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Savings Bank of Walpole - a Local Bank that Connects with its Staff and Community



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**"We are here for our community, because of our community, and we are here to serve our community."
Mark Bodin**

CEOCFO: Mr. Bodin, Savings Bank of Walpole has a long history. What is the vision and mission behind the bank today?

Mr. Bodin: I think it is similar to what it has been since its founding in 1875 as a mutual bank in a small town in New Hampshire. We still are a one-market bank. We are in the Monadnock, New Hampshire region and reach over a little bit into Vermont. We are here for our community, because of our community, and we are here to serve our community. We are proud to be a big part of everything that goes on here and we thrive when our community thrives. There are advantages and disadvantages operating in single market. We focus on the advantages and we know who our constituents are because they are our neighbors, our partners, and part of the organizations that we support.

Our big goal is to always be relevant in serving our community well. Going through this pandemic required us to adapt and readapt to protect our staff while serving as an essential service provider. It has been our privilege to do so and take advantage of opportunities like the PPP program. We were aggressive in working with our customers where many other banks were slow to get going. Because of our team's efforts, 100% of our customers that applied in the first round received funding and we are proud of that. In terms of donations, we knew that others would not be able to afford to donate locally at the levels that they did in the past. We responded by doubling our giving knowing that our community needed it more than ever and we felt a sense of duty to fill the void. We have this wonderful relationship as a part and leader of the community that we are so proud to serve. Most of us live here and work here. Our customers are our neighbors.

"We are able to do the right things the right way and still be a responsible regulated bank. That is the great thing about our model." Mark Bodin

CEOCFO: *What is the community like?*

Mr. Bodin: We are in an underserved but extremely proud part of New Hampshire. We are in the southwestern corner, so we are a little out of the way and we do not have a major population center. With our community in Keene, we have a medical center which is our largest employer and we have a state college. It provides a level of vibrancy and we have a classic New England Main Street with the majestic Colonial Theater as a centerpiece. In normal times on a show night, it is lit up and you just really feel this great vibe through the community. It comes to life.

The thing that is striking to me with my background in national nonprofits before banking, is the size of the many capital campaigns this relatively small community supports to provide great top-notch resources to the area. It is incredible. That said, our region is economically stagnated and there has not been a lot of new business growth. There are a couple of mid-sized employers and small businesses that have moved in or been started but economically and population wise our community has stagnated. That said, you would not know it from the pride of the people and the way they go about their business. It is inspiring.

CEOCFO: *Would you tell us about the range of services you offer?*

Mr. Bodin: We are a bank and I think that we have all of the services you would expect. We have a nice eBanking platform and comparable features to a large bank. We have been relevant in terms of adding all the different features that our customers need to stay local and bank local. Our ability to focus on a single community and provide relevant services and pricing for our community is an advantage. We think our primary difference is not necessarily the products and services, but we believe our customer service and accessibility is superior. We know everybody says that but we believe we walk the talk every day.

Along with that, I think it is how we go about our business that differentiates us. We focus so much on our community in all we do and have achieved a sincere level of caring and involvement and just a powerful interrelationship within our community. I think our banking products are competitive which is very important but I do not think they are anything out of the ordinary. How we go about our business and serve our customers and community is where we separate ourselves from the pack.

CEOCFO: *How do you decide what to focus on as far as giving back to the community?*

Mr. Bodin: Traditionally we have been more of a breadth giver than a depth giver, which means that we are able to be involved in everything. We have priorities in terms of our giving with a focus on young people and education, but not to the exclusion of all of the other great things going on in our community. During the pandemic we have truly focused on meeting the needs of our community – which are significant. We look for the need. An example this year relates to schools going to a hybrid school model. The Keene Family YMCA, which is a wonderful organization, came to us and said that they were trying to expand their

offering so they could provide a learning space for kids on the days they are home but their parents have to work. They were looking for startup funding for that and wanted to know if we could help. We were proud to be their first call and we fully funded their need.

When I became president two-and-a-half years ago I created a Community Engagement Coordinator (since promoted to Officer) position and "engagement" is the key word because we engage with our community in so many different ways. It goes well beyond financial support. Our community comes to us for advice and ideas, they network through us and they come to us for board members. We are proud that we are often the first call for organizations when they have a need. There is a wonderful hospice and home health care organization up the road and they recently needed a new roof in the midst of this challenging year and did not plan for it. We are the first people they turned to for help. We look in terms of what we can give but also, we are a bank so we can offer them an extremely low-rate loan just so they do not have to tap into their endowment. We have conversations and we deal with our nonprofit partners throughout the community closely. I mentioned the Colonial Theater and they are going through a big renovation project. Their model is obviously based on putting people in seats and they cannot do that right now. They discussed their plan to take advantage of the down time to accelerate their project and turned to us as a leading supporter. After a few conversations we made the largest commitment the bank has ever made. The engagement, conversations and relationships are the key for us.

