

MID-CONTINENT BANKER

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INCORPORATING MID-WESTERN BANKER

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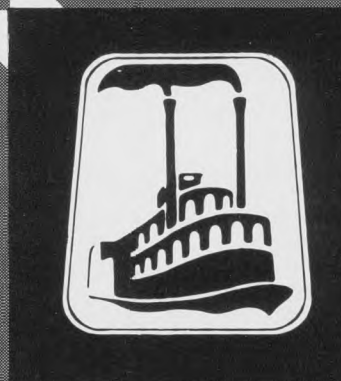
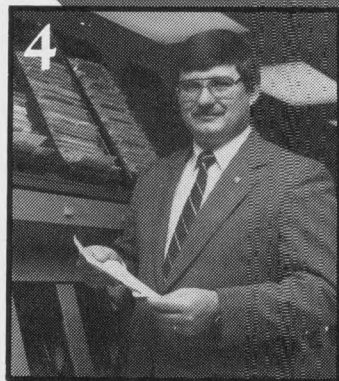
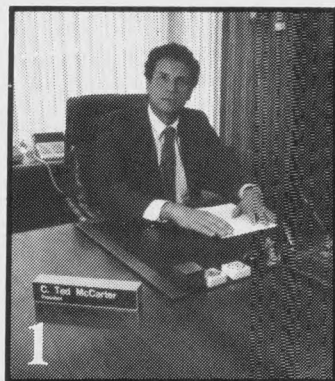
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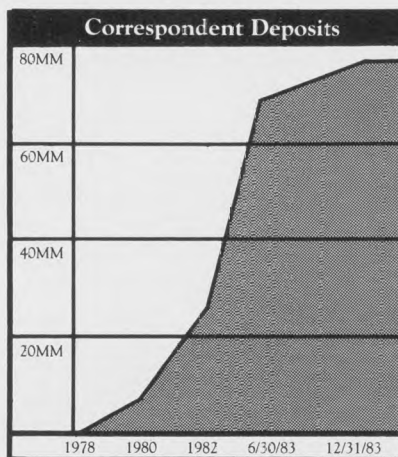


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MID-CONTINENT BANKER for March, 1984

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MID-CONTINENT BANKER

(Incorporating MID-WESTERN BANKER)

Volume 80, No. 3

March, 1984

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Convention Calendar

- Mar. 25-29: Independent Bankers Association of America Annual Convention, New Orleans, New Orleans Marriott.
- Mar. 25-Apr. 5: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- Mar. 28-Apr. 1: Association of Reserve City Bankers 73rd Meeting, Boca Raton, Fla., Boca Raton Hotel.
- Apr. 6-10: Louisiana Bankers Association Annual Convention, New Orleans, Hilton Riverside & Towers.
- Apr. 8-10: Conference of State Bank Supervisors Annual Convention Tarpon Springs, Fla., Innisbrook.
- Apr. 8-11: ABA National Retail Banking Conference, New York City, New York Hilton.
- Apr. 8-13: Robert Morris Associates Loan Management Seminar, Columbus, O., Ohio State University.
- Apr. 12-15: 57th Assembly for Bank Directors, Hiltonhead, S.C., the Hyatt on Hiltonhead at Palmette Dunes.
- Apr. 16-18: Ohio Bankers Association Annual Convention, Columbus, Hyatt Regency.
- Apr. 16-18: Videotex '84, Chicago, Hyatt Regency Hotel.
- Apr. 29-May 2: Bank Administration Institute Accounting and Finance Conference, New Orleans, Fairmont Hotel.
- May 2-4: Texas Bankers Association Annual Convention, Fort Worth, Hyatt Regency.
- May 6-8: Oklahoma Bankers Association Annual Convention, Oklahoma City, Sheraton Century Hotel.
- May 6-9: ABA National Conference on Real Estate Finance, Chicago, Hyatt Regency Chicago.
- May 7-10: Annual Premium Incentive Show, New York City, New York Coliseum.
- May 9-11: Kansas Bankers Association Annual Convention, Overland Park, Regency Park Resort & Convention Center.
- May 11-12: Equipment-Lease Seminar, Louisville, Hyatt Regency.
- May 12-16: Arkansas Bankers Association Annual Convention, Hot Springs, Arlington Hotel.
- May 13-16: ABA National Operations and Automation Conference, Washington, D. C., Washington Convention Center.

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will introduce new techniques to help immunize your portfolio from rate fluctuations.

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We help orchestrate banking success.

'Flux' Isn't a New ATM Network, But Describes Chaotic Industry

BANKERS are adept at selecting snappy, descriptive names for their many 24-hour ATM networks and probably would choose "Flux"—a word meaning continuous energy transfer and constant change—for the infant, but rapidly growing, ATM-networking business.

Local shared and proprietary networks are sprouting tentacles to fill every remaining vacuum in the nation; regional networks are stitching together the strongest of the local networks; and as many as seven different groups are weaving an electronic blanket with which they hope to cover the nation and ultimately the world.

Where all of this activity is leading still is an open question; generally, it is agreed that interweaving direct-debit, point-of-sale (POS) terminals are the next obvious step in consumer convenience and the next competitive battleground.

But first comes the dash to get ATM networks in place and in operation in order to build credibility with consumers and retailers.

"Everybody thinks that if they don't get in early, they'll be frozen out," says Henry Mundt, sales manager for Oak Brook, Ill.-based Cirrus Systems, Inc. With 4,000 "live" ATMs on its network and a card-holder base of more than 20 million, Cirrus has a jump on its competitors in locations.

D. Dale Browning, president of rival Plus Systems, Inc., and a senior vice president of Colorado National, Denver, says being first in the networking sweepstakes is of secondary importance to building a premier ATM network. Only after the national networks have proved themselves in the ATM arena will they gain credibility with retailers and consumers, Mr. Browning says. Plus Systems has nearly 2,500 active ATMs in 47 states on its network and a card-holder base of more than 20 million.

The larger an ATM network's card-holder base, the more attractive retailers will find the network's POS option. From a retailer's perspective, POS ter-



Customer utilizes BankMate-shared ATM. New midwestern network became operational in February.

minals that can be accessed by only a smattering of customers are of limited value. Such reasoning is what recently brought the MPACT and Pulse networks in Texas together into an agreement permitting card-holders to access either network's ATMs. With a combined card-holder base of about six million, the two largest ATM networks in Texas are moving rapidly into POS technology.

Experience has shown that retailers are willing to help underwrite the expense of experiments with POS terminals. Gas station operators, in particular, have been enamored with the cost-savings potential of automated direct-debit pumps. In Florida, bankers joined to form the statewide Honor network only after Publix, a supermar-

ket chain, started installing its own POS system accessible by all bank cards. Numerous other retailers are experimenting with their own POS systems.

Nonfinancial players in the ATM/POS-networking game are setting off alarms within the banking community. Some bankers fear that if financial institutions don't control the evolving electronic financial networks, they could lose control of the payment mechanism. In an electronic age, any institution capable of storing, lending, exchanging or issuing guaranteed electronic alphanumeric data is capable of performing the banking function. He who controls the networks could end up with an insurmountable advantage in directing the flow of those valuable bits of electronic data.

In the rush to preempt outside competitors, however, bankers may be building a redundancy into their electronic-funds-transfer (EFT) systems that could work to the advantage of their competitors. D. W. Hock, president, Visa International, San Francisco, spoke to this point at the ABA-sponsored telecommunications and financial networks conference in San Francisco in February.

"This is at best one-third of what we in banking have engineered, what we are paying for and that with which we expect to compete," said Mr. Hock as he stood before a slide projection of a diagram of banking's many EFT systems. "It does not include POS networks, home-banking networks, ACH (automated-clearinghouse) networks, commercial-payment networks such as SWIFT, individual bank networks or local and regional ATM networks.

"Banking is paying at least five, perhaps 10, conceivably 20 times, the communications cost for the transactions involved, but no matter. There is good in all things. You each have complete control over at least one piece of it, and as the crow said when the egg hatched, 'I know it's an ugly little devil, but it's all mine.'"

The ultimate in customer conveni-



Visa's new Electron card: Candidate for role of universal debit card?

ence and value to retailers would be an all-purpose, universal debit card through which a customer could access his/her banking accounts, borrow and conduct other financial transactions via any ATM/POS device. Visa is promoting its new Electron card to fill that role.

Visa and MasterCard also have begun their own ATM networks, which they claim will one day be international in scope. As of mid-February, Visa's ATM network was operational only in Arkansas and Sidney, Australia, but John O. Smith, vice president, Visa USA, says that Visa has commitments for half of the 400 ATMs it plans to interconnect as part of its global travel network. Visa's and MasterCard's strategy has been to establish ATM presence in major tourist locations, but there are those who say that the reputations the two major credit-card operations already have among retailers will give them an advantage in the battle for POS positions. Visa's member institutions have "spent millions to build the Visa name into one of the most recognized service marks in the world," says Mr. Smith.

Other players on the national/international scene besides Cirrus, Plus, Visa and MasterCard are Nationet, Inc., based in Dallas; The Exchange, owned by Automatic Data Processing, Inc., Clifton, N. J.; and Express Cash, owned by New York City-based American Express. Whether all the national and the regional networks can survive remains to be seen, but some say an industry shakeout is inevitable.

"There's no question that purely from an ATM standpoint, the volumes are not great enough to sustain everyone who is there," says Nationet's president, Paul Kramme. "It's only when you get into the potentially massive volume of direct-debit POS that it becomes reasonable that everyone could survive."

American thirst for diversity will ensure survival of more than one of the national networks and perhaps preserve the regionals, say some industry observers. Each network has its strengths, they say, and Americans always have demonstrated they prefer variety over a single-service source.

The national networks generally have greater resources and the ability to interconnect the national retail chains (assuming the large retailers don't all develop their own EFT capabilities). The regionals, on the other hand, have the advantage of regional identification and a higher percentage of available transaction volume. Shared networking only makes sense on a regional basis since most traveling



An executive overview session at the ABA telecommunications and financial networks conference in San Francisco last month focused on how telecommunications have become the "cornerstone of product differentiation for a highly regulated banking industry," in the words of Kenneth L. Phillips, v.p., Office of Telecom Policy, Citicorp, New York City (far r.). Others on the panel (from l.): Kay Riddle, v.p., Chase Manhattan, Washington, D. C.; Stephen Sharp, partner, Skadden, Arps, Slate, Meagher & Flom, Washington, D. C.; and Barbara Lancaster, telecom analyst, Woodman, Kirkpatrick & Gilbreath, Washington, D. C.

is done on an intrastate or intraregional basis, says Pat Bissel, executive director, The Money Network, Chicago.

The Money Network is joining Cirrus as a value-added service to its customers, but isn't expanding beyond Illinois itself. "Less than 2% of Illinois transaction volume is imported or exported," says Mr. Bissel. "Nobody's going to get wealthy off of that."

Other situations dictate other strategies, but in Ohio, a statewide network uniting a number of proprietary networks makes sense, says Frederick Deal, senior vice president,

Society Corp./marketing director, Money Station, Inc., Cleveland. "Our research shows that 98% of the travel by Ohioans is within Ohio."

"Cost will dictate what happens," says Jack Regan, president, Monetary Transfer System, St. Louis, operator of BankMate, a shared network with plans to link Missouri, Kansas, Iowa, Illinois and Kentucky. Thirty-seven banks are participating in the venture that became operational last month. Mr. Regan sees the possibility of further network consolidations, but feels the prospects for strong, multistate regions like BankMate are good.

As boundaries of the regional networks continue to shift, non-compatible technology among networks and the breakup of AT&T are driving up the costs of linking networks. The possibility that AT&T could become a player in an already crowded field that includes Sears, J. C. Penney and a number of large media and financial conglomerates has not escaped operators of financial networks.

What consumers would make of the confused ATM-networking situation is anyone's guess. If they were aware of the progress of events at all, they probably would indicate they have no preference as to who operates the networks or how fees are assessed as long as fees were reasonable. While transaction volumes on the shared networks have been surprisingly brisk in some cases, so far the ATM/POS-network capacity continues to outpace consumer demand. — John L. Cleveland, assistant to the publisher.



Gas stations have been ahead of other retailers in POS technology. Here customer uses CheckOKard Service in Oklahoma.

Automated Teller Machines

Banks Offered Many Choices Among ATMs As Well as Their Supporting Equipment

Automatic Teller Machine Has High-Currency And Document Capacity

An ATM designed for high-transaction-volume locations and special document-dispensing requirements is available from Diebold, Inc. It's called the TABS® 912 ATM.

The TABS 912 is a full-service ATM available in through-the-wall and lobby configurations, with two, three or four dispensing modules to dispense up to four document types and as many as 12,000 total documents. The manufacturer says this high-volume-dispensing system allows more currency to be loaded, requiring less frequent replenishment and reduced operating costs. In addition to currency, the TABS 912 can dispense documents such as travelers checks, coupons, gift certificates and various promotional materials.

To promote transaction speed and reduce cash exposure during service-

ing, the TABS 912 utilizes a modular currency-control mechanism with two currency-dispensing modules, a diverted-currency module and a deposit module. Additional dispensing modules are available to increase the system to four-cassette capacity to handle additional currency denominations, increase existing capacity or to dispense other types of documents. The cassettes can be configured to handle a variety of document sizes and are interchangeable with cassettes used in the Diebold TABS Teller Assist Cash Dispenser, the TABS 906 Retail Financial Transaction Terminal and the TABS 905 Express Cash Dispenser. The terminal also is available in a cash-dispense-only configuration, easily upgradable on-site to a full-service ATM.

The TABS 912 can interface with the Diebold Securomatic Depository to address deposit requirements of commercial and/or retail customers by accepting oversized materials, as well as standard envelopes, through EFT networks.

Write: Diebold, Inc., Canton, OH 44711.

Walk-in, Drive-up Building Enclosures Available for ATMs

Various kinds of walk-in and drive-up building enclosures for ATMs are available from ATM ENCLOSURES. The basic standard facility is 6x7x nominal 8 feet and has electrical, heating and air-conditioning self contained. The unit is fully illuminated and allows use of a bank's own special signs. There are three roof designs and various wall finishes.

For instance, two new ATM walk-up shelters in standard models are of maintenance-free bronze anodized aluminum and vandal-resistant bronze-tinted lexan shielding. Graphics are fully illuminated with easily changed snap-in panels.

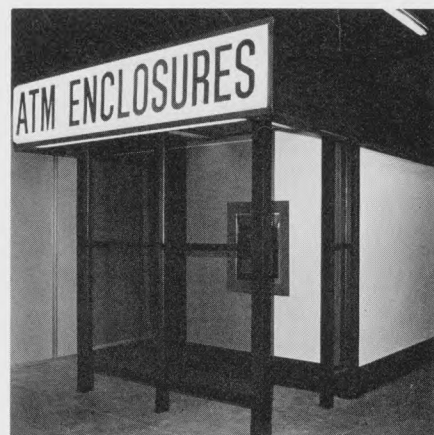
These enclosures are available through-the-wall, free standing and as indoor kiosks.

Remote structures may be shipped fully assembled or knocked down to be erected by a bank's crew or ATM ENCLOSURES' crew. Because of the basic, self-contained design, its manufacturer says little site preparation is required.

ATM ENCLOSURES also has announced three new ATM service



Diebold TABS® 912 ATM is high-capacity, full-service machine capable of dispensing as many as 12,000 documents and up to four document types.



Here are two examples of ATM enclosures, products of a firm named, appropriately, ATM ENCLOSURES. Top picture shows free-standing, walk-up structure. Bottom photo is of enclosure for through-the-wall ATM.

MicroCheck™ combines the IBM PC and a high speed MICR reader-sorter for fast, affordable remote check processing.

