

HEALTHCARE EDITION

BANKNOTES

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Are You Receiving Our Marketing Emails?

Often, customers may not receive emails from CNB Marketing because the messages are filtered into their Spam folder. To ensure you are not missing out on important information, including event invitations and bank closing notices, please be sure to add cnbmarketing@firstmerchants.com to your address book and "Safe Sender List" through your email client.

Questions or comments about *BankNotes*?

Contact Brittany Lang at 614-583-2040.

JENN'S CORNER

Is Talent Development at the Center of Your Corporate Strategy?

by Jennifer Griffith, Regional President



Successful talent development will yield an unlimited rate of return. If you are a shareholder, you will be pleased with the expense saving metrics of low turnover and the opportunity to multiply the efficiency of the existing human capital investment made in your business. If you are a customer, you will be pleased with the quality of service you are receiving and grateful for the value proposition you are buying. Your loyalty will grow as your service representatives continue to hone their skills. You most likely will buy more products, refer more business, and be less likely to shop the competition. If you are fortunate enough to be an employee of a company that invests in talent development, then you are certain to connect with the positive imprint left behind when an employer invests in you. Employees, customers, and owners collectively benefit when talent development is at the center of corporate strategy.

Visionary owners see that talent development is not only a design strategy to maintain a leading edge over the competition, but more importantly a requirement to meeting the demands of all stakeholders. Having **great** people on your team is **not** optional! If you agree that great businesses employ great people, then you have most likely already made talent development part of the fabric of your business.

If you are still procrastinating on getting started, let me ask you a few simple questions.

- Are you concerned with short term results?
- How confident are you in your long term strategy?
- Are your teammates central to success? Do they know that?
- How do you feel about the journey?

Please understand that capable and ambitious employees want training, mentors and coaches. They are hungry for additives in their lives which includes skill building. They are always on a journey and they will find like minded employers.

Getting started does not need to be elaborate. It begins with focused conversations and a genuine interest in the success of your teammates. One-on-one development plans will always be the most important element of design. From there, you may consider adding tuition reimbursement plans, outside leadership courses, calibration exercises or maybe your own branded curriculum. Employees and managers will appreciate the guidance a talent development plan will provide.

Ultimately, the effectiveness will be seen in the growth of your employees, the appeal to customers and the return to shareholders will have an unlimited equation for success. 🏆

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www.commercenationalbank.com/
healthcare

Our Customer Call Center at
888-716-1514 is available
extended hours:
Monday–Friday 7:00am–7:00pm
Saturday 9:00am–1:00pm

Each member of our team works exclusively with doctors. We want to help you build an efficient and highly productive practice. Our team collectively has more than 25 years of experience providing lending and banking solutions to help doctors acquire and grow their practice.

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SECURITY & TECHNOLOGY

The Hack of the Month Club

by Clyde Hague, CISM, CISSP, Information Security Officer, First Merchants Bank

It seems every time you look at the news, another company has been breached and consumer data has been stolen. CNN estimates in a May 28, 2014 article (“*Half of American Adults Hacked This Year*” by Jose Pagliery) that between May, 2013 and May, 2014, 110 million U.S. citizens have had their personal information exposed. The number of accounts that were breached rose to 432 million. Think about the businesses that have been in the news since last November for being breached or compromised. How many can you name? And these are just the ones we know about. Target, Michaels, AOL, Home Depot...the list goes on. The obvious conclusion is more than likely your information is in the hands of criminals, whether you know it or not.



There are two dangers to this. One is obvious. **Your information is in the hands of bad guys who want to use it for their gain.** The second is not so obvious. **People are starting to tune out the breaches.** Once you see the headline about a breach enough times, you start tuning it out. Many don't think there is anything that can be done so why pay attention? However, there are some basic steps you need to take in this environment to protect yourself and your family.

Do not be part of the problem. Quit clicking on those unexpected e-mails, even if you know the sender. Tom's Guide (“*Aliens Discovered on Mars? Nope, Just a Phishing Scam*” by Jill Schar) reports that e-mails with a .ZIP attachment allegedly containing a report of the alien discovery is going around, but actually contains a modified known Trojan call Darkmoon. This malware allows the bad guys access to whatever computer it is on. So, yes,

it would be interesting to find out about alien life, but the email must be deleted. Many of your friends will have compromised e-mail accounts and the bad guys send their e-mails from those accounts so it looks legitimate. If you are not expecting the e-mail, just delete it. **Do not give out your information over the phone without verifying first.** This is a ruse that the criminals use against our elderly and increasingly to anyone with a landline or mobile device. **A physical letter in the mail may not be legitimate.** If the letter is requesting your confidential information and you are interested in the offer, check out the company, look up their phone number (do not use the letter as the phone number source), and call them to verify it is real.

