more, for as little as 2¢ per item. That's all. (You set your own customer charge, of course.)

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mail and it has held IRA seminars for the public.

The second Arkansas bank opened 70 new IRAs in the reporting period, with an average per account of nearly \$1,300. The bank has \$230 million in assets and is in a city of 64,000. The response was termed "below average." Fixed-rate IRAs account for 70% of the total IRAs at the bank. The bank expects no change in the rate of IRA sign-ups for the balance of 1982. Its IRA advertising budget is spent as follows: newspaper — 50%, TV — 40%, direct mail — 10%.

• **Illinois** (six banks reporting). Ten new IRAs were opened at a \$41-million institution in a community of 2,100. Average amount per account stands near \$9,200 and the response was termed "above average." All of the bank's IRAs are fixed rate and half the IRA advertising budget is spent with newspapers.

An average per account of \$1,666 was reported for the 12 new IRAs opened at a \$50-million bank in a city of 70,000 near Chicago. All accounts bear a fixed rate and the bank's entire IRA advertising budget was spent on direct-mail solicitations.

More than \$13,000 in IRA deposits was recorded for the one-month period covered by the survey by a \$27-million institution in a community of

2,500. Average per account of the nine new IRAs opened is about \$1,450. The bank doesn't expect this "above average" response to keep up for the balance of 1982.

A \$110-million bank in a community of 18,000 reports eight new IRAs opened, with an average per account of about \$1,500 for an "average" response. All the accounts are fixed rate and the bank's advertising in radio, newspaper and direct mail is expected to remain at present levels throughout 1982.

A \$53-million bank in a community of 4,000 reports 11 new IRAs opened during the reporting period, with an average per account of \$1,800. This response was termed "below average" by the bank, which expects the rate of new IRAs opened to increase during the balance of 1982.

Thirty-eight new IRAs were opened at a \$40-million bank in a community of 2,500 for an "average" response. Total amount deposited in the accounts is \$66,680, or about \$1,755 per account. Fixed-rate accounts were favored by 95% of the bank's total IRA customers. The bank spends all of its IRA advertising budget with newspapers.

• **Indiana** (one bank reporting). This \$152-million institution in a city of 20,000 opened 22 new IRAs between February 12-March 12. Average per

account is \$1,178 and 60% of the bank's total IRAs are fixed rate. The response was termed "average" and the response for the balance of 1982 is expected to remain about the same.

• **Kansas** (six banks reporting). An \$83-million bank in a city of 25,000 opened 45 IRAs totaling almost \$83,000 during the period. The response was termed "average." Fixed-rate accounts were favored by 91% of the bank's total IRA customers. The bank's ad budget is split between newspapers (60%), radio (35%) and direct mail (5%).

An average of \$1,225 per account was deposited in the 10 IRAs opened at a \$28-million bank in a community of 3,500. Response: "average." Seventy-three percent of the bank's total IRAs are fixed rate and 90% of the advertising budget goes to newspapers.

An \$80-million bank in a city of 22,000 opened 27 new IRAs with an average of \$850 per account during the reporting period. Response: "average." Ninety percent of the bank's total IRAs are fixed rate and 75% of the advertising budget goes to radio. The bank expects the rate of new IRAs to increase for the balance of 1982.

Twenty-four new IRAs were opened at a \$44-million bank in a community of 4,900. Average per account: \$1,683.

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## Device Provides IRA Info



The prototype of a machine called "Touchmevision" has been dispensing information about IRAs in the lobby of the main office of BancOhio National, Columbus, for the past few months. The device is driven by a touch-sensitive display provided by Interaction Systems, Newtonville, Mass. The introductory display attracts customer attention with a message stating "Retire with a million dollars!" The system responds to the touch of a finger by displaying a menu of 10 savings levels a person could afford to invest monthly into an IRA. The customer selects the level that fits his budget and the machine displays a table providing calculations for an IRA of that amount based on three different interest rates. It takes less than three minutes for the device to complete a presentation. John R. Hanschmidt, e.v.p., says the device is used by about 20% of the bank's customers. The unit resembles the bank's ATMs and can be programmed to dispense information on other types of accounts.

Only 1% of the bank's total IRAs are in the variable-rate category.

A \$39-million Kansas bank in a community of 8,000 opened 13 new IRAs with an average balance per account of \$730. Fixed-rate accounts were favored by 99% of the bank's total IRA customers. The bank expects an increase in the rate of new IRAs for the balance of 1982.

An average per account of nearly \$2,000 was reported for the 315 new IRAs opened by a \$523-million bank in a city of 280,000. The response was termed "average" and the bank spends half of its IRA advertising dollars with TV stations.

• **Kentucky** (two banks reporting). A \$124-million bank near Cincinnati opened 114 new IRAs worth more than \$552,000 during the period, for an "above-average" response. The bank's total IRAs are evenly divided between fixed rate and variable rate. The rate of new-account openings and the bank's IRA advertising are both expected to decrease for the balance of 1982. Ten percent of this bank's IRA ad dollars are spent for billboards.

An average of \$770 is in each of the 352 new IRAs opened by an \$860-

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million institution in a city of 204,000 during the reporting period. Response: "above average"; fixed-rate accounts: 83%. This bank expects an increase in the rate of new IRAs opened during the rest of 1982 and it plans to expand its advertising budget, most of which is spent with newspapers.

● **Louisiana** (one bank reporting). This \$661-million institution has a total of 950 IRAs on the books, worth more than \$3 million. Due to a change in accounting practices, a breakdown is not possible for the month-long reporting period covered by the survey. The response was termed "average" and 75% of the total number of IRAs are fixed rate.

● **Mississippi** (one bank reporting). This \$128-million bank in a city of 22,500 reported 50 new IRAs worth about \$178,000 opened during the month. The response was termed "above average" and 95% of the accounts are fixed rate. The bank's expectations of new IRA openings and advertising expenditures for IRAs indicate a decline for the balance of the year.

● **Missouri** (one bank reporting). More than 160 new IRAs were opened at this \$3.7-billion bank in a city of 500,000 between February 12-March

12. Average per account: \$2,525; fixed-rate accounts: 95%; response: "average." This bank expects an increase in the rate of new IRAs for the balance of 1982. It spends 80% of its IRA advertising dollars with newspapers.

● **Oklahoma** (four banks reporting). A \$280-million institution in a city of 30,000 reports 120 new IRAs with an average per account of \$1,450. Response was termed "average" and 80% of the bank's total IRAs are fixed rate. This bank also expects an increase in the volume of new IRA openings as the year progresses.

Eleven new IRAs were opened at a \$46-million bank in a community of 8,800. Average amount per account: \$2,050. All the bank's IRAs fall into the fixed-rate category and the bank foresees an increase in the rate of new IRA signups in the future. The response so far has been termed "above average."

A \$194-million bank in a city of 50,000 opened 89 new IRAs with an average per account of \$2,750. More than 55% of this bank's total IRAs are variable rate, with 30% fixed rate. Response: "average." The IRA advertising budget is divided equally between radio and newspaper.

A \$78-million bank in a city of 46,000 reports 15 new IRAs averaging \$2,525 per account for an "average" response.

About 85% of the bank's total IRAs are variable rate and 75% of its ad dollars are spent with newspapers.

● **Tennessee** (three banks reporting). Fifty new IRAs were opened by a \$111-million institution in a city of 14,500. Average amount per new account: \$1,700, and 59% of the bank's total IRAs are fixed rate. Although the response was termed "average" this bank expects the rate of new IRAs to increase for the balance of the year. It also will increase its IRA advertising effort, using radio, newspaper, direct mail and billboards.

An average of \$1,120 is in each of the 19 new IRAs opened at an \$83-million bank in a community of 10,600 during the reporting period. Ninety-eight percent of the bank's total IRAs are fixed rate. Response: "below average." The bank expects the rate of new IRA openings to get better as the year progresses, but it will cut its advertising expenditures on IRAs.

A \$47-million institution in a community of 6,200 opened 18 new IRAs with an average balance per account of \$2,870 for an "average" response. Eight-four percent of the bank's total IRAs are variable rate. The bank expects to increase its IRA advertising budget.

● **Texas** (four banks reporting). An average of nearly \$2,000 is in each of the 125 new IRAs opened at an \$138-million bank in a city of 185,000. Response: "average"; fixed-rate accounts: 84%. A decrease in the volume of new IRAs is foreseen for the balance of 1982.

Eight new IRAs were opened at a \$20-million bank in a town of 1,500. Average per new account: \$2,600; fixed-rate accounts (of total IRAs): 75%; percentage of advertising dollars spent on newspaper ads: 75%; IRA response: "average."

A \$640-million bank in a city of 100,000 reports 18 new IRAs for the month-long reporting period. Average per account: \$840; response: "average." The bank's total IRAs are almost evenly split between fixed rate and variable rate. Most of the bank's ad budget for IRAs is spent for radio commercials and newspaper advertisements.

More than \$3,000 average balance per new IRA account was reported by a \$962-million bank in a city of one million. Total amount deposited in the 105 new IRAs was \$317,000. Response: "average"; variable rate (for all IRAs): 60%; fixed rate: 30%. Decreases are forecast for both the volume of new IRAs to be opened and dollars spent for IRA advertising by this bank. ● ●

## Have a PR Problem? ABA Believes It Has Solution in New Handbook

**A** BANK announces it is going to build a structure to house a new branch. The problem: Members of every garden club in its community threaten to boycott the bank because the branch is going up on a site where George Washington is supposed to have slept. An overzealous security guard in a bank threatens to arrest a local Girl Scout troop for selling cookies on the premises without a license.

What does the bank's public relations officer do?

The above situations are farfetched, but every bank, at one time or another, runs into a PR problem. When that happens, what can it do to generate support for its position, as well as understanding and goodwill? How does it communicate with its employees, customers, directors, shareholders and the general public?

The ABA believes it has the answer: *Effective Public Relations and Communications: a Handbook for Banks*.

This hands-on guide presents the

how-tos of developing and carrying out effective public-relations programs regardless of bank size, budget or location. Designed to be used by bankers in the day-to-day operations of their PR programs, the book contains forms, checklists and examples that will help in accurately evaluating public attitudes to ensure that bank policies and activities are in harmony with public thinking.

The handbook was written by Barbara Miller, Carl Byoir & Associates, New York City, in coordination with the ABA public relations staff. It is being made available through the public relations committee of the ABA's communications council.

The ABA public relations committee "sweetens" the handbook offer so certain is it that the publication can be valuable to bankers: A box of Godiva chocolates (the Cadillac of the chocolate world) will go to anyone who can prove the handbook does not help enhance his or her communications efforts. ● ●

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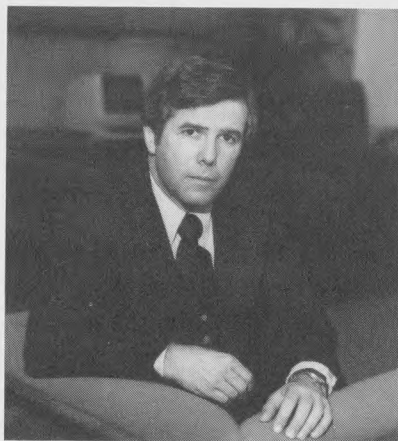
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# Council of Residents Helps Bank Keep Finger On 'Pulse' of Area



**A**BOUT a year ago, Murfreesboro (Tenn.) Bank's management decided it could serve its community better if it had the help and advice of some nonbankers there. As a result, the bank invited 17 area residents to be on a community council, with its objective being to help the bank "keep its finger on the pulse of Rutherford County," in which the bank is located.

Since the council's formation in April, 1981, its members not only have attended quarterly meetings, but they also were invited to the employees' picnic last summer, to monthly employee meetings at the bank and to the 1981 Christmas party for bank directors. By attending such get-togethers, council members can meet and talk with employees, learn about their jobs, what they are doing, how the bank operates. In this way, council members get to know the bank internally so that they have a good basis on which to give advice and make suggestions.

One suggestion already has been adopted — to hold seminars for women. The idea came from two men, a board member who is an insurance underwriter, and a council member. In his work, the insurance underwriter has met many new widows who had no idea what their husbands had as far as insurance was concerned, amount of money, etc., because those husbands always had handled their families' finances.

The first of these seminars was held in January on a day that saw a four-inch snowfall, and yet 70 women showed up. This seminar program was repeated February 24, with another 70 attending. The program featured a panel of four women, one an attorney, who spoke on wills and estate planning, an insurance agent, an accountant and the bank's IRA officer. In addition,

one of the bank's trust officers (a man) discussed safe deposit boxes, a subject chosen because the average bank customer doesn't know much about them. He told his listeners about the bank's liability in the safe-deposit-box area, who can or cannot get into safe deposit boxes when the renter dies, how the bank cannot open any box without the renter's key.

By the way, a new customer relationship developed as a result of the January seminar.

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**Members of Murfreesboro (Tenn.) Bank's community council represent a cross-section of the county's population — a doctor, dentist, farmer, attorney, educator, two housewives, businessmen and a mayor of a nearby community.**

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According to John D. Hood, senior vice president/marketing, more seminars — on different subjects and for both men and women — are planned for the future.

How were these 17 council members chosen? Two basic criteria were used: vocational classification and leadership qualities. Members represent a cross-section of the population of Rutherford County — a doctor, dentist, farmer, attorney, educator, two housewives, businessmen and a mayor of a small community near Murfreesboro.

The bank pays each of them a small fee to compensate them for their time. However, when the members accepted their invitations to join the council, they did not know they would be paid for serving.

They, of course, have no legal liabilities or responsibilities as do the bank's

directors. Their presence at the quarterly council meetings is strictly voluntary, and the bank did not require them to be bank customers. A couple of them were not customers when the council was formed, but now they all use at least one of the bank's services.

Neither did Murfreesboro Bank expect council members to actively solicit new business for the bank, but merely to recommend the bank to people, and they are doing this. Jack O. Weatherford, the bank's chairman, reports being approached by a person who said a council member suggested he become a bank customer.

Along this line, a member of the council is included on the bank's marketing committee, which meets monthly. Members are rotated onto and off this committee quarterly and are chosen alphabetically from the list of council members. By working with this committee, council members learn firsthand about the bank's marketing plans, state their opinions on upcoming programs, perhaps suggest some changes or some ideas of their own. The 10 members of the marketing committee include Mr. Hood and two other employees in his department, as well as representatives of various bank departments and branches and one director.

The council's quarterly meetings usually are held on Wednesday or Thursday. They meet from 10:30 a.m. - 11:30 a.m., during which time they are encouraged to speak candidly on bank matters. Mr. Weatherford and Charles W. Holden, president, discuss the bank's condition and the state of the economy. Since Mr. Weatherford is active in ABA activities, he also gives council members insight into this association, its objectives and how it operates. Mr. Hood says attendance has





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been good, and the meetings have proved fruitful.

After each meeting, council members are the bank's guests at a luncheon, which sometimes features speakers on topics such as bank productivity. One such speaker has been Kent Stickler of Financial Shares Corp., Chicago.

In addition to the 17 outside members, the council consists of Mr. Hood and Robert B. Mifflin, senior vice president/retail division, and David W. Hopper, vice president/trust officer.

Murfreesboro Bank has not publicized the council to any extent because its objective is to help the bank internally. The local paper and Nashville papers, as well as MID-CONTINENT BANKER, published articles on and pictures of the council when it was formed last year. The bank also mentioned it in its 1981 mid-year report and is using a photo and list of names of council members in its 1981 annual report.

When Mr. Weatherford announced formation of the council in the spring of 1981, he said, "As we move further into the 1980s, it is becoming increasingly important for financial institutions to be mindful of the changing needs of both their customer bases and of their communities as a whole. This is why we believe our community council gives us an important new dimension that can have a major effect on decisions by our management."

From the way the council has performed the past year, it looks as though it is achieving this goal. ●●

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## Gold Standard

*(Continued from page 18)*

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ver certificates. Silver certificates were withdrawn from circulation because their commodity value as bullion exceeded the value of the face amount of the coin.

A similar type of reaction is probable in terms of the copper penny. There are plans to mint a debased form of the coin.

A number of proposals have been made to index U. S. money — at least in the narrow definition of currency — to some such thing as the consumer price index (CPI). The idea has simplistic appeal. Unfortunately, the validity of the CPI in the public's mind is overrated. The CPI has been an inferior indicator of inflation for at least a decade. It's also a politically sensitive index, which makes it dangerous to

tinker with — as those responsible for the social-security system realize.

The concept of the BTU or a kilowatt hour of energy has a much more objective definition than the CPI. It's true that the cost of both units has gone up dramatically since 1974, largely as a result of OPEC. However, we now are experiencing a situation in which a better equilibrium is being established between the consumption and production of energy.

From a pragmatic viewpoint, there is little likelihood of the U. S. or any nation converting to a BTU standard for its money. It has never been done and the concept is purely theoretical.

This question emerges: Can we trust our government — our central bank — to preserve the qualities of money? The last generation would hold that we have not been as successful lately as we were many times in the past.

In one sense, energy is not a physical commodity but is an important component of costs for each of us. To the extent that an energy standard is adopted, it could and would serve as a medium of exchange just as the current dollar does. Its standard of value ensures that it is a measure of energy and can be converted into goods and services.

Those who decry the rapid runup of utility bills hold that energy would be a better store of value than the dollar. Similarly, it would provide a standard of deferred payment.

Some economists outside the Fed's orbit would add other components to the various measures of the money stock beyond overnight repos and Eurodollars, money-market mutual funds and M1-A, M1-B, M-2, M-3 and L-2. They would even throw in the contingent purchasing credit of credit cards or float. Many of these measurements are incredibly complex, including bank debit and deposit turnover, which, for commercial banks, increased from 139.4 in 1978 to 260.9 in May, 1981. Thus, some view the energy unit as potentially being a more satisfactory performer of the functions of money than other Fed measures.

A sad observation of the value of money over literally eons of time is that almost without exception every sovereign has found it more acceptable to debase the value of money than to maintain its integrity. Economists of the Keynesian school seem to imply that money losing its value tends to stimulate purchasing and consumption. That philosophy may have been valid during the Depression of the 1930s and possibly even through the 1950s. However, we now are at a stage

where the view prevails that we should experience less consumption and more savings. Therefore, we should take steps to attain a savings rate in the U. S. similar to that maintained in the last decade.

The U. S. savings rate is roughly about one-quarter of those of Japan and Germany. This lack of savings has made it difficult to formulate capital and a multitude of other things, such as greater investment in produced instruments of production.

When all is said and done, decisions about saving lie largely with the man in the street. He decides whether he will save for his retirement or depend on government largess to care for him.

The motivation to save is extremely complex. To a large extent, if the dollar continues to lose its purchasing power, the end result will be less motivation for savings, which, in turn, will further decrease the dollar's purchasing power.

Some system to preserve the purchasing power — the storehouse of value — qualities of money in the U. S., whether through a modified gold standard, an energy standard or some other standard, is imperative.

## Bankers, Regulators To 'Rap' at Session Of CSBS Convention

NEW ORLEANS — A banker/regulator rap session will be one of the highlights of the 81st annual convention of the Conference of State Bank Supervisors (CSBS) April 18-20 at the Fairmont Hotel here.

At this session, head supervisory officials of the Office of the Comptroller of the Currency, FDIC and Fed will engage in open dialogue with state regulators and bankers from 2-5 p.m., April 19.

Senator Russell B. Long (D., La.) will give the keynote address that morning. He will be followed by Ross Doyen, president, Kansas Senate, and president, National Conference of State Legislatures, and then by a dialogue on financial legislation between two members of the House Banking, Finance and Urban Affairs Committee: Representatives Joseph G. Minish (D., N.J.) and Stanford E. Parris (R., Va.).

On April 20, FDIC Chairman William M. Issac will lead off the session, to be followed by incoming CSBS President Michael D. Edwards, Washington state commissioner of banking, and Bernard J. Bienvenu, Lethar Frazar honor professor, University of Southwestern Louisiana.

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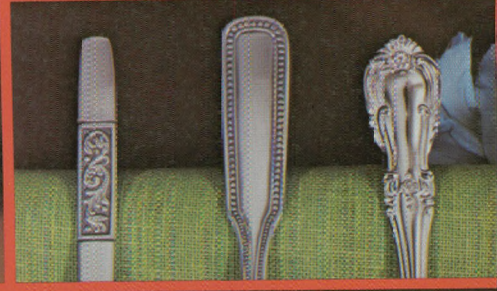


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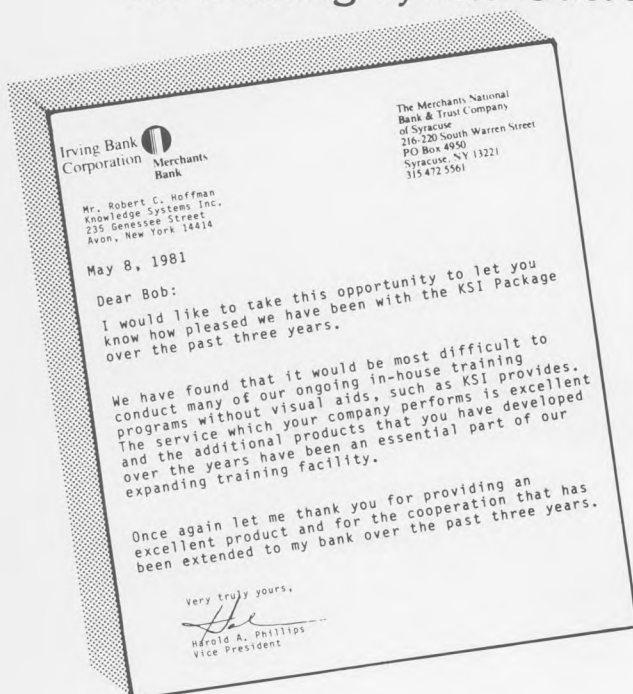
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# Security, Professionalism, Affordability Are Best Sales Incentives for IRAs

**F**INANCIAL INSTITUTIONS wishing to advertise individual retirement accounts (IRAs) most effectively are advised to stress the security of the accounts, the professional advice available from financial institutions and the affordability of the deposit instruments.

This is the advice given by experts following analysis of consumer group research performed by Leo Burnett Advertising USA, Chicago. The firm held six consumer-group IRA research sessions in the Midwest in an attempt to ferret out the aspects of IRAs that hold the most appeal to consumers.

Each consumer group included from eight to 10 individuals who were interviewed in round-table discussion groups concerning their attitudes about retirement and financial planning. They also were queried about their feelings for financial institutions, financial services and IRAs.

Two of the groups were made up of males between the ages of 25 and 35, two more groups included males between age 37 and 47, one group included male blue-collar workers and the last group consisted of single females. All participants were familiar with IRAs.

Although no major differences were discovered between men and women consumers, five distinct consumer profiles were identified from the interviews.

Two profiles were found to offer the best potential for financial services in general and IRAs in particular.

The first profile emerged from individuals who said they were concerned about the future and skeptical about the ability of social security and private-pension plans to take care of their retirement needs.

These individuals recognized a need for financial planning, but they were confused and uncertain about how to go about planning for retirement. The concept of opening IRAs at financial institutions appealed to the members of this group because they felt such accounts would be secure and would be administered by "real people who could dispense

understandable advice at a familiar and a convenient location." Minor differences in interest rates didn't concern them because funds security was paramount.

The members of this profile typically held checking accounts and a variety of large savings accounts and certificates. They tended to be over age 35, held white- or blue-collar jobs and were in the low-to-middle-income level.

These consumers are thought to represent the core group of financial-institution users and account for more than a third of the population. An advertising approach that would reassure these people on an emotional level about the security and affordability of financial-institution instruments, that would direct them to the services most appropriate

to their needs and would encourage them to act was recommended by researchers.

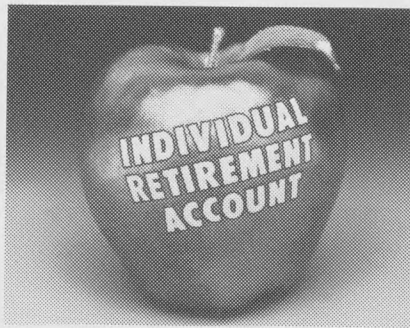
The second target group for financial-institution IRA advertising was concerned with high yields for their deposits.

This group includes consumers who are actively involved in money management but still are searching for professional guidance in their financial affairs. These people were concerned about retirement and wanted assistance in understanding the various options that are available.