Introducing MicroCheck. The high-powered, low-cost remote item processing system. Now you can save the cost of third party check processing and improve funds management with this sophisticated proof of deposit system. MicroCheck is simple to install and operate. It's small enough to easily fit into your existing facilities. And requires no special environment. Decimus provides purchase options to make MicroCheck very affordable for banks of all sizes.

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A word to the wise about affordable and powerful in-house data processing systems. Decimus.



counters, which are used to dispense forms and dispose of waste. These models also are maintenance free and vandal resistant. One model is for the Diebold configuration, and the two others are compatible with any ATM.

Write: ATM ENCLOSURES, 19706 Center Ridge Rd., Cleveland, OH 44116.

Waste Receptacle And Writing Shelf Designed for ATMs

An ATM writing shelf and companion waste receptacle are available from BOSS (Basic Online Software Systems Corp.). According to their manufacturer, they are fabricated of 16- and 18-gauge stainless steel and are designed for attractiveness, durability and low maintenance.

The writing shelf has a hinged top, with ample writing space, and storage under the shelf for a supply of ATM-



This Model 203 in-lobby ATM writing shelf and storage locker are available from Basic Online Software Systems Corp.

depository envelopes.

The companion waste receptacle has a locking cover to prevent large parcels and debris from being deposited and to offer confidentiality of information appearing on check stubs and other documents disposed of by customers.

Write: Basic Online Software Systems Corp., P. O. Box 22412, Tampa, FL 33622.

Bank Helps Customers in Nearby Town By Putting ATM Installation There

ELECTRONIC BANKING has made life easier for 450 of the 1,400 customers of First State, Mobeetie, oldest settlement in the Texas Panhandle.

Until passage of the Texas constitutional amendment permitting off-premises teller machines, those 450 customers had to drive from their homes in Wheeler to Mobeetie to do their banking. Mobeetie is located about 80 miles east of Amarillo on farm-to-market road 1096, which also is the town's main street. At the last census, the town had a population of 291.

When the constitutional amendment was passed, First State made plans to install an automated teller machine in Wheeler and began researching vendors.

"Out here," says Randy McCurley, vice president/cashier at First State, "we are dependent on service — both hardware and software. We discussed plans with our correspondent bank in Amarillo, which had replaced all its ATMs with Diebold machines. Everybody was satisfied with Diebold service, and Diebold was the only vendor that also produced a night depository."

The bank selected the Securomatic® After-Hour® depository and the TABS® 9000 series drive-up ATM.

Thus, the bank extended easy drive-up services to both retail and merchant customers. The ATM, by the way, is the first such installation in an 80-100-mile radius in this Texas plains region.

How does Mr. McCurley assess his project's success? He says:

"We have about 600 cards out. We bought the machine primarily for our Wheeler customers; however, it has proved to be a convenience for Mobeetie customers also. Since



First State, Mobeetie, Tex., installed two Diebold products in Wheeler — TABS® 9000 series drive-up ATM and Securomatic® After-Hour® depository. Although this equipment was installed primarily for Wheeler residents, bank reports it also has proved to be convenience for Mobeetie customers.

On-Spot Processing With Card Activator Available to Banks

A card activator that allows bank customers to select their own personal identification numbers (PINs) is available from Mag-Tek. Called the MT-60, the ATM card activator has an on-the-spot processing capability. This means, says Mag-Tek, there is no need to send the number out later, eliminating both the expense of mailing and its danger of interception.

The customer chooses an anniversary date or any other number easy to remember.

Also available from Mag-Tek is its MT-55 magnetic-stripe card encoder with programmable memory that's loaded with the use of a program card created on an encoder. The manually

(Continued on page 16)

Wheeler is the county seat, everything is done there — auto licenses, taxes. Also, with a population over 1,400, Wheeler is somewhat larger than Mobeetie, and people shop there."

Surprisingly, electronic banking took hold with older people first, then younger ones. Mr. McCurley says the opposite had been expected.

"Breakaway" Marketing. To publicize the program, the bank drew on the region's rich history. Mobeetie is a movie-set old western town, with the oldest jail in the area, a two-story building with thick stone walls. After the railroad arrived in 1929, the town gradually moved. As a result, there is an "old" Mobeetie and a "new" Mobeetie. Using the theme "Breakaway," First State tied together the idea of breaking away from the old ways of doing things with the idea of breaking out of jail.

Because of a staff/customer-training program and a "Breakaway" promotional campaign, the Wheeler ATM has been received enthusiastically.

"We've picked up new customers," says Mr. McCurley, "even though we installed the machine for the convenience of our existing customers. We accomplished that objective, and everything else is just 'gravy.'"

There are many reasons a bank enters an electronic-banking program: to reduce costs, to reduce lobby traffic, to increase market share. True to the spirit of western neighborliness, First State bought its ATM to make banking more convenient for its customers. ●●

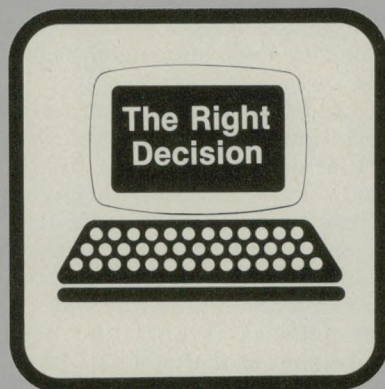
Decide Right™

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the microcomputer advantage.**

In today's competitive world, the microcomputer has become a key factor in effective bank management. But selecting software can be a frustrating, expensive and confusing experience.

That's where Decide Right™ comes in. It's a series of software programs specifically designed to meet the specialized needs of bank decision-makers. And it's available on a no-risk, 30-day trial basis.

Decide Right™ is a product of Crowe, Chizek and Company, one of America's 25 largest certified public accounting firms. Decide Right™ programs are helping executives make the right decisions



in banks from coast-to-coast. Through its national users network, Crowe, Chizek gets the feedback that leads to constant upgrading of the Decide Right™ series. And thanks to our users support plan, every improvement is passed on to Decide Right™ owners.

Every Decide Right™ program is backed by superior service before, during

and after installation. And if you have a question, you can dial a toll-free number for an immediate answer.

There are two things you won't get with Decide Right™. One is a visit from a salesperson. The other is the high price made necessary by that visit.

Decide Right™ is a unique, full-service approach to the development and marketing of microcomputer software for bankers. To see how this approach can work for you, just complete the bound-in card and drop it in the mail. You have nothing to lose and you could be gaining the microcomputer advantage.



Certified Public Accountants

Post Office Box 7 South Bend, Indiana 46624 219/232-3992

Bank-at-Work Program Using ATMs Initiated by Bank and IBM

A BANK-AT-WORK program has been begun by First National, Atlanta, that allows IBM employees in that city to have access to automated teller machines at their work sites.

Under an agreement with International Business Machines Corp.'s Information Systems Group/National Marketing Division, the bank provides on-site ATM services for the Atlanta headquarters employees.

The service agreement, which covers a three-year period, allows IBM employees to access their personal and business accounts through IBM 3624 ATMs. The latter are owned by IBM,



One IBM employee waits while another uses ATM at work site. ATMs were installed at four IBM offices under agreement between that firm and First Nat'l, Atlanta.

which guarantees payment of all transactions.

Unlike traditional ATM programs sponsored by financial institutions, the First Atlanta-IBM agreement provides cash-dispensing services for all approved types of cards, regardless of where an employee chooses to maintain his/her banking relationship.

IBM employees may use their existing Tillie cards or use a special IBM debit card issued by First Atlanta. Completed transactions are routed to an employee's bank account of choice through the Fed's automated clearing-house.

In addition to the four on-site ATMs, IBM employees are able to use the IBM debit cards at the 107 First Atlanta Tillies located throughout Georgia. It's also possible, says Thomas Chapman, First Atlanta's senior vice president for marketing, the cards soon may work in the nationwide Plus ATM network through the bank's membership in that system. Another possibility is a linkup with Georgia's new automated-teller network.

Mr. Chapman adds that First Atlanta plans to market its bank-at-work program to other large corporations in Georgia. ● ●

Card Activator

(Continued from page 14)



This MT-60 card activator, available from Mag-Tek, allows bank customers to select their own personal identification numbers.

operated MT-55 enables the operator to enter only a minimum amount of data. Constant data-loading capability, says Mag-Tek, eliminates errors and repetitive keying, and a higher volume of cards can be encoded at a lower affordable price.

Write: Ruth Barker, Mag-Tek, 20725 South Annalee Ave., Carson, CA 90746.

Prevent ATM Breakdowns

Once a bank installs an automated teller machine, it faces the problem of maintenance. Technical Support Services, Inc. (TSSI), offers a program of hardware-maintenance services that has objectives related to three areas: problem turnaround, meantime to failure and network stability.

Problem turnaround concerns response to service-call locations on an expedited basis and to remediation of problems.

Meantime to failure means TSSI has developed a total program of services that includes preventive maintenance. The firm says its approach is designed specifically to reduce the frequency and duration of unscheduled outages.

As for network stability, TSSI has centralized field-service reporting at a TSSI service depot, where all activity is reviewed for high-failure machines, repeat calls and common network-failure incidents.

Write: Technical Support Services, Inc., 83 Croton Ave., Ossining, NY 10562.

'ATM Communicator'



"ATM Communicator," shown in use here, was introduced in December by Telephone Support Systems, Inc. It is designed to address such ATM problems as inadequate security, insufficient personal operational assistance and vandalized or inoperable telephones at ATM sites. The Communicator, which is vandal resistant, also provides personal assistance and protection for ATM customers; it automatically reports vandalism, pranks and attempted break-ins to the police, security and/or bank personnel, and it reports ATM malfunctions to service departments and/or bank personnel. Write: Telephone Support Systems, Inc., Triad 1, 2001 Marcus Ave., Lake Success, NY 11040.

New Education Program In Financial Services Open to Bank Managers

NEW YORK CITY — The Banking Law Institute (BLI) has announced a new information/education program in banking law, which is open to managers/lawyers in the financial-services industry.

Benefits listed by the BLI include 20% discounts to all BLI seminars/conferences, a monthly newsletter, *Banking Law Report*, which will cover legislative/regulatory/judicial activities as well as new legal issues raised by rapid change in the industry; and a specialized binder containing the 10 most pertinent and thorough presentations given at recent BLI conferences. The binders also can be used to store the monthly newsletter.

The Banking Law Institute, with offices in New York City and Washington, D. C., has served the banking industry since 1965. It is a wholly owned subsidiary of Executive Enterprises, Inc., a management-information-services company in New York City.

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- Multiple base rates
- All tax calculations
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**Our Second Decade of
Software Service to Banks**

Financial-Software Review for Bankers

BANKERS in large numbers are discovering how today's financial software can make them more productive in their work.

The range of software available to bankers is overwhelming, as MID-CONTINENT BANKER editors discovered during a recent survey of software vendors. A review of some of the financial-software packages the survey uncovered is provided below; other products will be reviewed in future issues.

Software is grouped by primary function, and vendors are listed alphabetically within each group. The vendor's description of the product is supplied, followed by:

1. Other functions performed (in addition to the primary function) according to the letter codes below.
2. Virtual-memory and operating-system requirements.
3. Date the software originally went on sale and date of the latest revision.
4. Price or price range as supplied by vendor.
5. Vendor's name/city.

Each product is accompanied by a number. Additional information about each product reviewed may be obtained by circling the corresponding number on the form on page 21, clipping the form and returning it to: Nancy Gilbreath, MID-CONTINENT BANKER, 408 OLIVE, ST. LOUIS, MO 63102.

MICRO-COMPUTER SOFTWARE

Asset/Liability Management

Baker Asset/Liability Management Model. Includes four reports that analyze a bank's rate-sensitivity (gap) position, to reflect impact on net-interest margin. It prepares annual plan and monthly board reports. Other functions: C, F, P, T. 64K with CP/M and 128K with MS-DOS. Initial sale: 7/82. Latest revision: 12/83. Price: \$5,000 — **James Baker & Co., Oklahoma City.**

Circle # 001

Bancware ALPS. Part of a family of financial-planning systems, including two large-bank and three small-bank versions. Useful for strategic planning. Other functions: A, B, C, L, P. 64K with MS-DOS and CP/M. Initial sale: 6/81. Latest Revision: 1/84. Price range: \$11,500-\$47,500 — **Bancware, Inc., Stoughton, Mass.**

Circle # 002

Plansmith. Asset/liability and planning model. Special purchase options on software and an IBM PC. Other function: P. 64K with MS-DOS, CP/M. Initial sale and latest revision: Not supplied by vendor. Price: \$6,630 — **Decimus Corp., Walnut Creek, Calif.**

Circle # 003

Asset/Liability-Management System. Does gap-management, balance-sheet and income projections and ratio and variance analysis. Other functions: B, L, P, S, T, U, V. 256K with MS-DOS.

Initial sale: 6/83. Latest revision: 1/84. Price range: \$6,500-\$10,500 — **National Bank of Commerce, Memphis.**

Circle # 004

Micro-FRS Asset/Liability-Management System. Third-generation asset/

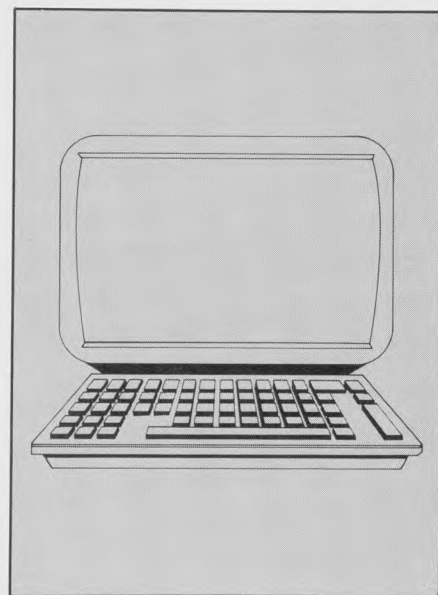
Software-Function Codes:

General function codes:

- A. Data Base
- B. Graphics
- C. Report Generator
- D. Spread Sheet
- E. Template Generator
- F. Work Organization/Time Control
- G. Word Processing

Banking-function codes:

- H. Accounts Payable
- I. Accounts Receivable
- J. Asset/Liability Management
- K. Bond Accounting
- L. Bond Swaps
- M. CD Accounting
- N. Credit Analysis
- O. Customer-Account Profitability
- P. Financial Planning
- Q. Fixed-Asset Accounting
- R. IRA Accounting
- S. Investment Analysis
- T. Interest-Margin Spread
- U. Loan Pricing
- V. Portfolio Management
- W. Repurchase-Agreement Accounting
- X. Safe-Deposit Box Accounting
- Y. Shareholder Accounting
- Z. Trust Accounting



liability and financial-planning product designed to aid in repricing and planning decisions affecting bankers. 256K with MS-DOS. Initial sale: 1/83. Latest revision: 1/84. Price range: \$3,500-\$11,500 — **Sendero Corp., Phoenix.**

Circle # 005

Prophet. An asset/liability package for banks. Other functions: B, C, P. 64-256K depending on hardware, with MS-DOS, Apple-DOS and CP/M. Initial sale: 1979. Latest revision: 12/83. Price: \$7,500 — **Union Planters National Bank, Memphis.**

Circle # 006

Vining Asset/Liability Management System. Includes dynamic gap presentation that gives bankers an opportunity to evaluate impact of decisions on after-tax earnings under various interest-rate projections. Useful for tax planning. Other functions: P, S, T, V. 128K with USCD P-System. Initial sale: 1981. Latest revision 1/84. Price Range: \$6,000-\$12,500 — **Vining-Sparks Securities, Inc., Memphis.**

Circle # 007

Customer Profitability/Product Pricing

BranchBanker. A software program designed to turn the IBM PC into a powerful tool for selling and cross-selling products of financial institutions. It creates forms at time of sale and allows for opening of new accounts. Also available for IBM

New real estate software gives seller the advantage.



