

“Keeping life-long customers in a merger-acquisition world”

William J. Smigiel, Chairman and CEO, Liberty Bank for Savings

The term “relationship banking” is certainly not an unfamiliar one in the financial world. However, beyond being an industry buzzword, what does it really mean? At our bank it means a focus on cultivating relationships within the community. Our bank strives to serve the diverse customers who make up the communities we serve—not just in terms of culture and ethnicity, but also across generations.

Our Chicagoland community bank has been serving families and individuals of all ages for 110 years. That’s no small feat, especially in today’s merger-mania environment. Many institutions seem to be buying or getting bought these days. Our bank remains strong because of our success in relationship banking—that is, serving all customers on a personal level and building loyalty in the community.

It is our goal at the bank is to forge strong bonds with the community and its members as their families grow. It was our original intent to be a community lending institution in order to help families buy homes in the neighborhood of our main location. What we’ve learned over the years is to reach out to these families at every stage of their lives.

Our offering of programs such as a kids club and a seniors club are integral to a business strategy that incorporates long-term relationships with individuals and community service. We concentrate on the families in our communities in unique ways, something that larger institutions should consider addressing.

This is not to say that our bank doesn’t provide all the same services as a larger financial institution. Our products and services include insurance, investments, mortgages and HELOC loans. Another way we stay focused on our community members is by recently choosing to remain in the Jumbo mortgage market as well. We believe it directly benefits our neighbors, and with the big lenders in crisis it makes it easier on customers.

Providing HELOCs can also be beneficial to those who are not moving, due to the

housing market, and are using funds to renovate existing property. We also look to the future for our customers by providing IRAs, so that we can do the worrying in the relationship and they're fully secure by the time reach retirement.

Entering the lives of those in our communities is how relationship banking establishes itself. Our bank starts early, by helping parents teach children the value of saving. Through our kids club, we encourage saving at a young age. Kids have their own accounts and it's easy for the whole family to take advantage of, thus we've entered their lives early and hopefully created a relationship that may last for many years.

Children's needs will also evolve as they get older. As children grow into young adulthood, we have a checking program designed specifically for them to take advantage of. Before long, they will also be looking to open savings accounts and CDs. And as time goes on, they will need mortgages and other financial products. Perhaps they will eventually open kids accounts for their own children and even their grandchildren.

That brings us to the other end of the customer spectrum—seniors who enjoy one of our other clubs, offering weekly seminars, classes, presentations and other educational events, nearly all of which are free of charge. Other activities for senior club members include frequent trips, bingo, card games and free movies, which are also open to non-customers.

Many senior club members who live in Logan Square, the Chicago neighborhood that houses our main branch, have been customers for as long as 50 years. Some seniors still go to the bank weekly for withdrawals or deposits. In addition, they regularly attend senior club picnics and other events, which they learn about through the member newsletter. They also like the bank for its neighborhood values, friendly tellers, and welcoming environment. The bank has a familial feel to them, and our staff knows many of our customers personally.

Our bank's kids club, senior club, and other programs help create a special bond that transcends age and creates meaningful and potentially lifelong relationships. It's all a part of remaining truly customer-centric. In an age where most banks are focused on all the bells and whistles that the latest technology can provide, the bank keeps customers by establishing and nurturing real relationships through community outreach and person-to-person contact.

By providing these special services as well as mortgages to suit all needs, it is possible to remain a popular community bank that customers prefer over some larger, big-name institutions. Size doesn't matter in the case of our bank, as we are solid in our stance and have a cultivated foundation in the community. I believe that, even though we are a smaller bank, we appear to be bigger due to the depth of services we provide. The quality of our service is what I attribute to our many years of success and it's something I believe others can learn from.