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How Directors Can Help Their Bank

Warner H. Dalhouse, senior vice president, The First National Bank of Virginia, spoke on "How Bank Directors Can Help Their Bank" at the recent ABA National Marketing Conference in Dallas. Here are the highlights from his presentation:

Perhaps the most difficult marketing and motivational problem in any commercial bank is a satisfactory and sustained involvement of the directors in attempting to develop business and represent the bank in an active way in the community.

It is no longer good enough just to have wealthy or successful men as members of the board of directors. It is true that prominent names among your directors help create a particular image for your bank because of the personal images or reputations of the individual men. Each bank tends to take on characteristics in the minds of the public as a reflection of its board of directors.

But being on a bank's board of directors can no longer be considered simply membership in a rather exclusive men's club. The competitive climate and the atmosphere of change are entirely

too intense for us to enjoy that luxury any longer. We need to be able to pinpoint the deadwood and replace it with directors who do see the responsibility to actively participate in business development efforts.



Here are the objectives of a directors' business development program:

1. To utilize directors' talents —

The political and financial influence of your board is very substantial. Each of the directors is a highly regarded, successful individual with his own particular areas of influence and effectiveness. They were each chosen with that in mind, of course. What the bank wants to do is utilize those superior talents for the benefit of the bank and its stockholders. And, of course, the directors themselves are usually substantial stockholders.

2. To expand deposits —

This, of course, is a primary

motive and it is the target on which to focus. Successful deposits, however, will have far-reaching benefits beyond just the deposits themselves. It is vitally important with the competition for deposits keener than ever before that we utilize every talent and every bit of help we can generate. The directors are a very powerful group for business development purposes that have not been utilized by very many banks up to now.

3. To build an identity with the corporation and to enhance the identity of the corporation in its trade area —

As the directors begin to move through a community in their business conversations, in conversations with their personal stockbrokers, at cocktail parties, and so forth, they will be mentioning the name of your bank over and over again. In our case we were talking about 300 salesmen, scattered throughout the state actively talking up the corporation and its individual bank affiliates. That not only makes them feel a more valuable part of the bank but also has a very positive effect in building image for the corporation.

(Continued on back page)

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IOWA NEWS

BRIDGEWATER: Union State Bank has advanced Larry L. Hackbarth from cash. to exec. v.p. Ron R. Kniep has moved up from a.c. to cash.

CHARLES CITY: Citizens National Bank has advanced Craig A. Lynch to cash. from a.c. R. Dean Kline, v.p. & cash., will now serve as v.p. New directors are Roger Finch, v.p. of finance, Oliver Corp., and Roy J. Nelson, owner of Cedar Valley Farm Fleet, Inc. H. James Olds resigned earlier in the year to join the correspondent bank dept. of Marquette National Bank, Minneapolis.

DES MOINES: George Jorgenson, 72, died recently. He retired as a v.p. of the Iowa-Des Moines National Bank in 1964.

SHENANDOAH: Jack Gowing, farm service director for Radio Station KMA for 18 years, has accepted a job as ag rep for the Security Trust & Savings Bank.

STOCKPORT: Mildred I. Newman has been named pres. of the Iowa State Bank, Stockport, replacing S. H. Watkins. Mr. Watkins will remain a director. Surplus of the bank has been increased to \$150,000.

STORY CITY: Roger Auestad of Randall has been named as an assistant v.p. of the Story County State Bank.

WATERLOO: Richard Fischer has been named a.c. by the Peoples Bank & Trust Co. He joined the bank in March, 1969.

ILLINOIS NEWS

CHICAGO: Douglas W. Blatt has been elected vice president, personal banking division, of Pullman Bank & Trust Co. Paul B. Lysik has been named corporate secretary of the bank.

RIVERSIDE: Riverside National Bank announced the resignation of Thomas W. Merritt, Sr., as chmn. of the bd. and the election of Thomas W. Merritt, Jr., as the new chmn. Mr. Merritt, Sr., retired pres. of Babson Brothers Co., has been associated with the Riverside National Bank for many years, and will continue as a dir.

At the same meeting Gerald C. Meyers was elected pres., succeeding Thomas W. Merritt, Jr. and Ronald L. Graves was elected cash. Mr. Meyers has been with the Riverside National Bank for six months, coming from the State Bank of St. Charles where he had been v.p. and t.o. Mr. Graves, a newcomer to the Riverside National Bank has been associated with the Columbia National Bank of Chicago as a v.p.

MINNESOTA NEWS

BRECKENRIDGE: First National Bank will hold a stockholders meeting April 7 to elect directors following purchase of the bank by a group of nine Wilkin County farmers and businessmen. The bank was purchased from the estate of the late Ralph Kriesel of St. Paul. H. R. Hertenberg, president, and Hulda Steinwand, cashier, will continue as officers of the bank.

MINNEAPOLIS: Funeral services were held last week for C. P. Jaffray, co-founder of the investment firm, Piper, Jaffray and Hopwood, Inc. He died in Naples, Florida.

SHERBURN: Dennis D. Anderson has been named president of the State Bank of Sherburn, succeeding C. M. (Bud) Landin, who will retire April 15. Mr. Anderson has been vice president of the Valley National Bank, North Mankato.

THIEF RIVER FALLS: Grand opening activities will be held on April 24 at the Northern State Bank from 9 A.M. to 4:30 P.M. Area bankers will be invited April 19. The bank has been completely remodeled.

WASECA: Michael Halvoerson, 32, has been named cashier of the First National Bank. He has been vice president and cashier of the Yellow Medicine Co. Bank at Granite Falls.

