

FMS MEMBER SPOTLIGHT



Bio in Brief

Heather Longhenry

Title: CFO

Institution: Settlers Bank – Windsor, WI

Asset Size: \$295 million

Years in current position: 11 years

Years as an FMS member: 1 year

What is the single biggest challenge facing your institution right now?

On the surface it would appear to be the need for deposits to fund loan growth. But the truth is that to attract deposits you have to be relevant in a very different environment than we were in ten years ago. Anyone can attract deposits if you put out the highest interest rate, but that hurts margin. The real challenge is determining how you attract core non-maturing deposits by being relevant in a world with such fast-changing fintech. Today's consumers don't want a 'checking account' – they don't write checks. They want a partner who understands them and helps manage their finances. That's a challenge both in a banker's mindset, but also from a budgetary standpoint. Part of my role as CFO is to help bring that focus to all areas of the bank.

“I think community institutions have the ability to adapt to change more quickly than larger institutions, if we only realize the importance of doing so.”

How has your role as CFO changed over the past five years?

The community institution CFO role has always been very diverse, in that we typically wear more hats than just finance. However, in the past five years there has been a definite shift. We are still tasked with effectively managing assets, liabilities and interest rate risk, and most of us still maintain some sort of operational function, even if not directly. But CFOs today must be prepared to predict growth and financial metrics through a series of dynamic changes.

It's not enough to just prepare an annual budget and file monthly and quarterly reports – it's a series of ever-changing what-if scenarios that need to help guide the direction of the bank. Because of this, we must also better understand the regulations and accounting guidance to quickly adopt strategies we may not have used in the past. And this carries over into all areas of the bank. I'm being brought into conversations that in the past might have sidestepped finance altogether. Now it's 'what does the CFO think?' That's a good thing. I enjoy it, but it's challenging.

Where do you expect to be focusing most of your attention in the next two to three years?

I think we really need to focus on building strategies around a 'new industry' and forget about what worked in the past. It's very competitive now and it no longer includes just financial institutions. Now internet banks, fintech companies and companies like Amazon all want a piece of the financial puzzle. We need to focus on how we can meet consumers' needs, which are more encompassing than just providing a debit card and paying interest. Products of the past are irrelevant. There is nothing exciting about a debit card or even online banking anymore – it needs to be about taking it to the next step. As financial institutions, we have access to every aspect of a consumer's life and they know that. Now they want us to use that information to help them manage their lives.

What do you like best about working in a community institution?

I've been in the community institution environment for 30 years and have always preferred it over a large bank environment. To me it's always been about teamwork and feeling connected to each other. I like the variety of tasks that a smaller institution provides. I also think community institutions have the ability to adapt to change more quickly than larger institutions, if we only realize the importance of doing so.

“I'm being brought into conversations that in the past might have sidestepped finance altogether. Now it's 'what does the CFO think?' That's a good thing. I enjoy it, but it's challenging.”

What advice would you offer to someone entering the banking profession today?

Be flexible and embrace change. I've seen a tremendous amount of change in banking in my career. Take advantage of opportunities when they arise. Never be afraid to do the smallest of tasks, even if you're the one at the top.

What is the best (or worst) professional advice you've ever received?

I once had a manager tell me 'It's not so important that you know everything. It's more important that you know how to look for the answers.' I've tried to instill that in my employees, especially when they comment that I know everything. I don't know everything. I just know how to remain cool under pressure and seek out what I need to solve the problem.

What roles outside of accounting and finance have you held and how have they helped you in your current position?

A large part of my career was spent simultaneously in both finance and operations/technology. This has allowed me

to understand not only the changes going on around me, but also the importance from a financial aspect of what needs to be included in the budget. Sometimes I think top management may see the dollars required to be not only compliant but also competitive in technology, and will turn the other way. By being surrounded by it and very embracing and understanding of technology, I understand the importance of spending the money even when it sounds expensive.

What do you like best about being an FMS member?

I think the training courses have been great. I'm looking forward to my first Wisconsin chapter social as well. I really like having a network of peers to reach out to.

Where do you see the banking industry in 5-10 years? How do you see it changing/developing?

I'm not sure I'll even recognize the industry, especially from where it was when I started in banking. We've had so many changes from a regulatory perspective and technological perspective that it can make your head spin. Because of that, the overall industry is changing. Institutions are learning to do more with less. We are being faced with consumer demand for services we don't know exist. I'm looking forward to seeing where it goes. ■