

Entrepreneurship

MASTER SERIES

Ask Trey Maust for the secret behind the amazing success Lewis & Clark Bank has enjoyed during their first year of operations and he will answer “our people.”

Trey has always believed that the success of any business is dependent on the quality of its employees. Consistent success relies on developing and retaining that talent. Using this philosophy, Trey co-founded a commercial bank that achieved over 500% asset growth during its first five quarters of operation.

Launching a new venture is something an entrepreneur never takes lightly and Trey was no exception. To fulfill his dream of starting a successful commercial bank in Portland, the first order of business was to partner with someone who shared the same vision and commitment. That partner was Jeffrey Sumpter. Jeff and Trey had previously worked together where Trey was the Chief Financial Officer and Jeff was the Chief Lending Officer. Together they envisioned an organization built on a culture of strong performance, mutual respect and commitment to individual and team success. The key to making this vision a reality was to hire and carefully deploy top talent.

Trey and Jeff spent the next several months gathering information, establishing networks and building relationships to help them start their venture. Much of their energy was focused on gaining important knowledge and advice from people who had prior experience starting a bank. In fact, several of these experts became shareholders or members of the bank’s Board of Directors. One thing they learned included how critical the first three years of business were, known as the de novo period, where operating results are very carefully scrutinized by national and state regulatory bodies. It became clear how important it was for them to bring on board a Chief Executive Officer with significant tenure in the banking industry.

Both Trey and Jeff had extensively used the behavioral assessment tool Predictive Index® (PI) at their prior employer and understood the value the results of this survey would bring not only to identifying the most appropriate person for this position, but in helping establish a cohesive culture at the executive level. Trey explains: “As important as it was to find someone who filled in any skill-set gaps, to us it was even more important to find someone who was behaviorally compatible with the two of us.” Using PI as a guide, Trey and Jeff recruited Larry Baker who not only offered an impressive resume of forty years in banking but also complemented the team dynamic with diligent administrative follow-through of projects and strategies throughout the organization.

“We are a very cohesive team,” continues Trey. “PI changes the way you recruit and manage your workforce. It becomes an integral component of organizational development. Virtually all executive discussions at the bank relating to human capital will involve some level of behavioral profile analysis including: recruiting, deployment, departmental changes, incentive plans and employee recognition efforts. These days it takes about a year to bring a bank from concept to reality, so in addition to developing our business plan, building financial projections, coordinating with national and state regulatory bodies and managing shareholders, we had to carefully assemble a virtual team well in advance of the recruiting process.” During this due diligence process, they put together a “wish list” of local talent they would target for the soon to be established, Lewis & Clark Bank. Each was a top performer in their respective field, with average banking industry experience exceeding twenty years. They knew that without successfully attracting these top industry performers, it would be very difficult to achieve the bank’s market-leading financial goals.

“We firmly believed getting the right people in the right positions was the key to exceptional organizational performance. During the first two to three years of a bank’s life, employees must wear many different hats, so we consciously decided to rely on PI to best allocate the critical functions of the organization to each member of the team.” The executive team developed an organizational chart for the bank based on the type of behaviors needed for each role in an effort to ensure they were getting the right behavioral fit for both the position and the culture. The companion tool to the Predictive Index, the PRO (Performance Requirements Options) along with their deep knowledge of PI, assisted them in accomplishing this task. With a clear plan in place, Trey and Jeff started in earnest recruiting the desired talent. Many names on the list were people they had worked with previously giving them a distinct advantage of knowing both their general PI results along with their strong performance history. Armed with this information, their efforts paid off; Trey and Jeff were able to bring on board 100% of the talent originally identified on the “wish list.”

For any business, it is important for everyone from the executive team to the Board of Directors to effectively work together to meet the challenges and goals of the organization. The executive team turned to PI once again to strengthen its relationship with the external Board members. Trey explains: “The Board directly impacts the strategic direction of the bank, and just as important, it can create friction or support for the business itself.” In an effort to increase communication at this level, the PI consultant for the bank, conducted a session where he evaluated the PI’s for all the board members, including inside directors Larry, Jeff and Trey. This was a very revealing exercise for the group. The PI allowed the directors to understand each Board member’s informational needs and communication style in an open, non-confrontational way. Jeff explains the significance of the information: “One board member was very much caught up in the details of the business, which had been interpreted by us as a desire to be involved in the day-to-day management of the bank. However, the PI results clearly showed that this person simply needed to ask a lot of questions, gather information and analyze the results before being comfortable giving his opinion. This knowledge made all the difference in understanding his motivation going forward—hopefully avoiding potential friction in the future.”

Lewis & Clark Bank opened its doors on December 15, 2006 with 10 employees and assets of \$12.5 million, all of which was raised from private sources. It became clear early on that the bank was growing at a higher than projected rate. This confirmed what Trey, Jeff and Larry knew all along; they had the right talent on board and in the right positions. Effectively developing, motivating and retaining each employee became a key initiative for continued success. Together with their PI consultant, they created a “Motivate and Praise Report.” The report used PI results to identify the method of communication and recognition best tailored to each individual. It ranged from public acknowledgement, money and plaques to private dinners and family trips. “Outside of the recruiting and deployment process, we believe this is the single most valuable information PI offers our organization. In our previous experience, recognition and incentive plans were usually one-size-fits-all, oftentimes resulting in partially wasted resources and efforts because employees’ specific motivational needs were not being met. Armed with this new information, we can pinpoint the most effective ways to recognize and reward each employee.”

Lewis & Clark Bank have exceeded expectations. For the 15 months they have been in operation, assets have grown from \$12.5 million to \$75 million, resulting in over 500% growth. This growth rate is nearly twice that for all banks opened in late 2006, whose average asset growth for the same period was 279%!

During this same period, the number of employees grew by 100%, to a total of 20, without experiencing any turnover. Their reputation of being an employer of choice enabled them to continue to hire the top talent in their industry.

“Understanding and utilizing the behavioral profile results of PI not only changes the way you recruit and manage human capital, it fundamentally changes the way you approach organizational development in general. I don’t believe we could have brought the bank as effectively from concept to reality and from \$12.5 million to \$75 million in assets without the insight from the Predictive Index.”