



2023 Community Bank Case Study Competition

Background

Banks provide credit and financial services in the United States. Community banks play a vital role in sustaining their local economies and are key providers of banking services, particularly in rural communities across the country.

Today's community banks face a multitude of challenges, including a competitive jobs market, succession issues, and meeting changing consumer needs. Consolidation in the community bank industry is an ongoing concern. During the past decade, the number of community banks has declined by roughly one third. The steady decline in the number of community banks and their share of U.S. banking assets have raised questions about the future of community banking.

For the 2023 CSBS Community Bank Case Study Competition, teams will be asked to learn about how management and the board of directors of their chosen institution are (1) recruiting, training and retaining talent, (2) approaching succession planning and demographic changes in their area, and (3) using technology to advance their operations.

Through this study, we hope to get a better understanding of how community banks are positioning themselves for success and sustainability in a fast-changing banking environment.

Questions – 2023 Community Bank Case Study Competition

Part I: Financial Analysis

Using the FFIEC 041/051 Call Report, Uniform Bank Performance Report (UBPR), and other publicly available data sources, students should analyze and provide an analysis of the following:

- Earnings Performance
- Loan Portfolio Composition
- Asset Growth
- Capital Levels
- Liquidity

To facilitate uniform analyses amongst teams, this financial analysis should be completed on a year-over-year basis covering five years.

Part II: Staffing (address the questions most pertinent to the institution)

1. How has the bank recruited and retained talent through the years? Were new benefits added at some point to stay competitive? What does bank management say makes them stand out as a great place to work? What do you, as an outsider observer, think makes the bank unique?
2. The pandemic brought with it a historically strong and competitive labor market, how does the bank plan to differentiate itself from competitors on staffing in this unusual environment? For example, does the bank tap into a local university for recruitment efforts or has unique benefits it offers staff?

3. Describe the community bank's staff generational makeup (Gen Z, Millennials, Gen X, Boomers, etc.). Was there significant turnover during the pandemic? If yes, what did bank management glean from exit interviews?
4. In the past decade, has the bank made any notable hires that provided new expertise (such as IT) or new perspective that management would like to highlight? How did the institution manage to recruit that/those individual(s)?
5. Has the bank dealt with the exit of any senior executive officer(s) in the past decade? How did the bank's succession plan help it respond to that exit?
6. How does the bank approach succession planning? (Is it a family-owned institution, shareholder driven, etc.?) What techniques does management use to identify new leaders and successfully manage critical staffing transitions? What challenges do they expect for succession planning? For example, are multiple senior executive officers expected to leave simultaneously for retirement or is it a family-owned and operated bank where the next generation have no interest in banking?

Part III: Training and Technology (address the questions most pertinent to the institution)

1. What training (leadership, or job functional certifications) does the bank provide staff or senior leaders? How does the bank provide career development for younger staff?
2. The pandemic made hybrid work a mainstay for many employees. Has the bank provided post-pandemic flexibility in work location for any portion of its workforce?
3. What new technologies has the bank adopted in the past five years? What were some of the key challenges with implementation? How are staff trained to handle new technology and questions from customers?
4. What one great story does the bank have that exemplifies a community bank having a technological success in the past five years?
5. Has the bank been examined since the pandemic began? Does management prefer having examiners onsite or remote?

For example, is the bank considering partnering with fintech companies to provide services that they cannot produce in-house?
6. How is the institution using technology to drive profitability? For example, a technology that opens a new revenue stream, or a chat bot on its website.