Gain the negotiating edge with **The Competitive Edge™**

With The Competitive Edge, comparing different purchase offers is fast and easy. It reduces complex offers to a single, manageable number. Now you can literally negotiate over the telephone rather than spend hours with a calculator or days with an accountant. The easy to read report format simplifies complex "terms" offers into a clear statement of sales costs, tax obligations, cash flow and the **equivalent cash sale price** for each set of terms analyzed. Counter offers can be structured and tested in seconds.

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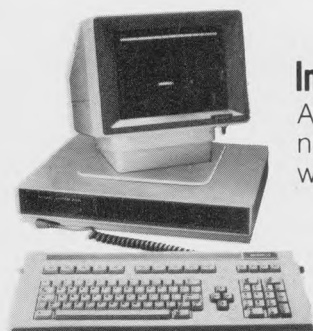
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market. The Monroe System 2000. In fact, it sets a whole new standard for microcomputers.

That means larger data storage, communication with mainframes and expandability.

And, the System 2000 gives you extra power, with user memory that's expandable up to 896KB. What's more, it's based on the new 80186 microprocessor

from Intel, making it one of the fastest 16-bit systems around.

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For leaders, not followers.

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Peanut. 256K with MS-DOS. Initial sale: 6/81. Latest revision: 12/83. Price range: Peanut version is \$595; \$1,250-\$2,900 for IBM PC version — **Amper-sand Corp., York, Pa.**

Circle # 008

Decide Right Banking Series-Loan Pricing System (LPS). Provides management with information necessary to price loan relationships consistently with bank-profit goals. Other function: U. 256K with UESD P-System. Initial sale: 2/84. Price: \$695 — **Crowe, Chizek & Co., South Bend, Ind.**

Circle # 009

RB3™ Relationship-Banking System. A marketing/sales tool that educates and automates platform personnel. It is designed to complement a relationship-banking strategy by displaying product descriptions, performing calculations and printing results. 128K with MS-DOS and CP/M. Initial sale: 5/83. Latest revision: 12/83. Price: \$995 — **Infoware Corp., Nashville.**

Circle # 010

TAPPS I-Transaction Account-Profitability and Pricing Simulation. Analyzes account base to determine profitability and assists in the pricing of each transaction-account product. Permits evaluation of dollar impact before price adjustments are made. 256K with UCSD Pascal. Initial sale: 12/83. Lease price: \$6,000. — **Profit Technologies Corp., The Woodlands, Tex.**

Circle # 011

Customer Account-Profitability Analysis. Loans are priced on a cost, plus profit basis ensuring that customer relationships are priced consistently throughout the portfolio on all factors bearing on profit. Other function: U. 64K (some applications require more) with PC-DOS, CP/M. Initial sale:

1983. Price: \$2,000 — **Signature Technology, Inc., Plano, Tex.**

Circle # 012

Fixed-Asset Accounting

Fixed-Asset Accounting. Record-keeping and tax-depreciation system. Other function: P. 128K with MS-DOS. Initial sale: 1981. Latest revision: 1983. Price: \$1,000 — **Interactive Planning Systems, Atlanta.**

Circle # 013

SeriesOne Plus: Financial Fixed-Asset Accounting. A totally automated accounting/control system, including asset audit trail, inventory listings and report generation. Other functions: A, B, C, D, F, G. 192K with MS-DOS, PC-DOS. Initial sale: 6/83. Latest revision: 1/84. Price range: \$1,500-\$1,995 — **Executec Corp., Dallas.**

Circle # 014

Fixed-Asset Accounting. Provides tax and accounting control over fixed assets in a multi-company, multilevel system. Also provides physical inventory control. Other function: A. 64K with CP/M, 128K with MS-DOS and CP/M-86, Concurrent CP/M. Initial sale: 5/82. Latest revision: 12/83. Price range: \$1,500-\$1,725 — **Origin, Inc., Darien, Conn.**

Circle # 015

Loan Processing/Documentation/Collection

Loan Collect/Mortgage Collect/Trust Deed Collect. Loan-collection software. Other function: I. 64K with OASIS. Initial sale: 2/83. Price: \$1,500 — **Apollo Systems & Technologies, Inc., Las Vegas, Nev.**

Circle # 016

MORT-AP; Mortgage-Application Processing. Provides for entry and

Incentive Programs.

Every CEO talks about having them, but they know it takes a serious commitment of time and money to develop a well organized program. Recently *Louisiana National Bank* dedicated its resources to the creation of two popular, bankwide incentive programs.

Everybody Counts encourages employees to develop new business for their bank and rewards them with cash and non-cash incentives for successfully bringing in new customers, accounts and deposits.

The Everybody Counts microcomputer software system is now available to your bank at a fraction of the money and manpower it would take to develop your own program. You will not have to wait months to see a profit. It will increase your bank's deposits *now*. It is a low risk, highly profitable marketing method which includes programs for customer contact and non-contact personnel.

For more information on how you can institute an incentive program at your bank *without* adding to the cost of business call Randy Hoffman, Vice President — LNB Human Resources Division at 504-389-5907.

For more detailed information write for our **Everybody Counts** Booklet.

MID-CONTINENT BANKER SOFTWARE REVIEW

Circle the numbers corresponding to the software you want information about below; clip this form and return to: Nancy Gilbreath, MID-CONTINENT BANKER, 408 OLIVE, ST. LOUIS, MO 63102.

001	002	003	004	005	006
007	008	009	010	011	012
013	014	015	016	017	018
019	020	021	022	023	024
025	026	027	028	029	030
031	032				

Name _____

Bank or HC _____

City _____

State _____ Zip Code _____ Telephone _____

Please send me more information on:

Branch Sales Incentive Program _____

Employee Customer Referral Program _____

Name _____

Address _____

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Louisiana National Bank
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maintenance of mortgage applications for conventional, FHA or VA mortgages and printing of final FHMA/FHLMC forms. Special features: Tracking function to locate individual applications and formulation of underwriting approval, Truth-in-Lending and verification letters. 256K with MS-DOS, XENIX (UNIX) or ITOS. Initial sale: 10/83. Price range: \$595-\$1,500 — **Aya Associates, Inc., Paramus, N. J.**

Circle # 017

Bankers Systems Loan-Documentation System. All calculation, form printing and management reports provided for consumer, real estate and commercial loans. 128K with MS-DOS. Initial sale: 11/83. Latest revision: 1/84. Price: \$5,900 — **Bankers Systems, Inc., St. Cloud, Minn.**

Circle # 018

BancPros Loan-Processing Package. A system developed to improve overall department productivity and profitability by increasing calculation accuracy and reducing loan-processing time. Other functions: C, R, U, X. 64K with MS-DOS. Initial sale: 11/82. Latest revision: 1/84. Price Range: \$2,995-\$3,595 — **Financial Software Corp., St. Charles, Mo.**

Circle # 019

BancSoft BancLoan. Commercial and installment-loan-calculation and document-printing package using a comprehensive user-defined forms generator. 128K with MS-DOS. Initial sale: 12/83. Price: \$1,295 — **MCS Software, Salt Lake City.**

Circle # 020

System M — Loan Production and Control System. Loan-application tracking, documentation preparation, cash-flow forecasting, management reporting and secondary-market analysis system. Other functions: A, C. 256K with RSTS. Initial sale: 1982. Price: Not provided — **The Saddlebrook Corp., Cambridge, Mass.**

Circle # 021

Competitive Edge™ — Easy-to-use program that permits quick analysis of complex real-estate purchase offers to determine the best terms from the seller's perspective. With PC-DOS, CP/M. Initial sale: 10/83. Price: \$500 — **Softronics, Seattle.**

Circle # 022

Miscellaneous

BankDisk IRA Proposal and Disclosure. Provides accurate and detailed projections with graphic illustrations to help bankers stay competitive in the

IRA market. Other functions: B, P. Virtual memory requirements not provided, with MS-DOS. Initial sale: 8/82. Price range: \$350-\$395 — **Financial Systems, Inc., Kearney, Neb.**

Circle # 023

MicroManager II. General-purpose banking software for management forecasting and reporting. Other functions: D, J, N, O, R, T, U. 512K with MS-DOS. Initial sale: 10/82. Latest revision: 12/83. Price range: \$2,500-\$6,500 — **First Ashland Consulting Services, Ashland, Ky.**

Circle # 024

Hedging Control System (HCS). Provides management controls and accounting necessary for any organization using financial futures for hedging purposes. Also useful for deferral and mark-to-market accounting and margin reconciliation. 256K with CP/M. Initial sale: 8/83. Price: \$20,000 — **Olson Research Associates, Inc., Greenbelt, Md.**

Circle # 025

M-PSYPHER/DESCRIPT/MS. Fully interactive program for DES file — encryption and message authentication. DESCRIPT/MS is a DES micro-assembler for 8080, 8085, Z80, 8086, 8088 processors. 40K with MS-DOS, CP/M. Initial sale: 9/82. Latest revision: 10/83. Price range: \$100-\$150 for

Sales-Incentive Programs For Bank Employees

Making all employees count in the battle for new customers is a prime directive at banks these days, and Louisiana National, Baton Rouge, has developed two computer-software programs it claims helps make that job easier.

The programs are being marketed to banks as the "Everybody Counts" software system. A "Branch Sales-Incentive" program is designed to motivate customer-service representatives by keeping track of fixed cash awards for bringing in new customers and for cross-selling services. The "Employee Customer Referral" program is designed to motivate a bank's non-contact personnel to refer customers to the bank.

Both software packages generate performance, summary and progress reports necessary in administering such incentive programs.

Circle # 032



M-PSYPHER, \$1,500-\$3,000 for DESCRIPT/MS — **Prime Factors, Oakland, Calif.**

Circle # 026

Risk/Return Analysis

Loan-Safeguard System. A complete commercial-credit analysis and portfolio risk-management information system. 128K with hard disk, MS-DOS. Initial sale: 11/83. Price: Negotiable — **Business Decision Systems, Inc., North Andover, Mass.**

Circle # 027

BondPAC. Provides for complete bond-portfolio management, offering timely, accurate securities management composed of four parts — all operating from a common data base. Other function: L. 128K with P-System. Initial sale: 1/84. Price: \$5,000 — **Financial Technologies, Inc., Chicago.**

Circle # 028

The Rate of Return Analyzer. Simultaneously calculates rates of return on up to 14 fixed-income securities based on user's assumed market levels and reinvestment rates. Other functions: B, C, P, S. 128K with USCD-P. Initial sale: 1983. Latest revision: 12/83. Price: Not provided — **Technical Data Corp., Boston.**

Circle # 029

Training/Staffing

Teller Service. A management tool that optimizes teller-staffing levels and customer service. Virtual memory requirements vary by hardware, PC-DOS. Initial sale: 2/84. Price: \$9,500. — **BEI Software, Inc., Atlanta.**

Circle # 030

Check Characteristics. Interactive CAI program designed to train tellers in fundamentals of check cashing, endorsements and check vocabulary . . . contains quizzes and a final exam. 48K with MS-DOS, CP/M. Initial sale: 12/83. Price: \$250 — **Knowledge Systems, Inc., Avon, N. Y.**

Circle # 031

Brokerage service from the bank you already take stock in.

You met us as Memphis Bank & Trust, and came to know us as the bank that offered you more correspondent services from a more experienced staff. Now we have a new name to reflect the whole area we serve, Midland Bank & Trust, and a new service to help you grow with us.

Introducing the Bankers Investment Exchange from Midland Bank & Trust.

Now you can offer your customers brokerage service and we'll execute for you on the purchase and sale of stocks, corporate bonds, U.S. government and government agency securities.

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- Bankers dealing with bankers, to help you maintain your customers instead of trying to take them away from you.
 - Our experienced brokerage staff and facilities as an extension of your own.
 - The highest earning program for your bank.

- Cooperative advertising to help you sell the service.
- Free training for your staff.
- The service is offered by you, through us, with complete protection of customer information.
- Securities safekeeping, current market quotes and information.

For your customers.

- They make the decisions, and you can offer them considerable commission savings.
- Fast, dependable execution.
- The convenience of their own bank deposit accounts for transactions.
- The security of dealing with you, people they know.



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NEWS

About Banks & Bankers

ALABAMA

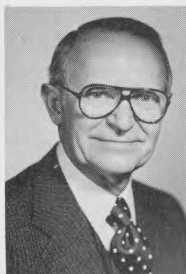
Central Bank of the South, Birmingham, has promoted Norma Rice to vice president/trust officer. She joined the bank in 1972. Philip R. Webb has joined the bank's corporate real estate division. He formerly was a vice president at Birmingham Federal Savings & Loan.

First National, Mobile, has promoted John C. Hope III to executive vice president and Robert S. McKean to senior vice president. They joined the bank in 1974 and 1971, respectively. Scott W. Holmes joined the bank as vice president/investment-department manager, coming from the bank's HC, First Bancgroup-Alabama, Inc.

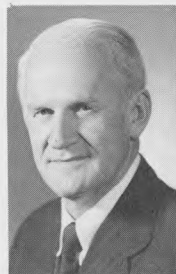
William P. (Bill) Walker has been elected president/CEO, Auburn National. He formerly was with National Healthcare, Inc., a hospital-management firm, but has been associated with other banks in the past.

ARKANSAS

William H. Bowen has been elected chairman/president/CEO of First Commercial, Little Rock. He formerly had been chairman and succeeds William L. Carvens as president. Mr. Cravens resigned as bank president and vice chairman of First Commercial Corp. late in January and had not announced new career plans by press time. In other action, First Commercial Corp. elected its chairman, B. Fin-



VINSON

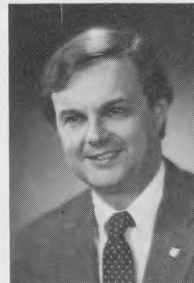


BOWEN

ley Vinson, to the additional post of chairman of the bank's executive committee. James R. Cobb, the bank's vice chairman, was elected vice chairman of the HC. Barnett Grace continues as HC president and as the bank's vice chairman (a title he shares with Mr. Cobb). New to the bank's staff is Robert P. Giebert, assistant vice president/commercial lending. He formerly was with Allied Lakewood Bank, Dallas. James H. Rice Jr., senior vice president/trust counsel, retired recently. He joined a predecessor of the bank in 1948.



COBB



STAED

Union National, Little Rock, has promoted William T. Staed, senior vice president, to loan-division manager. He joined the bank in 1971 and had been commercial-loan manager since 1976. In other action, the bank has elected Sid Frier, architect, to its board.

First Arkansas Bankstock Corp., Little Rock, has agreed to buy National Bank of Commerce, Pine Bluff; First National, Harrison; First National, Fayetteville; and First State, Conway, subject to regulatory approvals. The banks will be acquired over the next year.

ILLINOIS

Robert A. Klein has been made senior vice president, operations, Drovers Bank, Chicago, and David M. Chan has been appointed senior vice president/controller. Named vice presidents were Stephan A. Kaminsky, who is responsible for the item processing department, and Robert D. Maram,

commercial loan department. Mr. Klein previously was executive vice president/treasurer, Ben Franklin S&L, Oak Brook. Mr. Chan joined Drovers in 1979. Mr. Kaminsky went there in 1970. Mr. Maram formerly was vice president, commercial loans, Lincoln National, Chicago.

Merchandise National, Chicago, has promoted James P. McGuire to senior vice president and Lorraine M. Guinea to assistant vice president. Both are in the asset-based loan department. They joined the bank in 1981 and 1957, respectively.

Legislative Agenda Announced

The Illinois Bankers Association has announced an eight-point state legislative agenda for 1984, as follows:

- Legislation to define crimes involving debit cards and credit cards and to prescribe appropriate penalties for such crimes.

- Legislation to authorize a delinquency charge on revolving-credit payments and a fee for dishonored checks submitted for payment on revolving-credit balances.

- Legislation to bring Illinois law into conformity with the Fed's Regulation O dealing with loans to directors.

