

Community Bank Strategic Planning Toolkit



**“If you believe business is built on relationships,
make building them your business.”**

— Scott Stratten

“A goal without a plan is just a wish.”

— Antoine de Saint-Exupéry

**“An hour of planning can save
you ten hours of doing.”**

— Dale Carnegie

**“Good fortune is what happens when
opportunity meets with planning.”**

— Thomas Edison



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Strategic Planning Aligns Community Bank Vision and Execution

Today's community banking environment includes a level of complexity that would have been difficult to imagine just a decade ago. Margin pressure, rapid technological change, increasing regulatory expectations, and aggressive competition from regional banks and fintech firms have fundamentally reshaped the landscape.

In this environment, strategic planning is no longer a periodic exercise to meet a regulatory requirement. It is a core management discipline. The most successful community banks are not simply reacting to change; they are proactively shaping their future through a structured, comprehensive planning process that aligns leadership at every level of the organization. That alignment improves the effectiveness of plan implementation and the development of emerging leaders in the organization.

Purpose of Strategic Planning

At its core, strategic planning provides clarity, organizational unity, and accountability.

First, it establishes a clear direction for the bank. A well-developed plan defines where the institution is headed over the next three to five years and outlines how it will compete, grow, and serve its communities.

Second, it aligns leadership and decision-making. When strategic priorities are clearly defined, decisions made by the board, executive team, and department managers, are more consistent and purposeful.

Finally, it creates accountability. Effective strategic plans translate broad vision into specific initiatives, measurable outcomes, and defined responsibilities. Without this structure, even the best ideas struggle to gain traction.



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Why Strategic Planning Matters

Economic uncertainty and interest rate volatility continue to pressure margins and challenge traditional revenue models. At the same time, deposit competition has increased, requiring banks to be more intentional about how they attract and retain customer relationships.

Community banks are becoming more complex organizations. Growth—whether organic or through acquisition—can lead to silos, culture challenges, and inefficiencies if not carefully managed.

Additionally, the next generation of bank leaders is stepping into more prominent roles. Strategic planning serves as a critical tool for developing these leaders by giving them visibility into the broader organization and engaging them in meaningful decision-making.

Benefits of Comprehensive Planning

A well-executed strategic planning process delivers tangible benefits across your organization and proper resource alignment is perhaps the most important. When everyone, from the boardroom to the front line, understands the bank's direction, the organization moves with a shared focus and efficiency.

Banks that plan tend to be more disciplined in pursuing deposits, loans, and fee-based services. Financial performance improves as growth strategies become more targeted and resources are allocated more effectively.

Risk management is strengthened through identification of potential threats, allowing leadership to address issues before they become significant problems. Just as importantly, strategic planning enhances organizational culture. Employees who understand the bank's goals and see how their work contributes to success are more engaged and accountable.

Finally, community banks that operate with strategic clarity are better positioned to make meaningful contributions to their local economies, supporting businesses, families, and community development initiatives.



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Capturing Insights Across the Entire Organization

Another valuable step in the strategic planning process is the integration of perspectives from across the bank. The guiding principle is simple: top-down vision combined with bottom-up insight. When the following management layers are effectively integrated, the result is strategies that are both visionary and executable.

Shareholders and Ownership

At the highest level, shareholders define expectations for return, growth, and long-term independence. Their perspective establishes the financial and strategic boundaries within which the bank operates.

Holding Company Leadership

Holding company leaders focus on capital allocation, expansion opportunities, and overall enterprise value. Their role is to ensure that strategic initiatives align with long-term financial strength.

Board of Directors

The board provides governance, oversight, and strategic challenge. Through structured discussions directors evaluate risks, validate assumptions, and ultimately approve the bank's direction.

Executive Leadership Team

The executive team translates strategy into action. They define enterprise priorities, allocate resources, and ensure coordination across departments. Their work results in clear strategic pillars such as growth, efficiency, technology, and talent development.

Department and Area Managers

Managers play a critical role in execution. They help clarify frontline insights, identify operational challenges, and develop practical action plans that align with the bank's broader strategies.



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Turning Insight into Action

Gathering input is only the beginning. It lays the foundation for understanding current performance, trade area conditions, and market potential. That understanding combined with clear strategies leads to the most tangible part of strategic planning....execution.

Successful banks define a limited number of strategic development priorities. Usually between four and six strategies. In many organizations, each development priority is led by a senior leader who serves as a champion for implementation. The strategy leaders are charged with the integration of projects, activities, and events required to achieve successful outcomes related to the strategy.

Measurement is essential to track progress and support accountabilities. Regular reporting, strategy updates, and performance reviews ensure that progress is monitored and adjustments are made when necessary.

Equally important is communication. Leadership must consistently reinforce the strategy, share progress, and celebrate successes to maintain momentum.

Pitfalls to Avoid

Even well-intentioned planning efforts can fall short if certain pitfalls are not addressed.

