

# WHY CHOOSE A COMMUNITY BANKER?

THE BENEFITS OF A  
COMMUNITY BANK  
FAR OUTWEIGH  
NATIONAL BANKS

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FEATURED  
INSIDE

HOW TO QUALIFY FOR A MORTGAGE IF YOU'RE SELF-EMPLOYED

THE IMPORTANCE OF A MARKETING PLAN FOR YOUR BUSINESS

HOW BUSINESS MANAGER CAN HELP YOUR BUSINESS

WRITING A BUSINESS PLAN



## A NOTE FROM THE **PRESIDENT**

We recognize that “community” is an important aspect for people from all backgrounds & parts of the world. “Community” in Community Savings Bank, is not just part of the name but is a passion in every team member. As a community bank we cherish our customers and the opportunities they bring to us to help their dreams come true. With our quarterly publication “The Margin,” Community Savings Bank is committed to developing compelling content that will focus on your overall community business and personal growth.

Thanks to the valuable feedback we have received about the Margin, we have included articles that have been written with your specific interests in mind. If there are important topics you would like to see featured in The Margin, please email me with your suggestions at [info@themargin.biz](mailto:info@themargin.biz).

We hope you will continue to find the articles helpful as you continue to grow your community goals. If you’d rather read these articles online, you can subscribe to receive new posts in your email inbox at [themargin.biz](http://themargin.biz).

Sincerely,

Luke Brady  
*President*



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# WHY CHOOSE A COMMUNITY BANKER?

THE BENEFITS OF A COMMUNITY BANK FAR OUTWEIGH NATIONAL BANKS.

Luke Insland



You may know the names of big, national banks by heart, making them seem more reliable or credible than your local community bank, but the benefits of a community bank far outweigh national

banks. At a national bank, you may wait in line forever to talk to someone you don't know. This leaves you feeling frustrated, and going to the bank will seem like that much more of a chore. The personal service you receive at a local bank, as well as the ways local banks support



their communities, will have you leaving with a smile on your face every time.

### Personal Service

When you drive up to deposit a check at a local bank, it wouldn't be uncommon for the teller to know who you are and what account you're depositing into without even asking. It also isn't uncommon to hear conversations in a community bank stretching beyond banking needs, such as chats about family, friends, and careers. This is because your local bankers know you personally. They think of you as a customer and a community member. Your local banker has less clients to keep up with, making you and your needs a priority. The relationship you have with your community bankers allows you to receive the best customer service possible.

### Community Investment

Next time you go to a town parade, softball game, or festival, notice how many items are sponsored by local banks. Community banks

invest in the community with their money, whereas national banks make investments with your money. This means the profits the bank makes stay local, and your family is able to reap the benefits.

### Risk-Free

While the marketing strategies of national banks make them seem reliable, there is always a possibility their investments, which they make with your money, will go wrong. There are numerous stories of national banks freezing accounts due to error, leaving their customers unable to buy food or pay bills for days or weeks until it gets sorted. Of course, the FDIC insures your money, but there are instances where the FDIC does not insure certain funds, thus making the national bank route risky. A community bank keeps your money where you put it, allowing you to sleep at night.

### Same Products, Lower Price

You may be thinking, okay, what's the disadvantage? Do local banks cost more? Community banks provide the same variety of services national banks offer, often for a lower price. You can get your mobile deposit, banking app, and online bill pay through your local bank, and pay less. If you've ever banked nationally, you know there is a fee every time you don't use that bank's ATM. Community banks often offer fee-free ATM use at any one you choose. This makes your life more convenient because, especially in small towns, there are only certain ATMs available.

In addition to lower or no costs for services, you may spend less on overdraft fees at a local bank. According to the Consumer Financial Protection Bureau, overdraft fees at community banks are 13%-19% lower than national banks.

### Local Decision Making

Since community bankers personally know their customers, they also know to whom they are lending money. Local banks are able to make decisions about community improvements based on their decisions to loan money to those projects. National banks have rigid guidelines for who they can loan how much money to, but oftentimes community banks will even know about low interest rates you could receive from local organizations. Local banks are not in it for a money grab like a national bank; they care about the improvement of the community.

If you aren't banking locally already, switching may seem difficult, but it will be worth it in the long run. Your community banker can help you every step of the way, and you'll be thankful you made the switch.



