INGENIOUS BANK WHERE EVERY CUSTOMER IS MOM

Where need can come before payback potential

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Continuing their trek through Tennessee, Larry and Mary Ann Marik visit with Bank of Putnam County in Monterey. First they stopped in that town's branch, and later went "down the mountain" to headquarters. Much impressed them about the bank, including a branch manager's statement that, "My boss is whoever is sitting across the desk from me."

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New to this blog? After he hung up his president hat, bank chairman Larry Marik, and his wife, Mary Ann, decided to sell their house, buy a Winnebago, and see more of America. They are now blogging about what they see about banking for ABA Banking Journal. Read more about the Mariks in "Chairman of the Open Road," and "Saxophone In The Moonlight Of The Sonora."

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At the Bank of Putnam County, it's not all about the money. It's about innovation and genuine caring for your fellow man.

We'd been up and down so many mountains in Tennessee that we didn't really notice that we were atop one until Randy Earley, branch manager of Bank of Putnam County in Monterey, described the home office in Cookeville as "just down the mountain."

Way back, Monterey was called "Standing Stone," so-named for a mysterious monolith erected, it is believed, by a local tribe. The current name is Spanish for "King of the Mountain."

Monterey at one time was a resort community where people came by train to stay in one of the many hotels, to get away

from the heat of the lower altitudes. This quaint community describes itself as "atop the Cumberland Plateau where the hilltops kiss the sky." With the coming of the automobile, people began going elsewhere for the summer. Today the economy of Monterey and the rest of Putnam County economy is based on industry and education.

Getting to know Bank of Putnam County

We are always in search of a community bank. It may be the name, the building, a billboard, or an ad that attracts us. We were intrigued by the architecture of the Bank of Putnam County, but when we went inside, we were charmed by the employees.

As in every other community bank, to a person, we could see the pride in their beaming faces. Once again we had "dropped in," and once again we were greeted warmly.

After briefly explaining our mission, a young teller named William gave us the history of the bank as he knew it. It was obvious that the employees were proud of their bank because they at once pointed to the historical displays in the lobby (such as the original ledgers, nearby.)

Bank of Putnam County started out as Bank of Monterey, but changed its name when it began expanding to other parts of the area. Along the way, the bank also upgraded its architectural look

The staff here is long-tenured, and the day we arrived, they were still in mourning. A staff member had recently died. The bank closed the day before the funeral, the day of, and the day after.

"What other bank would do that?" Randy Earley asked. Fellow employees were pall-bearers. Randy made the statement several times during our interview that the bank is a family. It's a phrase that's easy to say, but Bank of Putnam County is one place that makes that phrase real ... actions do speak louder than words.

Randy is one of those long-tenured employees. He has been with the bank for 26 years. "I was hired for who I was. I was trained to be a banker," Randy explained. He began as a loan officer--hired as one--but he started work as a teller in order to learn about banking from the ground up. He is now branch manager and vice-president.

The Bank of Monterey opened on Oct. 2, 1901. At the close of business on that first day, the bank had deposits totaling $2,284.94. In November of that year, the bank made its first loan, in the amount of $9.50. Many years later, in 1976, the bank's expansion began with the opening of an office in Cookeville. At that time, the bank also changed its name to Bank of Putnam County. Today BPC Holding Company has assets exceeding $650 million, with 12 full-service banks in surrounding communities.

That's a pretty good-sized community bank, but it's a bank with a heart. The Bank of Putnam County, Monterey, is involved in pretty much everything in this small community of just under 3,000 people, but there is one comment that Randy made that really impressed us:

"I'm proud and honored to work here. Of course, we need to make money, but it's not all about money. We have families that we take care of. I've been to their houses several times. I've opened the refrigerator to make sure there's food."

One person needed a ramp. "We made sure the wood was available," said Randy. "The church did the carpentry."

Veteran banker Randy Earley runs the Monterey branch for Bank of Putnam County.

When we asked Randy if he was doing anything differently now than before the economic downturn, he said, "I've not changed anything. We did not have to adjust, it didn't affect us in lending decisions because we did it right the first time. We did not suffer. If you didn't over-value property in the first place, you weren't hit."

Randy said, "My boss is whoever is sitting across the desk from me."

Meeting Chairman Jack Ray

Ultimately, the bank does have formal and official bosses. Indeed, Randy had referred to Jack Ray many times in our conversation: "Jack is unique. He cares about the community."

Jack's grandfather founded the bank, and Jack, at 76, remains chairman of the board.

We waited until Jack had time to see us, and are we glad we did. As we talked to Jack, it became obvious that ethics, kindness, and serving his fellow man are all-important to him.

"Over the course of my banking career, I've made loans I know damn well are never going to get repaid," he said. (We're suspecting to some very needy people.)

The three-day closure for the funeral was Jack's doing.

"I was born over the bank," he told us. "I've had every job here. I chopped wood and carried coal." In 1963, Jack became president of the bank at age 27 and became the youngest bank president in the country. Jack mentioned that he was featured in a story in the ABA Banking Journal (then called BANKING: The Journal of the American Bankers Association.) The sixth generation of Jack's family is now working in the bank.

Bank of Putnam County Chairman Jack Ray very much heads a family bank. His grandfather started it, and he was born over the bank's main office of the time. In the 1960s he became the country's youngest bank president at the time. Today he maintains his office in Monterey, while the bank's main office and multiple branches are "down the mountain."

For those of you who subscribed to BANCLUB in the 1980s ... that was Jack's baby.

Ironically, Larry used that retail tool in his bank, and knows many banks in our area of Nebraska who had used it also ... very successfully.

Getting an angle on red tape

We also had a chance to talk to David Williamson, president and CEO, whose office is in Cookeville ..."just down the mountain."

David described the bank's market as rural, its business mainly farm and residential loans. The bank uses technology to handle compliance.

It developed a system called "Be in Control," which is now marketed to other banks.

"I was told that one full-time BSA officer could never handle the responsibility. The examiner said I needed one or two more people to handle compliance," said David. "Yet the development of technology has helped us manage compliance without adding significantly to staff."

And how did the bank perform during the downturn? "In that really bad economy, we looked really good," David said. "We are in the top quadrant of our relative peer group in asset quality. We out-performed 99% of them."

David has the same attitude about customer service as do Randy and Jack.

"Every customer that walks in the door needs to be treated like they're my mother," he said.

Here is another bank that survived the Depression ... a bank with a big heart and lots of ingenuity and initiative.

Strong banks build strong communities.

Keep your eyes peeled, should you see a huge black, tan, and steel Winnebago Journey roll through town or pass you on the highway. The Mariks will be displaying this poster as they search for stories for their blog.