Make sure to monitor your accounts.

This is an old rule, but an applicable one. Whether online or on paper, keep track of those statements from your bank, credit cards, and other accounts and review them for suspicious activity. Do not put it off, do it when they come in, and report it promptly.

Also, monitor your credit. You are allowed by federal law one free credit report per year from each of the three major credit reporting agencies, Equifax, Experian, and TransUnion. Check your credit to make sure that the accounts and loans shown on the report are the ones you are aware of. Follow the steps to report any inaccuracies. Do not forget to have your spouse and other family members (take care of your elderly parents!) run their reports. Just because your credit report is fine, does not mean theirs is.

Bad guys are going mobile too; primarily because you are.

Only go to official app stores like iTunes or Google Play. Do not jailbreak your phone, do not be the first to try apps, and do not keep apps that you do not use. Also, read the reviews on apps before using. You can find interesting information sometimes regarding the security of an app.

This article just scratches the surface, but do not tune out the news, use common sense, and take care of yourself and your family. Hopefully we will all be better off for it. 🏠

Did you know that Commerce National Bank offers Health Savings Accounts? As a member of a high deductible health care plan, you can take control of your medical spending with a Health Savings Account with convenient account access and money saving with countless benefits.

Call us today at 614-583-2200 to find out about our Health Savings Accounts. 🏦



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WITH A HEALTH SAVINGS ACCOUNT

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*Not to be construed as tax advice. Please consult your attorney or tax adviser.

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Understanding Our Slow Economic Growth

by Michael J. Hicks, PhD, Director, Center for Business and Economic Research, Ball State University



As autumn turns to winter, the condition of the U.S. economy remains masked by continuing contradictory data points. The stock market, despite some wobbles, continues

to see high prices, while wages remain stagnated or falling for most workers. Inflation began its inevitable ascent in summer and has tamed even though job creation improved slowly, but steadily across the nation. While the U.S. economy seemed to be slowly improving, the European Union has slipped into the third recession in seven years. Altogether it is enough to make an economist reach for that cheap bottle of scotch. However, there is useful information in all these contradictory pieces of data. Let me explain.

Suppose you were to be driving along a road at a good speed and encountered a turn. As you slowly adjust the steering wheel you feel an unmistakable force pulling you away from the direction of the turn. As you get back on that straight stretch of road – which is not too hard to imagine here in Ohio and Indiana – you get only an occasional bump pushing you left or right.



In other words, when you quickly change course there are lots of clear signals that you are doing so. When you are driving straight there are lots of small, unclear signals about your direction of change. This metaphor offers an apt description of economic indicators in our economy today.

Many economic models have U.S. growth pegged at a paltry two percent or so for 2014. My 2014 forecast was right at two percent national growth. A few models say growth will be more robust, perhaps as much as three percent. Preliminary data tells us our economy grew at maybe one percent over the first half of the year. To meet the three percent forecast we are going to have to grow at four percent over the remainder of the year. That growth rate is possible of course, but recall our metaphor.

If the U.S. economy were to turn sharply towards much faster growth, then we should at this point be feeling all the signs that it is happening. We should see employment increase abruptly, with job creation running nearly three times the rate of the first six months of the year. We should see rising wages as a result of tightening labor markets and we should see prices increase for all types of assets, not just stocks. In short, there should be no ambiguity as to the direction of growth.

On the other hand, if the U.S. economy remains in a tepid pattern of growth, at say two percent or less, then the ambiguous and puzzling data we have seen over the past year or so make perfect sense. Only modest employment growth, slight increases in consumer spending and no real wage growth would signal that we are on a straight path, with no evidence of the economy turning. Sadly, I think that is where we are right now.

So, as the year nears completion I think my two percent GDP growth forecast looks pretty accurate. Moreover, a number of economists are beginning to talk about a slower period of growth that could last for a lengthy period of time. The discussion of this among academic economists follows two different routes.