These consumers liked the idea of IRAs at financial institutions because they felt such accounts were not only secure but affordable. But, since they were sensitive to interest rates, they would be likely to shop around and compare the various IRA plans offered by competing financial institutions. These individuals also considered money-market mutual funds to be as safe as accounts in financial institutions.

The average age of this second group was under 45, its members were well-educated and held professional, managerial or technical positions. They were in the middle- to upper-income range. These consumers were likely to move away from banks to "experiment" with money market funds, stocks, bonds and real estate.

Advertising aimed toward this group should



(Courtesy United Missouri Banks)

## Best Sales Incentives for IRAs (Cont.)

attempt to educate and counsel them about the superiority of financial-institution instruments and show how these instruments can meet their retirement needs. The advertising also should stress the professionalism available at financial institutions.

Two additional study groups that were identified fell into the category of secondary targets for IRAs.

The first group consisted of individuals who were knowledgeable about money matters and were willing to take risks. They were interested in IRAs for their investment portfolios, but were critical of financial institutions, charging lack of "creative sophistication."

Individuals making up this group were primarily middle aged, well educated and held professional or managerial positions that paid well. Such people are not expected to respond to a mass advertising approach, but require a more personalized approach.

The other secondary target group consisted of individuals who were aware of the need to plan for the future, but who had more important priorities for their savings.

Members of this group tended to be under 40, well educated, holding good jobs and in the medium-income bracket. These individuals had difficulty saving regularly and tended to use payroll-deduction plans.

Members of this group found IRAs interesting, but not appropriate at the present time. Any IRA advertising aimed at this group should strive to gain the attention of these individuals and pre-condition them for the time when they would give financial security matters higher priority.

The final consumer segment identified in the focus groups expressed little or no interest in planning for retirement. Its members tended to have no savings and maintained low bank deposits. Members of this group were expected to not respond to IRA advertising until circumstances altered their financial situations for the better. ●●

Source: American Bankers Association.

## From Fast Food to Fast Financial Services



TOP: "Before" view of former Burger King restaurant acquired by Scott Credit Union, Belleville, Ill. Building was in mint condition, due to being used as a restaurant for only a short time. Structure is in high-traffic shopping center. BOTTOM: "After" view of Burger King restaurant after remodeling by Ralph Korte, Inc., for Scott Credit Union. Interior of restaurant was gutted and three "add-ons" were built for vault, drive-up and entranceway.



**B**URGERS no longer are king at this building in Belleville, Ill. Thanks to a creative remodeling job, the former Burger King outlet now dispenses financial services for members of Scott Credit Union.

According to Jim Cottage at Ralph Korte, Inc., bank design/building firm headquartered in Highland, Ill., the building was stripped down to the four walls and roof. Except for the heating system, the entire interior was removed and rebuilt.

Why did the credit union convert the restaurant rather than build from scratch? Because it was feasible from an economic standpoint. The building is located in a major shopping center. Its dimensions were ideal and the structure was sound.

Three additions were put on the building — a drive-up, a vault area and an entrance.

John Tobey, vice president/operations, for the CU, estimates that the firm saved several thousands of dollars by remodeling the structure rather than build a new one. The project took four months to complete.

Mr. Tobey located the structure on his own, learned that it had been used as a fast-food facilities for only a short time and that it had been closed due to a legal situation. The structure was the approximate size the CU needed for its facility and was strategically located.

He is extremely pleased with the job done by the Korte firm. ●●



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# Physical Convenience Still Top Item In Selection of Financial Institution

**P**HYSICAL CONVENIENCE still is the primary selection factor when individuals choose a financial institution. This makes branch location critical for a financial institution's market survival, according to George J. Ator, president, Group One Research, Inc., Pittsburgh.

Location strategy is more important in today's marketplace than it was in the past, due to the loosening of branch regulations that has removed the last hedge of protection for financial institutions. It's essential that the correct location be chosen for a branch, even if it means a few thousand dollars more in land cost.

And old locations must be re-evaluated, Mr. Ator says. Some will benefit from refurbishings, some should be moved — and some should be closed.

Among the reasons for re-evaluation of branches are:

- Markets are fluid, their composition and strength change over time.
- Market focal points shift.
- Surrounding retail facilities deteriorate; new shopping centers are more attractive than existing retail areas.
- The high cost of gasoline has altered travel patterns and shopping habits of consumers.
- Branches tend to literally wear out over time.

"It's necessary to conduct a complete branch-planning study every two or three years," Mr. Ator says. Financial institutions following this guideline report good results.

A 15-year-old branch was moved about 100 yards and deposits increased 15% in one year. Most of the new deposits were low-cost. Prior to the move, branch deposits had been static, now they're on a new growth curve.

Another branch was completely redecorated and thereafter deposits rose dramatically. Cost of the redecorating was less than one-half of 1% of the extra deposits the beautification job cost.

The evaluation plan of another financial institu-

tion recommended closing a branch that had been open only two years. The result: a saving of about \$45,000 annually in personnel costs. The institution lost only \$100,000 in deposits. The branch had been located on the wrong side of the street and no space was available on the correct side.

The branch-evaluation procedure is fairly simple in concept, Mr. Ator says, but it involves detailed analysis requiring much data gathering.

He suggests that financial institutions begin the process by conducting a customer-opinion study. "Ask a sample of customers and non-customers about their shopping and traveling habits. Also, ask enough information to be able to draw a customer profile. Banking habits, satisfaction, dissatisfaction with services and expectations form a critical part of the evaluation

study and must be obtained through a consumer-opinion study," he says.

A careful analysis of standard demographic data available from the census and local agencies also is mandatory. It will help to point out population shifts and the location of market centers.

Road patterns, shopping-area locations and competition locations help to isolate weaknesses and strengths in branch-market areas. They also help to point out probable competition target areas. This procedure provides an opportunity to shore up the institution's defenses and lessen the impact of new competition when it arrives.

Mr. Ator also suggests a careful audit of all existing facilities of the institution. "Perhaps some new signs are in order, new furnishings, or maybe just a fresh paint job," he says.

After all data has been collected, Mr. Ator recommends making some objective analysis and being prepared to commit to action. Advertising generally won't compensate for lack of proper facilities in the right markets.

Branching strategy for the 1980s differs dramatically from that of earlier times, he says. "Your posi-

**Location strategy is more important in today's marketplace than it was in the past, due to the loosening of branch regulations that has removed the last hedge of protection for financial institutions.**

## Physical Convenience (Cont.)

tion in the market will depend on how well you branch. Every tool at your command has to be marshalled and used judiciously. Branching is one of those vital tools."

In the next decade, Mr. Ator suggests that financial institutions evaluate their present branching strategy carefully. In many instances, it will be found that:

- More branches will be needed to offset some of the convenience edge other financial institutions already have.

- It's a good idea to re-examine the older sections of a community. An institution may find it advantageous to backfill from suburban outposts built in the '70s.

- Smaller units will be the key, but units in grocery stores have not been the panacea they were expected to be. Consumer acceptance of such locations has been lagging.

- Finding the proper balance between size and image in the marketplace is a must. It takes objective re-

search to make this determination.

- Image will remain critical. Demographic studies indicate that coming generations will want a sound image but not opulence in their financial institutions.

- All branches must be designed to increase speed of service, yet officials should be accessible to the public to help offset the "customers-are-just-numbers" syndrome.

An important new consideration in doing branch evaluations is the fact that branch trade areas have been shrinking in geographic size. The former 10-15-minute rule has shrunk to closer to five minutes from the customer's home to his financial institution — thanks to both OPEC and deregulation.

Mr. Ator believes this means more, not fewer, branches in the future. These branches will be smaller and semi-automated, using ATMs and a "customer-service agent," but not traditional tellers. • •

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# Customers Eager to Make Deposits If They Receive Warmth in Return

**B**ANK CUSTOMERS are among the first to patronize an institution that will help them keep warm!

Just ask Phyllis Amberson at Northwestern Banks, Minneapolis; or Robert Getty at First National, Chicago; or Bob Cook at First National, Janesville, Wis. They'll all tell you that blankets, scarves and stadium robes are "hot" items when offered by banks during the cold-weather season.

Twenty-nine Minnesota affiliates of Northwest Bancorp. participated in what the banks called "a first-class offer from Northwestern Banks" during a five-month period recently. Object was to increase savings deposits and the banks' checking-account base.

Blankets were chosen as the premium because they appeal to a wide audience of people 25 years of age and older, according to Ms. Amberson.

Four blankets from Faribault Woolen Mill Co. were offered, along with two expensive comforters from another manufacturer. All but one of the items were offered at special liquidation prices in exchange for qualifying deposits in the banks' Interest Plus or regular checking accounts, a deposit of \$300 or more in a new or existing savings account or



\$1,000 or more for a year or longer in a CD.

One blanket was available free to customers depositing \$5,000 or more. The same model was available for \$4.99 to anyone depositing between \$1,000 and \$4,999, and it came for \$9.99 to anyone depositing between \$300 and \$999. Other blanket prices ranged from \$4.99 to \$39.99. A lambswool comforter was available for as little as \$39.99, and goose-down comforter prices started at \$134.99. Top price for a king size model was \$219.99.

The offer was highly promoted during the fall season through newspaper ads, 30-second TV commercials, in-bank display materials and statement stuffers. The TV commercial was shot on the deck of the "Queen Mary."

The program exceeded projections by 25%. It was termed "best premium promotion we've ever run" by Ms. Amberson, who is program coordinator for the HC. She said the program was literally trouble free: There were no delays in resupplying participating banks and no defective premium merchandise. More than 25,000 units were moved and only one minor complaint was received about product quality. Returns averaged about 2%.

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was the least-expensive blanket. It accounted for 70% of the items handled during the promotion.

First National, Chicago, tied its blanket premium promotion into the offering of NOW accounts. The promotion ran for two months last year and its objective was to increase savings deposits across the board, including regular savings, high-interest CDs and NOWs.

Five Fairbo items were offered in the bank's "bundle up and save" promotion — a down jacket, a down vest, a wool blanket, a wool stadium blanket and a wool scarf. A bonus included a First Chicago stocking cap at no cost.

Customers depositing from \$500 to \$1,499 could receive the down jacket for \$59.95. If they deposited between \$1,500 and \$4,999, they could get the jacket for \$10 less. If they deposited \$5,000 or more, another \$10 was deducted from the jacket price. The stadium blanket could be obtained free for a \$5,000 deposit and the wool scarf was free with a \$1,500 deposit.

Mr. Getty reports that customers were "extremely pleased" with the promotion and that deposit-increase objectives were met and exceeded.

The program was trouble free, with returns less than 2½%.

The bank moved 2,800 stadium blankets, 1,868 scarves and 989 blankets in two months.

First National, Janesville, used scarves and blankets during a two-month period to increase savings deposits and sell new and renew old CDs.

When selecting the premiums, Bob Cook, vice president-marketing, wanted items that would be practical enough to appeal to an economically depressed area. Janesville is a heavy blue-collar community with many residents connected with the ailing auto industry. The bank titled its promotion "Snuggle Up With a Friend."

Five deposit categories were established, ranging from \$200 to \$10,000. All but one of the premiums were free with a \$10,000 deposit.

Newspaper and radio were used to publicize the promotion.

The bank realized more than \$7 million in deposits during the promotion, most of it in renewed CDs. The most popular items were the scarves and the stadium blankets.

Mr. Cook said that the product was "absolutely excellent." All products offered were highly acceptable to the bank and to its customers.

The same promotion was offered at two affiliated banks, First Peoples in Janesville, and Tobacco Exchange Bank in Edgerton. ●●

## Bank Represented on Dinner Tables By Presence of Crystal Stemware

**H**OW PLEASANT it would be if your financial institution was present in a tangible form every time the majority of its customers dine or entertain at home!

This hoped for situation is a reality for First National of Jefferson Parish, Gretna, La. And the bank's customers "paid" more than \$25 million to the bank for the privilege!

The bank's presence at the dinner table takes the form of crystal stemware offered by the bank to depositors over a six-month period last year. Anyone depositing \$100 to a new or existing savings, checking or NOW account could take two pieces of lead crystal home to adorn the dinner table. Those desiring additional stemware could obtain it through additional deposits. With a \$50 deposit, they could purchase a pair of wine, cordial, water, sherry, parfait-champagne stemware or 10-ounce or 13-ounce tumblers for \$6.95.

Each time a hostess sets her table, she'll remember the bank and its crystal premium promotion.

The crystal was supplied by Salem China Co. and was advertised by First National in newspapers, on radio and TV, via direct mail, statement stuffers and on lobby posters. A colorful folder illustrating the various types of crystal available described the promotion's details.

In addition to the \$100 initial deposit and \$50 add-ons, customers could obtain a free pair of crystal or purchase any 24 stems or tumblers for

\$64.95 with a deposit of \$1,000 or more into any savings plan at the bank.

For a \$5,000 deposit, a customer could receive *two* free pairs of crystal or purchase the 24 stems or tumblers for \$59.95.

A \$10,000 deposit earned the customer *three* pairs of free stems or tumblers and a further reduction on the 24-piece set, making the price \$54.95.

The bank selected French crystal because it was felt the items would be useful to any customer, says Lynette Duos of the bank's marketing department. Crystal is something no one ever seems to have enough of. It's elegant, tasteful and gives those who use it a feeling of well being. And it certainly is representative of the financial industry!

Miss Duos adds that the training program provided by Salem's representative was "excellent" and reorders of merchandise were handled promptly. There's little doubt that the promotion created a good deal of goodwill for the bank.

Miss Duos especially liked the crystal's style, since it fit in well with all types of decor. Its elegance made it easy to sell, she says.

Employees liked the promotion, too, since they were able to purchase crystal items at a reduced cost — a fact that was a morale booster.

The promotion was the bank's first attempt at using premiums to boost deposits. The success of the promotion is crystal clear! ●●

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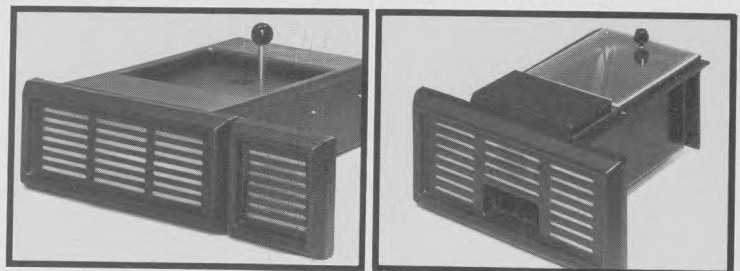
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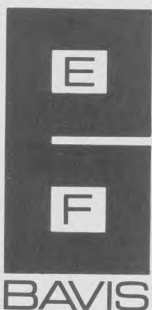


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# A Bird in the Bank Is Worth a Flock Of Future Full-Service Customers!

**I**N THIS CASE, we're talking about the Crunch Bird, a savings club mascot based on a syndicated cartoon character, for whom the Crunch Bird savings club is named.

The Crunch Bird's natural habitat is the lobbies of banks. For instance, he can be seen every Saturday in the lobby of Municipal Trust & Savings, Bourbonnais, Ill. At Lebanon (Tenn.) Bank, you'll find him in the lobby, marching in parades, riding through town in an open convertible and as the star of a special commercial played in local theaters. Sightings have been reported as far south as Bank of West Baton Rouge, Port Allen, La.

The Crunch Bird savings club is a program just for kids, age 14 and under. Through membership in the club, children develop good savings habits and learn that saving is an enjoyable, profitable and rewarding experience.

This is accomplished by an exclusive promotion with a product mix of incentives and giveaways, including everything from the Smart Saver's CrunchBook (passbook) and CrunchCards (membership cards) to huggable plush toys and coin banks, each bearing the picture of or taking the shape of the Crunch-Bird character. For banks

wanting their own goodwill ambassadors, there's a larger than life, soft plush costume. The program was developed and is marketed by Bankers Systems, Inc., St. Cloud, Minn.

The Crunch Bird club program typifies what theme advertising and continuity can do to establish a positive image, stimulate new business and build a future account base. Children learn early that they are special people at the bank. The bank, in turn, reaps special benefits, too.

"Parents appreciate the interest we show in their children," says Donald C. Starks, executive vice president, Municipal Trust & Savings, Bourbonnais, Ill. "Many parents who accompany their kids in for Saturday visits with our Crunch Bird have reciprocated the interest we've shown by opening full-service accounts with us.

"Last October, we were a new bank opening in a market of six established banks, four S&Ls and three strong credit unions. We went with the Crunch Bird club because we felt it would draw customers. It's innovative and unique to our bank. We want to stand out as a leader, not a follower, and the Crunch Bird club helps us do that. The children's market was untapped; we were the first to



**LEFT:** Gaggle of Crunch Birds surrounds young Crunch Bird club supporter. **RIGHT:** More-than-life-size Crunch



**Bird stands guard while young Crunch club member makes transaction at special teller's window for clubbers.**





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recognize it. During our grand opening, we opened over 280 Crunch Bird accounts that are running on the average of \$250 per account. We have members ranging in age from infants to 14 years. In a few years, some of those kids will become full-service customers who have established strong relationships with our bank.

"We've gotten many new accounts by word-of-mouth advertising given by club members who wear their T-shirts to school. The other kids want to know where to get one and how to join the club.

"We use the Crunch Bird mascot to lead events such as the Halloween pumpkin hunt we had in October. He was with us during the holidays and we have plans to involve him in Easter, Labor Day and homecoming events in the community. The Crunch Bird club will be a part of our services for a long time."

When asked about costs versus results, he replied, "If I wasn't satisfied with the results, I wouldn't be using the program. We're looking to the long range, future benefit. Account retention is an important factor."

The Crunch Bird has been a pet project of Patricia Bone, marketing director, Lebanon (Tenn.) Bank, since early spring, 1981. She feels the costumed

bird is a vital part of the success of the club as well as an ideal public relations tool for the bank. Ms. Bone was instrumental in producing Lebanon Bank's Crunch Bird theater commercial in which the costumed bird invites community children to join the club. The bird is seen leading the kids through the city, past local points of interest and finally into the bank where the children are seen climbing special steps to the Crunch-Bird-club teller window to open accounts.

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"Community response has been excellent," Ms. Bone says. "During our club's first six months, some 344 Crunch Bird accounts were opened totalling more than \$45,000 in deposits. About 88% is new business for us with 12% being transferred accounts.

"Most of the accounts are in the \$175-to-\$200 range. Children can open an account for as little as \$5. With a \$25 account, the child becomes an 'official member' and receives the special passbook membership card, balloon, club button and wall poster for the home. When the account reaches \$50, the child gets a Crunch Bird coin bank; at \$75, a Crunch Bird T-shirt; at \$150, a special Crunch Bird baseball cap and at the \$250-level, his/her very own Crunch Bird plush toy.

"We had an excellent response from club members who received letters inviting them to ride with the Crunch Bird in a local parade," Ms. Bone says. "This spring, the Crunch Bird will be visiting local day-care centers, kindergartens and elementary schools to hand out balloons and invite the children to join the club."


"The Crunch Bird has been a part of our bank since the summer of 1980," says Arthur S. Cagle, senior vice president, Bank of West Baton Rouge, Port Allen, La. "We have more than 400 accounts and their activity is in keeping with what we expected.

"We're in an area where commercial banks are discouraging smaller accounts by charging fees. Our philosophy is that we're willing to encourage them and, by doing so, create a positive image in the community. We're interested in building goodwill and removing some of the stuffiness sometimes associated with a bank.

"We like the giveaways and incentives because the kids that have them generate enthusiasm and interest among their friends and it spreads. Parents who bank elsewhere bring their kids into our bank and soon they start using some of our services as well.

"Collateral benefits are good. For us, the Crunch Bird club is a tool for the future in building a positive, full-service customer."

Each of these banks is using the Crunch Bird club program to meet the individual needs of its market, yet they share the common philosophy that building for the future is important. Involving the child will involve the parent, not unlike such commercial notables as McDonald's, Jello and if "Mickey likes it," Mom or Dad is going to buy it. The Crunch Bird club clearly is not for the birds, but rather for the customers of today and tomorrow.



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# Device Serves as Communication Tool Between Customers, Financial Institution

**P**USH-BUTTON questionnaires are becoming a new staple at a number of financial institutions, thanks to the people at North American Financial Services, Winter Park, Fla., marketers of Tellus Terminals.

Financial marketers are finding that the compact, 12-pound computer terminals are revolutionizing customer-to-financial institution dialogue. In many instances, the machines are making it possible for financial institutions to communicate first-hand with their customers. This communication is resulting in information that financial institutions can use to provide new services, revise current services or assess their standing with the public.

"We want to provide a simple and confidential way for customers to tell us how well we are doing in satisfying their needs for financial services," says S. C. MacIntire, senior vice president/marketing, First Bank System, Minneapolis.

First Bank has been using Tellus terminals since last fall throughout the five-state upper Midwest region it serves as part of an overall effort to continually respond to the financial services needs of its customers.

The terminals, which are said to be as easy to use as a calculator, contain 11-button keyboards and are used by customers to respond to up to 11 questions posed by a financial institution. All a customer need do to respond is to push a button.

The unit's memory module is operated on flash-light batteries and the terminals can easily be moved to various locations for customer use. One time, a terminal can be located in the safe-deposit section, another in the installment loan department, etc.

Questions programmed into a terminal can be changed to gather customer information on use of

services, advertising and marketing, employee performance, the financial institution's image in the community and strengths and weaknesses of the financial institution in customers' eyes.

"Responses to questions are completely confidential," Mr. MacIntire says, "there is no way for us to identify the respondent."

Continental Bank, Chicago, has been using two terminals on a trial basis. According to Obie L. LeFlore, management services officer, the units are being used to collect customer-service evaluations. "We are measuring our customers' perceptions of the service given by bankers, tellers and customer-service personnel in our different banking offices," he says. "We analyze these evaluations by the age and income data we also collect."

The terminals record responses on tape that is sent for processing to MSI, Corp. in California, manufacturer of the units. The information also can be sent to MSI

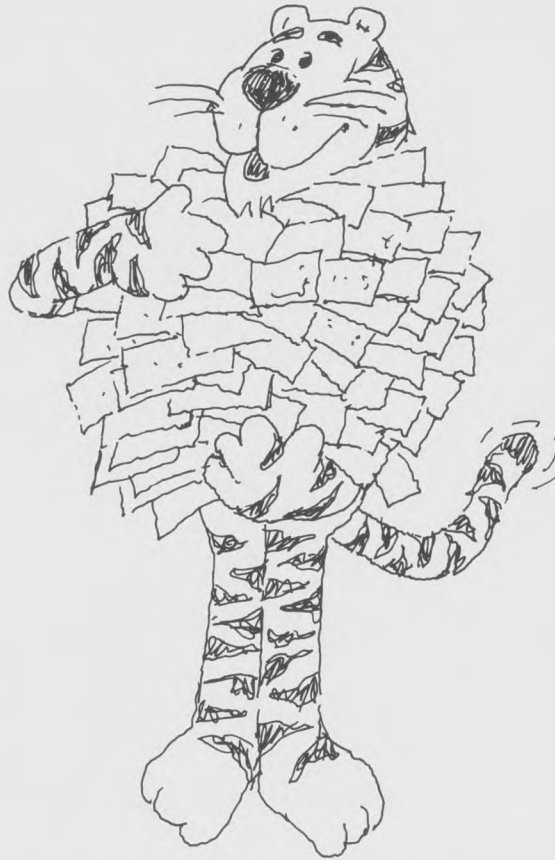
via telephone lines. Results are sent to North American Financial Services for evaluation and reports are returned to sponsoring financial institutions within three weeks.

Continental Bank has been using Tellus-generated information to compare measurements across facilities. Facility managers set service-level goals and develop service-improvement strategies in line with customer recommendations. Then the terminals are put into service once more to see if the strategies have met with customer approval.

The bank recently developed a new service program for a segment of its customers called "personal financial service." The program concentrates on giving certain customers faster, more accurate and more personal attention than the bank can give to every customer. The Tellus machines will help the bank determine whether the favored customers



Tellus Terminal was used by First Bank System, Minneapolis, to let customers comment on bank services.



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## Communication Tool (Cont.)

perceive a higher level of service being delivered, Mr. LeFlore says.

Continental has used the units to reinforce information already in the hands of the marketing department. "This has been an important source of validity for the machines," Mr. LeFlore says, "and we feel comfortable in reducing our expenditures on other more costly sources of similar data."

The bank has been using its two terminals since last October and has not experienced any mechanical difficulties. Mr. LeFlore says he expects to purchase additional units, as they definitely pay their way in usefulness to the bank.

