

## Riding the wave

### New chief of DCB Financial might be fortunate to have gotten past recession outside banking

Mark Williams • The Columbus Dispatch • January 20, 2012

Ron Seiffert is lucky, in a way.

While his former colleagues in the banking industry were dealing with one crisis after another just before and during the recession, Seiffert was away from the industry for five years working at Ohio Dominican University, including an 18-month stint as the interim president.

Now back in banking as the CEO and president of DCB Financial, the parent of Delaware County Bank, he finds that his time away has energized him. By contrast, people he knows in the industry have been worn down by the constant struggles.

“There’s a level of fatigue, frustration,” said Seiffert, 54, a former executive at Huntington Bancshares and the former Bank One who joined DCB Financial last fall. “At any bank, it’s been very, very difficult.”

He’s also lucky in the sense that he missed the hard times that faced his current bank, one that now looks to him to put it on the path to a brighter future.

DCB Financial, like many other banks, has seen its profit and stock price tumble during the recession, dragged down by sour commercial loans in rapidly growing Delaware County. The bank has closed offices, cut staff and taken other steps to reduce costs. It is under orders from state and federal regulators to shore up its finances.

The bank has also experienced a fair amount of churn at the top. Before Seiffert’s hiring, the bank had been led by two interim CEOs since the sudden departure of Jeffrey Benton in June 2010.

Shares that were once priced above \$30 in 2006 now trade at \$3 and have been stuck below \$4 for the past year, languishing like many other financial stocks.

“I don’t worry too much about the stock price,” Seiffert said.

Seiffert believes the company is poised for a comeback, and if that happens, shareholders will be rewarded.

“You start with a good market,” he said of the bank’s position in fast-growing Delaware County. “You start with a good footprint in the market. You start with a community bank.”



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**DCB Financial President and CEO Ron Seiffert hopes a rising economy will help Delaware County Bank end recession-fed doldrums.**

The fact that Seiffert has been away from banking for a few years may be a good thing, said Bruce Clapp, president of Market Match, a Dayton-based financial-marketing company.

“All things considered, his freshness and not having been stuck in the quagmire of the whole industry will give him an opportunity,” he said.

Seiffert is a good pick to lead the bank, said Galen Barnes, a retired president of Nationwide who was board chairman at Ohio Dominican when Seiffert was there and has known Seiffert for about 15 years.

“He would understand what needs to be done,” he said.

Seiffert was thrust into the role of interim president at Ohio Dominican when the prior president left less than year after joining the Roman Catholic liberal-arts school.

“Ron stepped in and kept the university moving forward,” Barnes said.

He said Seiffert will quickly establish priorities and build a team to accomplish those goals.

“He will end with a very, very loyal and high-performing team,” Barnes said. “That will give him a chance to be successful.”

Seiffert said the steps that bank leaders and his predecessors have taken, while painful, have brought stability to the bank and positioned it to become profitable again.

DCB closed five branch offices in the fall and laid off 31 workers, part of its plan to reduce costs by \$1 million a year. The bank had previously cut 16 jobs through a combination of an early retirement program and layoffs.

Also, the bank has been reducing its commercial-loan portfolio amid the weak economy.

After closing the offices, the bank was left with 14 offices serving 35,000 customers in Delaware, Franklin and Union counties.

“The community, the employees and the shareholders want this bank — their bank — to win,” he said.

Despite the problems the bank has had, customers have remained loyal, he said.

“That’s encouraging to a guy like me,” he said.

Still, the bank is in tough competition with banks that are far larger.

The bank has slipped to No. 2 on its home turf in terms of deposits, according to Federal Deposit Insurance Corp. data for Delaware County as of June 30.

The bank’s 23.1 percent share trails JPMorgan Chase & Co., which has 26.7 percent. PNC is No. 3 with 17.4 percent, Fifth Third Bank is fourth with 9.2 percent and Huntington Bancshares is fifth with 8.8 percent.

The bank had a 31.6 percent share as recently as 2008, before the financial crisis hit.

“There is plenty of room to be highly profitable and provide great service,” Clapp said.

But the bank will have to be cautious and focused to make headway, he said.

“They’re going to have put their nose to the grindstone and treat every customer like it’s the last one,” he said.

With the cuts finished, Seiffert has outlined three major steps he says will put the bank on track to begin growing again.

Tops on his list is the need to raise money to help steady the bank’s finances. Seiffert said it is one of the last major steps the bank must take to satisfy the demands of regulators.

The exact amount of money is being determined. The focus of the fundraising will be on drawing new investments from current shareholders and finding new local shareholders. The goal is to raise the money by June 30.

“That would be a tremendous accomplishment and provide us some flexibility to grow the bank,” he said.

Next is an assessment of the bank’s product offerings to see whether there are gaps — for consumers, small businesses or other customers — that should be filled to keep the bank competitive with the other large and small banks that operate in the area. That assessment also will include a look at the bank’s online offerings.

“We have got to invest in both because we want to give customers a choice,” he said of the bank’s brick-and-mortar offices and the Internet.

Finally, the bank will step up its marketing and public relations.

“We need to let the market and our customers know that we have these products and services,” he said.

Seiffert has spent plenty of time since his appointment with customers, especially those who own small businesses. One of the things he said he looks forward to in his job as a community banker, is being closer to customers.

There’s a broad-based feeling that the economy is improving, and that’s good news for the bank looking to win more business from customers. Loan demand should be stronger.

“It’s not a loud voice, but our customers are starting to feel a little better.”

**Ron Seiffert**

**Title:** CEO and president, DCB Financial

**Born:** Feb. 11, 1957

**Education:** Washington University

**Work experience:** Ohio Dominican University 2005-10, interim president 2009-10; Bank One, executive vice president 2002-04; Huntington Bancshares 1979-2002, vice chairman 1997-2002

**Volunteer work:** Delaware’s Community Improvement Corp.; member, Columbus Mayor Michael B. Coleman’s Accountability Committee; Lutheran Social Services; Finance Fund of Columbus

**Personal:** Married with three children; lives in Blacklick

*Source: DCB Financial*