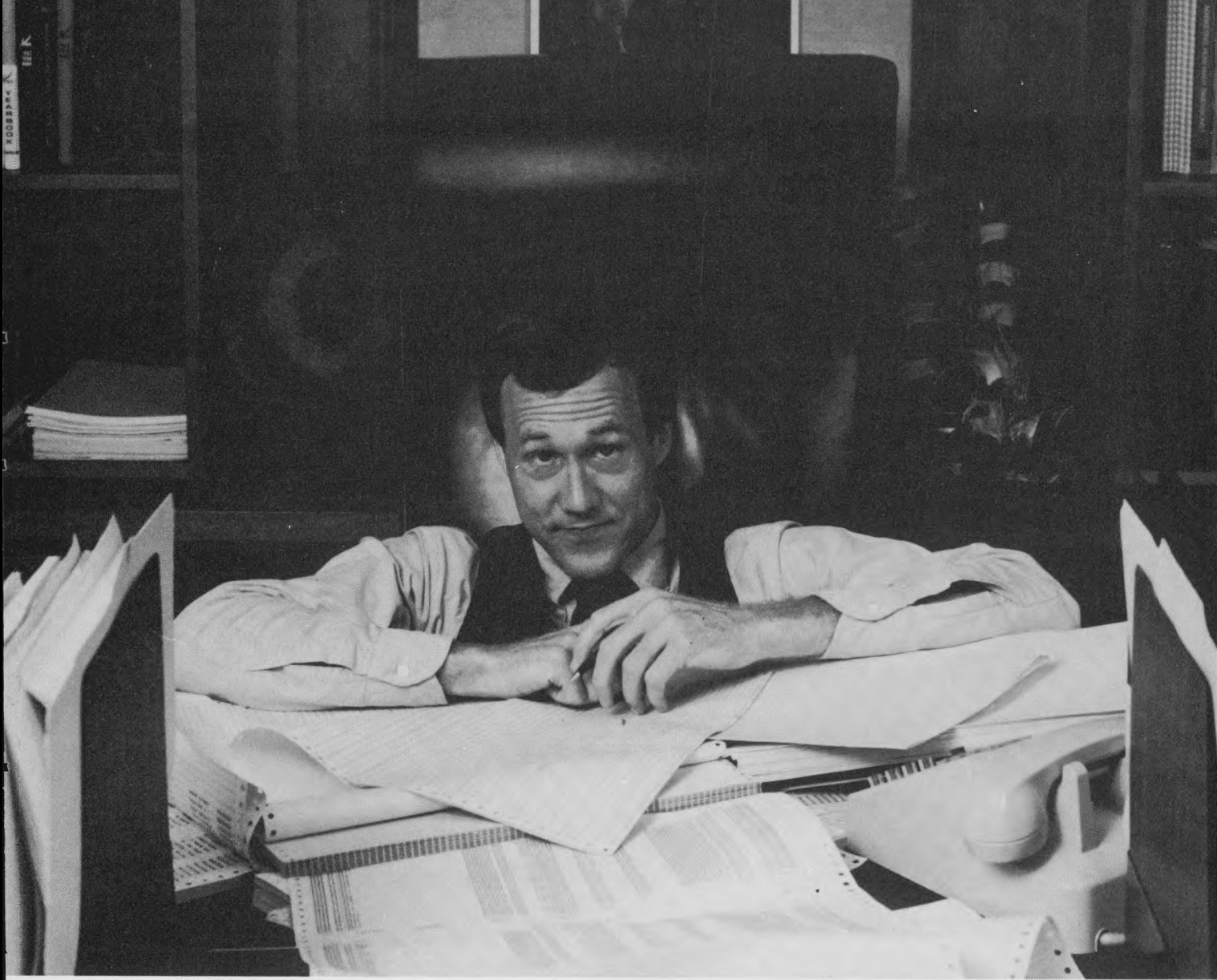
- Legislation to authorize a true variable rate for all types of loans. Three compromise-loan categories will be substituted if authorization for all types of loans should not be feasible.

- Legislation to increase the annual fee for credit cards.

- Legislation to increase the interest act to remove the \$25,000 cap, increase the \$5 maximum-delinquency charge and increase the \$15 minimum charge on loans exceeding \$300 with a repayment period of six months or more.

- Legislation to increase the judgment interest rate from 9% to the contract rate of the loan.

- Legislation to correct technical problems associated with SB 1195, which authorizes the taking of a security interest in a revolving-credit arrangement.



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free in Arkansas 1-800-482-8450. Or write to Union National Bank Personnel Consulting Agency, P.O. Box 1541, Little Rock, Arkansas 72203.

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Springfield Marine Bank has appointed Michael T. Hawker assistant audit manager. He formerly was a fiscal analyst for the state of Illinois.

Continental Bank, Chicago, has promoted the following to vice presidents: Richard J. Anderson, Craig D. Elderkin, Marshall A. Blake, John H. North, Josephine J. Raper, Peter C. Vaky, Richard M. Waller and Dirk H. Hilkmann. New second vice presidents include Renato P. Bacci Jr., Jacqueline L. Witkosky, Clara M. Jurivich, Marsha M. Brown, Maureen Kearney, Jesse W. Wright, Phyllis A. Hynes, John W. Slocum, John A. Zoric, Alice A. Glisich and Nancy J. McGaw.

Bank of Yorktown, Lombard, has started an interior remodeling project that will result in 20% more usable space and more customer convenience. A circular staircase on the main floor is being removed to create additional vault space, a separate commercial-banking area and larger lounge and working areas. The project is expected to be completed in May.

Scott W. Taylor has been elected executive vice president at Skokie Trust & Savings. He formerly was vice president/commercial banking at Drovers Bank, Chicago.

First Chicago Corp. has elected four senior vice presidents. They are James S. Cunningham, head of the world-wide transportation group; David M. Harvey, deputy head, foreign exchange, asset/liability management committee; Paul C. Hennessy, responsible for credit administration; and Michael R. Leyden, executive assistant to Chairman Barry F. Sullivan. They joined the bank in 1959, 1983, 1969 and 1962, respectively.

Edward H. Polen has been elected president/assistant trust officer at John Warner Bank, Clinton. David R. Goodman was elected vice president/cashier.

Harry F. Milkert has retired as director/senior vice president at Elmhurst National. He joined the bank in 1946 and had been senior vice president since 1980.

Richard A. Gregoire has been promoted to president/CEO at State Bank, Braidwood. He also was elected to the board. He formerly was the bank's executive vice president and has been with the institution since 1975.

INDIANA

Thomas D. Huff has been elected president/CEO Security Bank, Vincennes. He succeeds Richard J. Bond, who retains his title as chairman of both the bank and its HC, Security Bancorp, Inc. Mr. Huff also has been elected to the bank's board.

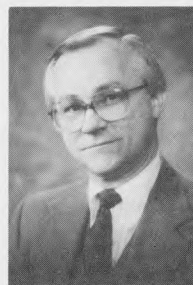
Robert Morris Associates has organized a new group, or subchapter, called the Central Indiana Group, serving Indianapolis and other cities in the central part of the state. The group was formed under RMA's Ohio Valley Chapter. Officers are Kenneth K. Wolff, First Bank, Indianapolis — chairman; John E. McDonald, Lafayette National — vice chairman; Thomas F. Kelly, Indiana National, Indianapolis — secretary; and Thomas L. Austerman, Second National, Richmond — treasurer.

Larry A. Meyers has been promoted to executive vice president/cashier at American Bank, Marion. He also was elected to the board. He joined the bank in 1979.

KANSAS

Southwest National, Wichita, held ground-breaking ceremonies February 8 at the site of the bank's future Towne East bank facility. Construction is expected to take about six months, with a grand opening tentatively set for August 1. The special ceremony was attended by city, county, chamber of commerce and bank officials. Mayor Maragelee Wright, County Commissioner Jack Spratt and CofC Chairman Richard Smith spoke.

GRAY



Arnold D. Gray has been named president at Kansas State, Wichita, succeeding J. V. Lentell. Mr. Lentell continues as chairman/CEO. Mr. Gray joined the bank in 1966, left in 1970 and returned in 1980. Also promoted were Britt M. Brown, Gregory K. Wilson and W. Randall Summers — all named senior vice presidents. Named vice president was Robert Pestinger

and new assistant vice presidents include Debra Allison, Kathy Bassett, Jodi Clemons, Michael Mildfelt and Bruce Treloar.

Fourth National Bank and Fourth Financial Corp., Wichita, have elected Warren B. Armstrong, president, Wichita State University, to their boards as an advisory director.

First State, Kansas City, has named Ruth I. Smith chairman, succeeding Robert F. Brozman, who remains on the board.

KENTUCKY

Earl M. "Mickey" McGuire has been elected chairman/trust officer at Bank Josephine, Prestonsburg. He also was named joint CEO, sharing the title with H. D. Fitzpatrick Jr., the bank's president.

Glenn D. Leveridge has joined Central Bank, Lexington, as executive vice president and head of the commercial/retail banking group. He formerly was with Union Planters, Nashville, where he headed the correspondent banking division.

First National, Louisville, has appointed Henry D. Ormsby director of marketing, responsible for market research, planning, advertising and public relations. He joined the bank in 1964 and spent his early years there in correspondent banking. In 1981, he was named senior vice president/corporate bank services. In other action, the bank named Thomas W. Prinz and Arlene P. Booker vice presidents, Colleen B. Craven senior marketing officer, Katherine A. Smith senior personnel officer and Margaret J. Smith senior training officer. James W. Sullivan has been named senior national banking officer, Daniel A. Bowden senior banking officer and Glenn J. Clemons senior operations officer. First Kentucky Trust has appointed Donald R. Wood, vice president, manager of the financial/estate-planning division.

LOUISIANA

Signs bearing the new corporate logo of First National Bank of Commerce, New Orleans, are being installed at all branch offices and Expres' Banque locations, including those formerly part of the Bank of New Orleans firm, which merged with First NBC last year. The bank also has merged its ATMs to form one Expres' Banque network. Two branches have been

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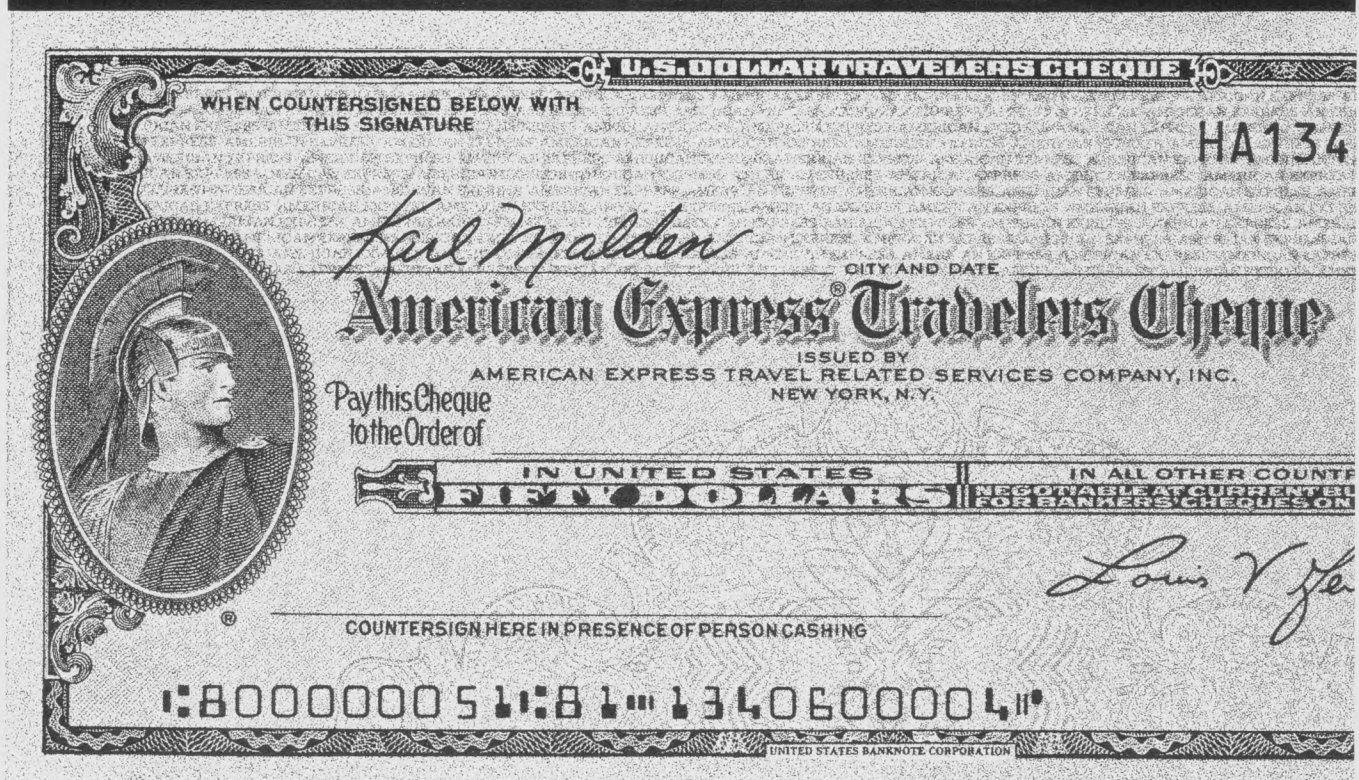
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MID-CONTINENT BANKER for March, 1984

26A



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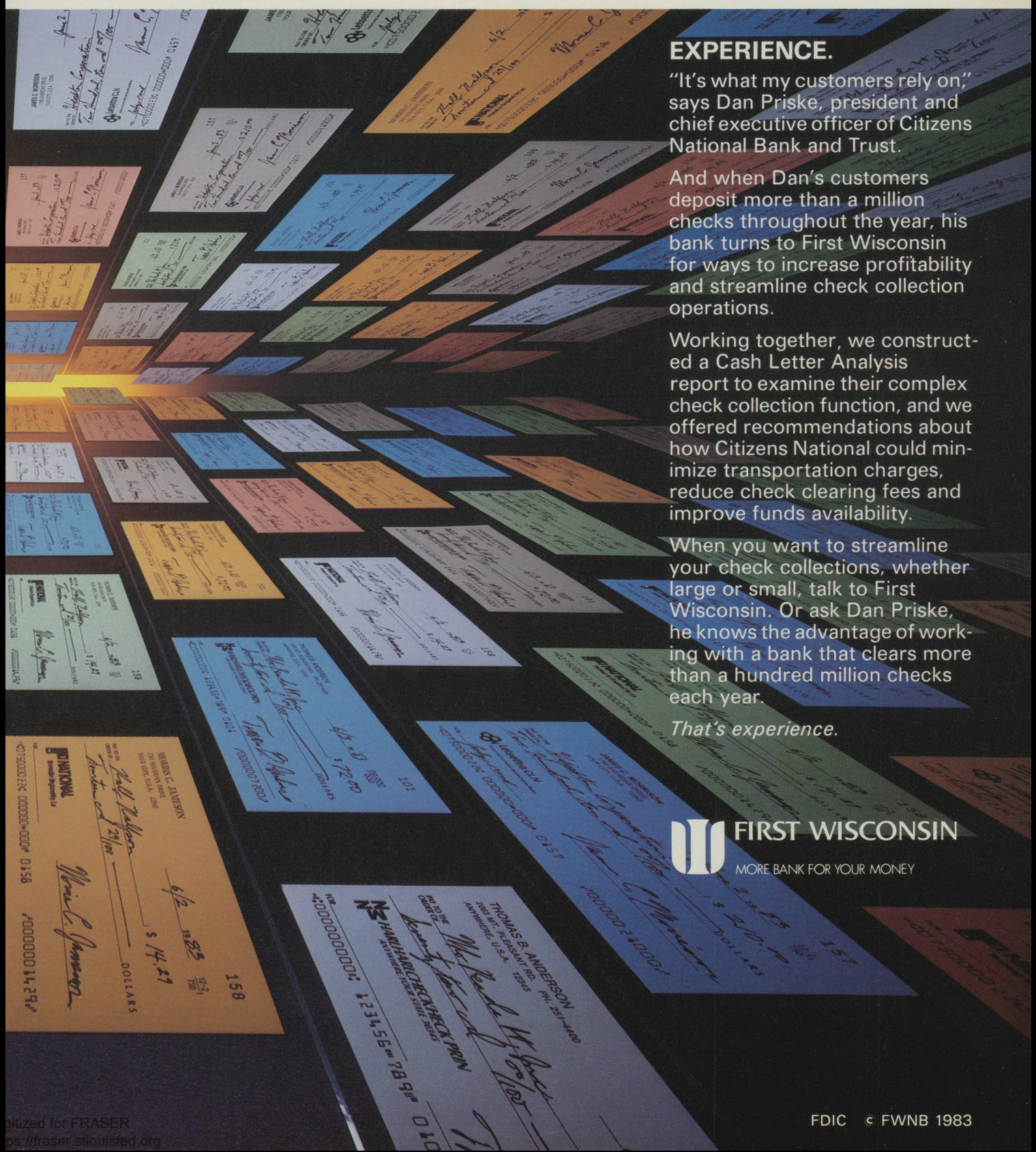
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dent, 1982-83, entered banking in 1947 at Bankers Trust, New York City, and stayed there until 1950, when he joined County National, Middletown, N. Y., as executive vice president. From 1963-79, Mr. Fisher was president/CEO, Capital National, Cleveland, which was merged in 1979 with BancOhio National, Columbus. He then became president, BancOhio-Cleveland area.

