

Corporate Planning and Supervising

Corporate Planning

- Corporate Establishes long term goals
 - Vital to the bank's success
 - Flexible to dynamic environments

At Its Best

- Provides direction
- Goal oriented

At Its Worse

- Waste of time
- Generate unnecessary expenses

Formula

- Corporate Plan = Strategic Plan + Profit Plan + Budget

Strategic Plan

- Establishes and communicates long-term goals
 - Transition from TODAY to TOMORROW
 - “How to” guide
 - Important for banks with growth plans
 - Changes to reflect new objectives
 - Periodically reviewed

Profit Plan

- Forecast income based on management's decisions, intentions and assumptions
 - Includes projected financial data and written information
 - May project financial performance up to five years
 - Reflect projections that correspond to written assumptions

Budget

- Projection of income and expenses for a calendar year
 - Must be consistent with the strategic and profit plans

Supervisory Obligation

- Select and appoint officers who are qualified to effectively and soundly administer the bank's affairs
- Dismiss officers who prove unable to meet reasonable standards of executive ability and efficiency

Performance Reviews

- Should occur at every board meeting
- Measures actual performance against budget or projections
- Compares management's performance against established goals and approved policies

Five Tips For Success

1. Operate within established guidelines
2. Request notification of policy deviations
3. Follow-up on tasks
4. Review actions taken
5. Research and analyze all statements and plans

Remember...

- Directors outline the scope of operation through the strategic plan, profit plan and budget
- Appointments and dismissals are sometime necessary