The possibility that the economy could experience either fast or very slow growth with the same set of conditions is known as a *multiple equilibria model*. This is a fancy way of saying that the rising importance of individual expectations about the future of the economy could be self-fulfilling. If a large share of the

population of both businesses and households anticipate fast growth, it will materialize. The reverse is also true. This type of modeling has attracted a great deal of very technical research, but is frequently criticized because it has not been especially successful in explaining why or how expectations of businesses and households change. But, the inference is that the economy could remain in the doldrums until some new shock comes along to change our beliefs about the future.

An alternative path of research suggests that growth is less a constant process than one exhibiting both slow and fast growth over long periods. Economists who study technological adoption have been influential in this theory. Arguing from their understanding of the data, these analysts find that really fast growth tends to be accompanied by periods of explosive adoption of new technologies. This kind of research necessarily has to look backwards over the long sweep of history. So, things like railroads, electricity and the computer all figure prominently in our nation's recent growth history.

The problem now is that both the multiple equilibria models and the technology based models would suggest that we are in a relatively stagnant period of economic growth. As my little driving metaphor suggests, economic data is telling us the same thing.

Dr. Hicks' views do not necessarily reflect the opinion of Commerce National Bank or First Merchants Corporation.

SAVE THE DATE



Holiday Open House

Please join us on **Thursday, December 4th from 4:00 – 7:00 PM at 3650 Olentangy River Road, Columbus, Ohio 43214.**

We look forward to celebrating the holiday season and a successful year with good friends, good food and refreshments.

First Annual Kyle Miller Memorial 5K

The first annual Get Wild for Wildlife 5K Run/Walk Memorial Race was held on Sunday, August 24 at Hilliard Municipal Park in honor of Kyle Miller, son of CNB employee Pam Miller. Kyle lost his life on March 15, 2014 while kayaking with a friend. His kayak capsized when he attempted to rescue his dog that had fallen into the water. Kyle loved the outdoors, fishing and kayaking and was enjoying his classes at Otterbein University. He volunteered at the Ohio Wildlife Center as much as he could.

Over 400 people attended the Wild for Wildlife race including 64 CNB employees and 29 FMB employees who came to Columbus by bus that morning! A total of \$41,500 was raised to create an endowed scholarship in Kyle's name at Otterbein University for a junior or senior in the Zoo and Conservation Science program which was Kyle's field of study.



(From Left: Jennifer Werhrly, Pam Miller, and Evelyn Goode)

Pam Miller said, "Words can not express how much it meant to me and my family to have the support we had on race day and throughout the months since Kyle's accident from all of you! Your prayers, cards, kind words and hugs have given me strength. Raising over \$40,000 in our first year will allow us to give scholarship money to students who knew Kyle which is special to us. Kyle's passion for wildlife and his legacy will continue on."

You can still contribute to the scholarship fund by going to their website at www.kylemillermemorialfund.com.

PELOTONIA 14 ONE GOAL

Pelotonia is a grass roots bike ride that runs across Central Ohio with One Goal -> End Cancer. The ride took place the weekend of August 8th. Pelotonia raises millions of dollars each year for cancer research at the Ohio State University Comprehensive Cancer Center – James Cancer Hospital and Solove Research Institute. Even more powerful about this non-profit is 100% of the funds raised go to cancer research because all expenses for hosting this event are covered by numerous Funding Partners.



(From Left: Dave Bucy, Cathy Diekman, and Lynn Luciano)

A variety of route lengths are available, each with a minimum fundraising requirement. The routes offer a challenge to riders of any skill level and our Commerce Peloton came ready to ride! Our CNB Peloton riders included Lynn Luciano (Employee), Cathy Diekman (Employee), David Bucy, Tom McAuliffe (Advisory Director), Ian McAuliffe, Luke McAuliffe, Mark Ryan (Advisory Director), Sarah Ryan and Eric Kristofic. In addition we had two Virtual Riders, Jennifer Griffith (Employee) and John Skelton (Employee) and a volunteer, Zo Sellers (Employee). To date, our CNB Peloton has raised over \$18,500 to contribute to the over \$12.2 million raised so far for Pelotonia 14.

Cathy Diekman said, "As captain of our Peloton, I am so proud of each rider's physical and financial commitment and humbled by the generosity and support of our co-workers, family and friends that contributed to help us achieve our One Goal."