Miami Citizens National, Piqua, has elected William I. Shaman vice president/senior trust officer to head the trust department, promoted Maureen Moloney to trust officer and appointed Nancy H. Gunter an assistant trust officer.

Bank One, Dayton, has promoted Thomas E. Winning to senior vice president and officer-in-charge of its new, consolidated consumer-lending division. In other action, the bank has elected William M. Bennett, vice chairman, to the additional office of CEO.

Richard K. Hite, assistant vice president, BancOhio National, Columbus, has been named manager of Franklin-

'Express' Office Opened



Toledo Trust recently opened its Perrysburg Market Place "express" office, which includes three drive-up lanes and an inside lobby window. The facility was opened to relieve overflow drive-up traffic congestion at the full-service branch. The balloon atop the facility alerted customers to two grand prize get-away weekends awarded during the two-week opening celebration.

ton Financial Services, a BancOhio division that handles card processing/networking services for clients of the bank and for correspondents. Mr. Hite joined the bank in 1982.

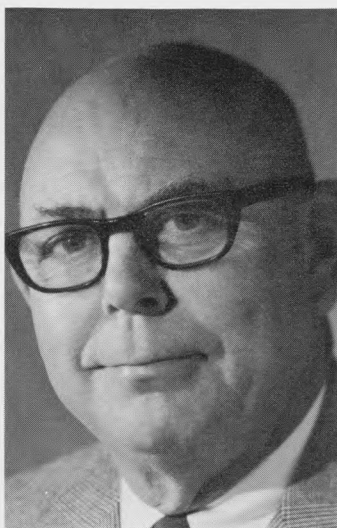
T. Jackson Case Jr. and **James E. Campbell** have been elected senior vice presidents at BancOhio National, Columbus. They joined the bank in 1976 and 1963, respectively.

National City, Cleveland, To Acquire BancOhio Corp.

BancOhio Corp., Columbus, and National City Corp., Cleveland, have agreed to merge BancOhio into National City. The merger will result in both BancOhio National and Ohio State, subsidiaries of BancOhio Corp., becoming subsidiaries of National City Corp.

Shareholders of BancOhio will have the option to elect either a package of National City common and convertible preferred securities or \$37 in cash per share. Sixty percent of the approximately eight million BancOhio common shares will be exchanged for .50 of a share of National City common and .55 of a share of a new National City convertible preferred stock. The remaining 40% of BancOhio common holders will receive cash for their shares.

Each new National City convertible preferred share will have a stated value



of \$37, an annual cash dividend rate of \$3.70 and be convertible into .98 of a share of National City common. No decision had been made at press time respecting provisions to be made in connection with the merger for BancOhio's 600,000 outstanding fractional preferred shares.

National City has assets of approximately \$6.5 billion and BancOhio has assets of approximately \$6 billion. They operate 157 and 268 branches, respectively.

The merger is subject to various approvals.

Training Center 'Adopted' By Ohio's Huntington National

Huntington National, Columbus, O., has adopted a school as a part of the Columbus Public School System's new adopt-a-school program.

The program brings business firms and schools together to work to enhance the quality of education for children. A one-to-one relationship is established between the participants and the school system presents its needs and the organization offers its support through donations of time, money, materials and expertise.

Huntington National adopted the Northwest Career Center because the center houses a banking services career-training program. However, the bank's assistance isn't limited to that program.

The bank plans to donate functional banking equipment to the center so students can train on actual banking machinery. Bank personnel will be speaking to classes about the banking industry and other topics. Students will be able to see the bank's operations.

The center's director said the bank's adoption of the center has resulted in higher morale on the part of school staff. "What the bank is doing for us is better than if it had simply handed us a check," he said. "It is getting at the heart of the best kind of support a school can have."

WISCONSIN

West Allis State has promoted Harlow H. Fuhr to senior vice president, Steven G. Anderson to first vice president and Janell J. Manson and Marianne Dickson-Jaehnke to assistant vice presidents.

David M. Kemp has been promoted to senior vice president at Citizens Trust, Sheboygan. He has been at the bank since 1981.

Citizens State, Shawano, has promoted Barbara Stezenski to assistant vice president and Lorna Marquardt to operations officer. James van Lieshout has joined the bank as consumer loan officer.

Midtown State, Milwaukee, has changed its name to FirstMil Bank and located its main banking office at 740 North Water Street.

Thomas G. Boyer has joined Marine Corp., Milwaukee, as vice president/legal counsel. He succeeds Robert L. Hanley, who has been promoted to vice president/personal trust administration division manager at Marine Trust Co.

• Robert E. Frazier has been named director of the division of support services, Federal Reserve Board, Washington, D. C. He was associate director. In his new post, he succeeds Donald E. Anderson, who retired.



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New Lenders' Protection Program

PRACTICALLY all collateral-protection programs presently written eventually will be replaced by a new program called Lenders Protection II or a reasonable imitation, according to Richard T. Hepworth. He is president, R. T. Hepworth Co., a Chicago insurance agency, which introduced the new program last fall. He lists the major improvements of Lenders Protection II (LP II) over collateral protection as reduction of premiums and lender's work load and elimination of lost interest on advanced, but uncollectible, premiums.

This single-interest program has a maximum premium charge of \$300, regardless of balance owed and remaining term, and a single billing. Mr. Hepworth also stresses the benefit to a lender of substantial amounts of demand-account dollars generated for the bank under this plan.

The Hepworth firm electronically monitors a bank's car-loan portfolio for those with unprotected collateral, force-placing after a 10-day grace period. The premium ranges from \$40 to \$300, depending on the state. If car owners buy their own insurance later, all or a portion of the forced premium is refunded, says Bob Bader, vice president of the firm. Cost of monitoring makes up less than 15% of the premium, he continues.

Under other policies, premiums are said to run 8%-10% of a loan's balance. A new \$8-million-asset bank, International Bank North, Federal Heights, Colo., joined LP II with 500 car loans and doesn't want to be faced with collecting \$2,000 premiums, says John Hannagan, vice president. He expects to save \$8,000 by abandoning his manual-monitoring system. It took International a month to convert car-serial numbers and loan data to magnetic tape for Hepworth.

Premiums are lower because Hepworth places coverage on uninsured vehicles as soon as they're detected. As Dale Hoagland puts it, "People can't skate for 30 or 90 days without insurance and be subsidized by those who are paying." Mr. Hoagland is research director, Protective Insurance Co., Indianapolis, underwriter for LP II.

"What we lose on individual accounts, we'll make up on volume,"

says Tom Dardis, Hepworth vice president, who points out that the Hepworth program is based on improved computer technology.

Richard Hepworth reports that "the financial-institution people we've talked to have been very enthusiastic about our concept."

He describes collateral-protection insurance as having evolved over the last seven to eight years from blanket single-interest coverage. Blanket, introduced in the late '50s to help lenders manage risks on their secured-loan portfolios, was intended to make the lender whole when impairment oc-

Major improvements of Lenders Protection II over collateral protection are listed as reduction of premiums and lender's work load and elimination of lost interest on advanced, but uncollectible, premiums.

curred on repossessed damaged collateral. At the start, premiums ran 75¢ to \$2 per loan for the term of the loan. However, as lenders expanded their auto-loan business and as prices of cars increased, so did losses — driving up blanket-coverage cost.

In the early 1970s, a program of specific single-interest coverage was developed as a way to help lenders reduce their costs for blanket (generally not passed on to borrowers). These plans gave lenders the ability to order selectively from insurers and force-place single-interest coverage. Identification of loans most likely to incur claims and subsequent transference of risk to insurers did reduce lenders' claim experience and premiums under blanket coverage.

Simultaneously, by 1974-75, lenders learned they could eliminate all their blanket expenses by monitoring their loans and charging more borrowers forced-placed premiums, and they

could justify the force-placing cost more easily if they gave borrowers the ability to get their damaged autos repaired rather than requiring repossession. This borrower-participation element was sufficiently different from the then standard single-interest coverage to earn it a new name, collateral protection.

Mr. Hepworth, who has been in the credit-property/single-interest-insurance business 25 years, says that over the past eight years, lenders have had enough experience with collateral-protection insurance to recognize several serious problems with it:

- Premiums seem excessive. Often running \$2,000-\$3,000 for the term of a loan, they provide no liability insurance and no real protection of a borrower's equity.

- Many large premiums are becoming uncollectible as more loans are being paid to maturity. Premiums are more than the borrower's equity, and the borrower never has had protection.

- Lenders not only are unable to collect interest on uncollectible premiums, but they also lose interest on premiums they advance the insurer when borrowers are charged and subsequently have those premiums refunded when a borrower has furnished his/her own coverage.

- Borrower notification and follow-up systems create more work for lenders than they've had before. The systems generate paperwork.

- Collateral-protection administration largely remains a labor-intensive process. The insurance industry creates large volumes of nonstandardized paper forms that have to be reviewed and massaged individually. Most administrators claim to have EDP systems to manage the work load, according to Mr. Hepworth, but most are "inefficient window dressing."

Most insurers have addressed results of the problems, rather than causes, comments Mr. Bader. He says, "Premiums are high for two reasons: 1. Those borrowers charged either can't afford to buy their own coverage or don't care about protecting the lender. In either case, they usually represent 'substandard' risks in auto-insurance terminology. 2. A large

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percentage of premiums billed don't stick. They have to be credited back when the borrower provides his/her own coverage. The net effect is to wind up with fewer persons having to pay for the coverage.

"The other root issue is the amount of work created by having to shuffle the massive paper flow. Until now, no one has been able to reduce significantly the number of transactions that typically occur in a collateral-protection system. Most existing DP systems really are nothing more than electronic files and/or policy-issue machines. The process may have been mechanized, but no attempts have been made to reduce the work load."

Mr. Hepworth compares the reduction in the administrative work load accomplished with development of LP

II to advances in information-processing capabilities created by development of micro chips. He says knowledge and experience gained developing an on-line data base over the past several years led to the idea of building a program that eliminates the continual charging/crediting that typically takes place with collateral-protection systems.

"That's the key to what we are doing," adds Mr. Bader. "We've reduced the cost of coverage and eliminated most of the work."

Saying his firm is excited about LP II, Mr. Bader comments, "This is a program whose time has come. It's fair to the borrower and protects the lender, and, after all, that's whom we serve." ●●

Automatic-Payment System Via ACHs Featured in New Insurance Product

A NEW insurance product, designed to appeal primarily to young families, features an automatic-payment system through which payments can be made from any bank that is a member of an automated clearinghouse. Norwest Agencies, Inc., a unit of Norwest Corp., Minneapolis, has entered into an agreement with ITT Life Insurance Corp. under which ITT Life will deliver the new product for sale by Norwest Agencies. ITT Life, a financial-services affiliate of ITT Corp., also is based in Minneapolis.

The product offers unisex rates, believed to be the first in the area, and substantial discounts for nonsmokers and people in exceptionally good health.

The new insurance product now is available at all 64 agencies operated by Norwest Agencies within a seven-state region — Minnesota, Wisconsin, Iowa, North/South Dakota, Nebraska and Montana.

The basic strategy underlying the agreement with ITT is to deliver insurance products more efficiently and thus more competitively, says Roger Bowman, vice president/divisional director, Norwest Agencies.

The product — a form of annual renewable term life insurance — can be purchased at extremely attractive rates, continues Mr. Bowman, who adds, "It will be offered as credit-related protection, as primary insurance for young families starting out, but also as supplementary insurance for persons of any age."

The primary collection system is

Norwest Information Services, which provides data-processing services for more than 500 banks in the upper Midwest. It also is a unit of Norwest Corp., a \$20-billion diversified financial-services organization, with 86 commercial banks and several specialized financial firms operating in 43 states and five other countries.

Norwest has been in the insurance business since the corporation was founded in 1929. Norwest Agencies has more than \$50 billion in premiums. Various types of credit-related insurance are sold through other Norwest subsidiaries. ●●

Bank's Fifth ATM Installation Is Cause For 'Sailabration'

Festivities surrounding the inauguration of Northbrook (Ill.) Bank's fifth ATM were no mere celebration, but rather, a "sailabration."

A seven-night Caribbean cruise for two on the luxury liner, "S.S. Norway," was first prize in the Northbrook Bank's Sailabration Sweepstakes held to celebrate the grand opening for the newest Money Network location on the lower level of the Northbrook Court Shopping Center. Other prizes were \$1,000 and \$500 shopping sprees in Northbrook Court.

Everyone who took a Money Network demonstration or applied for a Money Network card automatically received a sweepstakes entry form, according to Larry S. Gillie, bank president.

InnerLine's Growth Necessitates Move Of Headquarters

InnerLine, said to be the first "electronic-communications utility" for the financial-services industry, has established new corporate headquarters in Arlington Heights, Ill. Wayne B. Lewin recently was made its CEO.

The newly constructed 10,000-square-foot office space accommodates InnerLine's expanded staff of 35 home-office employees. Mr. Lewin describes the move from Gould Center in Rolling Meadows, Ill., as a "necessity" representative of InnerLine's growth.

He points out that in the past year, InnerLine has grown from a computer-based information system with 12 basic functions to a sophisticated electronic network of more than 40 interactive financial services available nationwide.

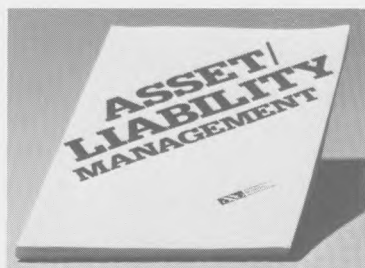
At its current level of maturity, according to Mr. Lewin, InnerLine is more accurately defined as "an electronic-communications utility whereby financial-services executives can instantly monitor and more effectively compete in the financial world through a simple dial-up computer terminal."

InnerLine began in 1981 as a project of the Bank Administration Institute, where Mr. Lewin then was executive vice president and also manager of the project during its inception and developmental phase. InnerLine now is a co-venture of the BAI and *American Banker*.

Available 24 hours a day, seven days a week, InnerLine has an extensive list of services that currently provide more than 1,000 financial institutions with the means to invest and trade funds, set competitive deposit rates, access up-to-the-minute market rates/rate fluctuations, obtain timely financial news, analyze the competition and more.

