Issues & Strategies for Family Owned Banks – a GSB Advanced Management Forum

Owners, senior managers and directors at family-owned banks face their own unique issues, coupled with the volatility and competitiveness of today’s banking environment.

They must be prepared to deal with succession planning and management transition from one generation to the next; ownership responsibilities; shareholder relations; governance structure and duties; compensation; family meetings; conflict resolution and decision-making.

GSB’s 2013 Advanced Management Forum, Issues & Strategies for Family Owned Banks, will cover these issues at the University of Wisconsin-Madison in October. Attendees will gain new insights and perspectives from other leaders at family-owned banks, forming valuable connections to call upon long after the course concludes.

“Although all businesses are unique and the business model of each family bank is unique, there are many situations that are common to family-owned banks that wouldn’t appear on the radar at banks not owned by or employing family members,” said Katherine Jaeger, senior retail banking officer/chief marketing officer at Americana Community Bank, Sleepy Eye, Minn. – one of many families with a long tradition in banking.

Continued on page 3...
Alumni Spotlight: Eric Cook
It’s Been a Long, Successful Ride for Banker-Turned-Entrepreneur

Eric Cook has a fortune cookie message taped to his monitor that says, “Doing what you like is freedom. Liking what you do is happiness.”

Cook, a digital marketing strategist and former community banker, couldn’t agree more. He started working as a management trainee at Marshall Savings Bank in his hometown of Marshall, Michigan, after college. There, Cook enjoyed working with his father, Charlie, who taught his son about “doing what’s right for the customer” while giving him the opportunity to pursue his skills in operations, technology and marketing.

That led to initiatives that were beneficial to the bank, such as launching a web site in the mid-1990s, when most community banks had not yet considered the idea. Soon, the bank offered real-time processing of customer transactions and online banking – long before many of the big banks.

“I really enjoyed the community spirit that we had at the bank and how everyone that worked there seemed more like family than co-workers,” Cook said.

He was chief operating officer when the bank was acquired, which gave him the opportunity to manage the bank’s technical and cultural transition and to take on the role of regional president in the Marshall market.

After earning an MBA in 1999, Cook took the recommendation of several Michigan colleagues and enrolled in the Graduate School of Banking in 2001.

“It was an amazing time for me. Not only was the banking knowledge a great asset to my career, but I made some great friends that have stayed in place to this day,” he said. As a freshman, Cook met Ohio banker Shayne Thomas, and they quickly got to know each other while running together each morning and renting kayaks on the weekends. He still remembers hearing the news that Thomas’ 5-year-old daughter, Christi, was diagnosed with a rare form of childhood cancer called Neuroblastoma after their second year at GSB together.

Cook quickly put his technology skills to use, creating the site www.ChristiThomas.com to help the family tell their story.

Thomas couldn’t return for his final year at GSB, “but that didn’t mean he was not with us,” Cook said. With the help of two classmates, Gwen Yamamoto and Cheryl Scott, the three organized a two-week fundraiser on campus for the Thomas family. Students from each class donated items to raffle, and one classmate even wrote a check for $5,000 and handed it to Cook during their class party.

In all, the GSB students raised more than $12,000 for the Thomas family, which Cook presented to them in person along with a video from the senior party – complete with well wishes and students dancing with a life-sized photo cutout of Shayne’s head taped to a broom.

Thomas returned the next year to graduate from GSB, and Cook was there to celebrate with him. Throughout the four-plus years that Christi battled the disease, the web site attracted more than a million visits, inspiring people from all over the world with her courage. When she passed away, GSB President and CEO Kirby Davidson and many others made the trip to Tiffin, Ohio, to be with the family.

“Her story changed me forever,” Cook said. “Had it not been for GSB, I never would have known Shayne or been part of Christi’s story. I likely would not have had the courage to pursue my dream and follow my passion to do what I’m doing today.”

In 2007, after years of helping businesses build web sites as a weekend hobby while still a banker, Cook started his consulting practice that combined his knowledge of banking with his passion for making technology better, faster and more convenient for customers. He purchased a national license from the global franchise WSI – which stands for We Simplify the Internet – and began assisting clients with building their online presence.

As another part of his business, Cook recently completed training as a certified auditor under the Socially Legal Audit™ program. In this role, he helps clients identify and address the legal and regulatory risks associated with social media.

Continued on page 6...
Jaeger is among a group of GSB Banker Advisory Board members who have helped to design the program. “All of us volunteered to help due to a passion for both GSB itself and for family banking,” she said.

Mike Fleming with Litchfield National Bank in Litchfield, Illinois, is another. “As a third-generation president and CEO, I hope to gain the management skills necessary to lead the bank to a successful future,” he said. “This program will be unique by really focusing on the dynamics of family-owned and operated financial institutions in a highly regulated and competitive industry.”

“...it’s equally important for family-owned banks to take the time to focus internally on the strategic decisions that will ensure their own continued success over generations.”