CONGRATULATIONS

We Are Proud of the Company We Keep

We would like to congratulate the following clients on a job well done this past quarter. Keep up the great work!

- MKSK – PSMJ 2014 Circle of Excellence Firm
- Larry King – 2014 American Lighting Association Industry Leadership Award
- Leading EDJE – Fast 50

BENCHMARKING

How Does Your Practice Stack Up?

by Kevin Megli, Relationship Manager, Healthcare Business Banking Group



Derek Jeter recently retired from baseball after a 20-year career. When benchmarked against other players, Mr. Jeter's career statistics hold up very well, including ranking #6 on the all-time hits list. How does your practice's statistics hold up when compared to other practices?

Benchmarking can be a great way to compare how your practice stacks up with other practices. It provides a wonderful opportunity to see what

your practice is doing well and what your practice may need to work on. Your practice may beat the benchmarks in some categories but fall behind in others. Using this information, you can identify areas in your practice that may need improvement and you can begin to work on these areas.

One of the best things about benchmarks is that they are available to measure a wide-variety of metrics. Dental and hygienist production can be measured and benchmarked, as can wage information, expense information, and revenues. All of this can be available at the state and even county levels, providing an excellent snapshot

of the surrounding areas and allow you to see how your practice compares to nearby practices.

Benchmarks are typically updated annually, providing you with a new snapshot each year to compare how your practice is doing. Each year, you receive new information enabling you to track your progress and make sure you are improving in areas you have identified for improvement and maintaining your ranking in other areas.

I encourage you to utilize this information to help you make good decisions about your practice and to know where to focus on improvement. 🏠

SKILLS EMPLOYEES NEED TO HAVE

Hiring for Success

by Mark Engle, Senior Vice President, Healthcare Business Banking Group



Hiring employees is an ongoing event and is important for all business owners. Hiring the right employees is critical to the success of your practice. This process deserves careful consideration and planning.

What are you looking for? What skills do you need in an employee that will help your practice? You have certain administrative and production related tasks that need to be performed. But you also need to consider client or patient care. Creativeness, ambition, and interpersonal skills are also important. All of your employees should be working in concert to create a positive culture internally and positive brand for your business externally. When you can assemble the right team, your practice will benefit tremendously!

Establish some skills that you expect every employee to have. These are core skills that reflect the characteristics you need to build a strong practice. For example, the core skills that I expect from my team include:

- *Business Acumen*
- *Communication Skills*
- *Drive for Results*
- *Managing Time and Priorities*
- *Customer Service*

This gives me a guideline to assist in the hiring process, but also establishes principals that can be used to conduct annual performance reviews.

Now that you have the right team, your work has only just begun. That team needs your direction, your vision, and your encouragement. Staff motivation, satisfaction, and productivity are just as important to your practice growth as your clinical production.

You also need a plan for staff turnover. Good people are hard to hold on to. They typically have the skills that many employers want and they are continually looking for new challenges. This is a risk you take when hiring talented people, but it is well worth it.

When this happens, you will need to act quickly to fill that position. Get your staff involved in this process. If you count on them to create a positive culture for your practice, then they should

also participate in the recruiting and selection process of new team members. Replacing an employee allows you to strengthen the team with new energy or compliment the team with a different skill set.



Hiring is not necessarily easy, but it is the key to building a healthy practice. Make sure you know what you are looking for by identifying core skills you need in your practice. Then, carefully screen candidates, get your current team members involved, and provide ongoing coaching and direction. Anticipate turnover and then look at that as an opportunity to add value to your practice. Good Luck! 🏠

TRUST

A Problem Solver

by Jim Keene, Vice President, Personal Trust Officer



Ask most people about a “trust” and they’re likely to tell you that it’s something only the wealthy need to have, or, they lack flexibility and control. Those people are simply unaware of the real story. Trusts are actually very flexible financial and estate planning tools. What’s more, trusts can be very useful for many individuals who are far from wealthy.

Exactly what is a trust? A trust is an arrangement in which you transfer money or other assets to a trustee. The trustee (who can be an individual or an organization such as ours) manages the trust property for the benefit of another person, according to the terms and conditions that the trust agreement specifies. You can set up a trust during your life or under the terms of your will.

