



Business Lessons Learned from Banker Dave Hornberger

Dave Hornberger, Market President of the Lancaster Region for Orrstown Bank, recently presented “Eight Business Lessons Learned” to the Ross Buehler Falk LLP Executive Forum. Dave’s entrepreneurial family background, banking career and passion for helping small businesses succeed were only a few of the topics covered. Here are Dave’s “Eight Business Lessons Learned:”

1 Key Executives Need to Share their Vision:

Your people need to know what the roadmap looks like and where are you going? What is your market niche? How do you define success for you and your team? What is your value proposition you’re taking to market? The Leader has to share with the team. How does your team know where they are going and how to define success unless you regularly share the roadmap with them. It sounds simple but it’s amazing the amount of owners who don’t do that. I walk around in a lot of companies and ask the employees, “When was the last time your CEO laid out the roadmap?” Many companies don’t do it but I can tell you that every company that prospers does this with their people. So, share your vision.



3 Approach Life and Business with a Positive, Enthusiastic, Can-do Attitude:

It’s self-fulfilling. When you walk into a company with a lot of upbeat people, it’s contagious. If you go into a firm where there is negativity and cynicism, it will breed negativity and cynicism. You can teach people skills but attitude is something you can’t teach and it’s so important.

4 Bring Intellectual Capital to the Client Experience:

As a banker, we sell money. Money is a commodity. Where we bring value is in our intellectual capital. In a banker that means understanding the complete cash flow cycle of your customer. Understand it from the time he brings in a raw material through his production cycle until he sells it and collects his receivable – as a banker, you need to become an expert on that cash flow cycle for your client. That means when you visit your client you’re not there just talking all day about his kids and dog, but you are asking questions to fully understand the cash flow cycle. When you build up your wealth of knowledge, then the client feels like you’re a valued partner in the relationship and they seek your input when they come to making key decisions. Sell beyond price, be a lifelong learner in your industry. Strive to keep your finger on the pulse of the industry.

2 Create a Culture of High Engagement:

The key thing for a leader is to create a culture of engagement where the people feel empowered and they want to get out of bed every morning. They want to come work for you. And when they’re at social parties, there’s a smile on their face when they’re telling somebody where they work. People need to know that they make a difference and feel like they’re making a contribution to something worthwhile. When you’re creating a culture of high engagement, I think it’s important to have empathetic high care. But then you have to encompass that with accountability. At Graystone, one of our key drivers was to have an engaged culture built with high care accountability and that requires transparency and intentional communication, along with sharing the vision. You need clear and consistent communication to have high engagement.



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5 Self-Reflect – Get in Touch with Your Strengths and Weaknesses: There are core competencies in running a business and you need to recognize your strengths and your own weaknesses because when you make the leap from a sole proprietorship to a million dollars a year to wanting to grow a company to five or ten million, you'll need a team of people. I find a lot of guys will spend all of their time trying to correct their weaknesses and they would be so much more productive to focus on their strengths and maximize the returns.

6 Make Strategic Hires: Find people who complement your weaknesses and put them on your team. Or create strategic partnerships. It's key for the leader to make strategic hires or partnerships and then have the ability to delegate. To get to the next level you're going to have to develop a team. And when you develop the team, it comes down to communication, coaching, mentoring and checking back in. You've got to share your vision and your game plan and coach your employees to higher levels of performance.

8 Define Your Exit Strategy: As I've gotten older and further along in my career this has become a focal point for me. I feel like I have a responsibility to these companies that have banked with me for 10, 15, 20 years. They get so tied up in the day-to-day business and they don't think about succession planning. I know of a customer now who I didn't push hard enough in this area. He's in his 80's and the value of his company has gone through the floor; he's losing employees, he's losing market share and he's losing his mental ability to make decisions. And I feel like I failed him. When I see companies stay on top for a long time, you can see they always have a well-defined strategy with a timeline and they executed the plan. The nightmares I see out there, they failed to execute a succession plan or an exit strategy and they've spent 30 to 40 years building tremendous wealth and they could blow it in a couple of years. So, I encourage you to talk with your business owners and clients about having an exit strategy and a succession plan.



7 Understand Your Margins and Your Costs: Well-run companies that grow and are successful long-term have the finger on the pulse of their gross margins, their fixed and variable operating expenses and their net margins. It instills confidence in a banker when he sits there and asks you questions like that and you can pop off the answers. He says to himself, "You know what, I'm going to loan money to that guy." When I sit there and the guy doesn't have a clue – whew – it's hard for me to approve that loan. I ask owners how they make good business decisions if they don't have good financial reporting systems. I would encourage you to invest in good systems.

