



# Town & Country BANK

Where banking is a simple pleasure

## May 2008

### FIRST QUARTER OF OPERATIONS COMPLETED

How time flies! It seems like just yesterday that Town & Country Bank opened its doors for business on February 19th. With three full months of operation now under the bridge, management is encouraged with the bank's initial performance.

Looking at the all-important bottom line, Town & Country Bank was able to eliminate nearly 30% from its projected first quarter loss. Brad L. Hales, Executive Vice President & Chief Financial Officer (pictured above), said "We are especially pleased with the levels of asset growth and expense containment."

Management is ardently focused on keeping net expense below plan in an effort to achieve profitability ahead of schedule. "If we can continue to maintain fiscal discipline while matching or exceeding our projected loan and deposit goals," Hales says, "we'll be on the right track." The bank's original pro forma financial statements project profitability in the second quarter of the third year of operation.

### WEBSITE ENHANCED

Users of the Town & Country Bank website will notice several changes, ranging from stylistic alterations to the addition of various hyperlinks. The stylistic redesign is intended to enliven the site with photos, captions and colors that complement the bank's paper brochures and advertising campaign.

OFFICIAL

# NEWSLETTER



Various hyperlinks were inserted throughout the site to allow users to quickly re-direct to pages having related topics. A local "weather" window was also added on the home page, and the window will soon be customized to the bank's style and color scheme. Additionally, a customized financial "markets" window is coming soon and will appear on the home page.



The bank's website has received attention in the community as highly eye-pleasing and extremely user friendly. While all re-design has occurred through in-house means, the site competes well with any large financial institution, but it also retains the hometown feel of Town & Country Bank. Interestingly, at least one other locally-based bank has just announced a forthcoming re-design of their website!

## MESSAGE FROM THE PRESIDENT

*(Reprinted from an article recently submitted by the bank's president to the Main Street Business Journal)*

### **"Twenty-first Century Banking for Business Owners"**

If you read through any bank trade journal, you'd think the entire future of banking rests upon the use of microchip embedded smart cards, thumbprint recognition biometrics, mobile telephone transfer and other technology breakthroughs.



Indeed just over a month ago, Bank of America and MIT Media Lab announced the creation of their Center for Future Banking, billed as "collaboration to create an innovation engine" for banking solutions. A major question their researchers will address is "How will banking interactions evolve as a customer's physical and virtual worlds become completely intertwined?"

While it is true that advancements in technology will offer tools and platforms for both consumers and businesses to streamline their banking, a recent study cited by Pacific Coast Bankers Bank (PCBB) says that "the top five things business owners want from their bank are high quality customer service, help with personal banking, quality branch personnel, flexible loan terms and a fast response to credit requests."

It is interesting that not one item on this wish list cites a desire for more bank technology. All the latest wizardry in the world is great – and even expected by bank customers – but banking is less about gizmos and products than it is about service. To be competitive in the 21st Century, banks should therefore find innovative ways to deliver good old-fashioned customer service.

So what should business owners be seeking and even demanding from their bank? And, is your bank still providing the same "cookie cutter" delivery

methods of the last century? Let's take a look at the PCBB survey and address how the needs of business banking might be addressed in today's world.

### **High quality customer service**

Generally reserved for banks' largest and most profitable customers, "private banking" is the industry's highest level of service. Private bankers shower their customers with personalized attention and eliminate most of the mundane elements of banking such as standing in teller lines, undergoing ID checks on every transaction, and even having to come into the bank for many banking matters. An innovative bank in the 21st century will recognize the value of its collective business customers – regardless of individual size – and provide them with real private banking service. Business customers deserve such treatment as they are loyal, profitable customers and as they serve as excellent emissaries for the bank throughout the community. Notwithstanding, many banks seem mired in the old ways and simply don't get it.



As we were setting up our newly-established bank, we kept hearing from business owners that said they had little time to make trips to the bank. We clearly saw the need to do what banks in other markets are doing: provide a free business courier service. A courier can bring the bank directly to the business by delivering checks, loan documents, forms and even onsite notary service. Importantly, non-cash deposits can also be picked up by the courier. This capability adds a new dimension to customer service as it answers a real need for business owners.

Many other elements to 21st century, high quality customer service can be cited. They include having multiple contacts at the bank who know you and who are available to assist when needed; having easy access to top management of the bank so your views and input can be considered; having small,

unexpected things done for you (e.g. our bankers walk customers to and from their cars with umbrellas on rainy days!).

### ***Help with personal banking***

The innovative bank of today will find no distinction between accommodating the business and accommodating the individual business owner. Both entities merit the same level of private banking.