RepublicBank, Houston, has been using two terminals to conduct surveys in four areas, says Eileen Pilcher, market-research specialist.

The studies fall into two groups: those providing evaluative information on products/services or personnel and those providing information on product/service demand and satisfaction.

The first survey was an evaluation of lobby and tellers. The bank has two lobbies in the downtown area and the results of the study brought out differences in the level of services delivered at each. A second survey is designed to determine customer opinion of various products and possible innovations to those products, such as check safekeeping and combined statements.

Terminals were placed in the lobby for the first survey, but one will be

placed in the safe deposit vault and the other in the customer-service department in the future. A safe-deposit Tellus study is replacing a mail survey and the results will be used to make decisions about the safe-deposit facility in the bank's new building, now under construction.

"Tellus is an innovative research tool that has allowed us to conduct more consumer research than we would have otherwise, at a moderate cost," she says.

"I have found Tellus to be very useful," says Jeff Vogelbacker, manager, market research/planning, at Sun Banks of Florida, Orlando.

The HC has 121 offices and is using three machines to conduct surveys throughout the state on the following topics:

- Individual situations within a given office that a local marketing officer or branch manager wishes to probe. Examples include changing lobby or drive-in hours, closing on Saturdays and moving or closing an office.

- Standard uses within a particular office to collect information about service levels and use of ATMs.

- Statewide surveys of large offices using a standard questionnaire. "Using Tellus on a statewide basis enables us to gather responses over a wide geographic area and to compare those responses to each other," Mr. Vogelbacker says. "Additionally, we integrate the demographic information

into our existing collection of data for that market area."

The HC presently is surveying customers on financial-service usage and preferences. Questions are asked about services provided by banks as well as by non-bank financial institutions. Tellus enables the HC to pinpoint offices perceived to have problems.

Customer responses have had an impact on the decision-making process at the HC, both at the individual-office level and on the statewide-corporate level, Mr. Vogelbacker says.

"An example was the decision to reduce the hours at one office based on little negative response by that office's customers" to the issue as recorded on the Tellus terminal. "Had there been an emphatic negative response, we would have been more reluctant to make that move."

On a corporate level, the bank has used Tellus survey information to help determine pricing levels on various accounts.

"Customers respond favorably to the concept of the bank asking for their opinions. They feel this indicates concern for their needs and is indicative of the bank's interest in them, the customer," Mr. Vogelbacker says.

First Union National, Charlotte, N. C., has used Tellus terminals to survey customers about bank selection and usage factors, demographics, supermarket shopping habits, personal spending habits and preferences related to local sports events, says Emmy Lou Jeffress, assistant vice president/marketing research.

Consumer response to the terminals has been good, as evidenced by a significant volume of survey respondents. The bank has been using five terminals.

The bank was interested in machine performance and durability and its effectiveness as a market-research tool. Ms. Jeffress reports that there were some mechanical problems that required service response from North American Financial, but that response was timely.

There also were some disadvantages to using the terminals in supermarkets, due to the temptation the units created to children who delighted in punching irrelevant information on the keyboards. Lack of control over the survey sample was a major concern with regard to using the terminals for market research, she says.

"The results of our pilot project led us to the conclusion that Tellus surveys generate favorable press coverage and consumer response," she says. ● ●

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# Insurance-Loan Reinvestment Plan Results in New Funds for Banks, Thrifts

**M**OST PEOPLE don't keep cash under the mattress anymore, but many individuals are learning that they have dormant assets in their safe deposit boxes in the form of cash values on life insurance policies.

And a growing number of financial institutions are reminding their customers and non-customers of this fact and offering to invest these funds in high-interest CDs.

Thus, many individuals who counted themselves out of the running for IRAs and money-market-fund accounts find they have nests filled with golden eggs.

An ex-insurance agent is responsible for developing a savings plan called "Idle Assets" that is available to financial institutions. The program provides these institutions with the know-how to tap the market created when policyholders borrow on their insurance.

"John Q. and Alice Average Citizen aren't aware they can borrow against the cash value of their (insurance) policies at low interest rates," says Robert T. Mullin, president, Idle Assets, Inc., Zionsville, Ind. He accuses insurance firms of keeping the loan provision under wraps. This means, he says, that premiums paid to life insurance firms are earning funds for those firms in some far-off place. The money isn't doing much for the local economy and not as much for the policyholder as it could.

Idle Assets was set up about a year ago by Mr. Mullin. Since that time a number of banks and thrifts have signed for the service. The plan calls for policyholders to borrow against their life insurance and reinvest the proceeds in 30-month CDs with participating financial institutions. The CDs have been earning 11% or 12% interest lately.

Mr. Mullin sells the Idle-Assets program to financial institutions whose managements are eager to receive the "new" money such deposits represent. These managers are happy to tell their existing and potential customers about the new service that puts the customer's "idle assets" to work. For instance, a 5% loan on a life insurance policy

with estimated cash value of \$5,000 would cost the policyholder \$250 per year, or a total of \$625 for the 30-month term of an Idle Assets CD, Mr. Mullin says. An 11% CD would earn \$550 per year, or \$1,325 over the 30-month period, giving the customer a \$750 net gain.

All the customer has to do is bring his policy to the financial institution, which handles all the paperwork connected with the loan and the CD.

A customer could do the same thing on his own, Mr. Mullin says, but he's not likely to, since the amount of the loan is deducted from the policy payoff by the insurer should the policyholder die during the loan term.

To protect the customer, Idle Assets maintains the investor's insurance coverage. Financial institutions offering Idle Assets also provide coverage equal to the CD amount under a group plan.

Financial institutions participating

in Idle Assets have an exclusive on the program for an initial period (usually six months, with a renewal provision), which gives the institution a competition-free start to its program.

Spokesmen for financial institutions offering Idle Assets who were contacted by this publication are enthusiastic about the concept and all report good customer acceptance, but results are not always as good as expected.

The first bank to sign on with Idle Assets was Mutual Trust, New Albany, Ind. At latest report, the bank has taken in \$785,000 from policyholders. The deposits have eased the bank's high loan-to-deposit ratio, according to Robert Brown, president. Two insurance firms closed their accounts at the bank to protest against the Idle Assets service.

Mr. Mullin says every participant benefits from Idle Assets — the financial institution receives new deposits, the customer makes money on his assets and the insurance firm is assured that the policyholder will keep his policy in force rather than cash it in. Even the insurance agent who sold the policy doesn't lose, since he continues to benefit from premiums paid in, Mr. Mullin says.

First National of Jefferson Parish, Gretna, La., began offering Idle Assets last September. As of March 15, the bank had taken in \$400,000 in deposits. John Giroir, senior vice president, reports that the bank encouraged employees to sell the accounts by offering \$5 as a bonus for the first account put on the books, \$7 for the second account, \$8 for the third and \$10 per account after that. The incentives were offered during the first 90 days of the program.

Mr. Giroir says the bank still is educating individuals about the plan. There's a natural reluctance for people who depend on life insurance to turn their policies over to the bank, he says. Deposits came in rapidly at the inception of the program, but since have tapered off. The bank expects to take in as much as \$800,000 in the first year of the program.

First National, Alton, Ill., has been

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offering Idle Assets since last October. According to Bonnie Booten, assistant vice president, timing for the launching of the program was not the best. Idle Assets was introduced at the same time the bank's all-savers program began and right after that the distractions of the holiday season tended to put Idle Assets on the back burner.

Despite these negative factors, the bank has taken in more than \$150,000 through the program. The selling point of the service to the bank was the fact that all deposits represent new money.

A new advertising effort is underway to boost Idle Assets, Ms. Booten says.

Experience has proved that individuals in the 40-50 age bracket are the best prospects for deposits. Older people are hesitant to do anything that might disrupt their insurance and younger people tend not to have enough insurance to meet the bank's minimum deposit.

Mike Elvir, senior vice president at Bank of New Orleans, says he's happy with the results of the bank's Idle Assets promotion. The service began on February 8. It's too early for a deposit figure to be established for the program, but Mr. Elvir says management is intrigued with the fact that every dollar deposited is new money.

"There's no cannibalizing of existing accounts," he says.

Promotion efforts are "moderate"; the bank is utilizing statement stuffers to customers and direct mail to non-customers to spread the word about the service. For the first 90 days of the promotion, the bank is paying employees \$5 for each account they bring in.

No complaints from insurance firms have been registered, Mr. Elvir says, even though one of the bank's directors is president of a local insurance firm! Mr. Elvir predicts deposits of about \$1 million by the end of the year. He says the program will be self-sustaining at that figure.

St. Louis Federal Savings & Loan is another institution just starting its Idle Assets promotion. During the employee-orientation program put on by Mr. Mullin's staff, employees became so enthused with the terms of Idle Assets that they pledged about \$100,000 in insurance loans from their own policies!

Henry Kumpf, assistant vice president/special services, says he counts among the benefits of Idle Assets the "beautiful blend it makes between insurance and saving services" the thrift offers. He also appreciates the public-education factor of the program, since so many policyholders are not aware of the loan provision of their life insurance policies.

He expects the thrift to take in about \$10 million in Idle Assets deposits within a year's time.

Mr. Mullin says that First National, Richmond, Ind., posted \$1.5 million in Idle Assets deposits in the first four months the bank offered the program. The administrator of the bank's program says a massive educational effort must be made to convince people that they can take out insurance loans without jeopardizing their coverage.

Sterling Moore, president, Citizens Deposit Bank, Vanceburg, Ky., is enthusiastic about Idle Assets. The bank is just getting its program started.

"Idle Assets holds lots of promise," he says. "Customers have cash values that aren't earning anything. With Idle Assets they can put this money to work, thereby increasing the size of their estates. All aspects of the program are positive."

Mr. Moore sees a potential \$2 million in deposits, which looks extremely good to him. The program is costing the bank about \$3,000. He says the general public in his bank's trade area is unaware of the loan provision of insurance policies. ● ●

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• **Arkansas Systems, Inc.**, has named the Rebus Group, San Anselmo, Calif., as a distributor for its on-line banking environment (OBE) software. OBE permits a small IBM system/34 computer to directly support bank operations using ATMs, teller terminals and administrative terminals. OBE provides account-inquiry and memo-posting features normally associated with large systems. It isn't tied to a specific application-processing software, so it can be used for either in-house or remote processing of applications where the System/34 is used for MICR capture, remote job entry and printing. Write: Arkansas Systems, Inc., Suite 206, 8901 Kanis Road, Little Rock, AR 72205.

• **W. S. Ponton.** This firm, which specializes in providing mailing lists of affluent investors, now offers a list of affluent older investors. Each of the

more than 436,000 individuals named on the list is said to have a net worth of \$500,000 and up, and each is said to be 50 years of age or older. A list of individual investors over age 60 can be broken out of the main list. It's sug-

gested that a list of this nature can be useful to financial institutions interested in contacting such individuals with specialized investment plan offers. Write: W. S. Ponton, Inc., (Continued on page BG/28)

## Ticket-Selling Service Is Provided by Bank

When the Illinois Metro Centre in Rockford features special entertainment — such as Bob Hope or the rock group, Chicago — residents in and around Freeport, Ill., about 30 miles away don't have to travel that distance to buy tickets. State Bank of Freeport has begun offering a ticket-selling service for events at the Metro Centre, a year-old, 10,000-seat capacity entertainment facility.

A bank spokesperson reports that sales have surpassed some ticket locations in Rockford, and comments have been favorable. For instance, some ticket purchasers have pointed out that they have to stand in line for perhaps only 15 minutes at the bank and get front-row or good seats, but if they go all the way to Rockford, they may have to wait a couple of hours to get their tickets, and they won't get any better seats.

The bank doesn't advertise the service, except through its "News Flash," a small paper distributed each week at restaurants and other public places in Freeport. When tickets are available for a particular event, the bank alerts the public through this publication and tells them where and when tickets will be sold. Otherwise, the only advertis-

ing is done by the Metro Centre, which lists the bank among ticket locations.

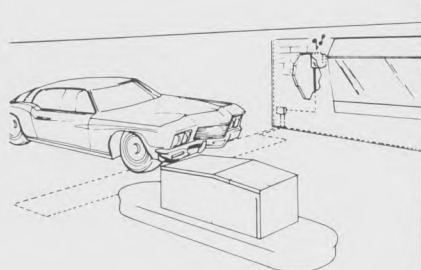
Although the bank receives some monetary compensation for this service, it isn't making a profit from it. In fact, it's just about breaking even. However, the spokesperson points out that the bank is not in it for the money, but to provide a service for the people in its area.

## BMA Publishes Workbook On Incentive Compensation

CHICAGO — A workbook for financial marketers considering either incentive-compensation plans or re-evaluating current incentive-compensation programs has been published by the Bank Marketing Association.

The workbook details each stage of development and implementation of a compensation program, from formulating the plan best suited to business goals and the organization to gaining support from management and the sales team.

The workbook was created for the financial-trust industry.



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# MARKETING ... Notebook



**Bank Competes With Money Funds.** A bank in rural Nebraska has developed a software package called "Money-Market Checking" that enables it to compete with money-market mutual funds.

The bank has opened 40 accounts with aggregate balances in excess of \$1,500,000, according to Raymond G. Tiedje, president, Bank of Norfolk, Neb.

The system, which cost the bank about \$10,000, is designed for an Apple II computer.

Mr. Tiedje said about half the money obtained in the new accounts is new to the bank. Some of it came from cash-management accounts through brokerage houses.

The program is available to other financial institutions on request.

**Auto Sales Stimulated.** A special consumer-rebate program designed to spur new auto sales in New York state was sponsored recently by Marine Midland Bank, New York City.

The bank offered a \$200 cash bonus to any customer who purchased a new car at one of more than 350 participating dealers throughout the state and financed the purchase through the bank.

The month-long program applied to all customers regardless of whether the auto loan was made through a participating dealer or directly through one of the bank's more than 295 branches.

The program had the approval of the National Automobile Dealers Association and was described as "a totally innovative approach to banks and automobile dealers working together," by the president of the association.

**RV Loans Profitable.** A survey conducted for the Recreation Vehicle Industry Association reveals that installment lenders who finance RVs say their portfolios are profitable. They also say they intend to maintain or increase the size of their portfolios in the future.

More than 175 financial institutions responded to the survey. They reported almost \$400 million in direct loans in 1981, up substantially from \$104 million in such loans made the previous year.

Retail indirect loans totalled nearly \$800 million and floor planning amounted to \$160 million.

Most lenders required 20%-25% down on both new and used RVs.

**Rate to Builders Reduced.** Fort Worth National has reduced to 12% the interest rate it charges builders on their existing speculative home inventories to provide temporary relief to home builders with large inventories of unsold homes.

The reduction from an average of 18% applies across the board to all builders and developers with outstanding interim financing loans at the bank for speculative one-to-four-family homes. It doesn't apply to loans for custom homes in inventory or homes started after a February 9 cut-off date. The rate is reviewed every 30 days and the program may be cancelled at any time.

Purpose of the program is to help builders and developers through the current economic recession.

**Sign Combines Commodities, Temperature.** First National, Blooming Prairie, Minn., has installed a sign



that combines commodity prices with time and temperature. The sign keeps members of the rural community informed of the price of corn and beans along with the hour and temperature.

The unit was designed and manufactured by Daktronics, Inc., Brookings, S. D. It's operated from within the bank by a simple console similar to that used to operate an athletic scoreboard.

The sign has caused a lot of favorable comment and discussion on Main Street, reports Kenneth Throm, the bank's senior vice president/cashier.

**File Increases Bank's Profits.** First State Bank, St. Charles, Mo., has developed a household information file and profitability system that segments markets to increase profitability by providing information about accounts by households.

Called "HousePro," the file provides flexibility in sorting and retrieving household information by numerous geographic, service use and balance category criteria, says Robert C. Thomas, vice president.

The file has been used to determine the number of households using various single services and multiple-service combinations; generate labels and listings for households meeting specific service usage or deposit criteria; direct communications programs to individual customer households to cross-sell services whose targets have been identified; evaluate direct-mail efforts by monitoring service-usage charges within targeted customer households.

The file also has been used to locate, by 1980 census tracts and block groups, customer-service usage and deposits; review the pricing structure of current services and price new services by analyzing current cross-sell penetration and multi-service deposit relationships; and analyze customer profitability and return on assets by service within each household and on a total household-relationship basis.

"HousePro develops a master household file from individual account files," Mr. Thomas said. "Individual household records are characterized by geographic-service usage and other descriptive data. Profitability and ROA measures are added to household records after their calculation by separate software programs."

The bank used the file to help select a site for its new main banking location.

(Continued on page BG/28)

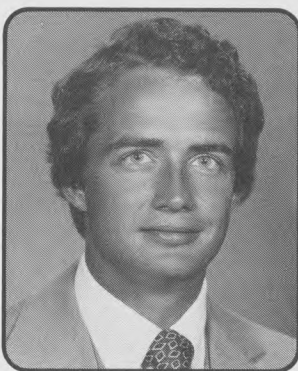
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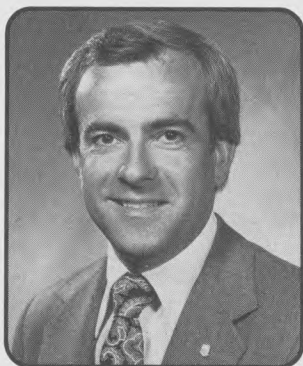
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justifies your fee"*



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## Marketing Notebook (Cont.)

**A Pre-Retirement Counseling Program** at Central Federal Savings & Loan, San Diego, Calif., has resulted in sizable deposits in checking accounts, money-market CDs, IRAs and long-term 30-month CDs. The program was started last year in response to customers bringing in lump-sum distribution retirement checks asking for advice, with no idea of what to do with the money.

The thrift developed its own program that's designed to unravel the mysteries of financing planning, investments, social security and savings while preparing retirees to live on fixed incomes, said Diana Clark, preretirement counseling manager. The program will soon be expanded northward toward the Los Angeles area.

The thrift provides six two-hour sessions to employees of firms who are within five years of retirement. It also is planning to offer programs covering estate planning and investments for individuals under age 40. Participants between the ages of 40 and 50 can opt for either program.

The program is offered to large and medium-sized firms. Ms. Clark reports that firms are "standing in line" for the service.

## New Products/Services

(Continued from page BG/25)

1414 Hawthorne St., Pittsburgh, PA 15201.

- **Vendors Insurance Agency.** This firm is offering a single-interest collateral insurance plan to financial institutions that is combined with a computer-monitoring service. The firm recently increased policy limits to \$40,000 to provide coverage that's considered realistic in today's financial climate. The agency also has expanded the range of collateral that can be protected under its plan so that coverage can be provided for almost any type of private passenger or commercial vehicle. The agency also has opened a service office in Dallas. Write: Vendors Insurance Agency, 55 E. Monroe St., Chicago, IL 60603.

- **Federal Sign.** An innovation in large electric-sign technology offers substantial savings in sign energy costs while improving sign visibility, appearance and identification value, according to Federal Sign. Called Fed-Lite, the new sign combines the operating characteristics of neon and fluorescent lighting systems in providing uniform, upper-range lighting levels with lower energy requirements. In signs with individual letters from three to eight feet high, energy savings can range from 30% to 70% with Fed-Lite, depending on the size, height and color of the letters. Generally, the larger the letters, the greater

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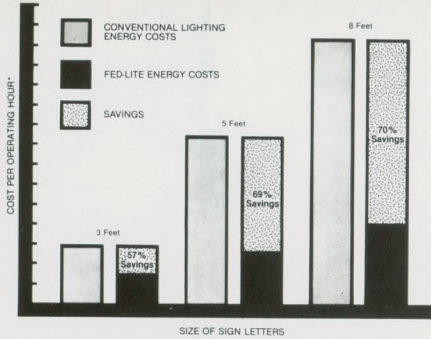


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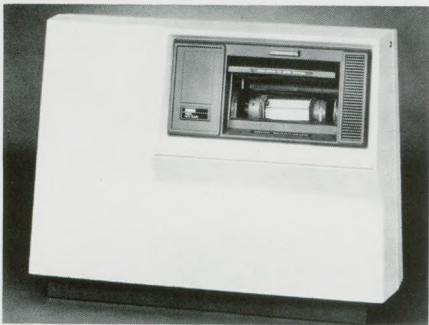
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• **Deluxe Check Printers.** A new line of carbonless forms for small computers is available from this firm. The line includes checks, invoices and statements plus a custom-design service for special formats. Quantities as low as 500 are available with shipping done within five days after receipt of order. Write: Deluxe Check Printers, Inc., P. O. Box 43399, St. Paul, MN 55164.

• **Diebold. VAT 8** (visual auto teller) has been introduced by this firm. It combines convenience and simplicity with cost-effective design features, according to Diebold. It includes a carrier that is dispatched automatically to the teller and a "call-for-service" annunciator that alerts tellers to special customer needs. It utilizes a 2'4" island and features a single 20" radius tube available for overhead or underground installation. The carrier features a 4½" opening for large capacity. Write: Donald F. Bartoo, Public Relations, Diebold, Inc., Canton, OH 44711.



DIEBOLD DIEBOLD VISUAL AUTO TELLER 8 224-266

Diebold's visual auto teller (VAT 8) features polystyrene skin, utilizes 2'4" island.

(Continued on next page)

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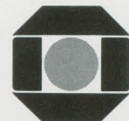
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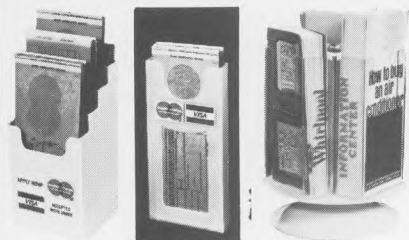
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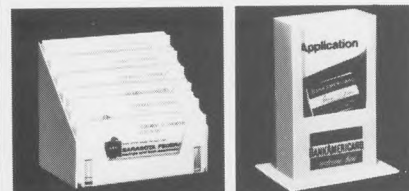
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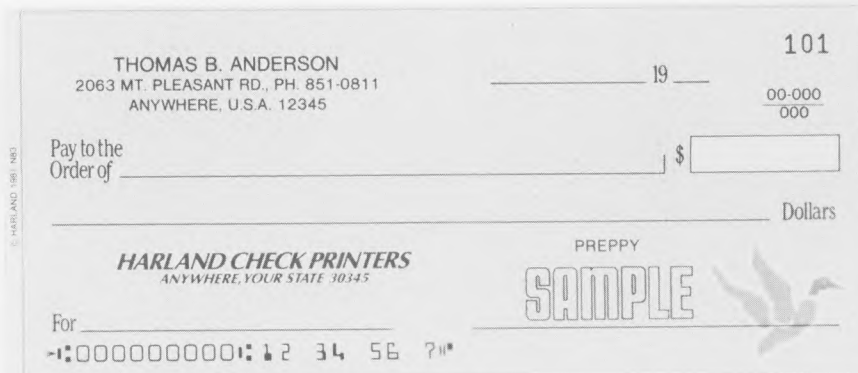
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John H. Harland Co. is offering two new check series — "Preppy Checks" and "Clouds Checks." The Preppy series pictured features a sporty, collegiate appearance and includes two scenes, khaki and blue, on a knit-weave pattern with a distinctive insignia. The cloud series features four scenes, each depicting kite-adorned skyscapes. Write: Bruce Danielson, John H. Harland Co., P. O. Box 105250, Atlanta, GA 30348.

● Knowledge Systems, Inc. This firm offers a slide/sound package for financial institutions that instructs personnel in the areas of customer relations, check characteristics and cashing and armed robbery. Each "Key Point Package" includes three 12-18 minute customized training programs and a slide carousel, media file, work-sheet and lesson-plan outline. For leasing information write:

Knowledge Systems, Inc., 102 Genesee St., Avon, NY 14414.



● Universal Match. This St. Louis-headquartered firm has introduced "touch advertising," which is said to be similar to word-of-mouth advertising. Vehicles used for touch advertising messages are matchbooks, matchboxes and lens cloths. Such items provide for repetition of an advertising message as the vehicle is used. The firm offers distribution programs for business, replicas of products, P-O-P merchandisers, sports programs, a holiday line and personalizing programs. Write: Universal Match Corp., 400 Paul Ave., St. Louis, MO 63135.

