

First Reliance Bank

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Rick Saunders - President / CEO, [First Reliance Bank](#)



Overview

If you live in Florence, undoubtedly you have heard about First Reliance Bank. First Reliance Bank is one of the fastest growing banks in South Carolina. In fact, it's one of the fastest growing banks in the entire Southeast region! Currently, it is the 4th largest bank in Florence County with \$185 million in assets, \$143 million in loans, and \$142 million in deposit accounts. The bank has over 10,000 deposit accounts.

Established in 1999, the bank is a locally owned and operated financial institution that stresses personal relationships with its customers. The bank's mission is to be "committed to the success of its stakeholders, its customers, associates, communities and shareholders" by offering personal and commercial banking, investment, and mortgage services. The bank has two locations in Florence, the main headquarters located on W. Palmetto St. (next to Checker's and Monro Mufflers and Brakes) and one branch on Second Loop Road (across from the Piggly Wiggly grocery store and located next to BB&T). The bank also plans to expand outside the Florence market this year. First Reliance Bank will open another branch in Lexington, SC.

Business Idea, Formation, and Planning

One of the reasons for the bank's success is because the bank's leaders, notably Rick Saunders, Paul Saunders, and Dale Porter, recognized an important opportunity in the community. Rick Saunders previously served as Senior Vice President of Pee Dee State Bank, a locally owned community bank. In 1997, Pee Dee State Bank merged with a larger, regional bank called Centura (since then Centura has merged with RBC and it is now known as RBC Centura). After the merger, Rick began to notice that the personal relationships and the local community reputation that Pee Dee State Bank worked years to develop began to erode. It was during this time that Rick (along with the other two founders) began to develop the initial plans for First Reliance Bank. Florence needed a community bank, and because of consolidation and

mergers that is common in the banking industry, the area did not have an adequate community bank. First Reliance Bank would then serve as Florence's community bank.

New business ideas start with an opportunity recognition. But it takes more than just recognizing opportunities to be successful in creating and operating a successful new business. There are many obstacles one has to overcome in establishing a new business. Such challenges include obtaining the necessary capital, finding new employees, marketing your product/service, and developing customer relationships, just to name a few. According to Rick, the biggest challenge he and the other founders had to overcome was constructing the Board of Directors that shared his bank's vision and finding the necessary capital to open the bank. Rick stated that "it took about 60 days to raise \$7.2 million in capital, [and] the regulatory requirement was \$4 million." Obviously, Rick was successfully able to communicate the bank's vision to the Board and other shareholders in a quick time frame. Communicating a strong vision is a unique characteristic of many successful entrepreneurs, and Rick displays this trait.

What drives a company to achieve the goals and aspirations it has set forth in their vision and/or mission statements? *Planning.* A clear set of plans is necessary for a business to determine how it is going to accomplish its goals. First Reliance determined that its main goal was to become the largest bank in the Florence community. They have developed long and short term plans to help them achieve this lofty goal. "Our goal is to become the largest and most profitable bank in South Carolina," Rick proudly exclaims. Rick mentioned that First Reliance develops a "rolling 5 year strategic plan that is updated on a quarterly basis." Furthermore, each department (mortgage, personal, commercial, investments, etc.) within the bank develops an "annual budget and operating plan" that "compliment and support the corporate strategic plan." Although plans are designed five years in advance, the company has allowed for flexibility in their planning by reviewing their plans quarterly and by coordinating them with individual departments. This ensures the bank can remain on target to achieve their goals and remain competitive in a changing market place.

Employment Issues

Perhaps the biggest managerial issue Rick and First Reliance encounter centers around its employees - recruiting and retaining competent and dedicated employees. Finding talented employees that can handle an increasing loan portfolio and "work in a fast paced, entrepreneurial environment" will always be management challenges for a financial institution, Rick says, but finding these employees who share the bank's vision is a greater challenge. Banks, like many other small businesses, use a variety of recruiting tools to find new employees. They include newspaper classified ads, referrals, internet classified ads, promotions, and the bank's own website (www.firstreliance.com). Because the bank offers a wide variety of jobs - including positions in sales, financial, technical, process service, etc. - the bank is able to attract a wide and diverse applicant field. The wide diversity of jobs enable to bank to recruit people with different competencies, skill settings, and career priorities.

So what does First Reliance look for in potential employees? "We look for people that have independent thinking skills, multi-tasking skills, high work ethic and someone that likes to win," discloses Rick. Once a potential employee has been identified, the bank will send the applicant through an extensive process. The bank conducts "normal" background checks, skill proficiency tests, and interviews. For executive and high management positions, the applicant may go through several more interviews with department heads before the banks make a hiring decision. Hiring the wrong person can cost the business a lot of time and money. Rick states,

"Most businesses make a crucial mistake regarding recruitment. We are building strategies that will keep a pipeline of talent in order to avoid the need to make quick hiring decisions."

Rick also provided some advice to students who are just starting in their career pursuit. "Always ask for extra assignments, solve problems for your company, and make your boss successful." Indeed, the ones who work hard to get ahead in their job are the ones who will be successful in their respective career. Although it is a cliché to say, but hard work always pays off.

The Future

Business leaders and businesses have to be forward thinking. Personally, Rick wants to make continual efforts on enhancing his leadership skills. "Being capable of communicating my vision for First Reliance Bank and influencing our people to buy in to that vision is important for our company," Rick quips. Leaders have to effectively communicate their vision to their employees, customers, and community, so Rick always wants to keep his leadership skills fresh. Within the next year three years, Rick stated he wanted to get out of the day-to-day bank operations responsibilities, and focus more on "developing strategic relationships with bankers and business people around the state to further advance [the] company's footprint."

The future also looks bright for First Reliance Bank. As mentioned earlier, the bank is expanding into the Lexington market in Year 2004 - the bank's first venture outside the Florence market. Getting the Lexington branch off the ground successful will be a major point of emphasis for the bank in the upcoming year. Within the next five years, the bank hopes to open branches in at least three more different markets. Although the bank will look to expand in the next couple of years, the bank will persistently work to improve its financial position and understand its customers' needs more effectively. With a great leader directing First Reliance, things only look to get better for First Reliance Bank and its customers, employees, and shareholders.

Learn more about First Reliance Bank by visiting their website at www.firstreliance.com.
