

The Financial Leaders of Southwestern Illinois

Southern Illinois Market President Hickman credits team at Associated Bank

By DENNIS GRUBAUGH

Phil Hickman was looking for a challenge in 2014 when he landed the role of Southern Illinois Market president for Associated Bank.

Four and a half years later, the challenge has been met. Bank revenue is on the rise.



Hickman

who was previously with the privately held Park Bank in Milwaukee for 18 years.

"I was the No. 2 person at that bank, and there was more I was wanting to do," he said. "I was looking for a challenge. Associated Bank came calling as did a number of other banks. I've known many of the folks at Associated ever since being in Wisconsin."

Associated's primary footprint is in Wisconsin, Illinois and Minnesota, with the bank based in Green Bay. At the time Hickman came aboard, one of its biggest needs was in Southern Illinois.

"It was going the wrong direction," Hickman said. "The turnover when I came here was 19.5 percent. We were losing money, morale was not good. There was no visible leadership in the community, and our business was declining here."

Hickman feels things are now on track for continued success.

"Our turnover today is negligible, less

Employee morale is up. And the customers, surveys show, are happy. "It was a market that was kind of neglected from the bank's standpoint," said Hickman,

"It is important that we leverage technology to provide greater service and convenience to our customers, while also creating operating efficiencies."

Phil Hickman, Associated Bank Southern Illinois Market president

than 1 percent," he said. "I'm big on team building, and your employees are your biggest asset. Any customer service organization like we are, the only way you're going to get it done is through good, quality employees."

By giving them the right direction and making them more involved with the bank's success, Hickman said, "employees feel much better about the organization. Our success has been a total team effort."

Independent surveys of workers are showing the improvement.

"Our employee engagement scores have been at the top of the organization the last three years," he said.

Last year, Associated Bank won the top workplace award in a ranking printed by the St. Louis Post-Dispatch.

And, the bank is making money. Loan growth was 6 percent last year, and deposit growth was 7 percent.

"From 2017 to 2018 we doubled our net income, and we'll probably do it again this year," Hickman said.

Overall, Associated Bank has about \$35 billion in assets.

"We have all the tools that the very largest banks in the country have, but we can operate on the local level," Hickman said.

Customer surveys taken in the Southwestern Illinois Market are showing

top scores in the entire company, he said.

Community engagement also has been turned around. Workers are encouraged to participate at business gatherings and in community service. Last year, some 1,600 hours of volunteerism were recorded, and the number has been increasing each year.

Associated has eight offices in the Southwestern Illinois market — Glen Carbon, Fairview Heights, two in Belleville, East St. Louis, Alton, Millstadt and Columbia.

The bank invested about a million dollars into its East St. Louis branch, a move that Hickman says shows confidence in the community. Similar moves are being made elsewhere.

"Every single branch, except downtown Belleville, we have remodeled and brought up to modern terms," he said.

The downtown Belleville location is a large, antiquated bank facility that Associated has been trying to sell, he said. Plans are to build a smaller, modern branch next to what exists, but unless some interest is generated in the main building, a decision might have to be made to remodel it for efficiency.

Associated Bank, he said, is actively looking to grow and make acquisitions.

"The St. Louis region is a significant target for us," he said.

Associated Bank, which bought First

Financial in 1997, inherited all of its locations, all of which were in Illinois.

As for programs and services, the bank has rolled out several new initiatives in recent years. One is Zelle, a person-to-person payment system.

"Say you want to send money to your daughter," Hickman said, suggesting one scenario. "The old system, called Popmoney, was once the primary way and it took a few days. With Zelle, if I send you the money right now, in a few minutes you're going to have it in your account, and all I have to do is have your phone number or your email address. We were an early adopter on that because we know our customers want that."

A significant upgrade to the commercial online banking system is also underway, and a major upgrade with health savings accounts took place last year, along with enhancements to fraud prevention systems, consumer mobile and online banking, credit card products and checking and savings packages.

"It is important that we leverage technology to provide greater service and convenience to our customers, while also creating operating efficiencies," he said.