WINONA: Kenneth Nelson and Michael Schrantz have been elected vice presidents of the First National Bank, according to Arnold E. Stoa, president.

NORTH DAKOTA NEWS

BISMARCK: Bank of North Dakota has transferred \$1 million from its undivided profits to surplus, making surplus a total of \$4 million. Capital is \$2 million.

BISMARCK: Funeral services were held last week for Delvin T. McNeill, cashier, Bank of North Dakota. He joined the bank June 23, 1948. He was named cashier in 1968.

BISMARCK: Gov. William T. Guy has vetoed the Uniform Consumer Credit Code, which had passed the House by 53 to 45 and the Senate by 31 to 15. The governor was concerned about interest rates on small loans. The legislative action will not come up again until 1973.

SOUTH DAKOTA NEWS

CHAMBERLAIN: The South Dakota Bankers Assn. will hold its annual Ag Conference here on Tuesday and Wednesday, April 13-14. Registration starts at 8 A.M. There will be a luncheon, social hour and banquet on Tuesday, and a luncheon on Wednesday.

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ELKTON: The Corn Exchange Bank completed an extensive remodeling and expansion program recently.

HURON: Plans are being made now for the SDBA Washington trip which will leave Minneapolis at 5 P.M. on Tuesday, April 27. The group will return to Minneapolis Friday, April 30 at 7:18 P.M.

WYOMING NEWS

CHEYENNE: Jack Crews has been named vice president in charge of the ag loan department of Cheyenne National Bank.

NEBRASKA NEWS

The Nebraska Legislature's Banking Committee last week sent to the floor a bill, LB523, which would allow bank officers to suspend business during emergencies, including fire, flood, snowstorms, strikes, power failures, enemy attack, civil commotions, and epidemics. The bill drew no opposition in public hearing.

LYONS: Robert W. Kiester has been elected vice president and a director of the First National Bank, replacing Peter L. Heintzelman who has resigned to take a position with the Bank of Valley, Valley. Mrs. Thelma Brink was elected cashier of the bank.

ODELL: At the State Bank of Odell, Gene A. Stanosheck was promoted from vice president and cashier to president and chairman and Lawrence W. Stanosheck, from assistant cashier to vice president, cashier and a director. Mrs. M. M. Bongers and Mrs. Rosalie C. Stanosheck were elected directors.

SALEM: The Nebraska Banking Department is auditing the Bank of Salem after the bank was temporarily closed recently. It was reported that Henry Ley, banking director, said the Department is attempting to learn

more about the new owners, who were listed as Homer L. Carter, Billy Gregory, and William Van Fleete, all from Montana, and Jogander Singh, a native of India who has been living in California.

COLORADO NEWS

COLORADO SPRINGS: The FDIC has approved coverage for the Bank of Woodmoor, to be opened soon on the Woodmoor area near Monument in El Paso County.

DENVER: Stockholders of Colorado CNB Bankshares, Inc., registered bank holding company, recently voted to change the name of the company to Colorado National Bankshares, Inc.

DENVER: J. R. Thomas, regional administrator of national banks, recently held hearings on the charter application for the proposed First National Bank of Montbello. Applicants are five officers of the First National Bancorporation, the bank holding company which controls the First National Bank of Denver.

DENVER: Gordon M. Pederson has been elected treasurer of Affiliated Bankshares of Colorado, Inc., a bank holding company. He was formerly senior audit manager for the Denver office of Arthur Anderson & Co. and is a CPA.

WISCONSIN NEWS

MILWAUKEE: The First Wisconsin National Bank recently announced the following promotions: John G. Anderson, John A. Becker, John R. Fejes, James F. Hicks, Warner A. Knobe, Eugene G. Wander and John J. Zxadzich, all to assistant vice president.

Don Carlson Named President for 1971-72 by Independent Bankers

Donald M. Carlson, president of Elmhurst National Bank at Elm-

hurst, Ill., was elected president for 1971-72 of The Independent Bankers Association of America. His election took place at the closing session on March 31 of the 41st annual convention at the Radisson Hotel in Minneapolis. He succeeds Rod L. Parsch, president of Lapeer County Bank and Trust Company at Lapeer, Mich.

Other officers elected to serve with him are:

First Vice President: H. L. Gerhart, Jr., president, First National Bank of Newman Grove, Nebr.

Second Vice President: Fred T. Brooks, president, Merchants State Bank, Dallas, Texas.

Treasurer: Robert L. Ferril, vice president, Wyoming Bank and Trust Company, Buffalo, Wyo.

More than 1,500 persons attended the convention.

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Bank Directors ...

(Continued from Page 1)

4. To encourage active involvement for perhaps the first time -

Directors are seldom asked to take an active part and, therefore, few ever do. A good program will make them feel inadequate if they don't take an active part.

5. To create a unified purpose -

To recruit all your directors toward a single goal, that of developing new deposits, for all the benefits inherent in that goal, gives them a feeling of purpose which they have failed to have in the past. That kind of feeling is infectious and affects momentum in a material way.

6. Develops pride -

To be part of a program that is doing something positive for the bank and to be personally re-

ceiving not only recognition but tangible reward does develop a pride on the part of the director at being associated with the bank. That has a tendency to feed on itself since he will talk about his success outside the bank and further enhance both his and the bank's image with his friends and business acquaintances.

7. To start a habit of looking for opportunities -

It will cause the director to work for the bank and think about the bank even at uncommon times. This is perhaps the acid test. A good program will stimulate the director to take advantage of the new business opportunities that he might otherwise overlook.

8. To attract attention -

Such a program will attract the attention of the bank and financial community toward your organization, making it look aggressive and successful.

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