During this pandemic we told nonprofits that we just need them to be honest with us. If they are struggling, please come to us and tell us. If they are doing ok, please also tell us that so we can keep supporting you but we will direct additional funding to those that are struggling. I think a lot of it is sticking to our priorities, but truly having the conversations makes a real difference. We are not about writing a really huge check kind of organization but we are dependable and people know that and when they have special needs, they turn to us. I think that's the strength of the "engagement" part of our approach.

CEOCFO: *What is the competitive landscape?*

Mr. Bodin: It is interesting because our community had many community banks that had been acquired over time and right now there is only one other community bank in our market. They are a good bank but they are not located here and this is only ten percent of their total business base, so it is not a focus area for them.

Our tagline is "The Savings Bank of You," and we back it up by having the services and low fee structure that works for our community. We are the bank where you can reinvest in your community because of our wonderful local model where your money goes into your neighbor's home, or business, or the local organization you support. There are the large regional banks here but they do not give back to the community at anything near the level we do, so we do think we have a distinct advantage in terms of that.

By the numbers, we look at this year and how the whole industry has grown in terms of their deposits. We far exceed the deposit growth that the industry is experiencing and I think it is because of our local brand. People see it every day but the pandemic has shined a light on just how much being a community bank with a sole focus on our local community benefits our businesses, organizations and families. The pandemic has brought us together as a community and I believe our model will provide us with a long-term advantage.

CEOCFO: *How do you help your customers weather some of the economic ups and downs?*

Mr. Bodin: I think the first thing is that we are here for them. When we have a customer that is going through something, they just call me or one of our team. We can talk about it with them and work with them on a plan. In normal times, customers just come in and sit down with us. We sit across the table from someone and know they just went through something in their life or business and they do not have to talk to an 800 number that works off of a script. We can treat people like people. The fact that somebody comes in and they are having an issue with their business or maybe it is health related for somebody in their family, we know that person so our ability to treat people as individuals is probably the biggest advantage.

When you take out a mortgage or a business loan, that is your dream. Nobody ever goes into it thinking something will go wrong but things happen. I think that is where we differentiate ourselves in that we can look at that person and sit across the table and say we believe they will work it through if we give them a chance. We have some people that have been on our loan watch list for five or ten years and they work it out over time. Many other banks don't give them that chance. For us, they are our neighbors and not a number. In terms of the front end of it, we have requirements to be met just like other banks but it helps that we understand the unique properties that exist in our rural area. They might not conform because there is a lot of land and we are used to that and can deal with it. That is another advantage.

I tell our staff that when somebody comes in and they go to one of our bankers and they sit down with them to talk about something, most of the time they are super stressed and the world may be doing well but they are not. Our people are sympathetic to that, they have a lot of empathy and they are willing to work things all the way through. We have many elderly customers that come in and we regularly go so far beyond expectations. If they are struggling with something, with a utility or some vendor, we will call for them. We will also work with their family members on different things. We are a bank but the ability to be human is one of the things that we really pride ourselves on because we are all neighbors and we enjoy working with them. We are able to do the right things the right way and still be a responsible regulated bank. That is the great thing about our model.

CEOCFO: *Why do people like to work at Savings Bank of Walpole, recently recognized as one of the Best Banks to work for?*

Mr. Bodin: Actually, this is fourth year we applied and our fourth straight year on the Best Banks list. We are proud of that. We appreciate the process and we use the survey feedback to improve each year. It is touching that the words and phrases that come out from the staff survey are family, caring, compassion, putting staff first. Our business model is we take care of our staff and if you have the right staff, you treat them right, train them right, give them the right resources, they are going to take care of customers. There is no doubt about it. We give all of our staff opportunities to engage in the community during work hours in things that are important to them. They just have this sense of pride. You walk around town and if you are wearing SBW clothing, people are like "Oh that is my bank, you guys are great." Who doesn't love that?

An example of us putting people first is how we responded during the pandemic. We set the standard from day one that all decisions during the pandemic would be made with staff safety as the number one consideration. And we have done exactly that. We communicate a lot and I send out weekly messages including some that are very personal. I talk to everyone on the staff at least every other week. Just the connections we have are really important in treating people as people. During the pandemic recognizing early on that people were just going to have these unexpected financial hurdles, we gave all non-senior staff \$500, and we just did it again because this situation has not settled itself. We didn't want anyone to have to come to us and tell us that something is up, we just wanted everyone to know that we care about your families. We recognized that we were discouraging staff from travelling given the risks so we backed it up by offering vacation buy-backs as another way to help people financially. We also gave the day off after Thanksgiving, declaring it an additional bank holiday. A great indicator of our work environment is that we have very little turnover. I have been here ten years and our retention rate has been above 90% every year. We are committed to promote from within, and sometimes we create opportunities such as the Community Engagement Officer position I talked about. We try to find ways to continue to let people advance and grow while they work here. Professional development is very important to me.