## FOCUS ON SERVICE

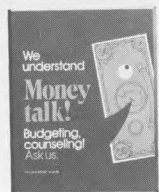


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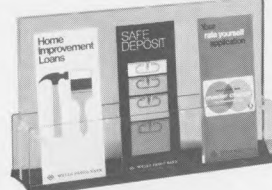
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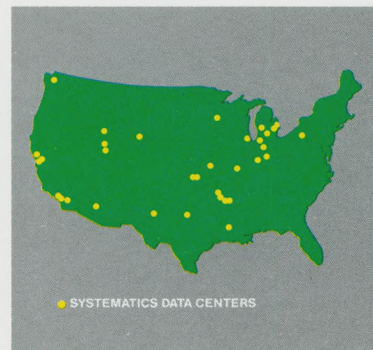
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# Credit Life Training/Incentive Promotion Boosts Sales More Than 70% in One Month

A COMBINATION sales training and incentive program to boost credit life and accident and health sales is achieving exceptional results at American National, Chattanooga. Sales of what the bank terms "Payment-Protection Plan" coverage were up 72% after the first month of the 90-day program, according to Bill McCool, president, Ancorp Insurance Co. Ancorp Insurance is an affiliate of Ancorp Bancshares, HC controlling American National. "Payment protection" is synonymous with "credit life" and "accident and health" coverage.

The bank has been working closely with the financial services division of Volunteer State Life Insurance Co., headquartered in Chattanooga, in creating and installing the program. Volunteer developed a seminar and training manuals designed to equip bank loan officers with sales techniques for selling credit insurance more effectively. American National added an incentive aspect to the plan that enables bank loan officers (including branch managers), to earn up to 5% of their yearly salaries in bonuses for increased credit-insurance sales.

An analysis, performed by Volunteer, showed the bank could lessen loan defaults while increasing non-interest income with better sales of credit insurance. The training program, offered by Volunteer to client banks at no cost, gives lenders professional methods of presenting and selling credit insurance.

"After determining such a program was not available to most financial institutions, Volunteer developed the payment-protection plan training program late last year," said Keith Wallace, vice president of financial services. The firm produced two manuals — one for loan officers participating in seminars to promote payment-protection sales, the other to help seminar leaders conduct follow-up role-playing sessions.

Volunteer personnel conducted the initial sales seminar at American National as part of an ongoing program that will continue as long as the bank wishes. The bank has the option of appointing its own trainer to conduct subsequent training sessions.

Recommended procedure is for all loan officers to attend the sales seminar, which covers the product itself, the importance of credit insurance to the borrower, how to sell the benefits of payment protection and ways to overcome a customer's initial reluctance. After about 90 days, the officers return to the classroom to discuss problems they may have encountered in selling credit insurance. These situations often are depicted in role-playing form so officers can learn from their peers how to overcome customer reluctance.

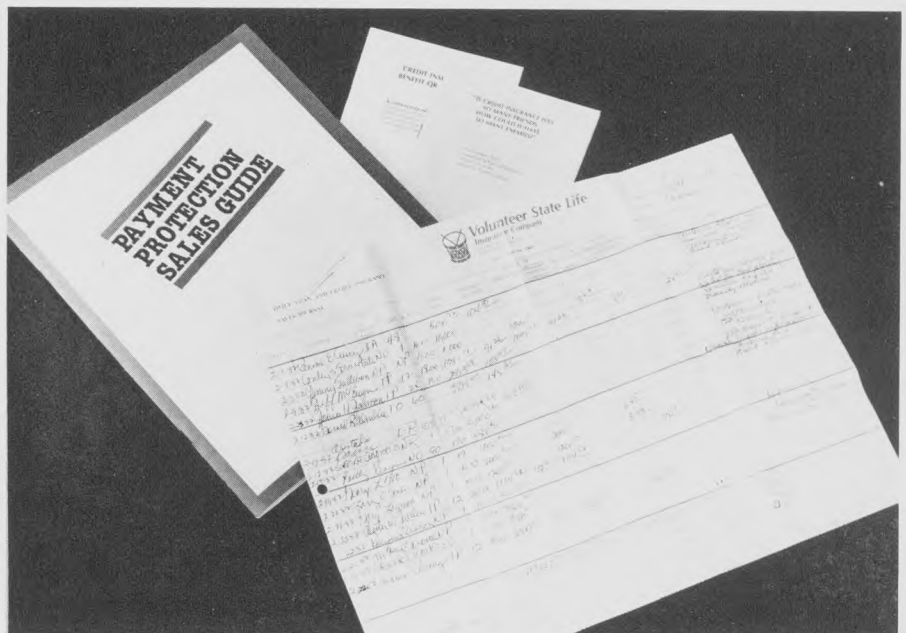
The training program is designed to motivate the lender to include payment protection as an integral part of the loan process. While 100% exposure of credit insurance to all eligible borrowers is the objective, officers are reminded that acceptance of payment protection is not a condition of loan approval. Bank customers are never coerced into taking the coverage and the ethics of loan granting are always observed to the letter.

Changing the name of coverages from credit life to payment protection gave loan officers a service they could relate to and a name they could pro-

mote enthusiastically. Mr. McCool said, "It's as if we have given them a new product to sell — the new terminology is positive, while the former was not." Customers are more amenable to discussing payment protection than they are to discussing something associated with accident, sickness or death. Officers say the new name makes it much easier to approach the topic of insurance.

At American National, five two-hour seminars were conducted with 10-12 officers attending each session. A week before attending the seminars, participants were given a payment protection sales manual to study. Mr. McCool says most officers did their homework well. During the seminars, they often quoted almost verbatim from the sales manual when discussing questions posed by seminar leaders.

Mr. McCool says he is quite pleased with the enthusiastic attitude the majority of the bank's officers have adopted in regard to payment-protection sales. "They help each other and they are eager for their branch to post the largest gain in sales," he says. The incentive program coupled with the training gives them



"Payment-Protection Sales Guide" serves as text for training seminars at American Nat'l, while daily sales journal tracks each lending officers' performance in selling credit coverages.



Bill McCool (l.), pres., Ancorp Insurance Co., helps calculate incentive bonuses for loan officers of American Nat'l, Chattanooga, with assistance of H. R. (Bud) Marcus (c.), marketing services dir., and Harold L. Turner (r.), regional v.p., of Volunteer State Life Insurance Co.

another reason for actively selling credit insurance.

Loan officers are given the opportunity to earn up to \$90 per month additional income through increased sale of payment protection plans. Bonuses are paid quarterly on percentage of insured eligible loan volume. Federal regulations applying to national banks limit bonus amounts to 5% of an officer's annual salary.

One of the bank's branch managers who qualified for a tidy bonus for payment-protection sales during the first month of American National's program learned that her assistant manager hadn't made any sales during the same period. The assistant manager said he thought bank customers living in an affluent area served by the branch would not be interested in coverage. For that reason, he didn't offer payment protection to loan customers.

When the assistant manager learned how well the manager had done in payment protection sales — and how the manager had approached her customers — he quickly discarded his preconceived assumption and began seeing his customers in a new light; one in which he realized that customers desire to protect themselves in financial dealings.

Mr. McCool says he liked Volunteer's idea of loan-officer training from the start. The bank has been dealing with Volunteer Life for about 40 years and, when the credit-life-sales performance analysis was reviewed, the training program was quickly accepted

as a way of enhancing credit life sales. While training prepares the officers to sell payment protection, the bonus incentive was added to spark enthusiasm among the loan officers and inject a sense of healthy competition.

During the first month following the training and introduction of the incen-

tive program, all but 13 of the participating loan officers qualified for a bonus. Mr. McCool confidently predicts that every loan officer will qualify for a bonus during the second 30-day period. "We've given them the training and the incentive and they're making good use of them," he said. ●●

## Basics of Banking Taught Students Through Bank-Sponsored Program

**I**F high school students in the Nashville area don't have a good basic knowledge of banking, it isn't First American Bank's fault. Its "Banking Is" educational program is being conducted in 25 metro Nashville high schools.

The two-week course, says First American's president, Owen G. "Bob" Shell Jr., is designed to give juniors and seniors an overall view of the U. S. economic and banking systems. The students are shown how the Federal Reserve System operates and what checking and savings accounts are. They also get to practice writing and endorsing checks, making deposits, establishing and maintaining credit and balancing checkbooks. In addition, they trace the process a check goes through after it has been written and learn about the loan process, EFTS, automated teller machines — everything they will need to know as bank customers.

Teachers and principals are pleased with the program, according to Kay Hagewood, manager of First American's Young Nashvillians Club, because they formerly had to gather brochures from various banks and put together their own banking programs for students. First American's "Bank-

ing Is" program provides all necessary materials, including filmstrips, sample checks, statements and deposit and withdrawal slips, student's workbooks and teachers' study guides.

At the conclusion of the two-week program, 10 First American representatives serving as student-bank counselors visit classrooms and conduct question-and-answer sessions with the students. The latter then can ask about any banking matters that might not be clear to them.


"Studies reveal that most high school students open checking accounts within a year after graduation, with an estimated 85% of them not knowing how to write a check properly," says Miss Hagewood. "It is further estimated that six out of 10 seniors will make auto payments within 90 days of graduation and that most of them have arranged the financing themselves with little knowledge of what options are open to them. 'Banking Is' should provide the basic knowledge these graduates need to make basic financial decisions."

First American's Young Nashvillians Club staff called on the high schools last spring to offer the "Banking Is" program. ●●



Students at one of Nashville's high schools are instructed in a new education program, "Banking Is," by Ben West, v.p./mgr., Donelson Branch, First American Bank, program sponsor. Teachers conduct two-week course, and student-bank counselors from bank visit classrooms at end of each two weeks to answer questions from students.

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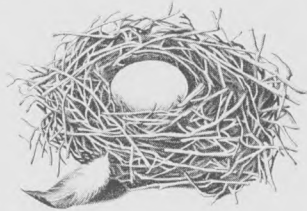
Fort Worth National has a master plan which makes it easy for you to offer Individual Retirement Accounts to all your employees, even if your company already has an established pension plan.

At no additional charge, we'll set up an IRA payroll deduction plan designed to fit your company's specific needs. And we'll be happy to explain all the new IRA tax advantages to your employees, showing them how to benefit from sav-

ings which are automatically deducted and tax-deferred.

Find out how to help your employees feather their nests. Call Joan Bohannon or one of Fort Worth National's other IRA specialists at (817) 338-8262 or 338-8264. Custom-designed IRAs to meet your employees' needs are another reason why it's good business to say...

**FORT WORTH NATIONAL**  
...that's my BANK



MEMBER TEXAS AMERICAN BANKSHARES INC.

These three ads are part of Fort Worth Nat'l's new campaign aimed at wholesale and commercial market. LEFT: This ad is directed at professional and executive people. CENTER: Here, Fort Worth Nat'l offers IRA payroll-deduction plan to businesses, factories, retailers, etc. RIGHT: Petroleum-related banking services are subject of this ad.

## TIME IS MONEY. WHY NOT SAVE A LITTLE OF BOTH?

It took time to get where you are today. And now that you've made it, time seems to be what you're short on. Each hour of your day is more valuable than ever before... why not save as many as you can?

The Professional and Executive Group at Fort Worth National can help you save time with special banking services designed for the busy profes-

sional. Because managing your time efficiently is just as important as managing your money. Save a little time, and a little money, at Fort Worth National. We'll see why, professionally speaking, it's good business to say...

**FORT WORTH NATIONAL**  
...that's my BANK



MEMBER TEXAS AMERICAN BANKSHARES INC.

## SMART OILMEN MAKE THE MOST OF OUR RESOURCES.

The oil industry. It's made up of people who demand the very best in petroleum-related banking services. And at Fort Worth National, they get it.

It takes a lot of years to earn an oilman's confidence as a bank.

but we're sure that that's why it works in the oil business... it's good business to say...

**FORT WORTH NATIONAL**  
...that's my BANK



MEMBER TEXAS AMERICAN BANKSHARES INC.

# Bank's New Ad Campaign Focuses on Commercial And Wholesale Market

A NEW ad campaign unveiled this year by Fort Worth National is designed to project the bank as a highly professional, wholesale bank that can compete with any major Dallas or Fort Worth bank. The campaign is directed at the commercial and wholesale market and represents a departure from the bank's recent ad campaigns, which were focused primarily on the retail and consumer market.

Although Fort Worth National always has advertised its commercial services in specialized publications, it rarely has done so in mass media serving the general public. This year, however, the bank is running print ads throughout the year on its commercial services in the Fort Worth *Star-Telegram* and *News Tribune* and *Wall Street Journal*, as well as news and business magazines such as *Time*, *Newsweek*, *U. S. News and World Report*, *Business Week*, *Money* and *Nation's Business*.

In addition, the campaign is being used on outdoor billboards, transit signs and TV commercials. These commercials, the first wholesale TV ads the bank has sponsored in many years, are

being tied in with print ads through animation.

Throughout the year, these ads are concentrating on wholesale services such as real estate loans, oil loans, cash management, agricultural lending, professional and executive banking,

commercial lending and trust services. The ads explain why it makes good business sense to bank with Fort Worth National for each of these wholesale services.

The phrase, "It's Good Business to Say . . ." was used in several bank ads during 1981 and was chosen for the overall theme this year because, according to a bank spokesman, it leads naturally into the "That's My Bank" slogan, which, through extended use, has become a familiar part of Fort Worth National's advertising. The phrase also can apply to both wholesale and retail services.

The ads feature provocative headlines, minimal copy and professionally drawn illustrations of items connected with the particular service being advertised. For instance, an oil-well illustration accompanies oil-loan ads, and a watch face superimposed over a coin illustrates the professional/executive ad, whose headline says, "Time Is Money. Why Not Save a Little of Both?"

Another ad aimed at getting businesses to sign up for the bank's individual-retirement-account (IRA)



Ann Quinn, v.p./mgr., marketing group, Fort Worth Nat'l, and Roy McDermott, v.p./mgr., advertising, look over mock-up of bank's new print-ad campaign for wholesale business.

# THE UMB LINE.

Think about it. Why call bank after bank to find the services and systems you need to keep your bank running smoothly?

United Missouri Bank's Correspondent Department offers them all.

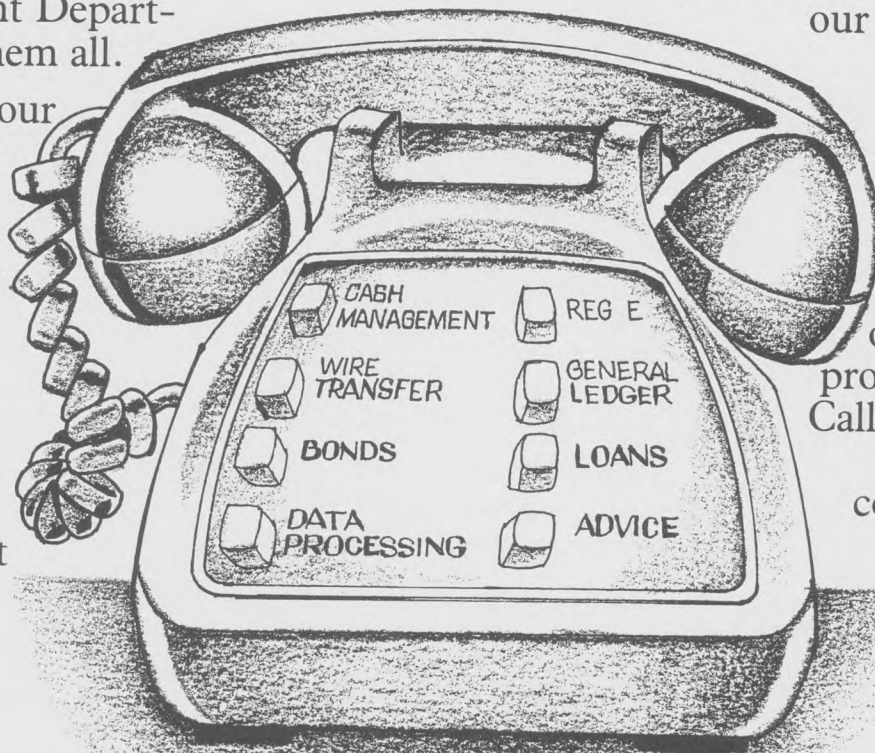
Why spend your valuable time tracking down the latest changes in federal regulations?

United Missouri Bank's correspondent

bankers keep a close eye on regulations and research for you.

If you have a question, we'll find the answer. If your bank or your customers have a need, we'll do our best to fill it.

Pick the bank that does more—and does it with the highest level of quality and professionalism. Call your United Missouri correspondent banker.



**UNITED MISSOURI BANK OF KANSAS CITY, N.A.**

P.O. Box 226, 10th and Grand, Kansas City, Missouri 64141, (816) 556-7900

**UNITED MISSOURI BANK OF ST. LOUIS, N.A.**

P.O. Box 1126, 312 North 8th St., St. Louis, Missouri 63188, (314) 621-1000

**United we grow. Together.**

Members FDIC

payroll-deduction plan says, "Help Your Employees Feather Their Nests." It features a drawing of an egg in a bird's nest.

Forth Worth National is not abandoning the retail market in its advertising. Periodically, ads will spotlight special subjects; for instance, IRAs and the Doughboy. The latter is a cartoon character dressed in evening clothes, complete with a top hat from which money is sprouting, and carrying a walking stick. He has become a part of the bank's marketing efforts.

Why did Fort Worth National decide on this theme for 1982? Roy McDermott, vice president/manager, advertising, explains: "We are the leading commercial bank in the city, and we feel our ads should reflect that." ●●

## Sales Campaign

*(Continued from page 27)*

award credits during the program period in each of the four employee categories won a trip to Lake Tahoe. These also must be taken during calendar 1982.

*Sweepstakes* — when the program was concluded, four All-American Holiday travel awards were won in a sweepstakes drawing. One winner was chosen from each employee category. There was a qualifier: Business-development-calling personnel had to sell 40 new accounts; contact officers/employees had to sell 20 new accounts, and noncontact officers/employees had to sell 10 new accounts during the program. In all instances, travel-award winners could take merchandise rather than the trips.

Bank services that qualified for award credits in the program were: checking, checking with interest and savings accounts, various CDs, six-month money-market certificates, IRA/Keogh, direct-deposit and trust accounts, drafts, safe deposit boxes and ATM cards. A chart showing how award credits were assigned each of these accounts accompanies this article.

Before the program began, Margo Fields told the bank's employees: "Everyone you know has different financial needs. By listening carefully and asking a few simple questions, you can determine which First National Bank services a person might be interested in."

That the bank's staff took this advice can be seen from the success of "The Great Amarillo Roundup." — **Rosemary McKelvey, editor.** ●●

## Bank Commissions Book to Commemorate Anniversaries of Itself, Community

USUALLY, when one has a birthday, he is the recipient of gifts. However, Arkansas Bank, Hot Springs — which will become 75 years old April 18 — is turning the tables and is giving a present to the resort commu-



BROWN

nity in which it is located. The reason: to commemorate the latter's 150th anniversary, which also occurs this year, as well as the bank's anniversary.

The bank has commissioned Dee Brown, author of "Bury My Heart at Wounded Knee," to write "The American Spa: Hot Springs, Ark." It will be published in the fall.

Cecil Cupp Jr., the bank's presi-

dent/CEO, explains the reason for this gift: "This community has been awfully good to us, and we felt the book was an excellent birthday present. We wanted to sponsor something more than a chronological record, and Dee Brown certainly is giving the project more depth." Mr. Cupp is a former president, Arkansas Bankers Association.

"The American Spa" will focus primarily on the springs, growth and heyday of the bathing industry and its amenities, unique ways of making a living in the resort and famous visitors.

Mr. Brown refers to his book as "an anecdotal history." He goes on to say, "What I will portray are stories that illustrate significant events. Local historians are tremendous resources for the necessary research."

Among local people assisting Mr. Brown in researching material for the book are two representatives of the Garland County Historical Society and one from the Tri-Lakes Regional Library. The book will be published by Rose Publishing Co., Little Rock. ●●

## Bank Directors

*(Continued from page 28)*

\$250,000 on funds solicited by directors. We found that directors working with officers established relationships that paid off. Officers were assisting directors and directors were assisting officers. Relationships between directors and bank management were enhanced. We found that the program helped our bank's image tremendously in communities we serve and even outside our market area, because of the activity of directors in soliciting business for the bank.

When a director reached the \$35,000 level, he received a blue blazer; when his total reached \$100,000 (including the initial \$35,000), he received a three-day weekend at colonial Williamsburg; when his total hit \$250,000, he was awarded a week's cruise in the Caribbean, and when he reached \$500,000, a week in Hawaii was the prize. The director posting the highest amount earned the three-week European trip.

The program was started in February. In less than 30 days, more than \$1 million in deposits was posted. By May

the total had reached \$9.5 million and in June directors had brought in \$10.5 million. Our goal of \$15 million was reached in September. Then, as I wrote earlier, we ended up with more than \$24 million.

Two directors brought in more than \$1 million each.

We were surprised to learn that many of our directors — as well as their spouses — had deposits at other banks. The program was instrumental in getting these deposits moved to our bank.

It's my theory that as long as my bank's competitor has any customers, I have prospects! Regardless of where the economy is or is headed, regardless of what happens in the bank's community, this fact should be kept in mind.

A well-designed deposit-generating program for directors can work in any bank whenever those participating become enthusiastic enough to want to work for the bank. ●●



You wouldn't be in the banking business if money didn't hold a particular fascination for you. Of course, to stay in the banking business, you've got to make a profit. That's where Acceleration can help. Our top-notch service means you spend less time on paperwork — and more time making money. Acceleration's diverse product portfolio includes:

For your customers

- \***Credit life and disability insurance** provides coverage on installment loans in the event of the customer's death or disability.
- \***Total Obligation Protection (TOP)** provides unlimited coverage with a flexible life insurance program designed to protect the customer's family and business from loan responsibilities.

\***CreditGuard** provides coverage for the outstanding balance of a VISA or MasterCard account in the event of your customer's death or disability.

\***The Advantage**, a tax-efficient single premium life insurance policy designed to accumulate and distribute long-term savings for your customers.

\***Mortgage Life Insurance** to pay off a customer's home mortgage in the event of death or disability.

For your bank

\***Collateral Protection Management Program** protects your institution against losses resulting from uninsured collateral, plus a management system that organizes and simplifies insurance administration.

For your employees

\***Tomorrow's Income Plan (TIP)**, a tax-deferred income program for cash accumulation with guaranteed monthly payments upon retirement; payable under payroll deduction plan.

\***Personal Insurance Protection** offers competitive premium rates on automobile, homeowner, condominium and tenants insurance.

Get to know Acceleration's service. It's like money in the bank.



Acceleration Life Insurance Company  
475 Metro Place North  
Dublin, Ohio 43017

Specialists in financial products.

# ALL SOME BANKERS THINK ABOUT IS MONEY, MONEY, MONEY

IF YOU'RE ONE OF THEM, CONSIDER ACCELERATION.



# Bank Softens Blow Of Service Charges With Coupon Program

AS COSTS of providing services to customers continue to soar, many banks are re-instituting service charges on checking accounts — and looking for new ways to make this acceptable to their customers.

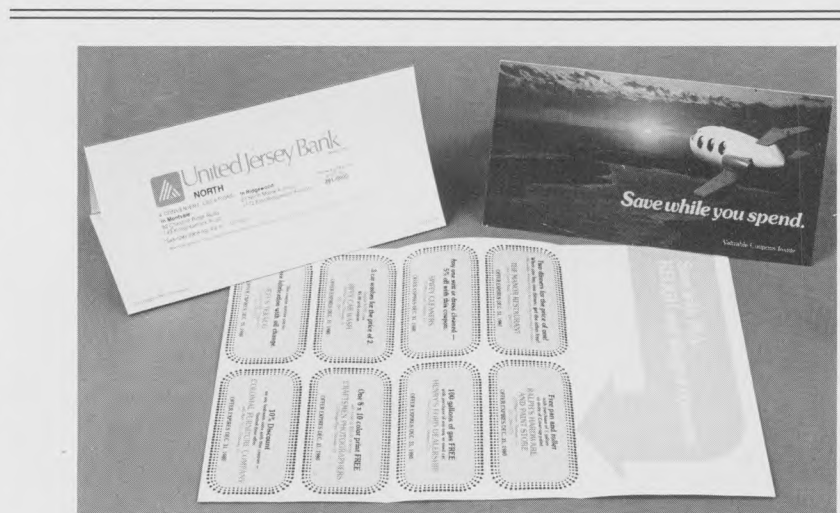
United Jersey Bank/North (UJB/North), Montvale, N. J., is a case in point. When UJB re-instituted service charges, customer reactions varied from ambivalence to changing banks.