Lead instructor and GSB faculty member, Ann Kinkade, has worked exclusively with family firms for more than 15 years, guiding companies of all sizes from many industries. In 2009, she launched Family Enterprise USA (FEUSA), the nation’s first non-profit advocacy group dedicated to addressing family enterprise image and public policy issues.

America’s 5.5 million family businesses employ 64% of the workforce and generate 62% of our nation’s economic output, according to FEUSA.

“At the core of all family-owned enterprises is a focus on long-term, sustainable growth,” said FEUSA President Ann Kinkade. “Banks are uniquely positioned to get to know their family business clients and their challenges. At the same time, it’s equally important for family-owned banks to take the time to focus internally on the strategic decisions that will ensure their own continued success over generations.”

In its new format, the Advanced Management Forum – formerly the Senior Management Seminar – focuses on a particular theme over three days. Additional forums with other specific topics will be added over time.

This particular forum was designed specifically for the owners of family-owned banks, as well as their key non-family management and/or board members. To encourage leadership teams from family-owned banks to attend together, GSB is offering a multi-participant tuition rebate when two or more participants from the same bank attend.

For more information and registration details, go to www.gsb.org/sm.htm. Participation is limited to 50 students.
Bankers Keep Coming Back to GSB’s Online Seminars

For access to quality programs taught by industry experts, bankers keep returning to the GSB Online Seminar Series.

Attendance in 2013 programs is outpacing last year’s record registration levels, driven by a need for convenient, cost-effective training.

Again this year, GSB is offering nearly 100 live, interactive courses on timely topics designed to meet the needs of bankers in the following areas:

• A/L Management
• Compliance
• Directors
• Funding
• General Banking
• HR Management
• HSA Training
• IRA Training
• Lending
• Management
• Marketing
• Relationship Banking
• Technology

Multiple attendees can participate through a single connection for one fee, which includes all handouts and materials.

Live seminars are offered on a particular date (or series of dates for multi-session seminars); each is then recorded and remains available for 90 days to those who are registered, allowing time for review or additional participation. Participants are welcome to register for recorded programs after they’ve taken place.

For a complete listing of GSB Online Seminar Series courses, arranged by date or by topic, see www.gsb.org/online_seminars.htm.

GSB Students Now Have Access to SNL Financial

Students attending the Graduate School of Banking now have a robust tool at their disposal throughout their 25 months at the school, thanks to a partnership between the Graduate School of Banking and SNL Financial, a leading provider of banking industry data and insight.

On a single web-based platform, www.snl.com, SNL delivers a breadth and depth of information on the banking sector—from merger and acquisition data to performance metrics and more. SNL’s interactive interface and analytical tools are available 24/7 to assist students with real-time bank data and analysis to help them develop a deeper understanding of the competitive banking environment with a real-world view.

“This new partnership adds real value to the GSB-Madison experience,” said Kirby Davidson, GSB’s president and CEO. “Information from SNL will assist students in the classroom and when completing valuable intersession learning projects. It will also provide meaningful data to help students understand how decisions in one area of the bank impact performance in another. We are extremely pleased to provide our students with this powerful tool, which will only serve to enhance our already exceptional banking school.”
Distinguished Speaker Series Gears Up for 2013

After a long day of classes, GSB students still pack the lecture halls to listen and learn during the Distinguished Speaker Series. Held on campus each August, these bonus sessions end offer industry insights, inspiration, even entertainment.

Back by popular demand to kick off the 2013 series is Lou Heckler, a peak-performance and leadership specialist who has studied high achievers for more than 30 years. With career experience that includes time as a Defense Information School instructor and TV news anchor, Heckler has made a living from studying what truly defines exceptional customer service.

One of GSB’s most popular faculty members, Jim Johannes, will be back to share his always engaging view of economic trends, in banking and beyond. Johannes is senior associate dean, U.S. Bank professor of banking, and director of the Puelicher Center for Banking Education at the School of Business at the University of Wisconsin-Madison.

An additional speaker will also be added to round out the Series; please visit gsb.org for updates.

The Distinguished Seminar Series is made possible through sponsorships by Wind River Financial, Wipfli LLP, Federal Home Loan Bank of Chicago, Federal Home Loan Bank of Des Moines and Bankers’ Bank, Madison.

Upcoming GSB Online Seminars

Please visit gsb.org to view details or find programs by topic area.

Employment Law Update
May 1, 8 & 15 10:00-11:30 a.m.

Establishing and Amending IRAs
May 1 10:00-11:30 a.m.

Mobile Device Security Best Practices
May 1 2:00-3:00 p.m.

Deposit Management: Advanced Topics
May 6, 13 & 20 2:00-3:40 p.m.

Enterprise Risk: Integration With the A/L Process
May 7 & 14 2:00-3:40 p.m.

Your ALCO Process - Time for Consolidation?
May 7 1:00-2:30 p.m.

Understanding the Business of Banking and Factors That Drive Profitability
May 7, 8 & 9 9:30-11:00 a.m.

Mobile Security: Making Sense of Mobile Device Management (MDM) Systems
May 8 2:00-3:00 p.m.

Proactive IT Security Self Defense
May 14 2:00-3:00 p.m.

