



Playing The Role Of Good Samaritan

by [Steve Brown](#)

In the science-fiction television show Quantum Leap, the main character leapt through time, using some souped-up physics concepts, to right past wrongs. In his travels, Dr. Sam Beckett finds himself in some pretty precarious situations as he leaps into other people's bodies and tries to save them and those around them from repeating history. While the concept is clearly fictional, the idea comes from real-life good Samaritans. These aptly named do-gooders have saved numerous lives by interceding to prevent drowning accidents, fighting off delinquents, tackling aggressors, and returning lost, precious items. To encourage such neighborly behavior, many jurisdictions have enacted laws to offer legal protection for people who give reasonable assistance to those who are, or who they believe to be, hurt, sick or in danger.

For banks, taking on the role of Good Samaritan can help cement lasting and meaningful relationships with small business customers. One idea is that banks can deepen relationships with customers by becoming advocates for them. In fact, a Bank of America survey of small business owners finds only 27% say they consider themselves to be very financially savvy, while the remaining 73% say they need occasional or ongoing support and professional expertise. One successful approach here we have seen used by banks is to do a regular financial check up on the customer to help them understand risks, opportunities and areas where they may be able to improve their financial situation.

Another sure-fire way to help small business customers and encourage lasting relationships is to stay informed about the latest small business trends in their industry and impart that knowledge to them as you come across it. Survey after survey shows small business owners want their bank to know their business and to provide guidance and information so they can improve. Doing research by major customer category and sharing it out to your clients is one easy way to do this. Businesses will appreciate the time you are taking to understand them and foster their growth.

Yet another way is to make the lending process as simple as possible for the small business owner. A Gallup poll of small business owners finds 56% of businesses who were approved for credit said they were satisfied with the overall process of obtaining a business loan or line of credit. That leaves a big chunk of owners wanting for more. Areas that can make the difference here according to the survey results in order include: shortening the length of time to approve, keeping the customer informed of the status throughout the process and simplifying the overall borrowing process and documentation.

It's also important for banks to understand their small business customers' pain points and help them work through them. Cybersecurity is a major issue these days, as small to mid-sized businesses are increasingly being targeted by hackers. It is incumbent upon bankers to protect themselves by educating customers. Small businesses need to know for instance and take action to fix issues surfaced by a Nationwide Insurance survey that finds 79% of small business owners do not have a cyber attack response plan despite the fact that 63% admit they have been victims of at least one type of cyber attack. As a practical and meaningful service to customers, banks might consider co-hosting occasional seminars with law enforcement about cybersecurity. Issues to be addressed could

include keeping networks safe, how to safely allow employees to bring their own devices to work, the proper use of firewalls, the latest trends in cyber-crime and more.

Small businesses need help in many areas and community banks are perfectly positioned to deliver it, so keep up the good work out there. There's no telling the good that can come in the future by continuing to be an advocate for small businesses today.

BANK NEWS

Crazy Situation

The Financial Times reports the value of negative yielding bonds has now reached \$13.4T worldwide.

Less M&A

S&P Global Market Intelligence reports that as of Aug 8, 2016 there had been about 6% fewer deal announcements in the banking sector compared to the same period last year (157 vs. 167).

IT Spending

Gartner projects worldwide spending on information security products and services will increase 7.9% this year vs. last year. Most of the boost is expected to be in security testing, outsourcing and data loss prevention.

High Cash

A Bank of America Merrill Lynch survey finds cash levels are at 5.8% of investor portfolios now, the highest since 2001. Concerns over global economic strength, low rates, elections and other factors are all contributing to the increase.

Healthcare Costs

IHS Global Insight research finds health care accounts for about 20% of total consumer spending vs. 5% in 1960.

Investor Lawsuits

University of California Berkeley study finds 20% of all corporate mergers in Q4 of 2015 saw shareholder litigation vs. 95% in 2014. Of note, Q4 was the first full quarter when the court system began to intervene and nuisance lawsuits began to decline sharply as the hurdle shifted to gross deficiencies in board activities (need to be sure an independent review and appropriate due diligence have occurred to avoid frivolous suits).

Tech Growth

CNBC reports research by Newmark Cornish & Carey finds the technology industry now accounts for almost 63% of the office space square feet in San Francisco (3.7mm out of a total 5.9mm).

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