According to Mabel Allen, marketing director for UJB/North, "It soon became obvious we needed to provide our customers with an incentive to remain with the bank, despite the service charge."

An answer to the problems came from Bank Qpon Marketing, Inc., a company that offers a free cross-selling program to financial institutions. "This enabled us to give our customers something to compensate for the service charge, yet was low cost to us," Miss Allen says. "In fact, we consider ourselves a pioneer because we were the first bank in the nation to enter the program."

Miss Allen explained that Bank Qpon approached the bank with a program utilizing high-quality, four-color statement enclosures folded in thirds. The outside front fold features a graphic; the middle fold describes a banking service, and the outside back fold lists the bank's name, logo and branch offices or any information the bank chooses. Inside folds reveal from eight to 12 coupons from local merchants. Merchants' fees for the coupons underwrite all creative, production and printing charges, making the whole program free to the bank.

"We saw this as a way to overcome any negative reactions to the service charge as well as a method of improving both personal and commercial



This direct-mail kit was utilized by United Jersey Bank/North, Montvale, N. J., to cross-sell its services and also to counteract customer discontent with re-institution of service charges. Material includes merchants' coupons and printed material spotlighting various bank services, such as new IRA/Keogh accounts. Cross-selling program is product of Bank Qpon Marketing, Inc.

checking-account customer relations," she says.

"Since it is a free program," she went on to explain, "we thought we would try it because we had nothing to lose; our customers could save money by using the coupons and learn of our services that help with financial planning, and our commercial customers had an efficient, high-quality method of advertising."

"It required little of our time; we provided Bank Qpon with a list of selected commercial accounts, and they did all the work."

The first merchants approached by Bank Qpon were commercial customers of UJB/North, after which other local merchants were contacted. Miss Allen says the Bank Qpon sales representative did such a good job of ex-

plaining the bank's service to non-customers that many of these merchants transferred their commercial accounts to United Jersey Bank/North.

Bank Qpon requires two months' lead time prior to the mailing date of the first stuffer. As soon as UJB/North agreed to enter the program, Bank Qpon provided mailers and reply cards describing the program to be included in all commercial statements. Two weeks after the mailing, Bank Qpon sales representatives received a copy of this list of merchants, all reply cards and a letter of introduction from the bank. They then approached the merchants.

A representatives' sales presentation to merchants stressed the economy of the program: Merchants can

*(Continued on page 90)*

# CORRESPONDENT BANKING. WHO HAS THE KEY TO PROFITABLY APPLYING YOUR IDLE FUNDS?

At Fourth, correspondent banking is advanced, high-speed communications and computer technology. It's rapid, smooth transactions when your needs are critical.

It's financial resources. For loan participations. For cash letter services. For quick check clearances. It's having the solid funding to ease your liquidity problems.

It's people. Specialists. Talented professionals who have insight through research on complex federal regulations. Who understand and recognize special needs. Who are committed to building personal, professional relationships.

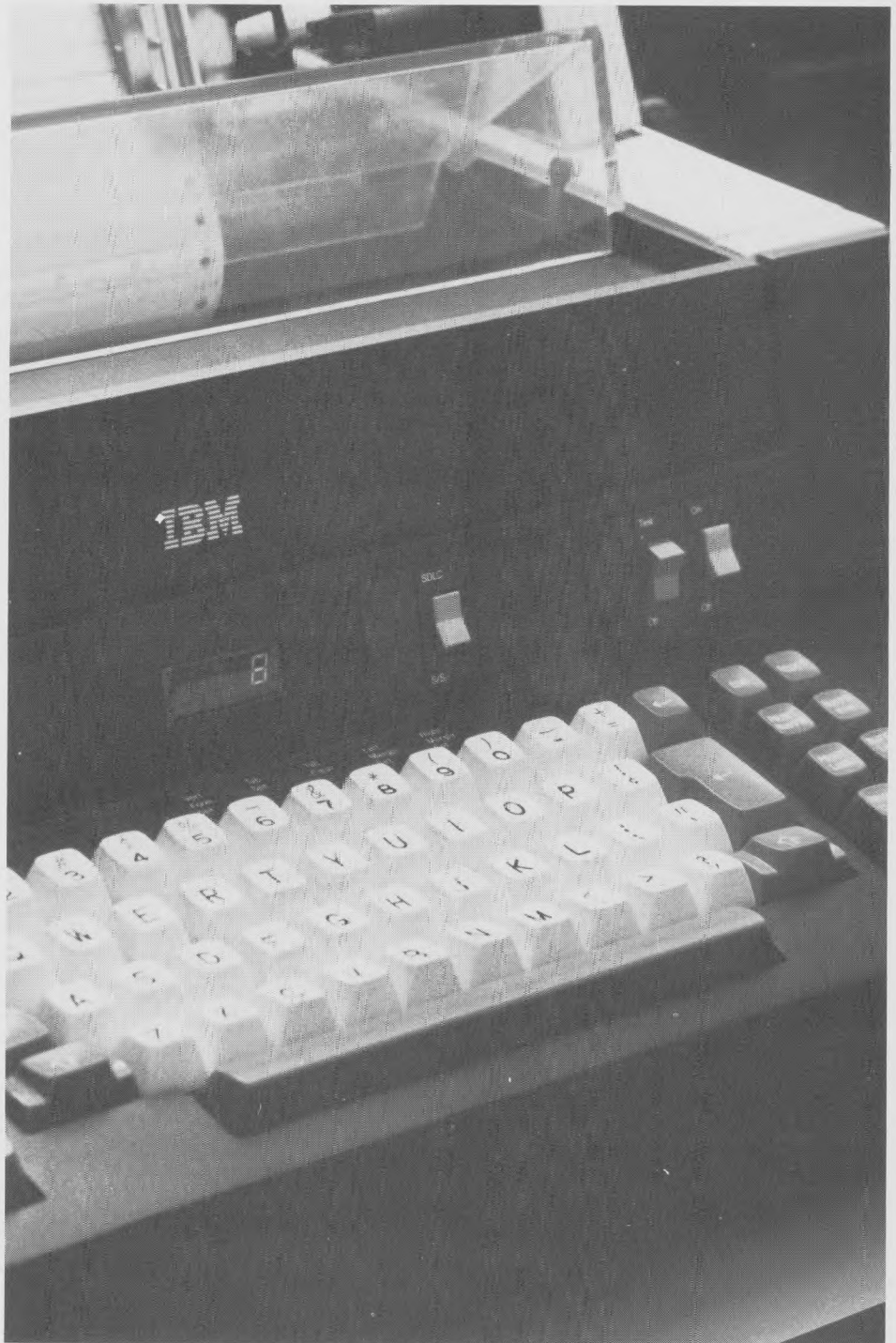
Correspondent banking. Intelligently applying, through research and technology, your investable funds to produce the maximum return for you.

To us, it's that simple.



## FOURTH NATIONAL BANK

THE FOURTH NATIONAL BANK OF TULSA  
515 SOUTH BOULDER  
TULSA, OKLAHOMA 74103  
(918) 587-9171  
MEMBER FDIC



# Success of ATM Installation Project Credited to Research, Planning, Teamwork

By Joan Taryle, St. Louis-Area Regional Director of Marketing, Commerce Bancshares

**R**ESearch and planning, plus teamwork and exceptional communications, are responsible for the success of an ATM installation project undertaken by Commerce banks in the St. Louis area last year. Seventeen "Connection 24" ATMs were installed at 11 banks in separate programs.

A year-long project of this scope demanded that we develop a specific game plan and timetable. "Connection 24" involved coordinating many people. Assisting the banks were the ATM project manager, regional marketing director, regional ATM coordinator, ATM real estate representative and two full-time ATM trainers!

Working with 11 banks on a tight schedule demanded flexibility in the marketing program. Banks developed their own local promotions and plans for employee participation.

"Connection 24" made its entry into the St. Louis market with a gradual bank-by-bank introduction. Each of Commerce's 11 St. Louis banks was involved in an individual three-month installation/marketing program. Three banks were involved in the process at one time; one bank completing the program as another started.

The program began with a CEO orientation at which CEOs were informed what activities would be taking place in their banks as "Connection 24" was introduced to employees, customers and non-customers.

At the meeting, we outlined projections of cardholder base and machine usage. An ATM representative was designated from the bank. Finally, we discussed in detail the three-month program and specific responsibilities.

As each program began, intensive training manuals were distributed and training sessions conducted covering new accounts, settlement procedures, after-hours servicing, balancing and demonstrating the equipment.

From the start, we realized employee involvement and motivation were key ingredients of our marketing effort. We wanted all employees to understand how our "Connection 24" machine worked, what services it pro-

vided — and we wanted them to use the machine.

The week the new-accounts training sessions began at each bank, an employee kick-off dinner was held. By this time, the ATM had been delivered and employees were curious. All employees were invited to the dinner and a brief presentation. The purpose was to let employees know what our goals were — marketing plans, statewide plans, general information about "Connection 24" — and the program timetable. That evening, employees were encouraged to sign up for "Connection 24" cards. They would be able to use the ATM before it was available to customers and participate in an incentive program. At the end of the evening, each one was given a T-shirt bearing the slogan "I've Got Connections."

Commerce saw the need for all employees to cross-sell customers, so a great deal of emphasis was placed on employee introduction and involvement with "Connection 24."

Bank customers were the next group to be approached. Commerce was one of the last banks in the St. Louis area to offer ATM service to its customers. Roger Cummings, assistant vice president, Commerce Bancshares, and "Connection 24" project manager, explains the reasoning behind this decision:

"Until the service could be thoroughly researched and evaluated and the manufacturers came out with what is called an 'intelligent terminal' that gave customers more options, we really didn't want to enter the market with ATMs. By waiting, we had the benefit of examining every aspect of the country's earliest systems and adjusting our methods to eliminate the ATM's drawbacks. We also avoided the marketing program necessary to educate the public. Our customers know what the machines are and they're asking for the service."

Because most Commerce customers were familiar with ATMs, our approach was to announce the new service through direct mail and, once announced, position a demonstrator in the lobby or at the drive-up during banking hours. To encourage demonstrations, we gave a choice of an "I've Got Connections" T-shirt or a penlight flashlight.

One day was set aside as "Connection 24" day at each bank. On this day, employees wore T-shirts and slogan-bearing buttons. Customers were treated to refreshments and balloons. "Connection 24" demonstrations were stressed and customers were encouraged to complete "Connection 24" card applications before they left the bank.

Bank employees had fun planning and participating in "Connection 24" day. At Commerce Bank of St. Louis, the customer base is primarily downtown office workers. Festivities included coffee and cakes decorated with



 **Commerce Banks**  
of Greater St. Louis MEMBERS FDIC

Portion of statement stuffer providing details about and locations of Commerce bank's ATMs in St. Louis area.

# We Demanded **THE EXPERTS**...For Our Program.

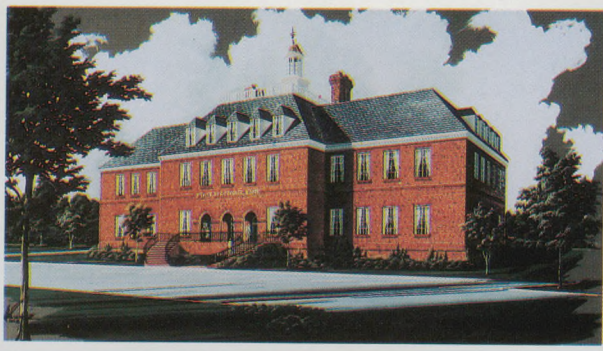
**Dan B. Andrews**

Pres. - Tenn. Bankers Assn. '81-'82

Pres. - First National Bank, Dickson, Tenn.



Bob Williams, Vice-Pres. Design-Build Concepts and Dan. B. Andrews, Pres. 1st National Bank



"Today's Banker must accept a positive leadership role if we are to meet the challenges and demands of our times. We must prepare for change and react to it properly."

"Our Bank recognized that responsibility in evaluating our future objectives. We wanted to use the best resources possible in planning our future . . . we demanded the experts . . . specialists in the field."

"Design-Build Concepts was clearly our choice of the many firms interviewed. From growth projections and market analysis to location strategy and final design . . . all has been accomplished in the most objective manner."

"Thanks to Design-Build Concepts total project management, our new facilities will be delivered on time and within budget."

**SPECIALIZING  
IN FINANCIAL  
FACILITIES...**

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design • build  
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design • build

# Concepts

Call or write: Design-Build Concepts...5600 Roswell Road...Prado North 390...Atlanta, Ga. 30342...(404) 256-0960

a "Connection 24" card and ATM. Prizes were awarded throughout the day by means of a marked receipt obtained while watching a "Connection 24" demonstration. Bank employees sported cowboy hats and their "Connection 24" T-shirts.

At Commerce Bank of St. Charles, "Connection 24" day coincided with the opening of a new bank facility. The bank's newspaper ad headline declared "The Grand Opening of a Bank That's Always Open." The bank gave T-shirts for each demonstration on the drive-up ATM. Customers received free popcorn, soda and balloons. The day concluded with a drawing for a microwave oven and a food processor.

We wanted the entire community to know we had a new service, so a huge banner was hung across the front of each building announcing "Commerce Bank Presents Connection 24." In addition, ads were run in local papers.

Each bank's activities and progress



**Martene Ellison (r.), a.v.p./ATM coordinator, Commerce Bank of St. Louis, demonstrates Diebold "Connection 24" ATM to bank customer.**

were discussed at weekly ATM task-force meetings. Problems, solutions and new ideas were shared, which gave each of us insights into our program.

The year 1981 was a big one for the Commerce banks in St. Louis. During 1982 we are building on our marketing skills and expanding our "Connection 24" cardholder base. ●●

## New Banking Service Opened To Blind With Brailled ATMs

**B**LIND PERSONS in the Southwest now can operate automatic teller machines (ATMs) developed and operated by MPACT, a statewide ATM network. Brailled instructions are being placed on this equipment to guide blind persons through ATM transactions, and transaction buttons also are being brailled.

The concept was introduced at American National, Austin, Tex., after the Austin Junior Women's Federation and its community-service-project chairperson, Marjarine Beaman, suggested brailling the MPACT machines as part of the group's annual project. Since then, brailling has been added to the MPACT machines at other Austin banks, as well as at that city's airport and Northcross Mall. Most recently, MPACT machines have been brailled in Houston at Alief Alama Bank's on-premise machine and its Westwood Mall location.

Miss Beaman is working with Affiliated Computer Systems (ACS), Dallas-based firm that develops and operates the MPACT network, to braille all 500 MPACT ATMs currently being installed throughout Texas, Oklahoma and Louisiana. ACS is a subsidiary of Mercantile Texas Corp., Dallas, the state's fifth-largest bank HC.

The brailled instruction sheet that guides a blind person through an

MPACT transaction was developed by Miss Beaman with help from a group of blind people in Austin.

"We welcome the opportunity now to be able to offer the MPACT service to the blind population," says Darwin Deason, ACS chairman/CEO. "This is something that will affect thousands of people, especially when you consider that 2.5% of the population of every major city is partially or totally blind."



**Hugo Sanchez, blind PBX operator at American Nat'l, Austin, Tex., is able to use bank's MPACT ATM because of efforts of MPACT and Marjarine Beaman (l.), chairperson, Austin Junior Women's Federation. Also pictured is Richard Vague, s.v.p. of bank. Brailled instruction sheets and brailled transaction buttons will be placed on all 500 MPACT machines currently being installed in three states.**

## Washington Wire

(Continued from page 14)

icians face a great temptation to favor a type of aid with hidden, or non-explicit, costs to the Treasury — even though those costs remain inflationary. Because of this political temptation to hide costs, any federal aid to troubled financial institutions — S&Ls, mutual savings banks or commercial banks — should be direct, explicit and in the budget, so that Congress has to vote specifically on the amount of aid given and its duration.

Explicit, limited duration is an important point. Once any aid is signed into law, politicians will come under terrific pressures to extend it, perhaps indefinitely. Thus, any aid should be limited to a certain time period and not become institutionalized. When institutions have made the adjustments necessary to become viable, such aid should be terminated.

On another issue, there are perhaps 1,000 or more commercial banks in the country holding portfolios similar to those of S&Ls. Many of these banks are experiencing problems much like those of their thrift counterparts. For equity, any federal assistance should be available to all federally insured depository institutions experiencing the same difficulties.

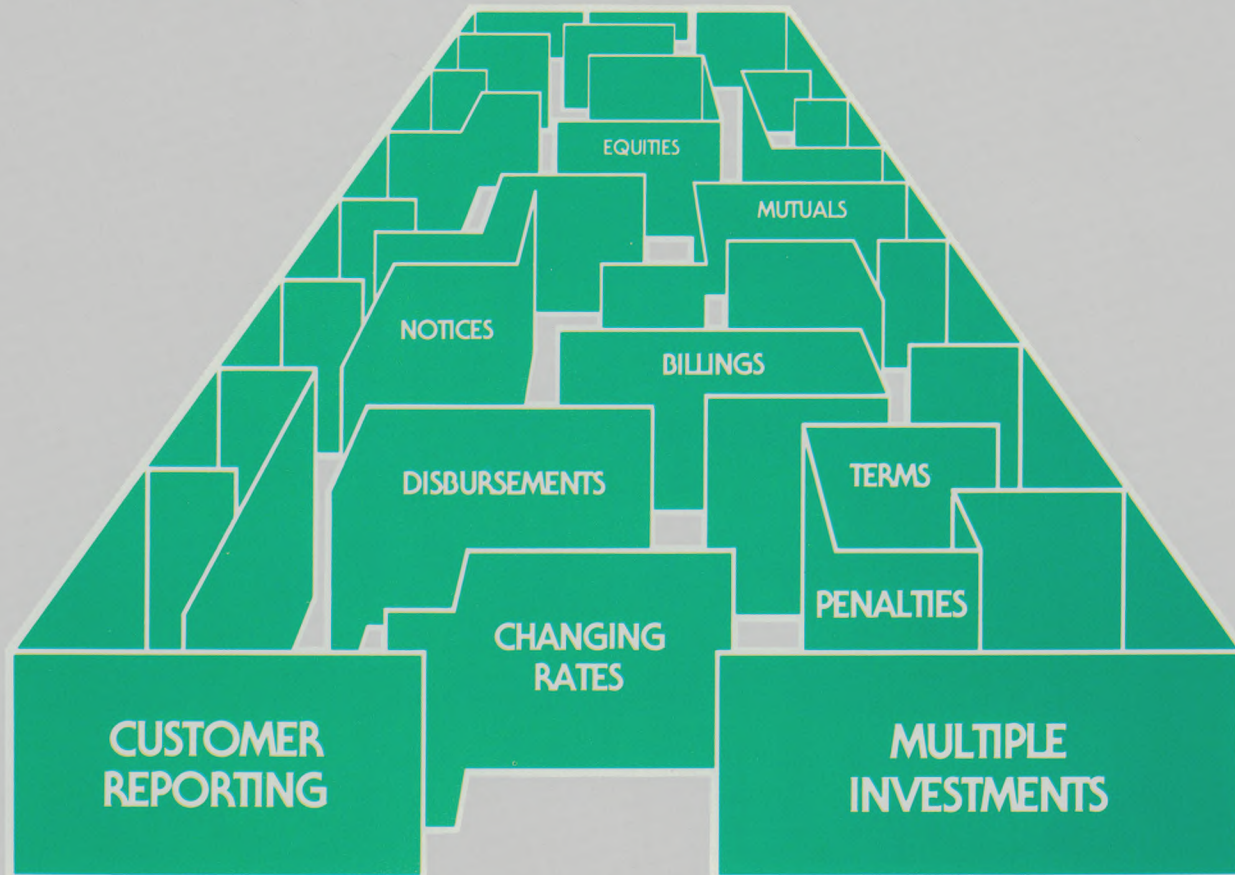
On the other hand, any assistance made available should not carry the connotation of a "free ride." It should entail serious disincentives to its use so that only institutions that have tried all other ways of alleviating their problems will opt to use it.

Finally, the type of assistance extended should be determined by whichever has the minimum present cost to the agency extending it.

It's likely that whatever assistance the government channels to troubled financial institutions will be perceived politically as a "bail-out" simply because the memory of the Chrysler crisis will take a long time to fade. If the assistance meets ABA criteria, however, the Washington establishment will avoid creating a dole for support of the managerially inept and incompetent.

The ABA is committed to ensuring that any federal aid will be above board, specific and equitable and that it will end when economic forces that prompted it abate. The ABA believes any such aid should be extended as a helping hand rather than a permanent embrace. ●●

# COMPUTROL



## WE KNOW THE WAY THROUGH THE IRA MAZE

LET'S FACE IT — IRA's and Keogh plans can be confusing. An account holder has options galore! He has access to a wide range of investments, with varying rates, schedules and terms. He can deposit or disburse at will, and even calculating the penalties for closing his account can boggle a banker's mind.

ALL IS NOT LOST — **IRAK**, — Computrol's IRA and Keogh plan accounting system eliminates confusion. **IRAK** is the software package which is

- SPECIFIC
- COMPREHENSIVE
- FLEXIBLE

**IRAK** is specifically designed to handle these complex accounts. **IRAK** gives you a Data Dictionary, Bank Control Record, Built-In Report Writer, Standard Report Library and multi-bank, multi-branch processing.

The growth in IRA's and Keogh plans is going to be phenomenal. You will need all of the features of the **IRAK** system which make it the most comprehensive and efficient software system of its kind.

Let us send you a complete brochure and show you the **IRAK** way through the maze.

# COMPUTROL

10820 Sunset Office Drive, St. Louis, MO 63127 (314) 965-2273

# Bank's Halloween Run Benefits Muscular Dystrophy



Veronica Morrow, teller at Citizens Nat'l, Maplewood, Mo., wears appropriate costume — a moneybag — in bank's Halloween Run.

WHEN Citizens National of Maplewood, Mo., a St. Louis suburb, decided to cosponsor a run with the local chamber of commerce, the bank wanted to make it different from similar programs being conducted across the country. As a result, the run was planned for Halloween, October 31, which fell on Saturday last year, and — to carry out the Halloween theme — the sponsors added a "costume fun run" (3K or less than two miles) to a 10K (6.2 miles) run.

Entry fees were donated to the Muscular Dystrophy Association (MDA). They were \$4 per person and \$9 per family, with late fees set at \$5 and \$10, respectively. There were 300 runners, and all received pumpkin-colored T-shirts sporting a Halloween logo.

As the name suggests, the "costume fun run" was open to participants wearing any kind of outfit — witches, goblins, monsters, Frankenstein, Dracula, skeletons, etc., even a "moneybag" in the person of a Citizens National teller, Veronica Morrow. Prizes were given those judged to be wearing the most original or unusual costumes.

In addition, race officials were dressed as clowns, and Michael D. Kickham, Citizens National's business development officer, was dressed as a turtle, marking him as "head turtle" for the festivities.



Michael D. Kickham (at microphone) wears turtle costume, signifying him as "head turtle" of Halloween Run sponsored by Citizens Nat'l, Maplewood, Mo., where he is business development officer. Next to Mr. Kickham is Pat Maloney (holding papers), also with bank, who assisted him with run.



This unusual trophy, featuring witch riding her broom, was presented to winners of Halloween Run sponsored by Citizens Nat'l, Maplewood, Mo.



Check for \$1,700 is presented by Catherine Mullen, pres., Citizens Nat'l, Maplewood, Mo., to Dennis Adams (c.), director, Muscular Dystrophy Association, as Fred Lanigan, v.p., Maplewood Chamber of Commerce, looks on. Dr. Lanigan also is sup. of schools, Maplewood-Richmond Heights. Check represented proceeds of Halloween Run, sponsored by Citizens Nat'l.

The city's merchants and businessmen cooperated by helping to underwrite the program's costs and supplying attendance prizes. Also donated were refreshments — "witches' brew" (soup), soda, coffee, hot chocolate, even pumpkin pies and quiches.

The weatherman cooperated, too, coming up with a bright and clear day, with the temperature reaching 55 degrees.

Maplewood police and civil defense police handled traffic control, and, because part of the runs went through the neighboring city of Richmond Heights, the police there helped out.

In the 10K race, there were separate races for men and women. Then, they were divided again according to ages: 12 and under; 13-19; 20-29; 30-39; 40-49; 50-59 and 60 and over.