Mr. Lewin has a commercial-banking background, having once been vice president in charge of operating services, Northern Trust, Chicago; product manager, corporate cash management department, Manufacturers Hanover Trust, New York City; and project manager, computer equipment planning department, Continental Illinois National, Chicago.

● *Paul R. Rossi* has been promoted from associate director to director, convention/meeting services, ABA, Washington, D. C. Mr. Rossi, with the association since 1960, replaces Arthur L. Johnson, who has retired after 11 years with the ABA.



Dr. James V. Baker is Chairman and President of James Baker & Company. His book, *Asset/Liability Management*, published by the American Bankers Association, has been recognized as perhaps the most authoritative work on the subject.

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Productivity Analysis Report [PAR] [®]	A management system to reduce staff and labor expenses in all the heavy paper pushing operations of a bank (Proof, Transit, Bookkeeping, Customer Service, Tellers, New Accounts, CD's, Loan Operations, etc. . . .). The system evaluates each department based on volume processed, number of staff utilized, and labor expenses incurred. Output per person, labor costs per unit processed and other productivity statistics are generated on a monthly basis and compared with established goals. The system identifies where staffing reductions or additions are needed in relation to volume processed. For multi-bank holding companies, up to 99 banking units can be evaluated and ranked by department performance.	1	\$6,000/\$300*
Branch Productivity Analysis Report. [B/PAR] [®]	A management system to reduce staff and labor expenses in all of the areas normally associated with a branch bank (tellers, platform, support and business development, etc.). The system evaluates all areas based on the number and type of loans outstanding, number and type of deposit accounts outstanding, safe deposit boxes rented, volume of related activity processed and the overall number of staff utilized. Productivity statistics are generated on a monthly basis and compared with established goals. The system identifies where staffing reductions or additions are needed in relation to volumes outstanding and related volumes processed. B/PAR will accommodate different goals for individual branches within the organization. B/PAR will display and rank individual and cumulative productivity by branch, by region and for the overall organization. For multi-branch environments, up to 199 branch/region units can be evaluated.	1	\$7,500/500*
Transaction Account Profitability and Pricing Simulation [TAPPS] [®]	An analytical system which will evaluate the profitability of virtually any type or number of transaction accounts including commercials, regulars, specials, clubs, correspondents, NOW's, Super NOW's, money markets, savings and the like. Unlike some profitability/pricing models which consider only balances as the criteria for profitability, TAPPS evaluates each and every component of income and expense such as interest, service charges, volume of debits, credits, items deposited, reserve requirements, float, value of investable balances and other key costs and income data. The model then precisely pinpoints by stratification, which account types are profitable, breakeven or unprofitable and the dollars involved. The system can also be used as a pricing model in that any number of "What If" pricing scenarios can be introduced and applied to the existing data base to determine their relative impact on profitability. Account data may be loaded via keyboard entry or downloaded from a main frame to the micro.	1	\$6,000/\$400*
General Ledger Accounting Subsidiary Systems [GLASS] [®]	GLASS is a full function financial accounting system which assists management with financial analysis, trend analysis, "What if" planning and historical comparisons, in addition to the normal daily, monthly and year-end general ledger transaction and account processing. This is accomplished by a user defined chart of accounts, profit/cost center identification, on-line processing/reconciliation, file maintenance and edit capabilities, automatic routines for monthly accruals, weekend updates and Federal Income Tax calculations. Report output includes user defined format options for detail, totals and ratios, in addition to standard report output for daily and month-end activity and balances, average balance reporting, and other financial planning and reporting needs. Graphing capabilities are available using LOTUS [®] 1-2-3.	2	\$6,200/\$625*

Operating Environment	Hardware	Memory	Operating Software
1	APPLE III APPLE III PLUS IBM PC IBM XT	256K	UCSD Pascal
2	IBM PC IBM XT	256K	MS-DOS

*Licensing: One-time license fee/annual maintenance fee.

Profit Technologies Corporation is a bank consulting group headquartered in Houston, Texas. PTC has been in business 12 years and provides profit improvement consulting services for banks across the United States. PTC has conducted profit improvement studies for more than 400 commercial banks and bank holding companies ranging in size from \$10 million to \$28 billion in assets. The company employs approximately 50 people and had sales of more than \$5,200,000 in 1983. All of the principals and consulting staff are former bankers with varying disciplines.

The company decided, only recently, to offer their proven technology to the financial community independent of consulting services. Leasing prices quoted include up to two days training, depending upon the application. Additional training and consultation are available. These sophisticated programs are menu driven, therefore are user friendly and are accompanied by well-written user reference manuals. Direct inquiries to Mr. D. Michael Barton, Principal at 800/231-0236. Written inquiries may be obtained at:



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New-Generation Software Designed For Multibillion-Dollar Banks

A NEW GENERATION of software for multibillion-dollar financial institutions now is available from Systematics, Inc., Little Rock, which developed it. Introduction of this operating-system independent version of the firm's software is said to make Systematics one of only two financial data-processing companies to offer software for use by the nation's largest banks and S&Ls and the only company to offer a full range of software applications to this market.

According to Ray Maturi, Systematics president, his firm already is installing this newest version of its Family of Financial-Systems Software for the \$5.5-billion Great American Federal S&L in San Diego. Mr. Maturi expects Systematics to get a good share of the market that has been waiting on one of its competitors, while, he points out, another competitor is "just not there yet with a complete package."

Over the next five years, says Ron Ayres, senior vice president, marketing, Systematics expects sales of its new-generation "big-bank software" to account for a significant percentage of the company's software sales.

The new-generation Systematics Family of Financial Systems features all major deposit systems, loan systems (including real estate) and financial-management systems. The list includes: *deposit systems* — proof/transit, demand deposit (IMPACS), account reconciliation, savings/time; *loan systems* — commercial loans, dealer floor plan, installment credit, dealer reserve, real estate loans, charged-off loans; *financial systems* — financial management, general ledger, budgeting, cost allocation; *management systems* — project control, profitability analysis; *on-line systems* — financial-information-access system, complete on-line support for administrative functions, teller terminals, ATMs, full CIF capability, including customer-profitability analysis.

Full-system integration of Systematics software is supported by common architecture, run flow and design, which increase programmer productivity. The ability to introduce new products quickly and efficiently — a must for multibillion-dollar banks — also is accommodated by this version of Systematics software. Users can tailor the software through parameters, as

opposed to extensive code modifications. In many cases, says a spokesperson, Systematics' run times are superior to any competitor's software currently available to large banks and S&Ls.

With the addition of this new-generation Systematics software — which has been in development for several years — Systematics now has systems that will run on virtually any IBM or IBM compatible mainframe.

"The advantage of Systematics multiple-delivery capabilities and our experience as a major financial data processor will be strong selling points as we talk to these large users," says Mr. Ayres. "Previous generations of our software have been proved daily in Systematics' own data centers and in DP centers of our software clients. Our new-generation software provides that same kind of efficient and cost-effective DP and allows multibillion-dollar financial institutions to complete all their DP tasks successfully. Our organization allows us to deliver that software in a number of ways, including various levels of installation services, should the client need it."

Financial stability is another point Systematics is making in its marketing thrust to multibillion-dollar banks and S&Ls. Jim Wilkins, senior vice presi-

dent, finance/law, says Systematics' rapid financial growth has allowed the firm to spend substantially more for research and development than a competitor for each of the past five years.

"We constantly are working on new applications and enhancements that will continually enable our software to do everything clients need it to do," says Mr. Ayres. "Our financial position allows us to make a firm commitment to that research and development effort and enables us to offer our software clients a product they can build on into the 21st century."

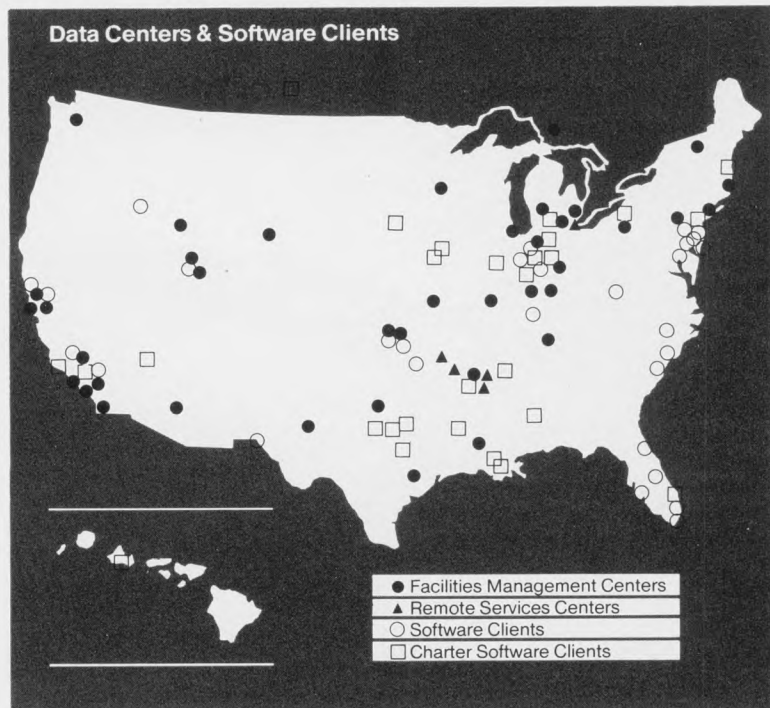
Founded in 1968, Systematics is said to be the nation's largest full-service financial data-processing firm. It operates 42 data centers nationwide, and total annual sales last year were \$64 million. ● ●

D&O Policy Offered

New, expanded directors and officers liability coverage for banks and savings institutions in any of the 50 states is being offered by America's Insurance Center, Kenilworth, N. J.

Under the program, limits are available for up to \$25 million with full extension and benefits for individual directors and officers, according to Raymond R. Kravetz, president.

The program can be written without other supporting coverage.



This map shows data centers/software clients of Systematics, Inc., Little Rock. Descriptive legend at lower right indicates locations of each category.

New Annual-Report Book Focuses on Bank HCs

A THOROUGH ANALYSIS of recent Securities and Exchange Commission (SEC) rule changes affecting bank HCs' annual reports is contained in a new book. Called "SEC Annual Reports — Banking Supplement," the book has been published by Ernst & Whinney, international accounting firm.

The supplement, says M. C. Nelson, Ernst & Whinney national partner in charge of financial-services industries, details recent revisions to Article 9 of Regulation S-X and Guide 3. It also provides example financial statements, with supplemental comments that highlight the new requirements, including the "single-step" income-statement presentation of securities gains or losses; related party-loan disclosures using new reporting thresholds/definitions and "risk-element" loan disclosures, including those for troubled foreign borrowers, now required by Guide 3.

According to Mr. Nelson, the publication provides a thorough analysis of information required in a bank HC's annual report and Form 10-K.

In addition, the firm has prepared a new financial-statement-disclosure checklist for banks and bank HCs. The checklist incorporates the new SEC disclosure requirements as well as those contained in the AICPA's 1983 edition of *Audits of Banks*.

Both publications are available by contacting: M. C. Nelson, Ernst & Whinney, 2000 National City Center, Cleveland, OH 44114.

• *Edwin R. Iwata* has been named director for supervisory research, a new unit of the Comptroller of the Currency's supervisory analysis divi-

sion. He joined the OCC in 1973 and, since 1981, has worked in the multinational/regional bank analysis division in Washington, D. C.

Authorization Services Via Computers Offered By Fourth of Wichita

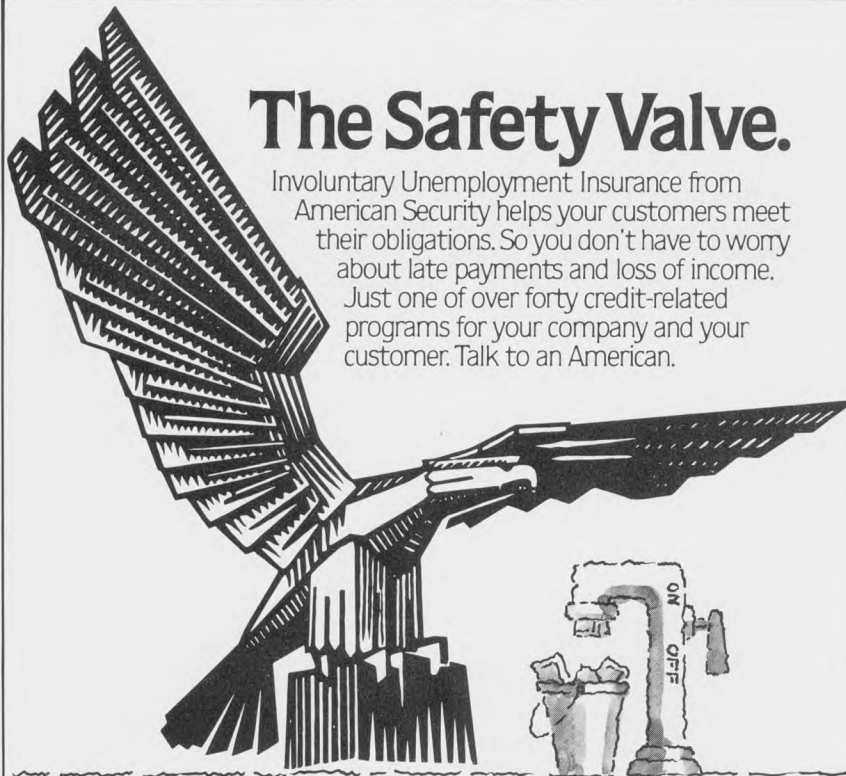
A new program of computerized credit-card/check-guarantee authorizations for Kansas merchants has been announced by Fourth National, Wichita, and TeleCheck Kansas.

Fourth National has been named the TeleCheck agent for all of Kansas except Johnson and Wyandotte counties. As a result of this arrangement, the bank will market and provide all TeleCheck services to merchants in the state through the bank's BankCard Center's 300 agent banks.

"We believe," says Vernon Wasinger, a senior vice president at Fourth National and manager, BankCard Center, "the real benefit of this agency agreement lies in the marketing attractiveness of the 'Electronic Merchant' point-of-sale authorization terminals. These terminals are small, low cost, computerized telephones that are simple to install in a merchant's location, since they require only a standard outlet and a modular telephone jack."

The POS-authorization terminals check authorization files of Visa, MasterCard, TeleCheck and a variety of travel/entertainment cards over regular phone lines by dialing and communicating with another computer automatically. This innovation in bank-card and check-guarantee authorization does not require a voice response, reducing the authorization process to under 30 seconds. Restricted lists and warning bulletins are made obsolete. Customer lines move more quickly because a POS-authorization terminal frees a sales clerk's hands to prepare the sale draft or check merchandise while the computers are exchanging information and obtaining an authorization. Chargebacks associated with fraudulent use of credit cards virtually are eliminated.

TeleCheck maintains a computerized information center against which all checks are verified for approval. For a check authorization, a merchant enters the amount of the check plus information from one supporting valid ID. The information goes into the computer, and moments later a simple encoded authorization number is returned. TeleCheck purchases checks it has approved should they be returned to the subscribing merchant.



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Professional Sales School. A required course for our own officers. A must for professionalism in selling products, cross-selling services and developing customer contacts. May 21-23, October 22-24, December 10-12.

Personnel Administration Seminar. Addresses such issues as salary administration, regulatory requirements, policy manuals and affirmative action plans. Dates To Be Announced.

Agricultural Lending School and Workshop. Focuses on the credit analysis, cash flow and loan review procedures required for agri-business and farm production loans. April 16, October 25.



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MEMBER F.D.I.C.

Banking's 'Fog' Is Dispelled By ABA Advisers

DESPITE strides made in American understanding of economic issues, banking still seems surrounded by an impenetrable fog in the minds of many Americans, according to William W. Cook, Jr., one of 15 banking advisers the ABA regularly circulates around the nation in an effort to dispel some of the fog.