Loan Underwriting Mistakes
May 16 8:30-9:30 a.m.

Delegating for Effectiveness
May 21 9:00-10:30 a.m.

Hacking Headlines
May 22 2:00-3:00 p.m.

Credit Risk: Management & Integration with A/L Management
May 23 2:00-3:40 p.m.

Loan Pricing: Application to Real World Situations
July 9, 16, 23 and 30 2:00-3:40 p.m.
He also serves as one of 12 regional directors for WSI’s strategic alliance with the accounting firm BDO Seidman, responsible for Michigan, Indiana, Ohio and Western Pennsylvania.

Cook’s niche in banking has served him well, earning him the President’s Circle award every year that he’s been with WSI. He has become a national speaker, informing bankers about internet and social media issues unique to the industry. His active presence on Facebook, Twitter and LinkedIn – and his free weekly webinars (www.FreeWebinarWednesdays.com) – have earned him a loyal following.

He returns to the University of Wisconsin-Madison campus each August as a GSB faculty member teaching *Leveraging Social Technology in Today’s Community Bank* as an elective. He also teaches online seminars between sessions. “I’ve had the great opportunity to get to know many of the faculty members on a different level than when I was a student, and the GSB staff is amazing to work with,” Cook said.

In addition to spending time outdoors with his wife, Alicia, a partner in the business, and their golden retriever, Ryder, he has found a way to ensure that his young friend’s story lives on, too.

Cook created a charitable effort, Pedaling With a Purpose, to assist him and other cyclists with raising money while competing. To date, Cook has raised more than $25,000 for the Children’s Neuroblastoma Cancer Foundation while racing his mountain bike 100 miles in the woods of northern Michigan and completing two 70.3-mile triathlons at the Cedar Point amusement park in Ohio – one of Christi’s favorite places.

Do you know a GSB graduate doing great work in the community?
Please email kkienitz@gsb.org to share their story – we may feature them in an upcoming issue of Connection.

Mark Your Calendars!
Graduate School of Banking Session Dates
August 11-23, 2013
August 3-15, 2014
August 2-14, 2015
July 31- August 12, 2016
GSB Offers New School for Information Security, Technology Staff

A new, weeklong GSB school will tackle the issues that keep bank information security officers and information technology managers up at night.

Following the model of other successful GSB programs, the school gives students a thorough understanding of the business of banking and today’s most demanding issues in information security management. Students will leave armed with offensive and defensive techniques to protect banks from threats, as well as a network of other IS and IT security professionals to call upon.

More specifically, the curriculum for the school will cover:

• The **business of banking**, including understanding bank financial statements, bank performance analysis, A/L management strategies and regulatory issues in the banking industry – all specific to IT security and risk assessment.

• **Bank technology security**, covering topics including information security management; security breaches, laws and regulations; social engineering; wireless security; payment systems security; BYOD defense; data loss prevention; employee monitoring; and emerging risks and new threats in business banking security.

• Core concepts will be taught via **IT security bank simulation labs**, which feature exercises designed for general IT, web and network administration experience. The labs will focus on penetration and vulnerability testing and reporting; offensive security tactics; early detection of hackers and data breeches; and attack and mitigation scenarios.

Serving as the lead faculty for the new GSB Bank Technology Security School is Kevin Streff, associate professor and director of the Center for Information Assurance at Dakota State University. The Center has been recognized by both the National Security Agency and the Department of Homeland Security as a national center of academic excellence in information assurance.

Kevin also serves on the faculty of the Graduate School of Banking at UW-Madison and the GSB Bank Technology Management School and recently taught the popular GSB Online Seminar, “The ‘Anonymous’ Bank Hack – What You Need to Know, and Do, Now!” (A recording of this seminar is still available for purchase at [www.gsb.org](http://www.gsb.org).)

Streff will be joined by a talented team of instructors who are leading experts in IT security and information assurance. These knowledgeable faculty ill guide students through an interactive program that includes hands-on hacking labs and real-world scenarios.

Students will leave armed with offensive and defensive techniques to protect banks from threats, as well as a network of other IS and IT security professionals to call upon.

The new school is designed for IS and IT professionals working in the trenches, dealing with day-to-day security concerns and incident responses. The existing GSB Bank Technology Management School – offered annually on the UW-Madison campus – focuses on IT leadership from a strategic and managerial standpoint.

Dates for the 2014 school will be announced soon; watch the GSB web site for more information. Please visit gsb.org and complete an information request to be added to the mailing list for this program.

PHOTO: Dr. Kevin Streff testified in June, 2011, before the Senate Banking Committee on issues of cyber security and data protection in the financial sector. Dr. Streff is associate professor of information assurance at Dakota State University and lead faculty for both the Bank Technology Management School and Bank Technology Security School, both offered by the Graduate School of Banking at the University of Wisconsin – Madison.
2012-13 GSB Banker Advisory Board

These banking leaders, who are GSB graduates, endorse the program and serve as advisors to GSB on curriculum, marketing and leadership development issues. GSB encourages you to contact them. For complete contact information, please visit gsb.org/alumni_board.htm

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