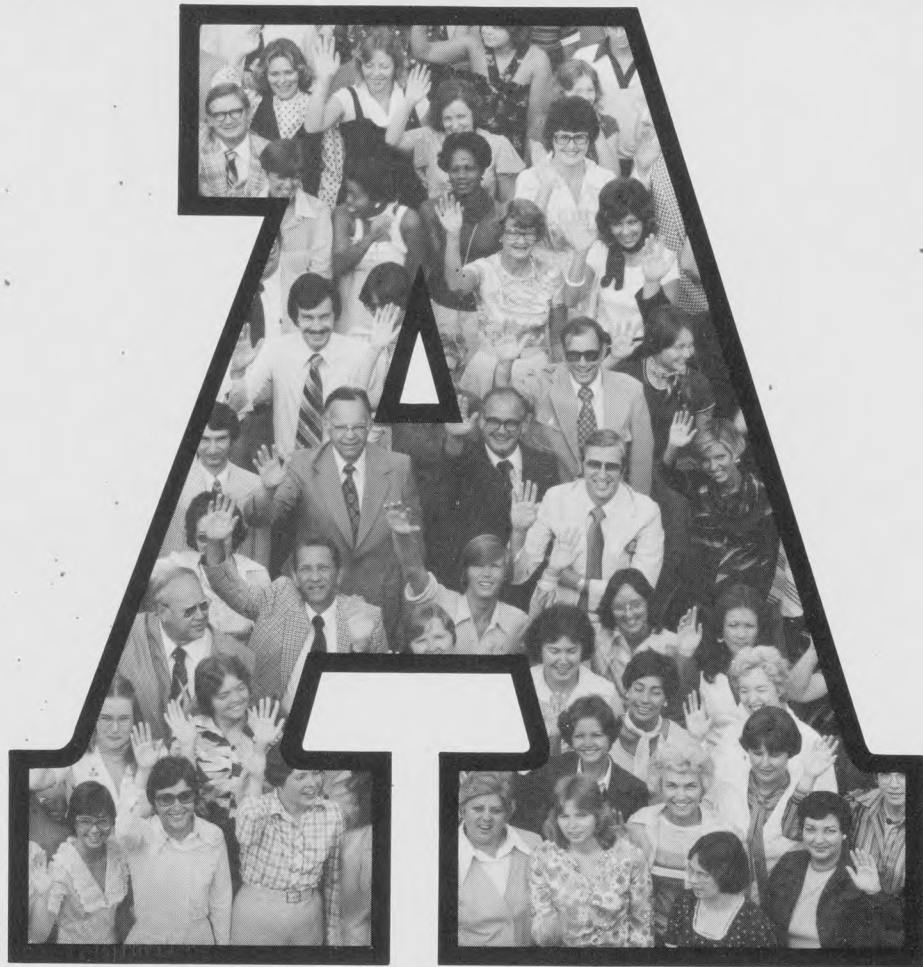
The first three finishers in each age group (both men and women) received trophies, but not the usual kind. These trophies, again following the Halloween theme, featured a witch riding on her broom.

An emotional highlight of the day was the appearance of 10 blind children, who took part in the costume run. Not only did they all finish the run, but the very last boy, who was crippled as well as blind, made the run on crutches.

According to Mr. Kickham, the two runs were so successful that the bank hopes to make them annual affairs, probably on the Saturday nearest Halloween each year. ● ●



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**MID-CONTINENT BANKER for April, 1982**

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## Coupon Program

(Continued from page 82)

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reach a captured audience of 10,000 potential customers offering merchants a direct-mail campaign where they don't pay for the mailing.

Bank Qpon Marketing is a division of Colt Press, Inc., a printing firm located in Paterson, N. J. Jeff Smith, vice president of Bank Qpon, explains that printing firms have cyclical business; they go from extremely busy periods to slow periods.

"We wanted to develop a product that involves printing, that would level the peaks and valleys in our own company," says Mr. Smith noting, "that's how Bank Qpon was born."

Because his firm is a printer for many banks and banking suppliers, Mr. Smith explained that it was a logical decision for it to provide banks with a free service. To cover costs, the firm instituted the concept of selling coupon space to local merchants since couponing has increased in popularity as a method of advertising because consumers are conscious of saving money. Bank Qpon takes advantage of that consciousness by providing a product that has coupons for customers, yet affords an opportunity for a bank to cross-sell services and merchants to buy efficient advertising space.

On entering the program, the bank had to agree to mail a minimum of 10,000 stuffers four times during the year.

Bank Qpon has 13 different enclosures for banks to choose from, but the cross-selling messages and graphics may be personalized. Stuffers chosen by UJB/North cross-sold NOW (negotiable-order-of-withdrawal) accounts, an increase in FDIC insurance coverage, CDs and regular savings accounts.

According to Miss Allen, merchants in the program received between 2% and 12% return on coupons, adding, "The merchants were happy because it gave them an opportunity to reach more potential customers than they would by advertising in a local paper, which does not circulate throughout our entire market area. Customers were happy just receiving the coupons. We've heard few comments regarding the service charge since the first mailing."

In each of the four mailings, UJB/North offered a silver candy bowl for opening a 5% NOW account. "We received 33 coupons, for a return of 2%;

we would have liked to have had more, but requirements for our NOW accounts are quite high," Miss Allen says.

Other coupons featured a free written jewelry appraisal, \$10 off on plumbing supplies, 25% off on dinner for two and more. Merchants were so pleased with the response that many of them asked to be included in the program again.

Gabe Difrancisco of Neil Diamond's Exchange, one of the participating merchants, says, "We have been more than pleased with results of this program; many people who normally wouldn't have come into our store took advantage of our coupons and have become regular customers.

"We entered the program because we found it quite attractive; for a reasonable amount of money, we were able to advertise in a high-quality sales tool."

"Bank Qpon offered us a direct-mail campaign without the disadvantages; since the piece goes directly to checking-account customers, mailing lists are up to date; the list is free, and we don't have to pay for postage."

Neil Diamond's Exchange is one of the merchants who entered the program for a second time.

Merchants' success and number of customers' inquiries regarding future coupon offerings spurred the bank to enter the program a second time.

The second set of mailings cross-sold United Jersey Bank/North's new automatic teller machine service, pay-by-phone service, Merrimatic Club (a type of Christmas savings plan) and regular savings accounts.

"We had three of these four messages customized specifically for our services, and this also did not cost us anything," she says. UJB/North currently is entering the program for a third time.

Miss Allen explains that although the original problem of customers' complaints about the service charge has been resolved, the bank plans to continue with the program.

"It really gives us something for nothing; it gives our customers something for nothing, and it shows our customers we do have their interest at heart," she concludes. ●●

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## Money-Market Funds for Banks Receive Approval From SEC

**A**CTION by the Securities and Exchange Commission, Washington, D. C., March 4 opened the way for two different money-market funds to become operative. The SEC declared effective the American Money-Market Fund, to which a cash-management service called Financial Management Account (FMA) is tied, and the Money-Manager Fund, to which a plan called Money-Manager Account (MMA) is tied.

*Financial Management Account.* This plan was put together by MABSCO Financial Services, Inc., and Fidelity Financial Services Group, Boston. MABSCO is a consortium of 6,700 banks in Arkansas, Colorado, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Oklahoma and Wisconsin.

Immediately after the SEC's action, FMAs were offered on a pilot basis by 12 Oklahoma banks. Beginning the middle of April, they will be available at MABSCO-member banks throughout the 13-state region.

*Money-Manager Account.* This plan, offered by MasterCard International, New York City, and Fidelity

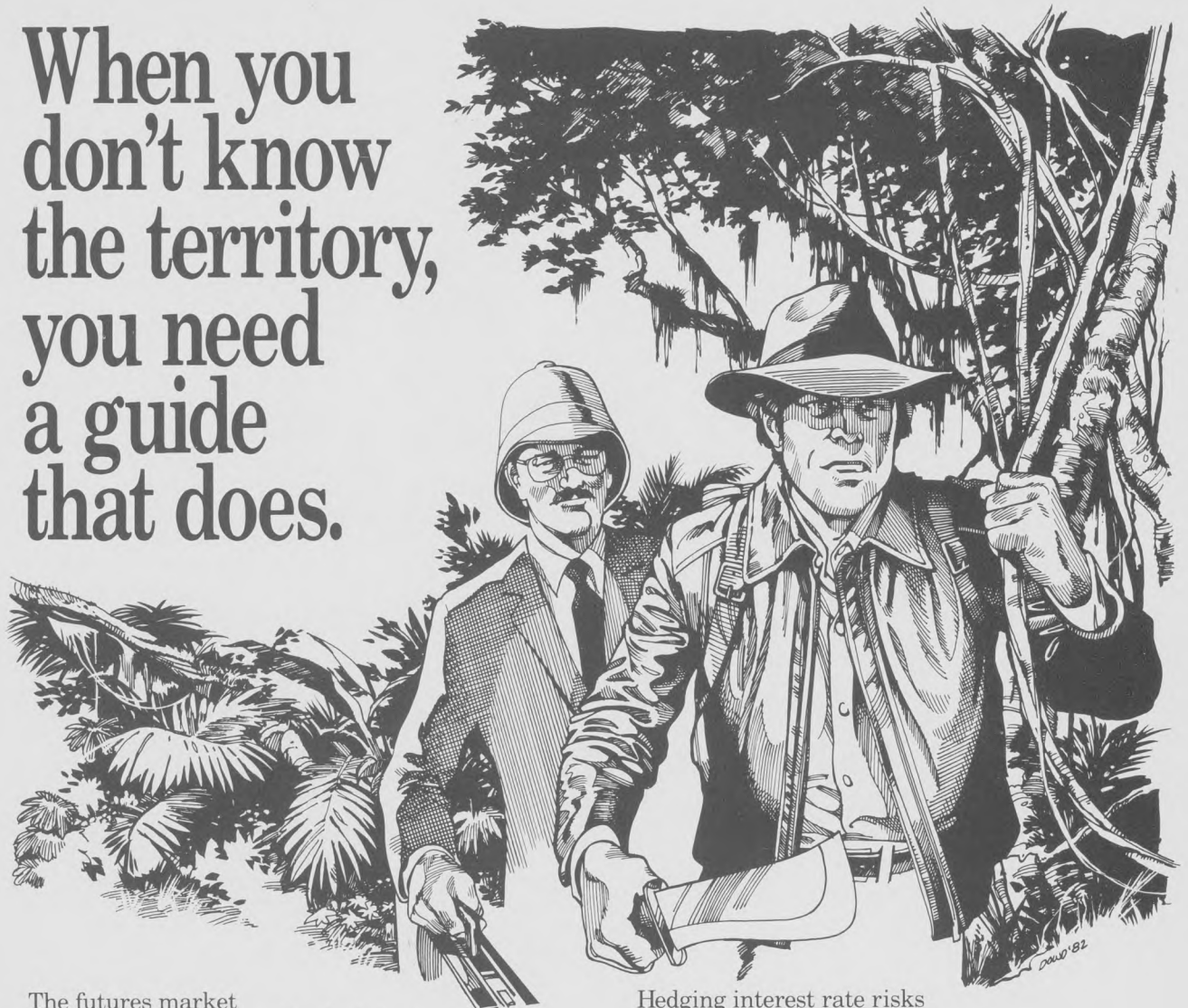
Financial Services Group, also is undergoing a pilot test at a cross-section of banking institutions, ranging from small to money-center size. By the end of April, the service is expected to be available to all of MasterCard's 12,500 member financial institutions.

Both plans operate pretty much the same way: On a daily basis, banks offering them automatically will sweep NOW or demand-deposit-account balances above a predetermined target balance into the money-market fund. When an account falls below a lower predetermined balance, money automatically will be swept from the fund back into the account.

At their option, banks taking part in either plan can offer consumers additional services: discount-brokerage accounts with Fidelity Brokerage Services, Inc., lines of credit, debit cards and such bank-sponsored vehicles as all-savers certificates, CDs and money-market certificates.

The Money-Manager Fund is available exclusively to bank customers taking advantage of the MasterCard Money-Manager-Account program.

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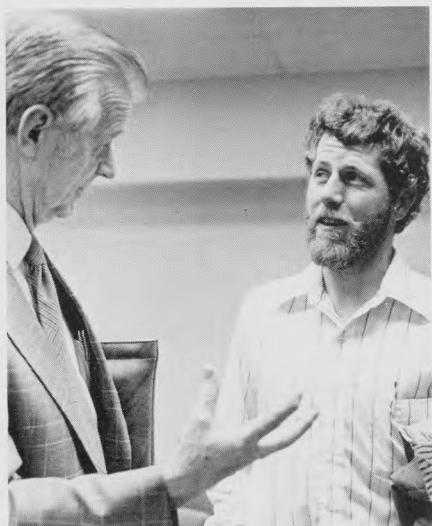
## Improved Livestock, Guarded Grain Pictures Presented by Forecasters at Ag Seminar

**F**ORECASTS for the livestock market are improved over last year, but the grain marketing outlook remains guarded. This is the assessment given nearly 100 farmers and agribusinessmen who met at United Missouri Bank of Brookfield last month for the bank's sixth annual agriculture-outlook seminar.

Livestock and grain specialists from the University of Missouri extension division predicted farm prices for the 1982-83 marketing year at the seminar.

Bob Young, research assistant/meteorologist in extension agriculture at the university, introduced several weather variables that will affect crop pricing for the next year. The Russian wheat crop, for example, is in good shape this year because of adequate snow cover to protect wheat from winter kill. Since Soviet wheat production may be good, U. S. exports to that country might be down. In Brazil, on the other hand, acres used for soybean production are being cut back. The reason is uncertain, but weather or poor use of marginal land may be factors.

Abner Womack, associate professor in agriculture economics, reported the biggest problem in the worldwide soybean market is an over-supply of vegetable oil. It could take as long as two years to work off the glut. Estimated soybean prices for the year are



**Glen Grimes (l.) discusses livestock marketing with a farmer in attendance at ag outlook seminar given by United Missouri Bank of Brookfield.**



**Abner Womack (l.) chats with agribusinessman after his ag outlook presentation at United Missouri Bank of Brookfield seminar.**

at an average \$6.25, slightly higher than current price levels. He forecasts a range of \$5.50 to \$7.25.

Mr. Womack predicted corn prices to average \$2.55 for the 1982-83 year with a range between \$2.25 to \$2.90. Carry-over of corn reserves was at its highest level of the past three years — nearly two billion bushels.

Nearly 86 million acres of wheat have been planted for the 1982 harvest year. To bring supply and demand into balance, a reduction to 80 million acres would be necessary, he said. Average prices for the year are forecasted at \$3.50, with a range of \$3.37 to \$3.62.

In general, chances are "two out of three" that grain prices will hover around loan levels. They are "one out of three" of being higher. To reduce the farmer's risk, however, several safety nets are available, including the USDA acreage-reduction program. This set-aside program allows participating farmers to place an unconstrained amount of grain in the farmer-held reserve. This new no-limit policy seems to indicate that the administration views the farmer-held reserve as the focal point for controlling excess current and future expected supplies.

The livestock market, especially hogs, appears more positive this year, reported Glenn Grimes, professor of agriculture economics and program leader for agriculture marketing and agribusiness.

The brightest spot of the outlook centers around hog production, Mr. Grimes reported. First-quarter prices are expected around \$47, second-quarter at \$45 to \$48, third at \$49 to \$52 and fourth-quarter at \$47 to \$50. He admits these figures are on the conservative side. Hog prices have a 50%

chance of going even higher, perhaps reaching a peak of \$53 to \$56 in the third quarter. He sees four to five quarters of strong hog prices.

According to Mr. Grimes, since 1935 the trend has been for cattle numbers to peak in years ending in five (1945, 1955, etc.). If this trend holds true, cattle numbers should be on the upswing for the next three years. The size of the herd increased 1% last year and is expected to grow another 2% in 1982-83.

Several variables are currently at work to affect cattle pricing, he said. First and foremost is the rise in total red-meat production to the highest levels ever. Disposable income of the consumer has not grown as rapidly as meat production, however. As a result, poultry is gaining a bigger share of the total meat market.

In spite of these factors, cattle prices are expected to reach the most profitable level in several years during the second quarter, he said. Prices for fat cattle for the first quarter are estimated at \$63, for the second quarter at \$66 to \$68, for the third at \$64 to \$66 and for the final quarter at \$62 to \$64.

### Authorization Systems Of American Express And Visa to Be Linked

American Express Co. and Visa U. S. A. have reached an agreement to establish a direct link between the Visa BASE I authorization system and the American Express credit-authorization system to switch messages generated by point-of-sale (POS) terminals.

Objective of this link, which was expected to be operational by April 1, is to help reduce fraud and credit losses by encouraging use of POS terminals.

At present, Visa cards can be used in American Express terminals and American Express cards in Visa terminals. However, the message must be routed through a third party, delaying the processing, adding to the cost and reducing the system's reliability.

Visa, which announced a new computer-based loss-control service last fall, now has 15,000 such terminals operating in merchant locations or on order. American Express has 5,000 terminals at establishments that accept its card and recently began offering financial institutions a wide range of on-line POS terminals and link services, capable of authorizing transactions on Visa, MasterCard and Diner's Club.



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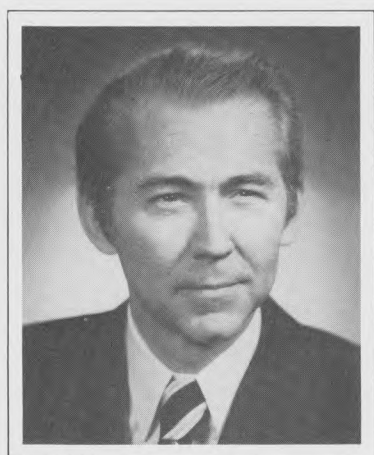
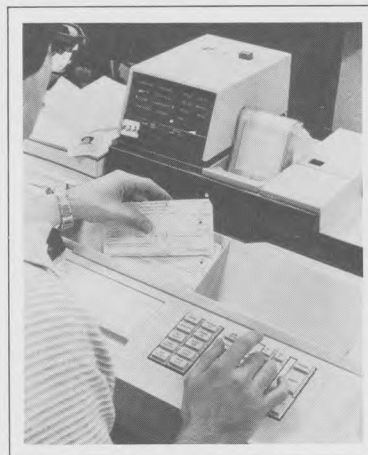
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# 'Today and Beyond' Convention Theme Selected by Oklahoma Bankers Assn.

## Speakers, Entertainers, Exhibits Will Engage Bankers May 9-11

"TODAY and Beyond" has been selected as the thought-provoking theme for the 85th annual convention of the Oklahoma Bankers Association, which will be held at the Myriad in Oklahoma City May 9-11.

"Brilliant individuals dream of the future, yet they live in the present," states the convention brochure about the annual meeting. "They're unafraid to explore new possibilities and opportunities, but they realize an assessment of current conditions is necessary before their lofty dreams can become reality."

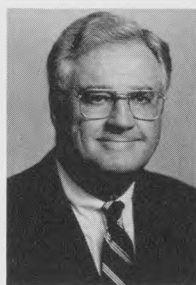
Helping bankers to make such assessments will be Oklahoma Governor George Nigh and Oklahoma University President Bill Banowsky, who will address the convention at the general session set for Monday, May 10.

Outspoken critic of bank regulators Paul Dunlap will address bankers on the changing responsibilities of bank

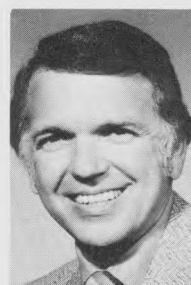
### Convention Speakers



NADLER



KENNEDY



NIGH



KELLY

Featured speakers at this year's OBA convention include Okla. Gov. George Nigh, OU Pres. Bill Banowsky, Economist Paul Nadler, ABA Pres.-elect William H. Kennedy Jr. and ABA Council Member Tracy Kelly. Mr. Kennedy is ch., Nat'l Bank of Commerce, Pine Bluff, Ark. Mr. Kelly is pres., American Nat'l, Bristow.

management, and ever-popular Paul Nadler will provide an economics picture that explodes with insights, predictions and hard facts.

Representing the ABA will be Wil-

liam H. Kennedy Jr., president-elect of the association, and chairman, National Bank of Commerce, Pine Bluff, Ark. Appearing with Mr. Kennedy will be Oklahoma's ABA council representative, Tracy Kelly, president, American National, Bristow, and former OBA president. The two men are expected to update bankers on ABA activities.

Special-interest workshops will probe three areas of interest to bankers — the power of marketing, how to value a bank and the development of employees and understanding their potential.

An exhibit area with more than 60 booths will be available to bankers for browsing. The booths are expected to

## Convention Program in Brief

### Sunday, May 9

"Show of Shows," featuring Lynn Anderson and Don Rice

### Monday, May 10

Business Meeting

Luncheon

First General Session, featuring Gov. George Nigh, OU Pres. Bill Banowsky, Paul Dunlap, Paul Nadler

Norman Vincent Peale at evening function

### Tuesday, May 11

50-Year Club Breakfast

Trust Division Past Presidents' Breakfast

Annual Meeting

Luncheon

Second General Session

OBA Reception/Dinner with Jimmy Dorsey Orchestra

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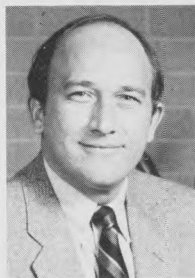
The social scene will be a busy one at the convention. The "Show of Shows" scheduled for Sunday evening, May 9 will headline country music star Lynn Anderson and comedian Don Rice. Norman Vincent Peale will hold center stage the following evening and Art Linkletter will offer inspirational tales on Tuesday. The annual convention banquet will feature the Jimmy Dorsey Orchestra conducted by Lee Castle.

A spouses' program will include tennis instruction, a guided tour of the Oklahoma City Decorator's Show Home and a spouses' activities center.

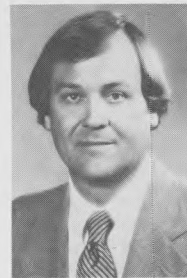
"Exploring our convention theme should encourage all of us to analyze the present and visualize the future, make use of our past goals to construct new ones and prepare ourselves for the technological and social challenges of tomorrow," says the OBA convention brochure. ●●



PAUL



KELLER



CRAWFORD

### Crawford, Keller, Paul Head OBA in 1981-82

The OBA has been under the leadership of William H. Crawford as association president for the 1981-82 year. He is president, First National, Frederick. Serving as president-elect has been Edward F. Keller, president, Mercantile Bank, Tulsa. Immediate past president of the OBA is Homer Paul, president, Nichols Hills Bank, Oklahoma City.

Mr. Crawford entered the banking profession in 1960 at Sheridan Bank, Lawton. He moved to First of Frederick in 1970 and was elected vice president there. In 1976 he was given the titles of chairman/president.

Mr. Keller joined First National,

Bartlesville, in 1963 to begin his banking career. He joined Security Bank, Blackwell, in 1970 and was named executive vice president. In 1973 he moved to Rogers County Bank, Claremore, which he served as president. In 1977, he was named executive vice president at First Oklahoma Bank-corp., Oklahoma City. He joined Mercantile Bank, Tulsa, in 1979 as president and was promoted to chairman/CEO of that bank in 1981. He attended the School of Banking of the South and the National Commercial Lending School.

Mr. Paul has been in banking since 1959. Liberty National, Oklahoma City, was his first bank employer. In 1975 he moved to Nichols Hills Bank as president/CEO.



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MID-CONTINENT BANKER for April, 1982

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# Snow, Cold Reinforce Value Of Bank's Drive-Up ATM

**W**HEN Liberty National, Oklahoma City, opened its newest ChecOKard Banking Center March 5 in Edmond, the weather was bad, but the Liberty bankers were not upset. Snowflakes and a wind-chill factor of below zero illustrated one of the advantages of the new facility. It has an automatic teller machine that allows retail and commercial customers to transact their banking business from the comfort and security of their cars.

Two Liberty officers, President Gordon Greer and Dale Schroeder, executive vice president/operations, braved the cold to cut the ribbon to allow the first customer, Marilyn Noll of Oklahoma City, to drive through. She completed the 5,000,000th transaction on the ChecOKard system.

Mrs. Noll banked from her car, briefly winding down the car window



**First customer at Liberty Nat'l of Oklahoma City's new ChecOKard facility in Edmond, Marilyn Noll, stays in warm car while transacting her banking business. Her ATM transaction was 5,000,000th on system since it opened in 1976.**

to insert her ChecOKard in the ATM and punch the buttons for the transaction.