Hickman lives in west Belleville with his wife Mary. They have two grown daughters (an attorney and a teacher) and five grandchildren.

He grew up in Jackson, Ohio, 40 miles from the Kentucky and West Virginia tri-border, and is a graduate of The Ohio State University and Capital University. He worked in banking in Columbus, Ohio, for about six years, before moving to Wisconsin in 1986.

"I thought it would be a couple of years and we ended up staying in Milwaukee almost 29 years," he said.

PNC Bank intent on supporting communities, regional president Scully says

By KERRY SMITH

Michael Scully, PNC Bank regional president for St. Louis and Southern Illinois, says he's proud to work for a company that has pledged \$500 million to support a myriad of early education



Scully

initiatives in celebration of the bank's 15th anniversary of Grow Up Great, its signature outreach. "This year marks a \$150 million increase in PNC Bank's commitment to fund support for preschool teachers, Head Start programs and more across the nation," said Scully. "I'm very proud to work for a company that will take \$500 million out of earnings and devote it to growing and supporting young learners, knowing it's going to impact our workforce 20 years from now as well as the communities in which we live," he added.

In addition to Grow Up Great — which regionally supports the Vivian Adams Early Childhood Center in East St. Louis — PNC Bank's community-wide leadership extends to several other Southwestern Illinois nonprofit entities. Kristin Tanzyus, PNC Bank vice president and WorkPlace Banking market manager, serves as board chairwoman for Riverbend Head Start & Family Services, headquartered in Alton, and represents the bank as a director of Leadership Council Southwestern Illinois, a regional economic development organization.

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Michael Scully, PNC Bank regional president for St. Louis and Southern Illinois

As for day-to-day operations at PNC Bank, Scully says the abundance of commercial development that is occurring in and around Edwardsville and across the Metro East provides a bevy of opportunities to serve and support businesses here.

"There's so much activity on the east side," Scully said. "Look at what's happening in Edwardsville in terms of attracting investment for large-box warehouse/distribution hubs at Gateway Commerce Center. The first thing you have to do as a large bank is to make sure your people on the ground are knowledgeable about these trends. Ours are. We recently sat down with the park's founders, Mike Towerman and Rod Thomas, on (PNC Bank's) 'C-Speak: The Language of Executives' and asked them about the trends and drivers of large-scale commercial and industrial development. As a large bank — we're one of the nation's largest — speculative building investors are part of the population we serve and support. We back them in their capital needs."

Economic development is a key component in real estate development,

according to Scully.

"PNC is a robust small business lender as well," he said.

The rapid evolution of technology, particularly over the past 15 years, has changed the very nature of how individuals and businesses bank and has driven banks' internal priorities as they adapt.

"Technology has had a huge and transformative impact upon banking," Scully said. "The cost of technology coupled with compliance is significant for banking organizations. Much of our investments are in making technology easier, but much of it is also in products that are making their way to the corporate suite such as sophisticated processing of payments. Often as a means of fraud prevention and because it's easy and efficient for the business, companies opt to have their bank make their payments electronically."

Also, as a byproduct of technological advances, banks are repositioning themselves to be leaner and more customer-centric than ever, said Scully.

"A lot of the banking products have been commoditized," Scully said. "This is clearly evident in services such as

payments processing, but also in wealth management. You're going to see the largest transition of wealth taking place in the next five to 10 years, and it will manifest in a changing landscape of banking. Right now, you're seeing a bifurcation in our industry between the community banking model and the larger regional model. The PNC Bank business model emphasizes being embedded within the fabric of our communities. We need to serve and work on the ground level where we're regularly interacting with business leaders in the region to understand and meet their needs and to ensure that as a bank we're doing all we can to build tomorrow's leaders and to support a healthy workforce now and well into the future."

PNC Bank serves both corporate and institutional clients as well as small businesses. On the corporate and institutional side, the organization offers strategic insight and financial solutions for businesses, organizations, municipalities and nonprofits throughout the U.S. as well as internationally. Bank-wide, PNC has more than 32,000 clients who fall into this category.

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