## DID YOU KNOW?

### BENEFITS OF COMMUNITY BANKING FOR SMALL BUSINESSES:

- 1 **Customer Service**
- 2 **Prompt Decision-Making**
- 3 **Relationship Management**
- 4 **Fewer fees**
- 5 **Supporting the local economy**



## HOW TO QUALIFY FOR A MORTGAGE IF YOU'RE SELF-EMPLOYED

Lisa Maiers



You may be thinking, I didn't even realize that would be difficult for me to do, and you're right, mostly. Obtaining a mortgage as a self-employed person is almost the same as any other employee. You are held to all the same standards with credit, debt, down payment, and income. The tricky part for self-employed persons is documenting income. The documentation you will provide is more extensive than it is for W-2 employees.



### Required Documentation

You'll need to prove your income has been stable at least two years. These documents include: two years of personal income tax returns, two years of business tax returns including schedules K-1, 1120, 1120S, a business license, year-to-date profit and loss statement, and balance sheets. You will also need to prove your employment.

### Proof of Employment

As a self-employed individual, you're the only one who can verify your employment. To show this to the bank you can use emails or letters from clients or a CPA. You can also provide documentation of licenses or memberships pertinent to your employment. Lastly, any insurance you carry for your business can also be used to provide proof of employment.

### Varying Incomes

Many businesses go through ups and downs, which lenders understand. If your business has good years and bad years, but you need a

mortgage during a "bad" year, you'll need to not only explain this to your lender, but also provide proof that your business is healthy and will continue to thrive. Likely, your loan officer in this case will require more than two years of income documents, possibly up to five years, to prove your income is stable.

### New Businesses

If your business is less than two years old, do not fret, you may still be able to qualify for a mortgage. You will still provide at least two years of documentation, whether those two years include your self-employment or not, to show your income. A lender may also ask for proof of education or training to show whether you are capable of creating a viable business.

### Improving your Loan Application

To give yourself the best chance of getting approved, you'll want to make sure your application is the best it can be. You can do this by increasing your credit score, separating business expenses, and paying down debt.

Increasing your credit score can be accomplished by paying at least your minimum monthly payment on time, paying down your current credit card debt, and avoiding opening new lines of credit. Keeping your business expenses separate is a great way to keep your finances in check. Open separate accounts for your business to ensure you are not increasing your credit utilization on your personal account with business expenses. Lastly, paying down your debt will make your application look better overall. Likely, your credit score will increase and your debt to income ratio will decrease. Both of these are what loan officers look for when analyzing your financial health.

### Avoid this Mistake

Oftentimes business owners are excited to "write off" certain expenses for their business, meaning they won't be taxed on those expenses. While this is financially sound for certain purchases, if it is done too much it decreases your overall taxable income. Your taxable income is the income lenders use to determine whether you are eligible for a mortgage.

In addition to providing documentation and improving your loan application, you have other options to make it easier to get a loan. First, you can offer a larger down payment. Second, consider a joint mortgage. However you choose to obtain your mortgage as a self-employed individual, staying organized and providing as much documentation as you can is the way to make the process easier for you.

“  
Open separate accounts for your business to ensure you are not increasing your credit utilization on your personal account with business expenses.  
”

### SELF-EMPLOYED MORTGAGE CHECKLIST: What You Need to Have When Applying for a Home Loan

- Tax returns
- List of current debts and monthly payments
- Relationship Management
- Fewer fees
- Supporting the local economy



DID YOU KNOW?



## THE IMPORTANCE OF A MARKETING PLAN FOR YOUR BUSINESS

Liz Rude



You know you offer great products and services, but how do you get the message out to

your target market? Enter: a marketing plan. A marketing plan is an outline of how you will get customers to make a purchase and to keep them coming back. Whether you run a small or large business, the steps to creating a marketing plan are essentially the same. You will set goals, research, budget, implement, and evaluate. This will ensure your business is being seen by your target audience.

### Set Goals

The first step to any plan is developing goals for the plan. What are you hoping to accomplish with your marketing? Consider the following questions:

1. Are you wanting new customers?
2. Do you need to retain loyalty from existing customers?
3. Does your brand have awareness, or do you need to build it?
4. How will you determine success with your marketing?



Determining the answers to these questions will guide you on your marketing journey. Your goals should be specific, measurable, attainable, realistic, and timely (SMART). If your goal is simply, “get more customers” you won’t be able to determine how successful you were. A SMART goal might sound like, “we will grow our customer base by 5% in the next six months.” This gives you a specific number to shoot for and a deadline. When you get to the evaluating step, having SMART goals will allow you to best evaluate your methods.

### Research

There are three main pieces to the research process before creating your marketing plan. The first is your own practice. Consider how you currently, if at all, implement your marketing and whether that reaches your entire customer base. Next, take a look at your competition. Just because they are marketing a certain way doesn’t mean you should do the same thing, but you should be able to borrow some ideas as to how to conduct your marketing plan. If every other company is posting on social media, writing email campaigns, and sending text alerts, but you take out ads in the

paper, that’s something to note. Lastly, you will research your community. Every community operates differently. Some may be more apt to make purchases online, while others prefer to spend their money in person. Determining how your target market in your community operates is crucial.