The 5,000,000th transaction on the system, according to Harvey Dowdy, vice president in charge of development of the ATM network, brought the monetary totals to \$104,778,972 in withdrawals and \$282,248,938 in deposits through the system since its inception in May, 1976.

The new Edmond facility is located in a free-standing building designed



**Snowflakes swirl around Dale Schroeder (l.), e.v.p., Liberty Nat'l, Oklahoma City, and Gordon Greer, pres., as they hastily cut ribbon opening bank's newest ChecOKard Banking Center in Edmond.**



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**Gordon Greer, pres., Liberty Nat'l, Oklahoma City, shows Lela Wagner, mgr., Associated Optical of Oklahoma, Edmond, how to use commercial depository at ChecOKard facility. Commercial depository can be operated from safety and comfort of customer's car, and keys to operate this depository also will work at other commercial depositories in system.**

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and constructed by VSC, Inc., Oklahoma City, and is totally modular. Actual erection of the structure, in an Edmond shopping center, took only a few hours.

Mr. Dowdy points out that the ChecOKard system now has more than 100 locations throughout Oklahoma, and ChecOKards are issued by Liberty National and more than 30 other participating banks. ●●

**Fidelity Bank**, Oklahoma City, has elected Royce M. Hammons to the new position of senior executive vice president, promoted James Clyde Swint to senior vice president and elected Morris A. Galloway and Patricia A. Odom vice presidents. Mr. Hammons formerly was president, First Hutchings-Sealy National, Gal-

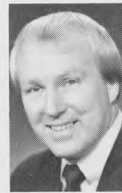
veston, Tex. He also has been associated with RepublicBank, Dallas; First National, Fort Worth; and American Bank of Commerce, Albuquerque. Mr. Swint joined the bank last September and formerly was with Worthen Bank, Little Rock. Fidelity's president/CEO, W. A. Clarke, has been named as one of three Oklahoma City businessmen to head College Business Administration Associates, an advisory body at Oklahoma State University.



COWAN



ANDERSON



DOBSON

**United Oklahoma Bank**, Oklahoma City, has elected Gary Dobson senior vice president/correspondent department manager and Steven D. Cowan vice president/correspondent department. Mike Anderson was elected senior vice president within the bank

and chairman, United Check Processing Center, United Data Services and United Bank Advisory Services. Mr. Dobson joined the bank in 1980 and formerly managed the correspondent department at Fourth National, Wichita. Mr. Cowan also joined the bank in 1980. Mr. Anderson formerly was vice president/correspondent department. Prior to joining United Oklahoma, he was in the correspondent department at Union National, Wichita. George A. Hall, president, Oklahoma National Stockyards Co., has been elected to the bank's board.

**Liberty National**, Oklahoma City, has promoted Alan H. Kraft and David Sutter to vice presidents and Tony Boghetich, Judith S. Dumont, Jackie Luschen, Edward J. Moore Jr., Catherine E. Walters and Linda Wilson to assistant vice presidents. David S. Wolfe of Liberty Mortgage Co., also was named an assistant vice president.

**Anadarko Bank** has promoted Ray Evans and Sherry Sanders to assistant vice presidents and Lynette Rudisill to assistant cashier.

**Community Bank**, Tulsa, has promoted Dale Barr and Nancy Clifton to assistant cashiers. They manage the data processing and bookkeeping departments, respectively.

**Central National**, Enid, has elected Richard A. Singer to its board. He is president/CEO, Singer Steel.

● **R. J. Edwards.** Gary J. Young has joined this Oklahoma City firm that specializes in municipal and government securities. He formerly was with Woolsey & Co., Oklahoma City. He serves Edwards as a consultant in the investment securities group. He is a former editor, *Oklahoma Banker* magazine, and was director of education for the Oklahoma Bankers Association.



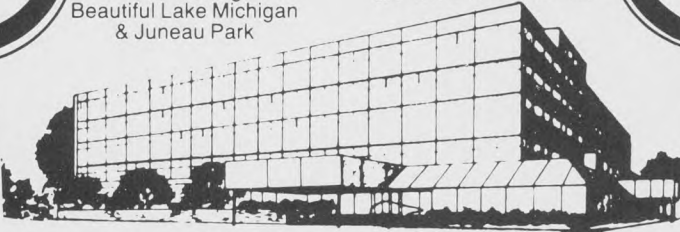
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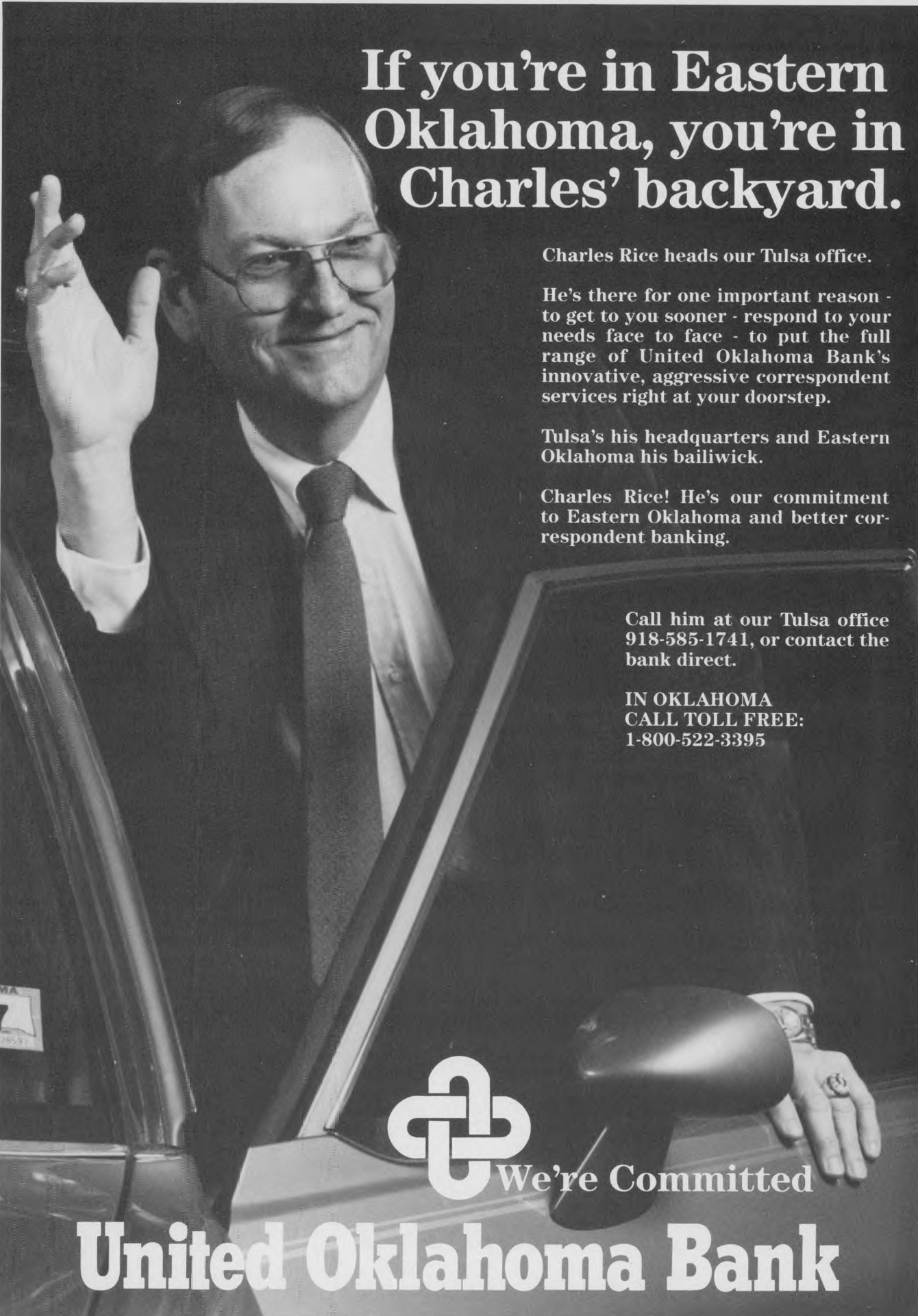


**BEST VALUE for QUIET COMFORT**

### New ABA Council

WASHINGTON, D. C. — The ABA has announced formation of a banking professions council, with William H. Kennedy Jr., ABA president-elect, as its first chairman. He is chairman, National Bank of Commerce, Pine Bluff, Ark.

The council, which held its first meeting here March 30-31, has as its objective to increase the effectiveness and strength of the ABA's banking professions group.



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At Convention May 12-15:

# 'Asset/Liability Management' To Be Discussed by Texans

**C**ONCURRENT WORKSHOPS on "Asset/Liability Management" and "Pricing Bank Stock" will be a feature of the Texas Bankers Association's 98th annual convention at Loew's Anatole Hotel, Dallas, May 12-15. The workshops will be held twice — from 2:15-3:15 p.m. and 3:30-4:30 p.m., May 14.

The opening business session, at 9 a.m. May 14, will feature San Antonio Mayor Henry G. Cisneros and Louis V. Gerstner Jr., vice chairman, American Express Co., New York City, as speakers during the business session, 9 a.m.-10:30 a.m. From 10:45-11:45 a.m., the national bank division will meet and hear Steven L. Skancke, executive secretary, Depository Institutions Deregulation Committee (DIDC), Washington, D. C.; and the state bank division will have as its speaker, Philip E. Coldwell, former governor, Federal Reserve System, Washington, D. C.

The luncheon speaker May 14 will be Texas' governor, William P. Clements Jr. A pre-luncheon reception will be held from 11:45 a.m.-12:30 p.m. The day will end with a 6:30 reception and dinner, with "The Spinners" providing the entertainment.

On May 15, ABA members will meet from 9-9:30 a.m., with R. M. Duffey Jr., ABA state vice president, presiding. He is chairman, Texas Commerce Bank/Brownsville. The closing business session, from 9:30-11:30 a.m., will feature Albert H. Cox Jr., president, Merrill Lynch Economics, Inc., New York City, and Robert G. Greer, TBA president, as speakers. Mr. Greer is chairman, Cullen Bank, Houston.

An 11:30 a.m. reception will close the convention.

On May 12, TBA committee meetings — retirement system and resolutions — will be held from 2-5 p.m.

On May 13, tennis and golf tournaments are planned for 8:30 a.m.-3:30 p.m. at Bear Creek Country Club and Samuel Grand Courts.

From 9 a.m.-6 p.m. that day, registration will be held in Khmer Pavilion, where 78 exhibit booths also will be open.

Entertainment that day will include "Shopping Dallastyle" from 10:30 a.m.-3:30 p.m. at Sakowitz Village and Prestonwood Mall; "Even J. R. Loves Dallas" at Southfork Ranch and other

Dallas Highlights from 1-4:30 p.m. and reception/buffet at 6:30 p.m. in the grand hall of Apparel Mart. Entertainment will be supplied by "The Vocal Majority." For non-TV viewers, the J. R. and Southfork Ranch alluded to above are in the popular TV series, "Dallas."

From 4-5 p.m. May 13, the TBA correspondent bankers division will hold its annual meeting and election.

Registration will be held and exhibits open from 8:30 a.m.-5:30 p.m., May 14. Also on that day, spouses will have the option of touring Dallas homes and gardens from 2:15-5:15 p.m.

*TBA Officers.* The TBA officer

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## TBA Convention Schedule

### Wednesday, May 12

2-5 p.m., TBA Committee Meetings:  
Retirement System — Matisse Room  
Resolutions — Lalique Room

### Thursday, May 13

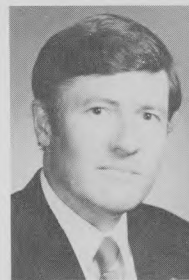
8:30 a.m.-3:30 p.m., Tennis/Golf Tournaments:  
Bear Creek Country Club & Samuel Grand Courts  
9 a.m.-6 p.m., Registration/Exhibit Hall:  
Khmer Pavilion  
10:30 a.m.-3:30 p.m., Shopping Dallastyle:  
Sakowitz Village/Prestonwood Mall  
1-4:30 p.m., Even J. R. Loves Dallas:  
Southfork Ranch and Other Dallas Highlights  
4-5 p.m., Annual Meeting/Election:  
Correspondent Bankers Division, The Chambers  
6:30 p.m., Reception/Buffet:  
Apparel Mart — Grand Hall  
Entertainment — "The Vocal Majority"

### Friday, May 14

8:30 a.m.-5:30 p.m., Registration/Exhibit Hall:  
Khmer Pavilion  
9-10:30 a.m., Opening Business Session:  
Henry G. Cisneros, mayor, San Antonio  
Louis V. Gertstner Jr., vice chairman, American Express Co.,  
New York City  
10:45-11:45 a.m., National Bank Division:  
Steven L. Skancke, executive secretary, Depository Institutions  
Deregulation Committee  
10:45-11:45 a.m., State Bank Division:  
Philip E. Coldwell, former governor, Federal Reserve System  
11:45 a.m.-12:30 p.m., Reception:  
Khmer Pavilion  
12:30-2 p.m., Luncheon:  
William P. Clements Jr., governor of Texas  
2:15-5:15 p.m., Tour of Dallas Homes/Gardens  
2:15-3:15 p.m., Concurrent Workshops:  
Asset/Liability Management  
Pricing Bank Stock  
3:30-4:30 p.m., Repeat of Concurrent Workshops:  
6:30 p.m., Reception/Dinner:  
Entertainment — "The Spinners"

### Saturday, May 15

9-9:30 a.m., ABA Meeting:  
R. M. Duffey Jr., ABA state vice president, chairman, Texas  
Commerce Bank/Brownsville  
9:30-11:30 a.m., Closing Business Session:  
Albert H. Cox Jr., president, Merrill Lynch Economics, Inc., New  
York City  
Robert G. Greer, TBA president, chairman, Cullen Bank, Hous-  
ton  
11:30 a.m., Reception, Exhibit Hall:  
Drawing for special door prize



GREER



LANE



MURPHY

lineup for 1981-82 has been: president, Robert G. Greer, chairman/CEO, Cullen Bank, Houston; vice president, Robert B. Lane, chairman/CEO, Austin National, and treasurer, Kenneth T. Murphy, president/CEO, First National, Abilene.

*Mr. Greer* was with the Texas banking department from 1955 to 1959, when he resigned as a senior examiner to begin his banking career in Houston. He was executive vice president, Heights State, and president, South Main Bank, before becoming president/CEO of Cullen Bank when it opened in 1969. He has been chairman/CEO there since 1977. He comes from a banking family, his father, S. Marcus Greer, having been a Houston banker for many years, and his grandfather, Sam R. Greer, having served as TBA president, 1934-35.

*Mr. Lane* entered banking at First National, Dallas, in 1963, left there in 1968 to join Clifton Bank as chairman/CEO. Later, he went to First International Bancshares (now InterFirst Corp.), Dallas, as executive vice president/Dallas banking division. Last September, he became chairman/CEO, Austin National, and president/CEO, Austin Bancshares Corp.

*Mr. Murphy* was a national bank examiner from 1962 to 1968, when he joined First National, Tulsa, as vice president. In 1971, he became executive vice president, First National, Abilene, and advanced to president/CEO last June. ● ●





Left to right: Doug Adamson, Vice President and Manager, Correspondent Banking Department; John Deason, Vice President; and Bill Goodwin, Assistant Vice President.

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# Atlanta to Host Tennessee Bankers; Garn, Jenkins Head Speakers' List

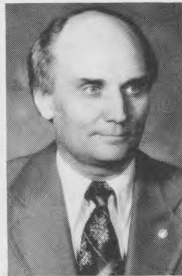
**F**OR THE first time in memory, the annual convention of the Tennessee Bankers Association will be held out-of-state. This year's meeting will be in Atlanta, acknowledged by many to be the transportation, cultural, commercial, industrial, shopping and sports center of the southeastern U. S.

Headquarters hotel for the convention will be the 73-story Peachtree Plaza, said to be the world's tallest hostelry. The hotel is located in the downtown area, close to numerous places of interest, including the state capitol, Underground Atlanta and the Omni International complex.

Numerous museums and battlefields in the Atlanta area are reminiscent of the Civil War. Since most of the city was leveled during that war, relics of the Old South, such as antebellum homes, are found in outlying areas.

Stone Mountain Park and Six Flags amusement park are nearby and the city boasts a recently opened rail rapid-transit system.

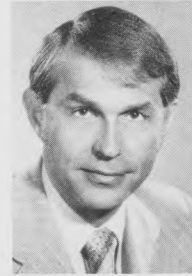
Heading the list of speakers for the convention are Llewellyn Jenkins, ABA president, and vice chairman, Manufacturers Hanover Trust, New



GARN



JENKINS



FORD



BAKER

York City; U. S. Senator Jake Garn (R., Utah), chairman, Senate Banking Committee; William F. Ford, president, Atlanta Fed; and James Baker, president, James Baker & Co., Oklahoma City.

Two general business sessions are planned, one for Monday, May 10, the other for Tuesday, May 11. Both will begin at 9:30 a.m.

Following is the agenda for the business sessions:

*Monday, May 10* — Call to order by TBA President Dan Andrews, president, First National, Dickson; addresses by Messrs. Ford, Jenkins and Garn; adjournment.

*Tuesday, May 11* — Call to order by President Andrews; ABA report/election, conducted by Jack O. Weatherford, ABA state vice president, and chairman, Murfreesboro Bank; "Strategies for the '80s," a panel discussion moderated by William H.



Best view in Atlanta is from Peachtree Plaza Hotel (center, background), headquarters hotel for this year's Tennessee Bankers Association convention. The TBA will meet in Atlanta May 9-12.

## Convention Program in Brief

### Sunday, May 9

- 2:00 p.m. — Registration
- 3:00 p.m. — Insurance Committee Meeting, Tower Suite 10
- 10:00 p.m. — Convention-wide Nightcap Party

### Monday, May 10

- 8:30 a.m. — Registration
- 9:30 a.m. — First General Business Session
- Spouses' Tour/Luncheon
- Noon — Board of Directors' Luncheon
- 1:00 p.m. — Golf/Tennis, East Lake Country Club
- 7:00 p.m. — Convention-wide "Pops in the Park" Party, Peachtree Ballroom

### Tuesday, May 11

- 7:30 a.m. — Convention-wide Breakfast
- 8:00 a.m. — Independent Bankers Division Meeting
- 9:30 a.m. — Second General Business Session
- Spouses' Tour/Luncheon
- 12:30 p.m. — Board of Directors' Luncheon
- 5:30 p.m. — Photo Session for Officers
- 6:30 p.m. — Convention-wide Reception
- 7:30 p.m. — Banquet/Entertainment, Peachtree Ballroom

### Wednesday, May 12

- 7:30 a.m. — Fellowship Breakfast

Swain, TBA president-elect, and chairman, First National, Oneida; an address on "Asset/Liability Management" by James Baker; election of officers; awarding of door prizes and adjournment.

Convention entertainment will include a nightcap party on Sunday evening, May 9; a "Pops in the Park" party on Monday evening, featuring the Atlanta Pops Orchestra; and the traditional convention reception/banquet and entertainment on Tuesday evening, this year featuring singer John Gary and the Ray Bloch Orchestra.

### Dan Andrews Will Preside At Tennessee Convention

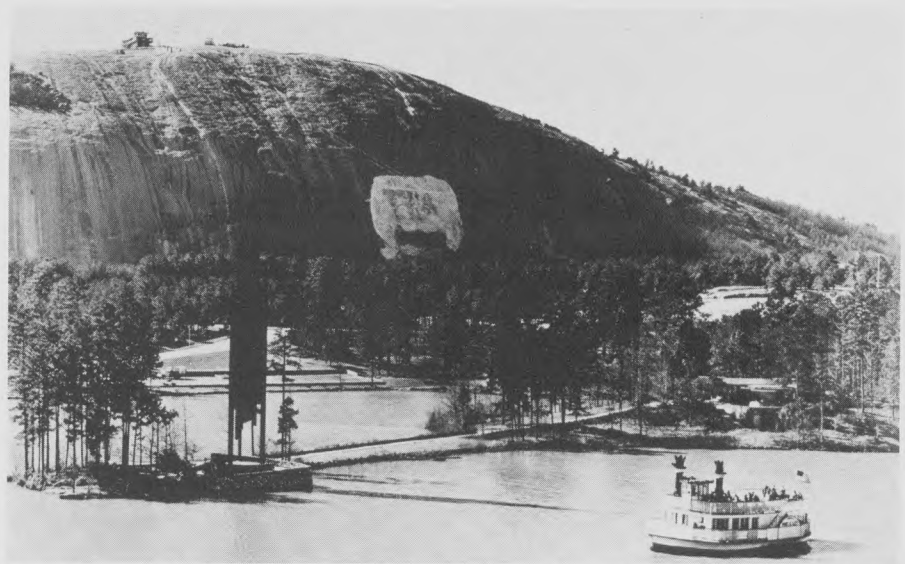
Presiding over the activities of the 92nd annual Tennessee Bankers Association convention will be Dan B. Andrews, TBA president, and president, First National, Dickson. Serving with Mr. Andrews during the 1981-82 year are W. H. Swain, TBA president-elect, and chairman/president, First National, Oneida; J. H. Shelton, TBA first vice president, and president, Somerville Bank; Virgil H. Moore Jr., TBA second vice president, and chairman, First Farmers & Merchants National, Columbia; James R. Fitzhugh, TBA chairman, and president, Bank of Ripley; and Robert M. Gilliam, TBA executive vice president/treasurer.

Mr. Andrews joined First of Dickson in 1966 as president and has continued in that post.

Mr. Swain has been with First of Oneida since 1959, when he was named president. He added the title of chairman last May.

Mr. Shelton joined Somerville Bank in 1966 and was named president two years later.

Mr. Moore has been with First Farmers & Merchants National, Columbia, since 1954. He is an advisory director of the ABA's community bankers division, member of the executive committee of the ABA's bank investments division, state director of the Independent Bankers Association of America and a past director of the



Stone Mountain Park, 16 miles east of Atlanta, features steamboat and train rides, skylift to top of 825-foot mountain, Civil War exhibits.

Atlanta Fed (Nashville Branch), and the independent bankers' division and national bank division of TBA.

Mr. Fitzhugh entered banking in 1945 at Bank of Ripley. He was promoted to cashier in 1948 and to president in 1965.

### Facts About Atlanta

*Population* — The city proper has more than 423,000 residents; the 15-county metropolitan area includes more than two million people.

*Climate* — The weather in May is pleasant, with temperatures averaging between 59-79 and slightly more than three inches of rain for the month. The city is more than 1,000 feet above sea level, a fact that accounts for temperature fluctuations of 15 to 20 degrees.

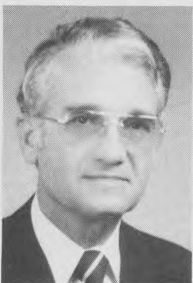
*Dress* — Medium-weight clothing and light-to-heavy jackets and sweaters are appropriate in May. Raincoats and umbrellas are needed at any time of the year. Dress for most occasions is casual and relaxed. Few restaurants and nightspots require jackets and ties.

*Culture* — The Atlanta Symphony is internationally known and the New York Metropolitan Opera performs each spring. The High Museum of Art

exhibits permanent collections of European and American paintings, sculpture and decorative arts, 19th and 20th century prints and photos and mounts special touring exhibits. There also are museums featuring natural science, antique toys and Confederate memorabilia. Atlanta has one of the largest planetariums in the nation. Tours of historic homes are available.

*Sports/recreation* — Atlanta has four pro sports teams: NFL Falcons, NL Braves, NASL soccer Chiefs and NBA basketball Hawks. The Lady Michelob Golf Classic and the Can Am Road Race are held in May. The Atlanta Arts Festival and the Chattahoochee River Raft Race also are held in May.

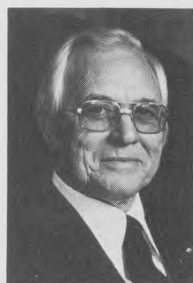
**Third National**, Nashville, has named E. Evan Davis first vice president and promoted James Robertson to vice president/corporate services manager. Mr. Davis works with affiliate banks and HCs and has been associated with banks in Jackson, Tenn., and Greenville, Miss.