Furthermore, business owners should demand from their bank the very same level of customer service for all of their employees. A bank with a courier, for example, could pick up several deposits in one stop: business and employee. The bank's enhanced service then becomes a perk for staff, which might aid the business owner in retaining good workers. Universal private banking is a "win win" to both the business owner and the savvy 21st century bank, which develops a large base of happy customers.

### ***Quality branch personnel***

In any business enterprise, the personality and culture of its staff is usually a reflection of its management. Business owners can learn about the efficiency of a bank's personnel by becoming acquainted with its management team. If the management seems friendly, accommodating and efficiency-oriented, chances are the bank's staff will be, as well.

For years, a bane of the banking industry has been staff turnover. That said, business owners should never settle for frequent turnover. Well-managed 21st century banks will find creative ways to address this challenge. At our institution for example, we are seeking to fix this problem by having a concentration of relationship bankers who are seasoned and firmly established residents of Washington County, and who are less likely to move on.

### ***Flexible loan terms***

Many banks adhere to strict, "cast in concrete" templates for loans and loan approvals. While financial institutions certainly need to ensure prudence and regulatory compliance, the 21st century bank will find creative ways of doing "do-able" deals and depart from rigid or formulaic borrowing requirements. Business owners who require frequent credit should find and develop lasting relationships with such lending banks.

### ***Fast response to credit requests***

Going forward, there will be little room for the

bank that can't respond to loan requests in a timely manner. Business owners should and must demand quick turnaround. As a rule, community banks tend to be more nimble in responding to loan requests than large or out-of-town banks. This is because small, local banks have fewer layers of decision-makers and management, and because they better understand the dynamics of local business than out-of-town approvers. Small and medium business owners might best be served when they forge lasting relationships with institutions that have demonstrated quick, locally executed credit decisions.

So while the "biggie wowie" technobanks may be today's headline-grabbers, owners of small and middle-sized businesses should certainly consider the benefits found in working with a forward thinking, customer-driven community bank. When the annals of 21st century banking are finally written and the 2099 PCBB survey is taken, I somehow suspect that business owners may still rank customer service at the very top of their wish list.



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## **CUSTOMER SPOTLIGHT**

### **Red Rock Hospitality**

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Parlaying decades of family experience in the furniture industry, Stanton Merrill and wife Michelle have established one of the nation's premier contract furniture manufacturing companies. Red Rock Hospitality produces top quality upholstered goods and counts among its customers several leading hotel chains, college dormitories, and other commercial

lodging entities. A full product line is offered and the company also accepts custom design contracts. Customers are assisted in coordinating their new lodging installation or in simply replacing upholstered furniture items.



The company's clients demand the very best in furniture construction, and Red Rock Hospitality certainly delivers. Stanton notes that the company surpassed last year's total sales in the first quarter of 2008! They attribute their success not only to the quality of their goods, but also to their competitive pricing, superior warranty and high standard of customer service.



*Home of Red Rock Hospitality*

The company has invested in sophisticated equipment, computer-driven machinery and a direct distribution center to ensure that it always presents quality, style, affordability, comfort, custom design and timely delivery. In the fall of 2007, Red Rock Hospitality significantly expanded its manufacturing and storage capabilities by moving into a new 20,000 square foot facility in the Fort Pearce Industrial Park. The new location allows the company to centralize every phase of its operations, including purchasing, manufacturing, planning and design.

Stanton's focus has been on growing the business. Accordingly, he recently sought a larger line of credit from his bank to fund the growth. The company's tremendous increase in revenues, however, wasn't being addressed by that bank, so he turned to Town & Country Bank for help. Loan Officer John Jones was willing to visit Red Rock's warehouse to have a first-hand look at the business. "John understood our situation and responded to our needs. I tried for months to do at (name of bank withheld) what Town

& Country did in days," Stanton recalls. "It was a streamlined experience," he adds.



*Owners Stanton & Michelle Merrill with son, Ethan*

Stanton found friendly staff at Town & Country Bank, who helped him deal efficiently with the problems he encountered in switching banks. "I also like the bank's location, which is convenient to our business at Fort Pearce," he says. Notwithstanding, he is anxious to utilize Town & Country's free Business Courier service in order to save himself valuable time. Additionally, Red Rock Hospitality switched its merchant card services to Town & Country Bank, saving the company 50% on the monthly fee and also saving on the percentage and per item transaction fees.

With Stanton and Michelle's vision, their recent investment in state-of-the art equipment and the new facility, and with the help of Town & Country Bank, Red Rock Hospitality is now positioned to expand nationally, take on larger custom orders from hotel chains, and complete those orders in a more timely way. Right on, Red Rock!



**Town & Country**  
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