

Extraordinary Banker

The Unprecedented Guide to High-Performance Banking

Elgin State Bank
follows strategy and
embarks on a

**"Culture Shift
Journey"**

Mark Abate,
chairman, and
Pete Morrison,
president of Elgin State Bank



Hiring Without
the Mistakes

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13 Deadly Strategic
Planning Mistakes
Almost Every
Bank Makes

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How a One-Page Strategic Plan Created



Pete Morrison (left) and Mark Abate (right) of Elgin State Bank in Elgin, IL.

An Amazing Journey...

Mark Abate, chairman, and Pete Morrison, president of Elgin State Bank in Elgin, IL are not stuck in doing things in traditional ways. And it's working for them.

Their bank's culture has gone from really good to amazingly great. All of this success is based on a rock-solid, one-page strategic plan and the tools they use to make sure it is lived every day.

Roxanne: You two have been leading your team on a "Culture Shift Journey" for the past year and a half. What made you decide to switch from the traditional banking strategy of expansion via acquisition to focusing on the customer?

Mark: The light bulb really came on when we attended The Emmerich Group's FAST-Track Strategic Planning Think Tank. This event was the genesis of not only our strategic planning process but of everything we hoped to accomplish in the coming years.

Pete: Most importantly, at the FAST-Track Strategic Planning Think Tank we were able to develop the ten core values that our

bank now abides by every single day. The importance of these values were so well-defined after this event that when we came home, we spent the next two weeks refining and formalizing our values with strong buy-in from our entire team.

Roxanne: Tell me more about some of the core values you created. Which ones do you feel your employees have embraced most and, in return, have led to your unprecedented growth?

Mark: I think "create customer success" is a terrific value. We want our customers to be successful and we are willing to help them in any way possible to make this a reality.

a Culture Shift Extraordinaire



Pete: I think our employees have also really embraced “Live your word,” which means do what you say you’re going to do.

Roxanne: We continually hear about bank success stories, but we know that every bank has its bumps and bruises en route to discovering its true calling. Tell us about strategies that you have tried in the past and have learned the hard way that they weren’t good strategies.

Pete: Up until 2006, we had intentions of expanding our retail and business banking locations to increase deposits. We are located just outside the metro-Chicago market and it is hard for us not to want to enter this lucrative market. We even moved our main office to a terrific location with a lot of retail traffic.

Mark: Once we starting working with The Emmerich Group and defined our vision, values, and goals, we realized that being a retail bank did not meet the criteria we had set. At that point we realized we needed to focus on our niche—commercial banking.

Pete: Another mistake we made in the past was spending a hell of a lot of money for marketing ads and direct mail trying to pursue the “non-customer.” Once we stopped spending money on advertising and began focusing on our current customers, our deposits actually began to grow. This was an eye-opening learning experience for us.

Roxanne: Good lesson. You’ve also done an amazing job of keeping your employees motivated and dedicated to your bank’s strategic vision.

Mark: Actually, one of our bank’s ten core values is “continually celebrate success.” We do this every day during our morning huddle. We dedicate this time to employees sharing the previous day’s successes. This includes both professional and personal successes. It helps our team get to know each other, and they look forward to it.

Some days we actually have people jumping up and down with their hands up eager to share their successes. Every morning they hear us tie many of the success stories into the particular value that success reflected. It supports our values.

Pete: Employees were not always that enthusiastic, though. Were they, Mark?

Mark: Not at first. Just like any new initiative that we roll out, there is always some resistance. For instance, the first morning huddle that we initiated sharing the previous day’s successes, nobody had a story.

We sat their for a few moments in awkward silence until I finally sat on the ground Indian-style in the middle of the lobby and said that I would not get up until employees started sharing. Little by little, employees began sharing successes and everyone was amazed at what was accomplished the previous day. It was a turning point for everyone in the bank to see how much value each one of them brings to the bank.

Roxanne: You know what they say; actions speak louder than words! I hear your quarterly celebrations are highly anticipated by employees because of your commitment to celebrating success. What special ways have you recognized employees and their achievements?

Pete: Each quarter, we hold our ESB Awards Ceremony to honor employees who have done the best job demonstrating our ten core values over the past quarter. These awards can be individual and/or team based.

Mark: It takes place much like the Oscars or the Emmys. We literally invite everyone to this celebration and stand on stage and say “This quarter’s winner of the ‘Creating Customer Success’ award is....” Winners come on stage and are recognized by everyone in the bank for their achievements.

Pete: The best part is that our Hoopla™ team, which was also spawned at our FAST-Track Strategic Planning Think Tank, plans everything. We consider our Hoopla™ team our “palace guards” of our core values. They are an extremely creative team. Actually, for our last quarterly celebration they decided to create an “Elgin State Bank Apprentice” contest based on the popular television show.

Mark: Yeah, it was GREAT! Five teams entered and worked together for several

weeks on their own time to brainstorm ways we could create customer success.

When it came time to present their work to Pete and I (the “Donalds”) we were blown away by the ideas they came up with and the degree to which they researched their ideas. It was really intense. In fact, when we presented the winners at the ESB awards, the entire crowd was on edge. Before the names of the winners were announced, you could hear a pin drop. When we announced that the contest ended in a tie, there were “oohs” and “ahhs” coming from the audience. Once the names of the winning teams were finally announced, the winners were so excited! They were giving each other high-fives and were truly excited they had won.

Pete: All five teams brought implementable ideas to the table that we are going to use. It was a tough choice. The winners ended up receiving customized prizes for their hard work. The prizes were great; however, I think employees were just as excited to have their ideas for creating customer success implemented within the next 90 days.

Roxanne: That is brilliant! You two inspire me, and I’m thrilled to see how you’ve taken your focused strategy and your commitment to shift the culture and brought it all together for a wild success. Congratulations, and keep us posted on your continued breakthroughs. The sky is the limit!



Interested in taking your bank on a “Culture Shift Journey”? For more information, see page 12 or visit: www.EmmerichFinancial.com/eb-thinktank