

# GSBLSU Third Year Program



# Investing in Your Future

The Graduate School of Banking at Louisiana State University provides an organized course of study of general banking subjects tailored to the particular needs of bankers in the fifteen sponsoring states. The three-year program covers subjects applicable to bank management and operations including monetary, economic, and regulatory theories and practices. The School's purpose is to fill the need for graduate-level study by bank officers and others meeting admission requirements leading toward a broader knowledge and understanding of major banking functions such as credits, investments, asset and liability management, planning and control, regulatory issues, human resources, and marketing.



# Course Overview

## Required

- Bank Management Simulation
- Interpreting Economic Change
- Leadership in Times of Change
- Managing in the New Bank Regulatory Environment

## Elective

- Advanced Real Estate Financing
- Bank Performance Analysis
- Critical Relationship Skills
- Rural and Small Business Lending
- Sources of Non-Interest Income
- Troubled Asset Resolution



# Advanced Real Estate Financing

Dustin C. Read

This course focuses on the techniques used to analyze, finance, and structure real estate transactions. Topics included are: an overview of the real estate space and capital markets; the techniques of real estate financial analysis and valuation; financial and ownership structures; and commercial mortgage structures and underwriting.

# Bank Management Simulation

Ernest W. Swift

This course utilizes a computer-based learning exercise designed to give participants an overview of the bank management decision-making process. Students develop strategies for the management of functional bank areas, with specific emphasis on planning and decision-making in areas such as loans, deposits, investments, funds management, asset/liability management, risk management, etc. The primary focus is on profitability and growth, but attention also is directed to marketing and pricing of bank services—both current and future.

The senior class is divided into teams, with each team effectively managing an \$800 million dollar bank. The computer model allows students to make decisions, to receive quick feedback on the effectiveness of their decisions, and then to make new decisions which adjust bank operations to compensate for a large number of internal and external forces including competition, the economy, and regulatory constraints. Within a two-week period, simulation teams experience the equivalent of two years of bank operations.

The course is supervised by qualified instructors who have extensive real-world banking experience as CEOs, presidents, or examiners. The computer model, (BMSim) or Bank Management Simulation, was developed by the ABA and currently is maintained by a consortium of regional banking schools.

# Bank Performance Analysis

James W. Wansley

This course is designed to provide the student with an understanding of bank financial statements and enhance their ability to analyze and potentially improve bank financial performance. Relationships between the various parts of financial statements are explored and primary sources of bank revenues and expenses are considered, with particular focus on their effects on a bank's ROE. Students should bring their bank's (or a bank's) UBPR to the class. In the bank study project, students analyze their own institution's financial performance, identify any strengths and weaknesses, and develop pro formas that conform to bank goals and objectives.

# Critical Relationship Skills

Mark Faircloth

This course equips consumer and small business bankers with the skills needed to close the “relationship gaps” identified in current research and in-depth interviews with individuals and business owners. More than a simple overview, Critical Relationship Skills takes a deeper look into: matching client and bank needs; thinking like the customer to better understand financial needs; creating value, both on-the-spot and over time; and managing the relationship process.

Each daily session presents concepts and examples of correct (and incorrect) approaches, followed by small group decision/problem solving activities that develop practical “back at the bank” actions. In addition to front line bankers and managers, this elective contains value for administrative positions such as marketing, human resources, operations and IT. Each participant receives tools for planning, negotiating and managing profitable relationships.

# Interpreting Economic Change

David M. Kohl and Thomas H. Payne

The commercial banker must interpret economic change and adjust to changing business conditions in all aspects of banking practice. This course attempts to provide the banker with a practical basis for analysis of the major economic variables in business fluctuations. Special attention will be given to aspects of economic indicators, both domestic and globally, that will impact a banker's strategic business making process.



# Leadership in Times of Change

## Stephen R. Robichaux

The banking industry is in the spotlight and this course engages the participants in an interactive learning process aimed at leading through the current crisis. Leadership theories that have dominated our thinking and practice for the last century are presented and summarized into a relevant whole that provides a firm foundation for today's leaders. Leadership styles are presented and assessed, and leadership levels are linked to effectiveness in today's tough markets. Exercises and tools for leading organizational change are presented to help leaders succeed in today's complex organizations and business environment. A model for personal leadership development is presented for participants to continue their life-long process of growth.

# Managing in the New Bank Regulatory Environment

J. Michael Woody

This course provides an overview of regulatory responsibility, including a brief review of the various regulatory agencies, including the new “hybrid” agencies. Issues dealing with raising capital and managing capital positions for growth and regulatory credibility are addressed by experienced experts in the area of investment banking. The subjective regulatory issue of managing earnings and liquidity is discussed by experts to provide “safety net” comments and guidance. The merging areas of regulatory direction demanded by Dodd-Frank legislation will be discussed and analyzed. The impact of technology on banking and regulatory risk analysis will be addressed and the functions of the Consumer Protection Agency will also be analyzed.

# Rural and Small Business Lending

David M. Kohl

This course will examine the domestic and global megatrends that will impact credit risk and business development opportunities in your rural and agricultural enterprise businesses. Consumer and population trends, rural and agricultural structure, real estate values and intergenerational business transfer will be emphasized. The course will examine actual small business enterprise cases including underwriting benchmarks, best management practices, common denominators of problem credit, and credit scoring systems applications, including the ten golden rules for operating small business enterprises.

# Sources of Non-Interest Income

Dan M. Harbison

Pressures on a bank's traditional source of profit—the spread between interest income and interest expenses—have encouraged bank management to look to non-traditional sources of revenue and profits. This course focuses on some of these sources and addresses the managerial issues involved in entering into these areas. Among the areas discussed are brokerage services, insurance services, service charges, overdraft protection, and mortgage banking.

# Troubled Asset Resolution

J. Michael Allen

In the past few years, bankers have experienced and are experiencing a period of unprecedented economic challenge. Our asset quality and loan performance are being tested daily. Capital preservation and liquidity are more precious to bankers today than ever before in our modern time. Virtually all markets are affected. These challenges are of a depth and breadth few have seen—let alone have experience at handling. No longer can many banks boast that their asset quality is great! Problem loans are a new reality for some. How will your portfolio respond to continued pressure? Are your internal management practices and board activities where they need to be? How has this environment affected your relationship with your regulatory agencies? This course is designed to provide some assistance, guidance and provoke thought as to how you handle loan performance changes in your shop.

# Thank You



We hope the outline provides you with more details on the specific requirements for the third year session at GSBLSU. For more details, log on to [GSBLSU.org](http://GSBLSU.org) or contact us at 225-766-8595.