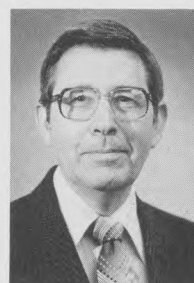
ANDREWS



SWAIN



SHELTON



MOORE



FITZHUGH



GILLIAM

# Disney World Beckons Alabama Bankers For 89th Annual Convention May 2-6

ALABAMA bankers will be heading south for their 1982 convention May 2-6. Their destination will be Walt Disney World, Orlando, Fla., where they and their families will be able to mix business with pleasure.

Highlighting the business sessions will be talks by William Ford, president, Atlanta Fed; Edwin Burr, FDIC regional director, Atlanta; and Frank Gifford, sports broadcaster.

In addition to electing new Ala.BA officers, delegates will elect a new member of the ABA Council from Alabama to succeed ABA State Vice President William H. Mitchell, president, First National, Florence. The new member will work with Robert H. Woodrow Jr., vice chairman, AmSouth Bancorp., Birmingham, who also serves on the ABA Council.

During the business sessions, resolutions will be presented by Sam Faucett, president, First Alabama Bank, Tuscaloosa, who is resolutions chairman.

Special convention activities will include early-bird golf and tennis on Tuesday, May 4; a ladies' brunch for Monday, May 3, and breakfasts for independent bankers and graduates of the School of Banking of the South.

Receptions are scheduled for Sun-



1982 marks "Tencennial Summer" for Walt Disney World, site of Ala.BA convention. Special activities, such as parades down Main Street USA, are planned. Ala.BA convention activities will be at Contemporary Hotel, short monorail ride from Magic Kingdom theme park. © Walt Disney Productions, 1981.

day, Monday and Wednesday evenings. The Monday evening affair will be an international reception and will feature a variety of food and music by the Caribbean Steel Drum Band. Monday evening's reception/dinner

will feature a floor show saluting the 1950s. Wednesday's reception/dinner will conclude the convention with a patriotic floor show titled "America Is Show."

Most convention activities will be held at the Contemporary Hotel.

R. Merrell Sweat, president, First National, Talladega, is the Disney World convention general chairman.

## Ala.BA Convention Schedule

### Sunday, May 2

- 3:00 p.m. — Registration at Contemporary Hotel
- 7:00 p.m. — International Reception, Ballroom of the Americas

### Monday, May 3

- 8:00 a.m. — School of Banking of the South breakfast, Yosemite Room
- 9:30 a.m. — First general business session, Atlantic/Pacific Room
- 10:00 a.m. — Ladies' brunch, the Cove, Polynesian Village
- Noon — Past presidents' luncheon, Shenandoah Room/Rocky Mountain Room
- 2:30 p.m. — Second general business session, Atlantic/Pacific Room
- 7:00 p.m. — Reception/Dinner, Ballroom of the Americas

### Tuesday, May 4

Golf and Tennis tournaments; evening free

### Wednesday, May 5

- 8:00 a.m. — Independent Bankers' Division breakfast, Great Smokies Room/Everglades Room
- 7:00 p.m. — Reception/Dinner, Ballroom of the Americas

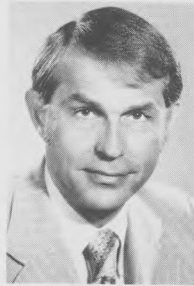
## Turnipseed Will Preside At Alabama Convention

Clarence L. Turnipseed, president, First National, Brewton, will preside at this year's Ala. BA convention as the association's 1981-82 president. Serving with him during the year are J. Robison Harper, president, Peterman State — first vice president; and James S. Gaskell Jr., chairman, First Alabama Bank, Montgomery.

Mr. Turnipseed began his banking career in 1950 at First National of Tuscaloosa, Tuscaloosa. He joined First of Brewton in 1964 as executive vice president and was named chairman/CEO in 1981.

Mr. Harper has been a banker since 1948, when he joined his present institution. He was named to officer status (assistant cashier) in 1950, and served as cashier, vice president/cashier and director during the ensuing 10 years. He was named president in 1960.

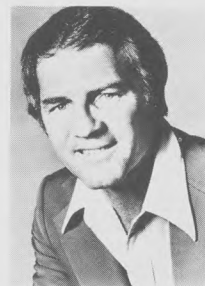
Mr. Gaskell entered the banking profession in 1952 at First National (now First Alabama), Montgomery. Two years later he became an officer, serving as assistant cashier. He was named chairman/CEO in 1975. He also is vice chairman, First Alabama Bancshares.



FORD



BURR



GIFFORD

Featured speakers at this year's Ala.BA convention will be William Ford, pres., Atlanta Fed, who will speak at first general business session on Monday morning, May 3. Set to speak at second business session (also on Monday) is Frank Gifford, ABC-TV sportscaster, who provides play-by-play on Monday Night Football show. Edwin Burr, FDIC regional dir., will speak at breakfast for Independent Bankers' Div. of Ala.BA, set for morning of Wednesday, May 5.

### Four College Students Intern At First National, Mobile

Four college students are working at First National, Mobile, as part of an internship program with local institutions of higher learning.

Two of the students are participating under the newly formed graduate intern program with the University of South Alabama, said to be the only MBA intern program in the city.

Three of the students are assigned to bank divisions, including natural resources, international and personnel. The fourth is assigned to First Bancgroup-Alabama, First National's HC.

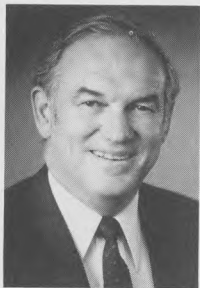
First National, Birmingham, has promoted Vernon C. Bice Jr. and Bobby D. McDonald to assistant vice presidents and James V. Baskerville and John E. Paluzzi to assistant trust officers.



TURNIPSEED



HARPER



GASKELL

Farmers National, Opelika, has promoted David W. Canon Jr. from assistant vice president to vice president, Walter T. Scott and Linda Sharpe to assistant loan officers and elected Toni Ambrose assistant operations officer.

### William Cothran Dies

William T. Cothran, retired chairman, Birmingham Trust National, died last month at the age of 74. A fourth-generation banker, he began his career at age 18. During his career he served at First National, Birmingham, U. S. Steel Corp. and Shannon Hosiery Mills. He was president, Bank for Savings & Trusts, when it was merged with Birmingham Trust National. He became CEO of BTNB and took part in the formation of the bank's HC., now known as SouthTrust Corp. He was a past president of the Alabama Bankers Association.



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# News

## About Banks and Bankers

### Arkansas

**James R. Hall** has been given the title of chairman of Dumas State, making him chairman/president/CEO. He joined the bank in 1978, going there after service with Citizens Bank, Jonesboro, which he joined in 1970. Prior to that, he was with First National of Poinsett County, Trumann.

**Worthen Bank**, Little Rock, has elected **H. Morgan Brookfield III** senior vice president/commercial division manager. He joined the bank in February, going there from Union Planters National, Memphis. The bank has promoted **Warren B. Argo**, **Raymond Baldwin**, **John Lipin**, **Robert McNeice** and **Walter Patterson** to vice presidents, and **Ronald Campbell** and **Arlene Marcotte** to assistant cashiers.

### Illinois

**Northern Trust**, Chicago, has appointed **Luke C. Mazur** and **Davis A. Roeske** vice presidents and **Ronald E. Koepsel** second vice president, all in the trust department. **Patricia O. Fiorell** was promoted to second vice president in personal banking, and **John S. Darrow**, **Margaret M. G. Georgevich**, **Robert W. Holt** and

### Opening in Belleville



**Ribboncutters William S. Badgley (l.) and G. Thomas Andes (r.), ch. and pres., respectively, First Nat'l, Belleville, took part in official opening of new banking facilities recently. Following opening, week-long period of open-house activities celebrated completion of 40,000 square foot addition, constructed by Bunce Corp., St. Louis.**

### AMBI Names Chapter Dir.

**Patrick B. Hayes** has been named director of chapter services for the Association for Modern Banking in Illinois (AMBI). According to AMBI President **James B. Watt**, chapters will provide a forum for the exchange of ideas and information among AMBI members; bring AMBI services closer to the membership; develop programming for member banks; serve as a pipeline between association members and officers; and strengthen membership ties. Mr. Hayes is a former assistant director of marketing at Champaign National and director of BMA's national chapter services and community bank departments.

**Michael T. Meegan** were promoted to second vice presidents in the trust department.

**John K. Rutledge** has joined **Harris Bank**, Chicago, as vice president/trust department. He directs development of real estate investments as a new service for personal and institutional trust clients.

**William D. Plechaty** has been elected an executive vice president of **Continental Illinois Corp.** and **Continental Illinois National**, Chicago. Elected senior vice presidents at the bank were **Kenneth K. Chalmers**, U. S. banking; **Robert L. Champion Jr.**, operations/management services; **James C. Cordell**, special industries; **Joel J. Crabtree**, personal banking services; **John V. Egan Jr.**, corporate affairs; **Richard M. Gladziszewski**, operations/management services; **Samuel W. Hunt**, trust/investment services; **Augustus Knight**, U. S. banking; **James J. Nemeč**, trust/investment services; **George L. Schueppert**, multinational banking; **Roger H. Sherman**, U. S. banking; **William L. Staples**, multinational banking; **John B. Tingleff**, community banks; and **W. Denis Wright**, international banking.

**National Boulevard Bank**, Chicago, has promoted **Gintaras R. Kastys** to vice president/marketing, **Celeste**

**Nikkel** to training officer and **Richard Jagodzinski** to systems officer. Mr. **Kastys** formerly was with **Unity Savings & Loan Association**, Chicago.

**Alden M. Berner** has been elected president of **Herget Bank**, Pekin. He succeeds **Melvin V. Burling**, who now is chairman. Succeeding Mr. Berner is **William E. Tunis**, who was promoted from senior vice president to executive vice president. **Sidney W. Parker** was named board secretary. He is a senior vice president.

**First Illinois Bank**, East St. Louis, has elected **Melvin L. Hall** chairman/CEO, succeeding **Edward W. Hallemeyer**, who was named vice chairman. **Delmar E. Valine Sr.** was elected to the board.

### IBA Group Hears Marketer



"Community Bank Marketing in the '80s" was topic of day at last month's annual meeting of **Group 9 of Illinois Bankers Association**, meeting in Belleville. Principal speaker was **R. Ted Pepple** (at podium), v.p./marketing officer, **American Nat'l, St. Louis**. At r. is **James P. Sweney**, outgoing **Group 9 pres.**, and ch./pres., **State Bank, Collinsville**.

### Indiana

**Indiana National**, Indianapolis, has promoted **Mark K. Peterson** to vice president/branch banks and **Dorothy M. Wright** and **Robert O. Baker** to assistant vice presidents/trust officers.

**DCB Corp.**, Jasper, has become a bank holding company through acquisition of the successor by merger to **Dubois County Bank**, Jasper.

## Kansas

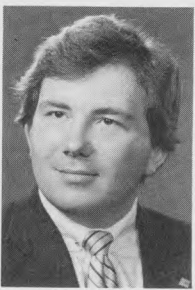
### First of Frankfort to Build



First National, Frankfort, has announced plans to build an addition to, and remodel, its building. Included will be a new teller line, conference room, coupon booths and two new vaults. A new drive-up facility is in the plans and a night entrance to the board room will permit use by the community. Construction is expected to be completed by fall. Contractor is Bunce Corp., St. Louis.

First National, Lawrence, has elected Alan L. Lilleoien senior vice president/cashier and Sandy Malloy assistant cashier.

Steven W. Ketteler, senior vice president at First National, Leavenworth, has been elected to the board. He joined the bank in 1978.



MILLS

Terry L. Mills has been appointed correspondent bank officer at Commercial National, Kansas City. He joined the bank in 1980 as correspondent bank representative.

Ray L. Scadden has been appointed president, Maize State, succeeding Richard Hultman, who has resigned. Mr. Scadden comes to the bank from Bank of Mid-America, Wichita, where he was CEO/vice chairman.

## Kentucky

Paul E. Bleuel Jr. has been promoted to senior vice president/controller/treasurer, financial division, at United

Kentucky Bank, Louisville. He joined the bank in 1969 and had been vice president/controller/treasurer since 1975.

George Lathram has been named vice president lending division at Second National, Lexington. He joined the bank in 1970 and had been assistant vice president/lending division since 1979.

FNB Bancorp, Glasgow, is a new bank holding company. It acquired New Farmers National, Glasgow, successor by merger with the interim bank, New National Bank of Glasgow.

## Louisiana

Ronnie L. Darden, vice president, Catahoula Bank, Harrisonburg, was elected president, Young Executives Section, Louisiana Bankers Association, last month, during the organization's convention in Baton Rouge. Tommy K. Jones, vice president, Capital Bank, Baton Rouge, was elected vice president; John C. Crick, vice president, Ouachita National, Monroe, was elected secretary, and Dan Landry, vice president/cashier, Assumption Bank, Napoleonville, was elected treasurer.

Hibernia National, New Orleans, has elected Eamon M. Kelly and George H. Porter III to its board as well as to the board of Hibernia Corp. Dr. Kelly is president, Tulane University, Dr. Porter is president, Alton Ochsner Medical Foundation, both in New Orleans.

## Mississippi

### Annual Economic Symposium Sponsored by Hancock Bank

Despite high interest rates that have stifled national economic growth, manufacturing diversification has made the outlook for the Mississippi Gulf Coast bright, said the manager of the economic research and analysis department of the Mississippi Power Co. at the 16th annual economic symposium sponsored by Hancock Bank recently in Gulfport.

Reasons for the bright outlook were enumerated as follows:

- The unemployment rate is lower than the national average.
- A major industry in the area has improved its economic outlook by gaining new defense contracts and diversifying into oil platforms and boxcar fabrications.
- Oil and gas exploration help offset the effects of inflation felt in other sectors.
- New plants for the area in 1981 translated into \$410 million in capital investment and an additional 4,200 to 4,500 permanent new manufacturing jobs.

More than 600 people attended the symposium.

Brookhaven Bank has elected Robert E. Jones and Meade Mathis to its board. Mr. Jones is in the oil and gas business; Mr. Mathis raises beef cattle.

## Missouri


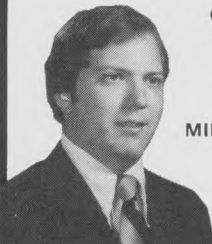
Michael Christopher has been promoted from assistant vice president to vice president/loans at Bank of Hillsboro. He joined the bank nine years ago after having worked for a finance company.

County Tower Corp., Clayton, has announced that standardized nomenclature will be used for most of its banks which, prior to last year's merger, were part of County National Ban-




This is the logotype to be adopted by renamed units of County Tower Corp.

corp. or T G Bancshares Co., St. Louis. Each of the renamed units will become a County Bank and collectively all units will market under the name of County Banks. St. Louis County Bank, Clayton, will be County Bank of St. Louis; Security Bank, Manchester, will be County Bank of Manchester;




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Big Bend Bank, Webster Groves, will be County Bank of Webster Groves; Bank of Louisiana will be County Bank of Louisiana. County Bank of Arnold and County Bank of Chesterfield will retain their names. Continental Bank, Richmond Heights, will be County Bank of Richmond Heights and Bank of House Springs will become County Bank of House Springs. Tower Grove Bank, St. Louis, will retain its name.

**Dennis C. Riffle** has joined Mercantile Bank, Kansas City, as assistant vice president, correspondent banking division. He previously was in the correspondent bank division at Commerce Bank, Kansas City.



RIFFLE

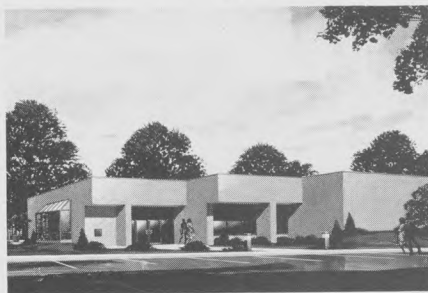


AHEARN

**American National**, St. Louis, has promoted James J. Ahearn to executive vice president, Philip D. Key to vice president/controller; Thomas A. Gross to vice president/facility manager; and David L. Richert Jr. to internal auditor.

**United Missouri Bancshares**, Kansas City, has elected Peter M. Granat assistant vice president and named James K. Seitz assistant vice president. Mr. Granat formerly was with United Missouri Mortgage Co.; Mr. Seitz formerly was with the Missouri Division of Finance. United Missouri Bank, Kansas City, has elected Mary

### Ground Breaking in St. Peters



**Centerre Bank of St. Peters** broke ground last month for its new building. The 4,000-square-foot structure is expected to be completed by September. Construction, interior design and furnishing is by Bunce Corp., St. Louis.

Hudson Vandegrift to its board. She is chairman/CEO/president, Hudson Oil Co. and Hudson Refining Co.

**Centerre Bancorp.**, St. Louis, has nominated William H. Dunn Sr., David C. Farrell and William P. Stiritz to its board. Mr. Dunn is chairman/president, J. E. Dunn Construction Co. Mr. Farrell is president/CEO, May Department Stores Co. Mr. Stiritz is chairman/CEO, Ralston Purina Co. Shareholders will be asked to approve the nominations at the HC's annual meeting this month.

### \$1.1 Million in Business Loans Authorized in '81 by DFC

First Missouri Development Finance Corp., Missouri's only state-wide business-development corporation, closed out 1981 having authorized \$1,102,100 in business loans to 11 Missouri firms.

Long-term financing is extended for business construction, expansion, purchase of machinery and equipment and operating capital by the DFC. During its 13-year operating history, the corporation has assisted all types of business, but is primarily interested in manufacturing and processing firms that normally generate a higher employment-per-investment ratio.

To date in 1982, DFC has authorized \$575,000 in loans to three Missouri corporations.

DFC financing is supplementary to the banking industry. Loan requests and proposals must be referred by one of First Missouri's member institutions. Currently, 238 banks are members of the DFC.

**Howard W. Sharp** has been elected president, Boatmen's Bank, Troy. He formerly was president/director, Sweet Springs Bancshares, HC owning Chemical Bank, Sweet Springs. He is a former executive vice president, Kansas City Bank & Trust.

**David W. Kemper** has been elected to the board of Commerce Bancshares, Kansas City. He had been an advisory director. He is senior executive vice president, Commerce Bank, Kansas City, which he joined in 1978.

**John T. Lamping** has been elected vice president/trust division at Boatmen's National, St. Louis. He formerly was with an investment advisory firm.

**Mercantile Trust**, St. Louis, has elected Patrick R. Costello and Michael Groves vice presidents and

James G. Callahan, Philip Garrison and Janice A. Huebner assistant vice presidents.

**St. Louis County Bank**, Clayton, has elected Thomas K. Edelmann assistant vice president/trust counsel. He formerly was with a local law firm. County Tower Corp. has elected H. (Pat) Esserman Jr. vice president and David A. Webb assistant auditor. Mr. Esserman also is vice president/administration, Tower Grove Bank, St. Louis, an affiliate of the HC. Mr. Webb formerly was audit manager at T G Bancshares Co., now part of County Tower Corp.

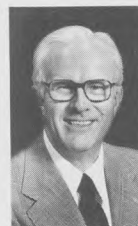
### New Mexico

**Don K. Padgett** has been appointed president/director of Fidelity National, Albuquerque. He formerly was examiner in charge for the Comptroller of the Currency's region 12. John B. Heiss was promoted to assistant vice president and Judy R. Homer to operations officer.

The executive staffs of First National, Santa Fe, and New Mexico Banquest Corp. have been merged. The HC and its lead bank now have a chairman and a president in common, with HC group and bank divisional staffs integrated in most areas of responsibility. Edward B. Bennett Jr. is chairman and Milo L. McGonagle is president. Kevin B. Farrell, Robert J. Kesnowski Jr. and Ronald H. Vodian, all HC senior vice presidents, have been named executive vice presidents of First of Santa Fe.

### Tennessee

**Robert J. (Bo) Sudderth Jr.** has been elected president of American National, Chattanooga, succeeding John P. Wright, who now devotes his full time to the duties of president/chief administrative officer of Ancorp Bancshares, the bank's HC. Mr. Wright has been the bank's president since 1962. He assumed his HC titles last September. Mr. Sudderth, who also was elected to the bank's board, joined American National in 1964 and has been assistant to the president since last August. In other action, the bank has elected Wil-



WRIGHT



SUDDERTH



SIMPSON



liam A. Simpson to its board. Mr. Simpson is president/chief operating officer, Volunteer State Life Insurance Co., which he joined in 1979 as executive vice president/chief marketing officer/director. He was named president in 1980.

### Texas

**J. Michael Maroney** has been named manager/correspondent banking department at Fort Worth National. He joined the bank in 1980 and was named correspondent bank officer in 1981.



and IRA counseling services. In other action, the bank has elected J. McDonald Williams to its board. He is managing partner, Trammell Crow Co.

**First City National**, Houston, has elected 10 senior vice presidents and eight vice presidents. The senior vice presidents include Jasper H. Arnold III, credit-department manager; Dennis H. Baker, U. S. II department/commercial division manager; Robert W. Brown, auditor; Courtney H. Casebeer III, overseas administration/operations manager; Kenneth J. Cordova, cashier; Kent L. Densley, Europe-Middle East-Africa group manager; John B. Jones, training manager; Gregory R. Spork, corporate planning manager; R. Steve Taylor, employee benefits administration manager; and Gary L. Tolbert, southwest II department manager. The new vice presidents include Gail K. Bernstein, David F. Contreras, Linda F. Masera, Derek J. Nash, Evelyn N. Parker, Brian L. Reeves, Shepherd Shen and John M. (Tio) Suman.

**Frost National**, San Antonio, has promoted Cathy Garison and Jeff W. Hinger to vice presidents/marketing. Don Olivarri, Carl Reichenbach, Oralia Saucedo and Bob Whitson were named assistant vice presidents.

**Republic of Texas Corp.**, Dallas, has designated five officers as regional chairmen in recognition of the grouping of member banks by geographical regions. The officers and their titles are Thomas G. Barksdale, regional chairman/executive vice president, Republic of Texas Corp. — Dallas/Fort Worth; Ronald Brown, regional chairman/chairman/CEO, RepublicBank Houston — Houston; Ben T. Head, regional chairman/chairman/CEO, RepublicBank Austin — Austin; Robert T. Rork, regional chairman/president/CEO, RepublicBank San Antonio — San Antonio; and H. J. Shands Jr., regional chairman/chairman/CEO, RepublicBank Lufkin — east Texas.

**First National**, Dallas, plans to build a drive-in bank and a minibank in downtown Dallas. A 12-lane, \$1.5-million drive-in will be located at Field and Griffin streets and is scheduled to open September 1. The facility will replace the present retail drive-in bank adjacent to the First International Building. Commercial drive-in business will continue to be handled at the First National Bank Building. The minibank will be located under Thanks-Giving Square and is set for a July opening. It will feature an ATM and offer new accounts, teller, installment loan, CD

## Shared ATM Net Planned For Banks in Five States; To Start in Late Summer

Credit Systems, Inc., has announced plans for a system of shared automatic teller machines that are to be available to all banks in a five-state midwestern region. The network will go into operation late this summer throughout Missouri, Kansas, Iowa, Illinois and western Kentucky.

CSI, headquartered in St. Louis, will operate as the central "switch" for the shared system, with all the ATMs supplied and serviced by participating banks. However, banks that don't have their own ATMs will be eligible to join the system and issue ATM cards to their customers.

Development of the new system was a joint effort during 1981 of a group of banks in the CSI bank-card program. A separate ATM operating company probably will be formed to distinguish the ATM network from the area's current bank-card services.

About 45 banks are expected to take part when the service is introduced, with membership increasing to more than 100 banks within the first full year of operation.

The network will allow ATM card holders of each participating bank to use their cards in ATMs of all other participating banks. In effect, bank customers will have access to their bank accounts 24 hours a day, seven days a week, without traveling any

farther than the nearest participating bank.

The minimum ATM service to be offered on a system-wide basis will include withdrawal from the customer's checking account, transfer and balance inquiries. Other banking functions, such as withdrawal from savings, deposits, etc., also may be offered in most of the CSI-serviced states, with the exception of Missouri, where these additional services currently are not permitted. In any case, a card holder's own bank will continue to provide full ATM banking services as it does now, regardless of location.

The system will allow banks with ATMs to issue ATM plastic cards of their own design to their customers or to enroll in another bank's ATM program and issue the specially designed cards of that bank.

It's also anticipated that bank charge-card customers eventually will be able to obtain cash advances from participating ATMs.

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