
PEOPLE COSTS: HOW IS YOUR BANK KEEPING THEM DOWN?

The Headache: Controlling "people costs"

Our question: What is your bank doing to contain personnel costs?

Come share your ideas, pick up a few!

One' banker's remedy: Meeting two "stretch goals" at First United Bank & Trust

Here's how William Grant "passed the aspirin." He's chairman and CEO, First United Bank & Trust, \$1.6 billion-assets, Oakland, Md.

We are involving nearly everyone in our effort to control salaries and benefits costs. Next to interest, it is our biggest expense.

We have set out two very broad stretch goals, which are easy to understand, and enable all to observe our progress.

The first is that we want to maintain our FTE count equal to where we were at the end of 2008. This is a tough goal, as we have opened two new branches, hired a handful of specialists, and acquired an insurance agency during the course of this year. That said, everyone has been pulling together and has resisted the temptation to automatically replace a position when vacated. In several instances, we have replaced full-time associates who have left with a part-timer. In light of this, the goal is still a stretch, but achieving it is within sight.

The second goal was to reduce our overtime by 66%. We are tracking that monthly, on a department-by-department basis. Because of this close examination, and through everyone's cooperation, we are actually ahead of our goal on this.

This blog was adapted from the September 2009 print version of "Pass the Aspirin."

Now let's hear your ideas!

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