

## MEMORANDUM

To: Our Valued Subscriber

From: Ed Pace, Author and Senior Vice President, Sheshunoff Information Services

Subject: *Highlights*

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Thank you so much for your purchase of Sheshunoff's *Strategic Planning* manual. I wrote this manual to fill a critical need. During 2009 and 2010 community banks will face the most serious challenges our industry has ever experienced; many banks may not survive. Each community bank needs to consider seriously the path it will take through the roughest economic conditions in 70 years. In this manual we lay out an effective and efficient middle-of-the-road path. We suggest you use it as a point of departure as you develop this year's strategic plan.

### THE MANUAL

Though the manual is titled *Strategic Planning*, its primary goal is to help community banks significantly improve their performance. You can see this by the following chapter organization:

- **Path to Improvements.** Chapter 1 lays out a path to bank performance improvements and explains how to use the manual to make improvements in several ways.
- **Financial Performance Improvements.** The manual contains three chapters dedicated to profit improvements. Chapter 2 gives quite specific guidance on how to improve financial performance through the careful reading of a multi-peer group comparative performance analysis report. Chapter 3 has more than a dozen ideas on how to improve earnings. Chapter 4 contains a similar number of ideas on how to control non interest expenses.
- **Strategic Planning Discussion Papers.** Chapter 5 addresses board effectiveness issues. Chapter 6 contains discussion topics that might be of interest to a strategic planning team.
- **Regulatory.** This section (Chapters 7 through 11) includes information on risk management, a model risk management system, a paper on outsourcing options, regulatory hot topic discussion papers, real estate environmental risk management, and bankruptcy loss controls.
- **Technology.** Chapters 12 and 13 discuss how to prepare a technology plan and how to manage technological developments.
- **Marketing.** Marketing topics in Chapter 14 include marketing management, organizing for sales, branding the bank, cross-selling, call programs, and how to have an effective advertising program.
- **HR Management.** Chapters 15 through 17 include instructions on:
  - How to change the corporate culture.
  - Set goals and objectives for employees.
  - Motivate employees.
  - Administer salaries effectively.

Chapter 18 contains must-reading discussion papers on HR management.

- **Strategic Planning Guidance.** This section (Chapters 19 through 21) provides step-by-step directions for developing a strategic plan from scratch. Also, there is a model strategic plan. (Three additional models are available).
- **Financial Planning.** This section (Chapters 22 and 23) guides you through the steps necessary to arrive at a practical financial plan, a realistic capital plan, and a practical budget for next year.