### Budget

While some marketing may be “free” such as posting on social media, sending emails, etc., it isn’t as “free” as it seems. For one, even if you are using free social media platforms, someone needs to come up with the posts regularly.

Your business goals should be **SMART**:



**S**pecific  
**M**easurable  
**A**ttainable  
**R**ealistic  
**T**imely

This means either you do it yourself or you pay someone to do it. This might mean hiring a marketing manager or a more temporary consultant. Some marketing strategies, like paid advertising and content writing, cost money. To determine your budget you'll need to know how much money you are hoping to make from this marketing plan. That goal should be more than your budget.

### Implement

Once you've set goals, researched, and budgeted, it is time to implement the methods you have learned are best suited for your business and audience. In the set goals step, you chose an amount of time you want to wait to let these methods work. Allow the process to unfold before making any rash decisions once you start implementing. Take notes and document as much as you can so you can continue to improve your methods. Mostly, marketing is an experiment and you will constantly be tweaking your strategies to make them better and better.

### Evaluate

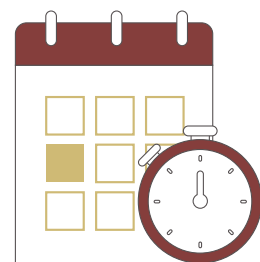
Once you've reached your goal time, evaluate your plan. Look at your documents, notes, and whatever other data you need to determine what is working and what isn't. This evaluation process should occur within a team so there is opportunity for discussion, collaboration, and creativity. After you've evaluated your plan, repeat the steps again.

Forming a marketing plan isn't just a good idea for a business of any size, it is essential. You need to build a brand for your business that your target market recognizes, trusts, and stays loyal to. This branding begins in your marketing. Before people make a purchase, they should be familiar with you via your marketing.



# HOW BUSINESS MANAGER CAN HELP YOUR BUSINESS

**DID YOU KNOW?**



**59% of Small Businesses DO NOT HAVE a Marketing Plan.**

**Only 42% of small businesses have a website.**

Rachel Hauck



**M**aintaining financial health is crucial to all businesses. BusinessManager can grow your business with improved cash flow.

This product will help you achieve a competitive advantage by providing you with tools you need to succeed. With BusinessManager, you will improve cash flow, reinforce collections, save money and time, and manage business operations. If you are looking for a product that makes your life easier and allows you to sleep at night, this is it.

### Improve Cash Flow

The movement of your money in and out of your business is considered your cash flow. When this amount is predictable, it makes your business operations easier. Positive cash flow allows you to make payroll and accounts payable on time. Obviously, your employees expect to be paid, but in addition to payroll, increased cash flow can enable you to invest in retirement benefits. This may make your employees more loyal, which is something all businesses are looking for these days. With stronger cash flow, it becomes easier to increase inventory which can help your business grow and afford you the ability to pursue new opportunities.

### Reinforce Collections

This is the part that helps you sleep at night. BusinessManager has a program on customer correspondence to assist you with reinforcing your collections and reducing bad debt. The more debt you reduce as a business, the more your business can flourish.

### Save Money & Time

The BusinessManager program enables you to pay any balances promptly. Sometimes paying on time or early allows you to take advantage of certain discounts from suppliers. The best part of this is that you aren't spending your time paying all of these accounts individually, the program does it for you. This gives you more time to spend on growing your business and maintaining customer relations.

### Manage Business Operations

When you use the BusinessManager product, you will gain access to detailed reports which enable you to track receivables, pay down debt, maintain liquidity, and manage seasonal fluctuations. Essentially, these reports give you a snapshot of your business in an easily-digestible format. You won't need to put all these reports together, so you'll actually have time to analyze them when they are shared with you. This will allow your business to grow in ways you hadn't thought possible.

### How it All Works

This product sounds like the answer to your prayers, but how does it all work? Read these simple steps to understand the easy BusinessManager process.

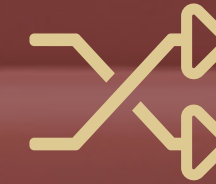
1. Community Savings Bank will purchase your accounts receivable. This happens right away and also on an ongoing basis when new receivables are generated.

2. Deposits from CSB will be put into your account, which is where the positive cash flow comes into play. This allows you to operate your business from a cash positive standpoint.

3. Any receivable updates or information you need to exchange can be done on the BusinessManager secure online portal. There is no need for long phone calls or meetings, and this can be done whenever it is convenient for you. Small business owners operate at all hours, which makes this one of the best features of this product.

