

Asking the Right Strategic Questions

Philip K. Smith, President

Gerrish Smith Tuck, Consultants and Attorneys

Community Bankers of Michigan

Bank Directors' College

Traverse City, Michigan

September 13, 2017



Questions for Planning?

Which is more important?

- Strategic planning?
- Strategic questions?
- Strategic alignment?
- Strategic positioning?
- Strategic strategy?

What is Strategic Planning?

The process of answering (the right) strategic questions.

Is Your Strategic Planning Missing the Mark?

Are you asking these questions?

- What is your value proposition?
- Can you define your customer-centric model?
- Do you cross-orient the deliverables of your niche differentiation strategy?

Making the Most of Strategic Planning

1. Don't focus too much on SWOT
2. Once your Mission Statement is set, leave it alone (what are you really trying to accomplish?)
3. A planning session is not a budgeting session
4. Not addressing “real” issues
5. Focusing too much on process

Making the Most of Strategic Planning

6. Not being honest (with yourself and others)
7. Not making efficient use of time
8. Not making the event enjoyable
9. One person dominating the meeting
10. Assign responsibility and follow-up

Ensure Substantive Discussion

- Independence
- Capital
- Earnings
- Liquidity
- Acquisitions
- Technology

Some Key Strategic Questions

- When are we going to sell the bank?
- How do we avoid having to sell the bank?
- What would we do if we received an unsolicited offer?
- Do we have an emergency succession plan?
- Can we meet any demand for liquidity from a single stockholder or family?

Some Key Strategic Questions (continued)

- Is there more we can do with our bank holding company?
- How would an acquiror view our organization's earnings and efficiency?
- Is our branch structure optimized?
- Are our product and service offerings helping or hurting?

Some Key Strategic Questions (continued)

- What technology should we have adopted sooner? What technology do we still need to adopt? What technology will be next? How quickly should we react?
- Is our stock really worth anything?
- If the role of the board has changed, why hasn't its membership?
- How do we retain key employees?

Some Key Strategic Questions (continued)

- How do we measure shareholder value?
- What are the metrics that define success for our organization?
- Are our actions and our mission consistent?

Final Questions

- Are we all on the same page?
- Do we have a clear consensus?
- Whose responsibility is it?
- When and how are we going to follow up?
- What do we do if circumstances change?

Asking the Right Strategic Questions

Philip K. Smith, President

Gerrish Smith Tuck, Consultants and Attorneys

Community Bankers of Michigan

Bank Directors' College

Traverse City, Michigan

September 13, 2017