The affable, distinguished-looking Mr. Cook, president, Beatrice (Neb.) National, fields questions from the press or the public with the aplomb of a seasoned professional communicator. Whether he is conversing with a print or an electronic journalist, Mr. Cook conveys confidence in his manner and in his message. An Oregon television talk-show hostess, however, did manage to briefly disrupt his air of calm when she asked him about the ABA's position on the involvement of organized crime in credit-card fraud.

Mr. Cook informed his hostess that he was not aware that organized crime was a major factor in credit-card fraud. That incident, he says, demonstrated to him how much rumor and misinformation can color public perception of banks. For the most part, questions Mr. Cook answers in his public appearances as an ABA banking adviser tend to center around how banking issues relate to personal finances. Generally, the public doesn't get steamed about shaky bank loans to developing nations except to the extent their own pocketbooks might be affected.

According to Daniel S. Buser, the ABA's director of public relations, Mr. Cook's experiences are not much different from those of the other 14 banking advisers. Since the program started in 1979, ABA banking advisers have visited 400 cities in 48 states and participated in more than 2,000 media interviews. The ABA feels the banking-adviser program produces a number of benefits, some not immediately obvious.

Of course, the ABA gets to air its views in forums not normally within easy reach and it educates the public in the process. But through its banking-adviser program, the ABA also receives important feedback on public concerns and shifts in opinion. Moreover, says Mr. Buser, "we're getting a lot of great leadership."

Through its own program and a series of new programs at the state level based on the same concept, the industry is developing a cadre of bankers, like Mr. Cook, who are experts in dealing with the media on a personal level, says Mr. Buser. So far, eight states have started or plan to start state banking-adviser programs. These are: Kansas, Oregon, Washington, Idaho, Ohio, Virginia, Tennessee and North Carolina.

The ABA's advisers are carefully screened for their ability to communicate effectively. Mr. Cook is a past Nebraska Bankers Association presi-

dent and represents the fourth generation of his family to be involved in banking. Banking advisers serve two-year terms and commit themselves to an average of six, two- to three-day trips per year in behalf of the ABA. Advisers are given training to prepare them for their jousts with the media.

To stimulate more media interest and to avoid the appearance that the adviser is there to promote his own bank, the ABA schedules trips outside the regions where the adviser lives and works. Media appointments are scheduled well in advance, and someone is assigned to shepherd the adviser through the itinerary when he or she arrives in the assigned town. For instance, Mr. Cook was accompanied on a recent visit to St. Louis by Gwen Leonard of the Chicago office of New York City-based Carl Byoir & Associates, Inc., the ABA's public-relations counsel.

Religious, ethnic and association publications have been targeted for special emphasis this year. Mr. Buser points out that organizations like the American Legion have their own large-circulation magazines and newsletters that frequently welcome information a banking adviser can supply. Although bankers of Latin ancestry have served as advisers in the past, Spanish-language media will get more emphasis in the future, according to Mr. Buser.

In addition, the ABA is making a greater effort to keep representatives of the local banking community informed about the advisers' appearances. Mr. Cook, for example, says he tries to meet with local bankers prior to starting his whirlwind tours of local media. Such meetings at least give him a nodding acquaintance with banking issues that are of concern to the communities in which he appears, but during interviews, he avoids immersing himself in local politics or banking



William W. Cook Jr., pres., Beatrice (Neb.) Nat'l, fields questions from reporters in his role as ABA banking adviser.

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issues about which he has little knowledge, he says.

In general, Mr. Cook says he has been both pleased and surprised by the nature of the questioning he has received. There has been little or nothing about bank failures, for example, which suggests to Mr. Cook that the public has a high degree of confidence in the banking system.

On the other hand, the public often can't discern the difference between a bank and an S&L. That means banks get undeserved credit or blame, depending on the volatile moods of the public, says Mr. Buser.

An S&L or another financial institu-

tion masquerading under the name "bank" isn't a bank in the true sense of the word, Mr. Cook explains during his media forays. He may even inject an opinion: "If they want to be banks, let them be examined like and have the same capital requirements as banks."

The ABA may suggest topics that its advisers should give special attention. During the Christmas season, for example, credit-card fraud was the topic of choice. Mr. Cook reminded consumers that even the carbon paper used during a credit-card transaction contains enough information to allow an unscrupulous individual to charge products and services to an unwitting

Besides William W. Cook Jr., pres., Beatrice (Neb.) Nat'l, other ABA banking advisers for 1983-84 are:

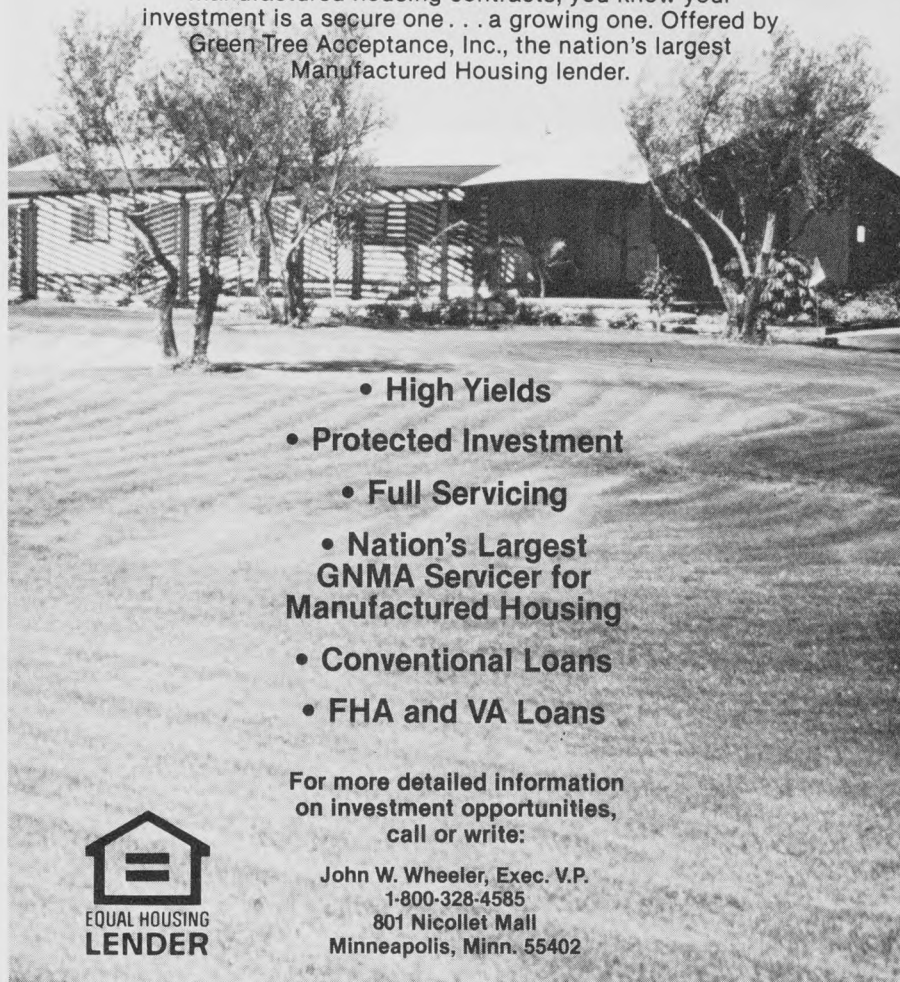
Leonard De Baker, pres., First Nat'l, Stevens Point, Wis.; Elizabeth V. Kuchinski, v.p., Bank of California, Sacramento; Judith G. Lucas, v.p., Casco Nat'l, Portland, Me.; John A. Mitchell III, group e.v.p., Northwestern Bank, Wilkesboro, N. C.; James D. Mullen, e.v.p., Depositors Trust of Eastern Maine, Bangor; Bill G. Prince, ch., First Nat'l, Lufkin, Tex.; John R. Revell, pres./CEO, National Bank, Monticello, Ill.;

Bruce D. Roberts, pres., Bank of Loleta, Eureka, Calif.; Fred L. Shaw, pres., Union National, Elgin, Ill.; Bernie L. Smith, pres., Oxford (Miss.) Bank; Robert L. Stevens, pres., Bryn Mawr (Pa.) Trust; David S. Sutton, v.p./consumer marketing mgr., Peoples Bank, Seattle; Kurt D. Watson, v.p., Fourth Nat'l, Wichita; and Gail Wham, v.p., North Pacific Bank, Tacoma, Wash.



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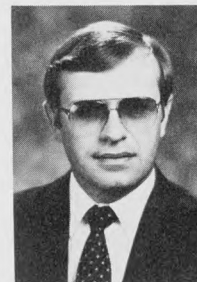
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consumer's account. Mr. Cook says he tries to bring the magnitude of the nation's more than \$135-million, credit-fraud problem down to a level the average consumer can understand by relating it to the interest and fees consumers pay to use their credit cards.

It may be too much to expect the public to understand or care about the issues worrying bankers, but Mr. Cook says the questions he's getting these days are more focused and display a more in-depth knowledge about economic issues than existed only a few years ago. Possibly due to the efforts of advisers like Mr. Cook, the veil of fog surrounding banking is beginning to dissipate. — John L. Cleveland, assistant to the publisher.



• Gary W. Reed has joined St. Louis' Mercantile Trust as assistant vice president, correspondent division, corporate banking department. He works primarily with banks in Louisiana, northern Mississippi and western Tennessee. Mr. Reed formerly worked for a New Orleans bank.

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Seminars Educate Missouri Bankers About IRA Regulations, Marketing

MORE THAN 250 bankers attended a recent IRA-update seminar held in three locations by the Missouri Bankers Association. Purpose of the seminar was to familiarize Missouri bankers with both the basics of and changes in IRA regulations. The sessions were conducted by Collin W. Fritz, banking consultant who specializes in such seminars.

Judging from some of the questions asked by bankers attending the St. Louis seminar, IRA regulations are both complicated and not well understood.

Among the points covered by Mr. Fritz were the following:

- A recent IRS ruling says taxpayers can prefile their income tax forms and claim IRA deductions even if they haven't yet made deposits into IRAs — providing they do so prior to April 15.

HC Offers Self-Directed IRAs

Mark Twain Bancshares, headquartered in St. Louis, began offering self-directed IRAs at its 11 member banks February 1 to make the accounts more attractive to individuals opening new IRAs before the April 15 tax-filing deadline.

The banks offer a menu of self-directed products, according to Jerry Mueller, vice president, either through the HC's discount brokerage or its trust department.

The firm opted for self-directed IRAs after research determined that the type of individual attracted to such an account was the kind of customer it wanted to court — those making \$30,000 and up annually.

When a customer knows what he/she wants in a self-directed IRA, the account is channeled through the HC's discount brokerage, which works with the New York City brokerage house of Quick & Rielly. Start-up fee for accounts is \$25, with a \$25 annual charge.

The trust division handles accounts for customers who need personalized service in putting a plan together. The fee for this type of account varies, depending on size, but the base fee is \$100 annually.

Preliminary results were termed "good" by Mr. Mueller. He says the HC's management is pleased with the interest the firm's TV and newspaper advertising has generated.

Mark Twain's IRA's deposits have increased between 50%-60% since IRAs were introduced early in 1983, Mr. Mueller says.

- Self-employed individuals (such as farmers) can pay salaries to members of their families for work performed so the family members can open IRAs.

- Regulation Q no longer applies to IRAs.

- Courts have ruled that IRAs can't be attached in cases where adequate legal defense against attachment was made.

- Bankruptcy courts are split on the issue of turning over IRA funds to creditors.

- Written notice is necessary when withdrawals are made from an IRA.

- IRA payouts can be accelerated. Someone taking out a larger-than-anticipated sum in any one year can take credit for it in following years to make the payouts adhere to a prearranged payout schedule.

- Banks should let IRA accounts holders know — at the time they reach age 70½ — that payout of their IRAs must start that year. Banks have been absorbing penalties levied against IRA holders who have failed to arrange for payouts when they reach age 70½ because the banks failed to notify customers. If banks take it on themselves to remind customers when payout is to begin, they are relieved of any moral obligation to assume any penalties for noncompliance, Mr. Fritz says.

- A customer with numerous IRAs must take distribution from each one when he reaches age 70½. Thus, it is good advice for a bank to suggest that the customer combine his IRAs at payout time to cut down on the paperwork. The combining can take place even after the customer passes the 70½ payout-triggering age.

- The "playground" years for an IRA holder are from age 59½ to 70½. Customers can add to or subtract from their accounts during these years with no penalties.

- If a customer dies after payout has begun, payments go to the spouse or other beneficiary over a five-year period. A spouse can rollover such funds into an IRA of his/her own.

Mr. Fritz discussed IRA marketing techniques. He said some banks have as much as 17% of their deposits in retirement-program funds. The staying power of long-term deposit relationships of such programs is holding up well.

He advised that person-to-person

selling is the best way to promote IRAs. In his connection, many banks are instituting incentive programs to encourage cross selling of IRAs. One bank found that, as soon as an incentive program had started, numerous relatives of bank personnel came in to open IRAs.

One bank made a telephone survey of its customers, asking them if they had an IRA, where they opened it, why they opened it where they did. If they had no IRA, they were asked if they were interested in starting one. It was learned that 40% had IRAs. Bank personnel made personal calls on the remaining 60%, taking forms to the customer.

Merchants National, Cedar Rapids, Ia., offered 50% interest on IRAs for the first three months. The offer was good for only a five-day period. More than 6,700 IRAs were opened, almost three-quarters of them for the full \$2,000. Two years later, only 300 of the accounts have moved from the bank. — Jim Fabian, senior editor.

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If you like to find out more about IRAs, we have a special 48 month special program on IRAs in the Kansas American Bank 5000, on Tuesday, January 27 from 7:00 to 8:15. There will be cash prizes, free information, questions and answers, door prizes, and free copy pens for all in attendance. We don't think you'll find a better offer around town. So come and invest in your future.

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A 20% interest rate on the first 90 days of a \$1,000-or-more 48-month fixed-rate IRA is being offered by Kansas American Bank, Overland Park, to spark interest among individuals planning on opening IRAs prior to the April 15 tax deadline. Steve Peifer, marketing director, says promotion results pleased bank management so far. In addition to the high initial rate (it drops to 10% after 90 days), the bank offers new IRA customers coupons worth \$10 toward the purchase of any plant at a local nursery and held a series of special IRA seminars to talk up the accounts. A party was held for local accountants to encourage them to recommend the bank's IRAs to their clients. Bank personnel are rewarded for cross selling IRAs to the tune of \$5 for each account sold. Kansas American used the above ad to spread the word about the accounts in local newspapers.

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IRA-Account Sales Aids Offered by ABA, Firms

IRA sales aids are available from the ABA and marketing firms.

Educating bank personnel to sell IRAs is the focus of the ABA's recently released videotape, part of its Banctraining Video Systems series.

Titled "Competitive IRA Strategies: What Every Employee Should Know," the ABA tape provides information on IRA options, benefits to banks and consumers and marketing and sales strategies, such as conduct-

ing after-hours seminars or giving lobby demonstrations.

"By the end of 1983, wage earners had invested more than \$40 billion in IRAs," said John K. Moore, ABA community bankers council chairman and chairman/CEO, Beach Bank, Vero Beach, Fla. "Well-trained employees are the key to each bank's getting its share."

Information about purchasing the tape or subscribing to Banctraining is available from Jeanie Howard at the ABA. Phone 800-247/0010.

A three-minute IRA marketing tape for continuous play in high-traffic areas

at financial institutions is offered by Bankers Video Service, Cedar Rapids, Ia. Titled "IRA Today," the program is designed to inform customers about the accounts and create interest in them. The tape encourages customers to contact bank representatives to sign up for an IRA.