Some banks treat strategic planning as a one-time event rather than an ongoing process. Others develop plans that are overly complex or unrealistic, making execution difficult. A lack of accountability is also a common issue. Without clear ownership and follow-through, strategic initiatives lose traction.

Failing to involve mid-level leaders and managers often results in plans that lack practical insight and organizational buy-in. Make sure your planning activities include insights from throughout the organization.



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Planning as a Continuous Discipline

The most effective community banks recognize that strategic planning is not a document...it is a discipline. It requires ongoing evaluation, regular communication, and a commitment to alignment across all levels of the organization. Banks that embrace this approach position themselves not only to navigate change, but to lead within their markets. In the end, long-term success comes down to three fundamentals: clarity of direction, alignment of leadership, and disciplined execution.

The following checklist can be used to identify activities and outcomes you might want to include in your strategic planning process:

Leadership Checklist for Community Bank Strategic Planning Activities

Strategic Direction and Vision

- Define a clear 3 to 5-year vision for the bank
- Identify 4 to 6 core strategic priorities
- Establish growth targets for loans, deposits, and fee income
- Clarify the bank's competitive positioning in its markets

Governance and Leadership Alignment

- Conduct an annual board strategic planning retreat
- Align shareholder expectations with strategic goals
- Engage holding company leadership on capital and growth strategy
- Ensure executive team agreement on priorities and direction

Organizational Feedback

- Facilitate executive planning sessions
- Conduct department manager workshops or roundtables
- Gather frontline feedback on customer needs and operational challenges
- Incorporate customer and market data into planning discussions



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Analysis and Strategic Assessment

- Complete an enterprise SWOT analysis
- Assess market opportunities and competitive positioning
- Review financial performance trends and key ratios
- Identify key risks (credit, operational, market, technology)

Execution Planning

- Translate strategy into specific annual goals
- Assign ownership for each strategic initiative
- Develop department-level action plans
- Align budgets and resources with strategic priorities

Measurement and Accountability

- Establish key performance indicators (KPIs) for each initiative
- Implement monthly or quarterly performance dashboards
- Schedule regular management review meetings
- Adjust strategy based on performance and market conditions

Communication and Corporate Culture

- Communicate the strategic plan across the entire organization
- Reinforce priorities through regular leadership messaging
- Recognize and celebrate progress and achievements
- Ensure employees understand how their roles contribute to success

Ongoing Review and Adaptation

- Conduct quarterly strategic progress reviews
- Update assumptions based on economic and market changes
- Revisit and refine priorities as needed
- Maintain strategic planning as a continuous process—not a one-time event



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Community Bank Strategic Planning Discussion Guide

This guide is designed to facilitate an effective strategic planning discussion focused on direction, alignment, and actionable outcomes.

Purpose and Expectations

- What are the most significant changes affecting our bank today?
- What concerns us most about the next 3 to 5 years?
- What opportunities are we not fully pursuing?

Vision and Direction

- What do we want this bank to look like in 3 to 5 years?
- What defines success for our shareholders and communities?
- Do we intend to grow, remain stable, or position for expansion?
- What differentiates us from competitors today and what should in the future?

Market Position and Growth

- Where will our future growth come from (loans, deposits, treasury services)?
- Which customer segments offer the greatest opportunity?
- Are we gaining or losing market share—and why?
- What products or services should we expand or refine?

Financial Performance and Capital

- Are our current financial results aligned with our long-term goals?
- What level of return are we targeting?
- How should we deploy capital (organic growth, acquisitions, technology)?
- What financial risks should we be preparing for?

Risk Assessment and Threats

- What risks could significantly impact our strategy?
- How exposed are we to interest rate, credit, or liquidity risks?
- What operational or cybersecurity vulnerabilities exist?
- How should we adjust our risk tolerance?



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Organizational Alignment

- Do we have the right leadership team in place?
- Are we developing future leaders effectively?
- Where are we experiencing gaps in skills or capacity?
- How well are departments aligned with our strategic priorities?

Customer Experience and Relationships

- How strong are our customer relationships today?
- What do our customers value most about our bank?
- Where are we falling short in service or delivery?
- How can we deepen relationships with households and businesses?

Technology and Operations

- Are our current systems supporting or limiting growth?
- Where can we improve efficiency or reduce complexity?
- What technology investments are most critical?
- How do we balance digital capabilities with relationship banking?

Strategic Priorities

- What are the 4–6 most important priorities for the next 12–24 months?
- What specific outcomes do we expect from each priority?
- Who is accountable for each initiative?
- What resources are required to succeed?

Measurement and Accountability

- How will we measure success for each priority?
- What KPIs should we monitor regularly?
- How often will we review progress?
- How will we adjust if results fall short?

Commitment to Implementation

- What decisions did we make today that will have the greatest impact?
- Are we fully aligned as a leadership team?
- What are the immediate next steps following this retreat?
- How will we communicate this strategy to the organization?



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