The University of Tennessee at Martin
College of Business & Global Affairs

Analysis of Commercial Bank and Trust Company:
A Case Study in Financial Analysis, Staffing and Management Successions, Staff Support and Technology Management
Presenters:

• Cole Hollis, MBA Student

• Dan Hoffman, Accounting graduate

• Ben Arnold, Accounting/Finance undergraduate

• Dr. Mark Farley, Faculty Advisor
College of Business & Global Affairs
Dunagan Chair of Excellence

The College of Business & Global Affairs (CBGA) at UT Martin is a student-centered learning environment designed to provide all students with a quality education filled with hands-on, practical learning experiences.

Involvement in the CSBS Case Study Competition is one of the experiential-learning activities in which students can engage and is sponsored by the Dunagan Chair of Excellence, Mr. John Clark, Director.
The Partner Bank

Clint Davis, Pres., COO

Brett Stoots
CFO

Jennifer Starks
HR Director

Scott Freschi
Chief IT Officer

R. Molitor Ford, Jr., Chairman/CEO
Earnings Performance/Liquidity

- Today’s banks can do more than just banking.
  - CBTC has many non-banking revenue streams.
- Having strict and rigorous liquidity controls is crucial in today’s banking market.
- Ensuring that the community Bank is being responsible for its customers, and the community the Bank supports, is critical for maintaining the bank’s exceptional reputation.
Financial Points

• Loan Portfolio Composition
  ○ Rather stable loan portfolio composition with only significant change being largely attributed to the issuing and closing of PPP loans

• Asset Growth
  ○ 140% increase in investment portfolio over 5 years
  ○ Small (5.4%) increase in net loans and leases

• Capital Levels and Planning
  ○ The Bank is an S corp
  ○ S corp grants the Bank certain advantages in tax preparation and capital planning
Staffing Points

• The people/staff of a community bank give the community bank a competitive advantage = Best Assets.
• The team learned CBTC invests extensively in its employees not only to make the employees more efficient and knowledgeable = Better Customer Relationships.
Staffing Continued . . . .

- The investment in future bankers is critical to keep the community banking industry thriving = Growth of Banking Industry.
- The future of banking lies with the college graduates of today = Giving Students Incentives To Learn.
Generational Makeup of Staff

• Having a diversified generational staff makeup can be an advantage rather than a weakness of a community bank.
  ✓ Some CBTC branches need staff with extensive agricultural background.
  ✓ Other branches need younger staff who are familiar with small business operations.
• Whatever the makeup of the banking staff, diversification is the key.
Succession Planning

- Successful succession planning requires initiative and resources.
- Focusing on hiring inside and outside talent is essential for having a quality workforce.
- Intentional succession planning enabled CBTC to
  - Form new and creative ideas
  - Pass on the expertise of its senior employees
  - Integrate the unique experience of its employees
  - Enrich and retain existing company values and work culture
Technology/Training Points

• Developing staff qualifications at all levels and returning to in-person post-pandemic operation = Development & Post-pandemic Flexibility.

• Improving training and technology to achieve the same goal: improving the customer experience = People Focused.
Technology/Training Points

• Making up-to-date changes allows CBTC to competitively serve the modern realm of banking = Customer Facing & Internal Improvements.

• Having the right employees makes the difference, e.g., CITO Scott Freschi joined the CBTC executive team and the Bank’s improvements are evident = One Great Story.
What we learned . . . .

- Camaraderie
- Commitment
- Community
- Communication
Our Village . . . .

- College of Business and Global Affairs
- Mr. John Clark, Dunagan Chair of Excellence
- Ms. Traci Crawford, Admin. Asst., Dunagan COE
- Dr. Mark Farley, Professor of Finance
- Dr. Lajuan Davis, Professor of Business Communication
- Commercial Bank & Trust Company
Questions & Answers . . . .