Trusts can be used for many situations, such as:

- *Manage investments*
- *Avoid guardianship proceedings related to incompetence*

- *Minimize probate costs*
- *Conserve property for family members or others by protecting them from their own mismanagement*
- *Save taxes*

A major goal of many estate plans is to avoid the costs and publicity of probate. Trusts that are activated during lifetime — so-called “living” trusts — are often used with this goal in mind. A “revocable” living trust is one that you can change or cancel at any time.

You can transfer assets to a revocable living trust and act as your own trustee, if you want. You can also appoint another person or an institution to serve as your trustee or co-trustee with you. (Appointing a co-trustee may be a wise safeguard if you should become incapacitated in the future.) The assets you place in the trust are managed as any other investment would be. The advantage is that on your death the assets are redistributed to your beneficiaries without passing through probate. A revocable living trust like this doesn’t save estate taxes because you continue to control the trust assets while you live.

Other living trusts are “irrevocable.” They cannot be changed. Assets you transfer to an irrevocable trust during your lifetime are considered gifts. Generally, such transfers do remove the assets — and any future appreciation on the assets — from your gross estate for estate-tax purposes.

To illustrate: You transfer 50 acres of land worth \$250,000 to an irrevocable trust for the benefit of your daughter, Lucy. The transfer to the trust is a taxable gift of the \$250,000 value of the land. When you die, the land is worth \$950,000. Lucy gets the land, and neither the original \$250,000 value nor the \$700,000 appreciation will be included in your gross estate.

Many other types of trusts exist that can be fitted to specific financial and estate-planning needs. We can provide you with the professional advice you need to choose and create a trust for your goals.

Please feel free to contact Jim Keene at 765-962-7696 with any questions about choosing and creating a trust for your needs. 📞

FOURTH YEAR IN A ROW

CNB Best Employer Celebration

Commerce National Bank was named as one of the 2014 Best Employers in Ohio for the 4th year in a row!

The annual list of the Best Employers in Ohio was created by the Ohio SHRM State Council and Best Companies Group. This statewide survey and awards program is designed to identify, recognize and honor the best places of employment in Ohio, benefitting the states economy, workforce and businesses. The 2014 Best Employers in Ohio list is made up of 40 companies.

CNB celebrated our award as a team on Thursday, September 25 with an employee party after work in the parking lot. Catering was

provided by Mojo Tago and there was a lot of eating, laughing, cornhole, frisbee and a game of kickball! The event started at 4:30pm and went until 6:30pm. We had a raffle of small prizes and movie gift cards. Everyone had a great time celebrating. We are best employer because of the dedication and drive of our employees! 📞





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MANAGEMENT CHALLENGES

Hiring the Right Staff

by Justin Baker, Relationship Manager, Healthcare Business Banking Group



In working with so many healthcare clients and practices throughout the Midwest, one consistent challenge that is often mentioned by my clients is the management of staff.

While there may undoubtedly be challenges throughout your career in finding the right staff, there are a number of things you can do to minimize future issues.

Hiring the Right Person

During the interview process make sure and not only screen for the employees clinical skills, but also check to make sure their personality and attitude fit in with the culture of your office.

Consider asking some of the following questions:

- *Where do you see yourself in five years?*

- *Tell me about a challenging situation in your past office and how you dealt with it?*
- *How would you consider promoting this office to someone you just met?*

When interviewing, don't be afraid to involve other team members as well to get their feedback on the candidate's personality and ability to fit in well with other team members.

Employee Manual

Make sure upon hiring a new employee that they are aware of the office employee manual and have acknowledged receipt of it. This is critical to ensure the employees job descriptions are laid out and to avoid any confusion about what is expected of the employee. It is not only important to have an employee manual, but you must also make sure to keep it up to date as certain laws can change and potentially put your employee manual out of compliance.

Ongoing Management

Once you hire an employee, make sure you offer them every opportunity to grow and thrive. Make sure you are providing ongoing feedback to the employee and holding performance evaluations. You may also want to offer to pay for certain continuing education classes if the education will benefit your office.

Managing and running a successful business has many challenges and rewards. Having and keeping a great team can be challenging and stressful at times, but having the right procedures and policies in place can reduce headaches in the future. The ideas above are just a small sample of suggestions. Each office that I work with is a little different in how they operate and manage their staff. The important part is making sure that you have the right systems in place to operate an effective and efficient team.