4. At certain times you will receive detailed business management reports. These reports can be used to address aged receivables, customer balances, credit applications, and other needs. With the time you're saving using BusinessManager, you'll be able to delve into these reports to improve and grow your business.

BusinessManager will give your business the competitive edge you're looking for. Contact CSB at 800.828.2318 to get started.



Improve  
Cash Flow



Save Money  
& Time



Reinforce  
Collections



Manage Business  
Operations





WRITING A

# BUSINESS PLAN

Kevin Elsbury



Whether you are a successor of an established business or starting a new business, writing a business plan is a

critical step in becoming a business owner. Business plans can help you create strategies for growth, establish clear goals, determine financial needs, and possibly help you receive funding. Studies have shown that businesses

with formal plans are more viable. Some business owners shy away from writing a plan because they take time and energy, but ultimately they are worth it. There are different styles of business plans to guide you through the process.

### Business Plan Formats

Depending on the type of business, you may either choose a traditional plan or a



lean startup plan A traditional plan is time consuming, but if you are going to be looking for investors, they will request this format. A lean startup plan only contains key elements, making it faster to write. If you are going to look for investors, they might end up asking for more information if you choose the lean startup plan.

### Traditional Business Plan

Most business plans follow this format, and you can easily find formats and templates online. A traditional business plan consists of an executive summary, company description, market analysis, organization/management, service or product line, marketing and sales, funding requests, financial analysis, and an appendix. While this list may seem daunting, if you want to know your business inside and out, diving into each of these will help you do just that.

### Executive Summary

Essentially, if someone said, “tell me about your business” and you only had a few minutes, you would give them your executive summary. The summary should include a mission statement, a brief description of your product or service, and a broad financial growth plan. You may also include team members and how your leadership is structured.

### Company Description

If the executive summary is your elevator pitch, think of the company description as an extension of that. You are providing potential investors with details on how your company functions in specific details. This may include your business structure and consumers as well as what makes your company unique. Investors want to give to viable companies looking to do something different from what others are doing. It is important to be the only in your business. Whether that’s the only place that serves a certain area, or the only business offering a certain product. You want to be the only.

### Market Analysis

This is where you’ll need to do some research on your competitors. What are they doing, and can you do it better? You will also research your target market and determine what makes them hit “buy now” on businesses like yours. How can you get them to choose your company? Answering some of these questions in your market analysis will give you a clear understanding of where you are and where you need to go, and it will show your investors your commitment to making it work.

**DID YOU KNOW?**

**50%**  
**of new businesses**  
**fail within 5 years.**

It is often because they did not follow a set business plan.



### Organization and Management

First, show how your company is structured in legal terms. What type of corporation are you? You’ll need to state this as investors will be looking for it. Next, using an easy-to-read chart, show how your company will be structured in terms of personnel. Consider your current team as well as potential future hires. This may allow you to access low-interest loans due to the jobs you are providing your community.

### Service or Product Line

If you are passionate about your business, this should be the easiest part of the plan to write. Describe in detail your service or product as well as potential ideas for expansion. Details you don’t want to miss would be the lifecycle of your product or service, patents, and any research on competitors showing how you are doing it better.

### Marketing and Sales

There is no “one size fits all” for marketing. This will shift and change with your business as it grows. In this section, you will want to plan how you are going to accumulate and retain customers. This should not only include how you plan to reach these people, but also how the sales will be executed.

### Funding Request

If you’re writing the business plan for investors, this will detail what you are asking for and why. You will want to explain what you will use the funding for over the next five years as well as how the investment will be installed. If you plan to pay off debts, that should be included in this section as well.

### Financial Projections

Using research, use this section to show your investors what is possible with your business in terms of financial growth. You may project five to ten years down the road, but provide research to support your claims. This section may include balance sheets, budget plans, and capital expenditures.

### Appendix

The appendix provides your investors with any documents that support your claims made in the previous sections. Some business plans may include resumes, credit histories, photos of products or space, etc.

### Lean Startup Plan

As previously mentioned, a lean startup plan is less detailed than the traditional plan. If you prefer a lean startup, you will only include key details such as value proposition, infrastructure, customers, and finances. You can adjust these to include details you think are important for your specific business.

Ultimately, a traditional business plan is the best way to write a business plan. You may reduce your writing time with a lean startup plan, but you could end up going back to add more and more information as investors dig into your company. You can find plenty of templates for both of these plans online to assist you in starting your business plan.

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**The Margin: Insights for Healthy Business Growth and Sustainability.** Our mission is to provide businesses with practical knowledge and insight for success.

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