We also have amazing customers. They come in and have a great time and for a lot of them it is a social opportunity and they often bring in their pets. It makes for a fun environment. I think that we have created this internal community that leads to words like "family" and "caring" coming up a lot in the survey. Truthfully, we hear it almost every day. We are active on social media and it is amazing how many customers have openly become fans of our staff. We just work hard at connecting – that's the key. During the pandemic when I could not travel around as much, I created these frequent "flash challenges" which served as a fun way for us to stay connected. Sometimes they were goofy questions but others were more thoughtful and introspective. I would ask who their favorite teacher was and why. I would ask about people's Thanksgiving traditions. Our staff just engaged so much and it has given me a unique way to connect with each person individually because they submit these fun and wonderful thoughts and I always respond. Whoever wins gets a small gift card which is secondary to the process. We work hard at

connecting, I guess that's my theme. We found ways to hold socially distant lunches for people working from home and missing out on other social aspects of work. We would connect people who lived near each other and sit twenty feet apart in backyards or parks and I would bring food. People working in offices everywhere were being fed in every business. For our people working at home, we opened up a tab at a local restaurant for breakfast or lunch on certain days just to show them how much we cared and missed them. We do a lot of the little things together and didn't let the pandemic ruin that. Through the summer we had regular kayak outings which allowed us to get together safely. Lately it's been virtual trivia. I work hard at the social aspect of work for those interested and it is 100% worth it.

CEO CFO: *You really love what you are doing – it comes through loud and clear!*

Mr. Bodin: I love the people. I love our connection to our community.

CEO CFO: *What is ahead for Savings Bank of Walpole?*

Mr. Bodin: I think we are just going to keep understanding our community and adapting to its needs. In the short-term we are just going to keep adapting and remaining flexible until we get to the other side of this pandemic, whenever that is and whatever that looks like. All of us can make believe we know what it is coming but honestly, nobody even knows what is coming next week. As far as a long-term strategy, we recognized that small mutual banks are disappearing. All of those competitive products we have and have to continue adding are expensive for banks. In 2018, we decided to join an affiliation with two other New Hampshire mutual banks where each of our banks maintain our individual bank charters, have individual presidents, local management, local staff and local boards. It was not a merger. No departments were consolidated and centralized into one location and no staff lost their job. So we are now part of this mutual bank affiliation that I think protects us and allows us to gain scale while maintaining our brand and local operations. All of our customer activities are still here. We have a local board and local management but we share back-office services so we can invest in technology and we can invest in training. We are two-and-a-half years into it and it is working really well.

Due to the affiliation, we have been able to make investments that we would not have been able to otherwise, we just did not have the capital as a small mutual bank. The need for capital is a major reason a lot of mutual banks have converted to stock banks over the past few years, so we are trying to get ahead of it in what I think is a very graceful way. My analogy is you used to go to a corner drug store and they knew you and your prescriptions, it was friendly but where are they now? They are all gone. That is not going to happen with us. Our community is still going to have this local bank that exists for them. Since affiliating, we have increased our staff located locally and we are now looking for additional space to house our continued growth.

We have put some protection in place that allows us to still be a small bank and by all measures we will always be a small bank serving this community that otherwise could be handed over to just the big banks and lose that personal feel. The affiliation is a good long-term strategy to

really find a way to protect our bank. Maintaining mutuality is our number priority and the second is to protect our individual bank brand. Our brand is different even from our sister banks. We have different products where it makes sense and approach things differently. We have our own board and charter so we get examined just like all other independent banks. I believe we have prepared ourselves well for what may be coming. We are able to look at things on the commercial side such as digital lending, which is becoming a big thing for convenience. I think as a small bank, making initial investments in things like digital lending and other new services we may need to remain competitive will become increasingly difficult. We are now able to be an early adopter and not a fast follower of new technologies. That keeps us and our customers from falling behind. That will make a big difference going forward.

And of course, our ability to focus on the community won't ever change, it is central to our existence. I believe the recognition of supporting your local community will only rise post-pandemic. We are well positioned for that shift.

Ultimately, I think that we are able to have the advantages of being a small community bank and the advantages of scale. Our future is bright. As a community bank, we are dependent on the health of our community and we do all we can to make sure it is vibrant. That's a lot of fun for me.

