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First American program targets small businesses

Bank makes big push for small businesses

By Linda Dono Reeves

A Nashville bank's ambitious plan to visit 7,500 area small businesses has already netted more than \$500,000 in new deposits in its first week, an official says.

Twenty-three First American National Bank representatives going door to door to visit businesses in commercial areas of town will likely finish their work by the end of November, says Gary Howlett, senior vice president in charge of the Business Banking Group. If all goes as planned, the bank should get \$10 million to \$20 million in new loan business and deposits of an equal amount.

"Generally those businesses that have sales volume from zero to \$10 million change their banking relationship every three to five years," he says. And more than 50 percent of those businesses have not been called on by any bank, including their own.

"If 60 percent of all businesses out there haven't been called on by even their own bank, and they are going to change ... we want to be at the top of their minds," Howlett says. "We want them to think about us."

"While they are small (businesses) now, I feel that they will grow," the senior vice president says. "We need to become their counselor and their financial adviser before they need us."

Even though nationwide statistics have shown that more than three quarters of all small businesses are not around after five years, Howlett says this program is not risky.

"More often than not they fail to exist after five years, but they don't really fail," he says. "They don't fail regarding the bank." They often settle their ac-

counts and close up shop without going bankrupt.

Sometimes the door-to-door bankers will open some personal accounts as well as commercial ones, Howlett says.

"But equally or more important is to better understand the marketplace," he says. "If we're going to do a better job of being a Nashville bank, we've got to do a better job of knowing the market. All of banking is undergoing a change to a sales culture."

The program is now focusing only on Davidson County businesses but the



possibility exists for expansion when First American opens a branch in Franklin next spring, Howlett says. Beyond that, it could be tried in Memphis or Knoxville if bank officials like the results of the Nashville pilot program.

The vice president expects some of the results of this program to be felt several years down the road, he says.

"The immediate benefits are nice, but what really helps is to communicate," Howlett says. "We may be seeing positive results two, three, four years from now." ■