

TRUE LOCAL COMMUNITY BANK STRATEGIC EVALUATION



What we call **True Local Community Banks**—those at or under \$300 million in assets whose primary purpose remains focused on the needs and assets of their local communities—are a clear part of the banking industry’s future.



But given each TLC Bank’s unique market, it is impossible to provide a single prescription for a bank’s best future direction. The team at RPI assesses each organization individually, considering **financial performance, markets, products, processes, technology, resources, and potential**.

DON'T WAIT FOR THE FUTURE. DEFINE IT.

RPI can help you make the right choice about your bank’s future. The True Local Community Bank Strategic Evaluation helps banking executives objectively analyze their existing position to make informed choices about the long-lasting impact of which direction to steer the bank and how to maximize share value, today and tomorrow.

Regardless of the basic premise of your chosen strategic direction—grow, sell, or watch and wait—a few things are clear:

- In ten years, there will be significantly fewer bank charters in America.
- There will be clear winners and losers as a result of the consolidation.
- Some small rural markets may actually benefit.

START WITH STRATEGY

The first critical phase in a True Local Community Bank Strategic Evaluation is to review the bank’s strategy—not just the strategic plan, but the strategy. RPI works with TLC banks to define their own futures according to one or a combination of the following strategies:

Grow

Growth can come through organic market increases, through acquisition, or through developing or acquiring new lines of business. To achieve the level of performance required to support a growing bank, RPI works with the Board and Executive Team to ensure that the bank is aligned to make the strategy work through a review of

- Service offerings
- Technology plans
- Outsourcing and vendor management plans
- Market definition and potential
- Marketing plan
- Sales and service assessment
- Financial performance
- Organizational capabilities
- Operations and service delivery effectiveness

Sell

It is entirely possible that due to a combination of factors, from shrinking markets to insurmountable operational and human resource challenges to being a family-owned or closely-held bank that the right decision for your bank’s future is to sell. But the work isn’t done after you have reached that conclusion. RPI works with banks to

- Prepare for a profitable and successful sale or merger
- Follow a strategic decision-making process to make your bank as attractive as possible to potential acquirers from an operational perspective
- Achieve the greatest possible value for you, your employees, and your shareholders

Watch and Wait

Some organizations genuinely do want to stay in the business of banking, but they are unable for a variety of reasons to take an aggressive path toward growth. In this case, RPI identifies strategic ways to

- Allow emerging technologies to develop
- Follow as regulatory and risk management changes continue to evolve
- Operate as efficiently and effectively as possible, making sure that you are poised to be able to make quick decisions when the time is right
- Improve revenue growth and cost management