An IRA Selling System is offered by Madison Financial Corp., Nashville, that is designed to make the accounts both attractive and understandable in a bank's market.

The system provides a demonstration of a customized IRA by the use of a projecting calculator that prints out complete information about a customer's IRA account after a bank representative has determined how much money the customer wants to contribute to such an account and how he/she wants it to be paid out at any of a number of retirement ages.

Each prospective IRA customer is given his/her IRA printout in a special holder bearing the title "Your personal IRA projection."

Banks can add enhancements to IRAs that provide new IRA account holders with \$10,000 accidental death insurance, discount vouchers at hotels and restaurants and other premium-type items.

The package includes a kiosk, calculator with table, employee training and supplies. The system is portable and can be placed where desired in the bank.

The system's approach is to entice the customer to have a projection run on a personalized IRA. Then the calculator provides the customer with physical evidence to demonstrate the growth potential of the projected account.

The enhancements are designed to make the product look better, thus encouraging the customer to open the IRA at the bank rather than at a competing bank or nonbank.

Americorp Financial, Inc.

Rockford, Illinois

and

First National Bank & Trust Co.

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have jointly announced the intention of Americorp to acquire First National.

The undersigned served as advisor and analysts for both parties.



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IRAs Hawked to Commuters

"Bringing Wall Street to Main Street" is the theme of a promotion by Merrill Lynch to sell IRAs to commuters passing through the lower plaza of New York City's World Trade Center. More than 130,000 people pass daily through the area where Merrill Lynch account executives serve as volunteers to hawk the accounts.

Although the investment firm has sold more than 870,000 IRAs, only a "few" have been sold in this unorthodox manner. The sales effort is reminiscent of the firm's attempts to market investments from pushcarts in the early 1950s.



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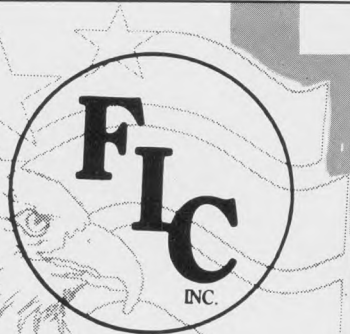
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A/L Management Possible On Micro Using New Software

ASSET/liability management and other complex financial modeling previously possible only with minicomputers now is possible with desktop micro-computers.

Increasingly sophisticated software for micro-computers as well as greater acceptance of computer technology by bank personnel are helping to transform the nature of asset/liability management. For five years, Fidelity National, Baton Rouge, has been using the FRS (Financial Results Simulator) software package available from Sendero Corp., Phoenix, on its HP-300 minicomputer to manage assets and liabilities. The bank, (assets \$652 mil-

lion) has received word that Hewlett-Packard, vendor of the minicomputer, is phasing out maintenance on the HP-300. Mark Skerkoske, assistant vice president at Fidelity National, says he has been pleased with both the HP-300 and the FRS software, but now he must plan for the eventual switch to asset/liability management on micro-computers. Fidelity National already has at least 25 in-house micro-computers, he says.

Thankfully, Sendero is ready with a redesign of its well-received software for minicomputers that can run on micros. In fact, the new software — called Micro-FRS Profit Planning Sys-

tem — is even easier to use than the earlier minicomputer version, says Michael Kohl, a Sendero vice president.

Sendero found it possible to incorporate easy-to-follow menus into the micro-computer version of its FRS program, Mr. Kohl says. Mr. Skerkoske says the minicomputer version already was so easy to use that Fidelity's clerical personnel had no difficulty learning how to use it.

"There may be some more sophisticated financial-modeling packages around," says Mr. Skerkoske, "but none more useful. You can run a 12-month budget with it and update it with actuals. Of course, we probably do less of that than some banks. We do a 12-month rolling forecast and update it monthly."

Micro-FRS features single-letter commands and produces pre-formatted reports. Capabilities include input modeling for variable-target balances, key rates and base information that feed detail loan, investment, borrowing and deposit models. The program requires 256K of memory and thus far runs only on IBM and IBM-compatible hardware. ●●

Bank Launches Community Campaign To Help Save Statue of Liberty

LIBERTY NATIONAL, Oklahoma City, has begun a nonprofit, community-wide drive to raise \$100,000 to help save the deteriorating Statue of Liberty.

The Save Our Statue drive, or S.O.S., is a three-fold effort in which the bank is involving central Oklahoma's schools, the general public and the bank's own customers.

Liberty National is inviting all schools in central Oklahoma to join in. For every dollar raised by participating schools, the bank is matching the amount up to \$25,000. In addition, Liberty National is providing participating schools with an S.O.S. kit, which includes suggested classroom activities relating to the statue, suggested fund-raising ideas and tips to help schools publicize their events. Each participating school or class will receive a certificate of appreciation.

For the general public, Liberty National is acting as a clearinghouse for all individuals in Mid-America wanting to make a tax-deductible donation to the fund. The bank sends a certificate of recognition to each individual making a donation of \$25 or more.

Bank customers can participate in the S.O.S. drive in a number of ways. With each deposit a person makes with his/her Liberty Check-OKard, the bank contributes 5¢ to the S.O.S. drive. Liberty National also makes a contribution for each new auto-installment loan, individual retirement account, Market-Rate checking account, Market-Rate investment account and direct-deposit account opened during the drive.

The S.O.S. drive will continue through July 4, at which time the bank will make a formal donation of all funds raised by Mid-America residents to the Statue of Liberty-Ellis Island Foundation.

"For nearly a century," says Willis Wheat, executive vice president of the bank, "the statue has been a shining symbol of the freedom this nation offers, but now she's in a serious state of deterioration. That's why Liberty (the bank) is calling on the people of Mid-America to join in this drive to Save Our Statue."

Liberty National announced its program at the site of the statue with a press conference attended by print/broadcast media from throughout Oklahoma City. Media representatives were guests of the bank and American Airlines, an official sponsor of the national Statue of Liberty restoration drive.

New Software Package Offered to Treasurers By First of Louisville

A software package for company treasurers desiring consolidated, customized and immediate access to information that formerly was available only from multiple sources now is available from First National, Louisville.

The bank has purchased marketing rights to "Treasurer's XCHANGE," a software package bringing together aspects of micro-computer and main-frame technologies.

The recently developed concept encompasses these treasurer's functions: cash, debt, investment, funds and international treasury management, according to First National. It also offers capital/tax planning and accounting interface. The package was developed by Interactive Data Corp., a subsidiary of Chase Manhattan, New York.

The package enables treasurers to view their own up-to-the-minute financial data with a wealth of external securities prices, foreign-exchange rates, credit-rate forecasts and industry statistics, according to Morton Boyd, First National's president.

The package is expected to cost a business an average of \$400-\$500 per month on a lease basis.

New Software Magazine

A new publication — said to be the first software-oriented magazine edited specifically for the financial community — went into the mail early in March. It's called *Microthought: The Journal of Financial Software*, and the publisher is Microthought, Inc., Santa Monica, Calif.

The magazine is editorially targeted to help banking, accounting, tax and financial-planning/investment professionals sift through the myriad of specialized vertical software packages competing for those groups' attention.

According to Caroline Carr, associate editor, the publication will focus on articles pertaining to selection and use of the increasingly popular financial-software packages. Ms. Carr says each issue also will contain a comprehensive listing of available packages and will provide in-depth reviews of specific software and their applications.

Leland E. Hoffman, president, PhilanthroTec, Inc., Laguna Hills, Calif., is chairman of the publication's independent software-review board.

For further information, write: *Microthought: The Journal of Financial Software*, 2811 Wilshire Blvd., Suite 640, Santa Monica, Ca 90403.

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MOKAN Annual Conference Set for April in KC

The trust division of the Kansas Bankers Association will hold its MOKAN '84 annual conference April 18-20 at the Alameda Plaza Hotel, Kansas City, in conjunction with the Missouri Bankers Association's trust services committee.

Keynote speaker will be Roy M. Adams, author of *Estate Planning Manual for Trust Officers*. Also featured will be Van R. Gathany, chairman of the ABA's trust division.

Information is available from Mrs.

Evelyn Schumacher, secretary-treasurer, Kansas Bankers Association Trust Division, First National, Hays, Kan.

• **D. W. Hock**, president/CEO, Visa International and Visa, U.S.A., San Francisco, plans to retire during the first half of 1985. He has been the only CEO Visa has had since the firm was founded in 1970.

• **Robert J. Day**, president/chief operating officer, United States Gypsum Co., has been appointed a director of the Chicago Fed.

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Banking Scene

(Continued from page 46)

be identified.

Some merchants have adopted a low-key stance in respect to POS systems, however, preferring not to advertise too heavily the capabilities of their equipment. In some cases, this has been because they wished to measure customer response to POS technology without the artificial stimulus of a heavy advertising blitz or to compare variations in the response at stores where the innovation has been tried against the experience at stores without POS systems. Fear that news of the POS system might draw customers away from their stores where the system has yet to be installed also has played a role in merchants' attitudes.

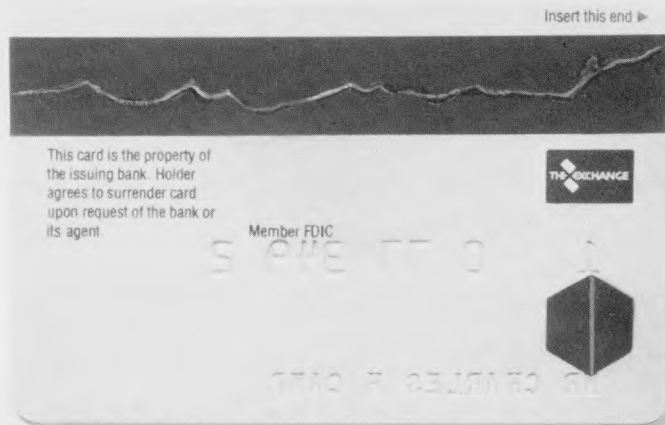
Breakup of AT&T has been considered a cloud on the POS horizon since local telephone rates probably will increase relative to previously subsidized long-distance rates. Countering this argument, however, is the labor-intensive nature of the heavily unionized supermarket business. Labor costs will continue to rise faster than costs of switching information through a POS system.

The savings from POS technology may not be evident immediately, but competition is forcing merchants and banks to experiment with this technology. The big retail chains like Sears and Penney's have the bank-issued debit cards at somewhat of a disadvantage. Their markup on merchandise enables them to absorb the costs of their POS systems, and their credit-card bases are as large as or larger than those of banks.

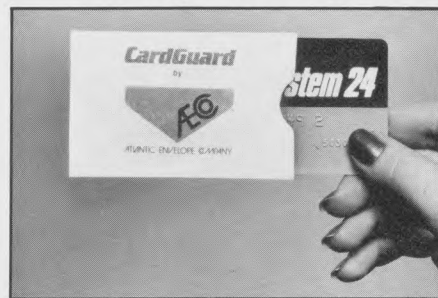
Banks and the merchants they serve at last are beginning to wake up to the potential of POS. It's taken five years for us to catch up in a modest way with our European brethren in POS technology. But as merchants and banks continue to educate U. S. consumers, in the next five years, we should see POS systems spread across the country like a tidal wave. ●●

At the St. Louis Fed, six branch directors were reappointed, including these bankers: William H. Kennedy Jr., chairman, National Bank of Commerce, Pine Bluff, Ark., to the board of the Little Rock Branch; and Frank B. Hower Jr., chairman, Liberty United Bancorp, Inc., and Liberty National, both in Louisville, to the Louisville Branch board. Mr. Kennedy is immediate past president of the ABA.

MID-CONTINENT BANKER for March, 1984



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By Dr. LEWIS E. DAVIDS
Professor of Finance
Southern Illinois University, Carbondale

POS Technology Spreads

APPROXIMATELY five years ago on a working vacation to Europe, I was impressed by three developments there not then found in the United States:

- Milk that could last six months without refrigeration;
- A sophisticated "smart" debit card invented in France that was useful particularly for pay telephones.
- A gasoline credit/debit card that accessed a 24-hour-a-day, unmanned gasoline station.

Native Germans and Dutch I met attributed the innovations I marveled at to the dairy industry, the French government's subsidization of the "smart chip" and the drive of gasoline distributors to lower costs. The banking industry received little credit for the innovations.

In the last five years, I have been watching for similar developments here in the United States. Finally, I find that in Atlanta they are selling unrefrigerated milk that — to my taste — is indistinguishable from the refrigerated type generally available here. Although a major New York City bank has experimented aggressively with smart chips, reviews so far have not been particularly encouraging.

In the case of point-of-sale (POS) fund-switching systems, however, we again find that the gasoline industry has been more enthusiastic about adopting or expanding the technology than other types of retailers. The reasons for this are obvious. The gasoline industry already is highly automated and capital intensive and has managers who are comfortable with engineering and computers. The product sold by the gasoline industry has a margin of profit that offers more flexibility.

Cash-currency transactions at some gasoline stations will be handled at a five-cent-per-gallon discount, for ex-

ample. If you consider that a typical fill-up is between \$10 and \$20, the customer potentially saves 75¢ per cash transaction versus a credit-card purchase. Surprisingly, however, a good many consumers are willing to forego the discount and pay with a credit card instead. One reason, of course, is the approximately 45 days of float involved in a credit-card transaction.

In my classes, a number of students ask why anyone would give up this float for the convenience of the debit

Having familiarized themselves with ATM transactions, customers no longer are hesitant to use POS devices, particularly when they pull into an unmanned gasoline station and have no choice but to use their debit cards.

card. The answer, again, is obvious. People show a preference for credit-card payment only so long as they believe it more economical than payment by debit card. Gradually, the economic rationale for preferring a credit card over the debit card is being whittled away, however. Banks in increasing numbers are charging or raising their annual fees for credit cards.

Another factor favoring debit-card acceptance has been the maturing of customer attitudes toward using cards and computers. Having familiarized themselves with ATM transactions, customers no longer are hesitant to use POS devices, particularly when they pull into an unmanned gasoline station and have no choice but to use their debit cards.

For supermarkets, profit margins are too slim to support credit-card acceptance even though some myopic

bankers thought they'd be able to convince these pencil-sharp merchants that economies of scale from larger transaction volumes would make credit cards more profitable. Although the future of the debit card in supermarkets is far from assured, bankers in Iowa, Texas, Florida and Ohio have been successful in getting supermarkets to share the cost of experiments in direct-debit systems.

For about \$10,000 for some peripheral equipment added to his computerized checkout system, plus the cost of communication lines to the bank, the merchant can offer a service that seemingly would offer the promise of eventually increasing profit margins. Instead of the personal identification number needed with most current POS systems, technology probably will allow merchants to use a pressure-sensitive, signature-identification method.

Spread of POS technology is no mere technology-driven phenomenon, however. A number of factors are pushing its development. One is the dilemma of queuing — a fact of life in Russia and in an urban bank on payday, but one most consumers avoid whenever possible. Here is where POS really shines. Every time and motion study I've seen shows that POS transaction time is a fraction of that for conventional currency and/or the writing and authorization of a check.

Merchants' and bankers' interests also coincide in development of POS systems, another factor that should help it spread. Most banks take great pains to develop a favorable image within their markets. They want to be perceived as friendly, solid, stable and up to date in terms of the services they offer. Electronic data processing and funds switching are hot topics with which bankers and merchants like to

(Continued on page 45)



THE RIGHT IDEA

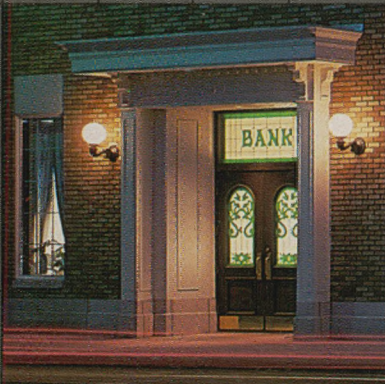
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