BANKING ON CHANGE

CHANGES ARE OCCURRING AT LAFAYETTE BANKS IN RESPONSE TO THE DEMANDS OF THE MARKETPLACE

By Marcelle Tessier

Lafayette has seen plenty of shakeups in the banking community in the last few years, including a number of takeovers and failures.

Banks have been forced to regroup and reevaluate marketing strategies and approaches.

Competition, to some degree, has encouraged banks to carve out niches in the marketplace, prompting different types of operations for different banks. Some are going after big business, while others take pride in nurturing small, growing companies.

Banking philosophies are no longer drawn across the board. They often change from one bank to another to complement the specific needs of a certain clientele. The old adage, "if you've seen one, you've seen 'em all," no longer applies to the banking profession.

Each of the institutions appear to serve a specific and distinct purpose in the community. From left to right: Jerry Moore, president of Acadia National Bank; Duwayne Richard, president of Hibernia National Bank; and Wayne Elmore, president of Commerce and Energy Bank.

Richard, the new president of Hibernia National Bank in Lafayette, says, "We have the ability to know what's out there. By setting standards, it will keep them from becoming complacent."

Although some banks have focused on one or two different types of business, Hibernia has chosen to offer a variety of specialties to its customers. "We have experts in lending of different areas," Some of these include executives and professionals, energy, and small business.

Customers today are more concerned about security considerations, says Richard, in light of the numerous turnovers of Lafayette banks. "People want a bank that will be around."

"FOR SOME, HOWEVER, BIG IS NOT ALWAYS BETTER. COMING TO Acadiana National Bank from First National Bank in Lafayette means a different approach to banking for Jerry Moore."

"It depends upon what philosophy you develop for your institution," he says. Acadiana is locally owned, with most shareholders from the area. This is important to the community.

Significant changes have occurred recently in the Lafayette banking community in the form of a new president and a possible merger of two local banks. Jerry W. Moore is now president of Acadia National Bank, and Duwayne Richard takes over the job at Hibernia National Bank in Lafayette. In addition, the Bank of Lafayette and the Commerce and Energy Bank are waiting for approval from regulatory authorities for their merger.

The effects of these moves remain to be seen, but each of the institutions appears to serve a specific and distinct purpose in the community. The implication is that there is enough room for everyone, if each one concentrates on a particular piece of the pie, and in the long run, such an approach could prove beneficial for the entire banking community.

"PEOPLE ARE MORE PRODUCT CONSCIOUS," SAYS DUAYNE R.

Richard was with Southwest National Bank when it merged with Hibernia in 1986 and has 15 years banking experience in this area. He joined Southwest in Lafayette in 1982 as a vice president. Richard is a lifelong resident of the area and is positive about its economy.

"The Lafayette region is an important market," he says. "Hibernia's share of the southwest Louisiana loan and deposit market has almost doubled in the past 12 months." The bank has approved more than $69 million in loans to area businesses over the past year.

"We are a bank for all causes," Richard says. "We have the ability to handle big credit, and we go after the larger Lafayette region."
gives it a different perspective from an institution like First National, which is part of a bank holding company.

"Acadiana is dependent totally on the local market, and we're here to serve a secondary market that other banks are not concentrating on." As such, he says Acadiana is not in direct competition with some of the larger banks.

Moore began his banking career as an assistant vice president and branch manager for First Tennessee Bank of Memphis. He also worked for Union Planters National Bank of Memphis and First American Bank in Nashville.

With assets of $34 million, Acadiana is currently the smallest bank in the Lafayette marketplace, but Moore approaches the job with enthusiasm and great expectations. The clientele his bank is looking for includes the small business person, entrepreneurs and professionals. It focuses on the immediate Lafayette area.

"We have an affinity for customers we can service in-house," he says. "We will be there in the good and bad times, to provide financial assistance and counseling for small businesses and entrepreneurs."

He would like to see the bank grow with their customers. Although loyalty to a particular bank may soon become a thing of the past, Moore says Acadiana Bank customers are an exception. "It's a partnership on our side.

Customers come to us for assistance and counseling. We provide the best personal assistance for them. We get to know them and their business."

Working with the customer includes some methods of financing that may not fit the traditional mode. "If there are people with high integrity who can manage a company well, we will try to put together a program with alternatives."

One of the alternatives Moore would like to work with includes venture capital. He is a board member of the Lafayette Chamber of Commerce Venture Capital Forum, and thinks it can be successful here. "We still have venture capital and funds here. More people will begin investing when they see a rebound, but they will be selective."

And so is Acadiana Bank. "We have to be selective, and can't assume risks." The bank is after businesses with strong profit margins and stability. They are not looking for the business that goes after one job, and is never heard from again.

Moore sees the days ahead as good ones for his bank as well as for the area. He views his move to Acadiana as one of excellent timing because he is beginning to see increased activity in the economy as a whole.

"The people I deal with feel I have been on the pessimistic side for the last few years, but I just never saw a sign of rebound until the last six to nine months. I now see pretty
COMMERCE AND ENERGY BANK PRESIDENT D. WAYNE ELMORE says Lafayette banks have vied for each other's business in the past, but he thinks that direct competition is settling down. There's enough business in general here to go around, he says, but the area has been lacking in new, start-up businesses. He thinks that may change soon. "We are seeing new ideas and concepts. There's an opportunity for new business in the future."

He is hesitant to speak specifically about the merger with the Bank of Lafayette until it is final, but he is optimistic. The merged entity would retain the name of the Bank of Lafayette. "One of the reasons for the merger is to create an institution that's large enough to create profitability," says Elmore. "There will be in excess of one million dollars savings in operating overhead alone. And because of the operating leniency of both banks for the past several years, there will be very little job loss, if any."

If approved by shareholders and federal and state bank regulatory authorities, the merger with the Bank of Lafayette will create an institution with assets in excess of $50 million. This will make it the largest locally owned and operated bank in Lafayette.

"Being an independently owned, locally operated bank, we are interested in the small to medium commercial type businesses," Elmore says of Commerce and Energy. However, the pending merger does offer the combined potential of two similar institutions. He expects the process to take several more months. "We are looking at the first quarter of '89 before it's finalized."

About 80 percent of Commerce and Energy Bank's business is commercial, with 20 percent retail. The numbers are similar for the Bank of Lafayette. "We would like to expand into the retail area more," says Elmore.

Commerce and Energy has always emphasized local people and personal service, and that will still be their bread and butter. "We are a very locally oriented bank," says Elmore. "Our big appeal is the fact..."
that our management and employees are basically all local people who have been in banking and here in Lafayette for most of their lives."

He says people are tired of being treated like numbers, and want a return to personal service from their bankers. "We pick up business daily because of that. We are trying to get the word out that with the merger, we will continue this type of service."

ONE POINT TO CONSIDER WHEN IT COMES TO BANKING IN LAFAYETTE is that the Acadiana area is still unique. This applies to financial trends just as surely as it does to the culture and culinary styles. What may be true for the mainstream of the country may require some modification for this area, or it may not apply at all.

"Acadiana is unique. You can't make it conform to the national scene," says Moore. "It can fit in, but you can't go in and compare it to other areas." But he thinks that sound banking practices can be used that are both attractive and conducive to the climate in South Louisiana.

This area has learned some valuable, if painful, lessons since the days of easy cash and instant credit. Banks have become more streamlined and have had to adapt or fall by the wayside. The institutions profiled here each demonstrate different ideas and leadership, but all seem to recognize that to succeed in these times requires sound banking practices and the ability to change with the times. They all also plan to be here for the long haul. □