

BankNotes



Commerce
National Bank

Healthcare Business
Banking GroupSM

4TH Quarter 2012

Welcome to Commerce National Bank's BankNotes newsletter! We think you will find BankNotes to be a useful tool for you and others in your company, and we encourage you to share our newsletter with staff and colleagues. Questions or comments about BankNotes? Contact Donna Garrett at (614) 583-2085.

JENN'S CORNER

To Give is to Receive

by Jennifer Griffith, President and CEO



If you read *Bank Notes* regularly, you've probably realized that I enjoy learning lessons from my kids and my family. Well, my daughter Morgan has inspired another moment that

illustrates the importance of sharing great service stories with others.

We live within walking distance of a specialty grocery store owned by Tim Huffman, Huffman's Market. With almost embarrassing frequency, my kids stop in at Huffman's for drinks or ice cream. They love the staff of friends and family that make shopping at Huffman's a complete joy. Morgan and Cole know everyone on the staff, and they are always welcomed by hugs and smiles.

As part of a school project, Morgan had to write about a recent trip or vacation memory. Instead, she wrote a letter to Tim Huffman describing her "trips" to his market. She shared glowing stories of each staff member, complimented the goodies and encouraged others to also shop at Huffman's. Tim posted the letter and received a little bit of positive buzz for his incredible staff. Big smiles!

All too often, consumers share the negative experiences that cause

frustration and impede progress. Stories about great service can (with much disappointment) get overlooked. When was the last time you shared a remarkable service story? Have you ever blogged about notable service? Have you ever submitted compliments to the BBB or Angie's List? Do you encourage referrals for your customers and vendors?

It's in everyone's nature to talk. Listen to yourself this week. Are you and your staff prone to sharing stories full of greatness? Or do you catch yourself griping about things gone wrong?

Word-of-mouth advertising carries immense value. I'm certain you are aware of just how powerful it can be for your business. Please don't forget that to give is to receive. 

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Save the
Date!

CNB Holiday
Open House

Wednesday,
December 12, 2012





Contact Info

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Fax: 614-583-2201

www.commercenationalbank.com/healthcare

Our Customer Call Center at **888-716-1514** is available extended hours:
Monday–Friday 7:00am–7:00pm
Saturday 9:00am–1:00pm

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ODA Annual Trade Show – September 13-15, 2012

by Justin Baker, Vice President, Healthcare Business Banking Group



Each year in September, about 5,000 dentists, dental staff members, and dental industry experts converge for the Ohio Dental Association's Annual Session in Columbus, Ohio at the Columbus Convention Center. This year's 146th annual meeting was held September 13 through September 16. The dynamic event offers both dentists and their staff members the opportunity to attend continuing education courses on a variety of clinical and business topics, as well as the option to visit the exhibit hall, which displays information about new goods and services offered to the dental community.

Commerce National Bank again exhibited at this year's Annual Session. This event, along with many others throughout the year, allows our Healthcare Business Bankers to learn about the latest trends in dental technology and services, so that they can better understand the needs of both current and future Healthcare practices. This year, CNB introduced its new Plinko board game, which quickly became a favorite among ODA traffic.

Did you miss us at this year's event? You don't have to wait until next year's Annual Session (September 19-22, 2013) to take advantage of our historically low rates and outstanding customer service. Commerce National Bank's Healthcare Business Bankers are an experienced team specializing in practice banking. Please call Justin Baker at 614-583-2182 to discuss how Commerce can help you with your practice financing needs. 



Happy Hour = Happy Families!

In August, CNB's Healthcare Business Banking Group teamed up with the Cincinnati Veterinary Medical Association ("CVMA") to host a happy hour for Cincinnati area veterinarians. Our goal was to enjoy some drinks and appetizers, while at the same time, collecting canned goods for Matthew 25 Ministries. The CVMA's response and efforts were fantastic, and between cash and food donations, Matthew 25 Ministries will be able to provide 25 meals for needy families.

George Leugers and Mark Engle, along with the rest of CNB, appreciate CVMA Executive Director, Holly Molony's,

Matthew  Ministries

support and help with this event. With the upcoming Thanksgiving Holiday, our Healthcare Business Banking Group will most likely team up with area associations to put on fun, relaxing events where we can help collect food for families that are in need.

A big thank you goes out to all those who attended and thanks for your generosity! 

The Fiscal Cliff and Its Many Paths To Perdition

by James E. Newton, CNB Chief Economic Advisor



Good news! According to the latest utterances from the Federal Reserve in September of this year, their newest “central tendency” forecast for the U.S. economy during 2013 has

improved. Next year should see the nation’s total output of goods and services (real GDP) expand within the range of 2.5 percent to 3.0 percent after a disappointing 2012, which the Fed crystal-ballers expect to come in at about a 1.7 percent to 2.0 percent GDP advance. And with that rate of economic growth in 2013 the Fed believes that the nation’s unemployment rate will drop a bit; to somewhere within the range of 7.6 percent to 7.9 percent. All-in-all, not a bad outlook.

The bad news? A month earlier the Congressional Budget Office released their projections regarding the 2013 economic outlook for the nation and there was a modest difference. According to the CBO projections, the U.S. economy would experience a recession in 2013, with GDP falling by nearly 3 percent in the year’s first half before registering a modest pickup in the second half. For the overall year (from fourth quarter, 2012 through fourth quarter, 2013), real GDP would drop by 0.5 percent and the unemployment rate would average 9.1 percent during the final three months of next year.

So what gives? How can there be such a monstrous difference in the forecasts of two government institutions that are supposed to be well informed, and give people and businesses some reasonable idea as to what kind of economic environment to expect – and plan for – as a new year unfolds?

In one case – the Federal Reserve projections – the impact of the so-called “fiscal cliff” seems to be ignored, while in the other case – the CBO outlook – we are given a peak into the consequences of government paralysis should politicians allow the nation to tumble over the fiscal cliff.

While many of us have been hearing about the economic apocalypse that occurs at year’s end, it may be important to understand all of its elements. In doing so, perhaps business people can at least make

a best guess as to what a lame-duck session of Congress may do. Perhaps some aspects of the fiscal cliff will be “fixed” while others may well be allowed to automatically take place and thus put downward pressure on the economy. The number of possible policy alternatives seems nearly limitless and makes planning for 2013 extremely difficult at this time.

Included among the major components of policy changes that automatically take place on January 1st of next year without Congressional/Presidential approval are the following:

- All Bush-era income tax rate reductions enacted in 2001 will come to an end and tax rates for the vast majority of those paying federal income taxes will rise significantly.
- The highest dividend tax rate will skyrocket from 15 percent this year to 43.4 percent next year since they are taxed as ordinary income. This includes the initiation of the new 3.8 percent investment tax rate mandated under the Affordable Care Act (Obamacare).
- The highest capital gains tax rate (including the above-mentioned 3.8 percent) will jump from 15 percent to 23.8 percent.
- The maximum estate tax rate will rise from 35 percent to 55 percent.
- Some high income groups will lose (in part or in full) some deductions or exemptions in determining federal income tax obligations.
- The child care tax credit will fall to \$500 per child from \$1000.
- The American Opportunity Tax Credit (one path to use when financing a college education) will expire.
- The expansion for eligibility for some individuals currently obtaining funds through the Earned Income Tax Credit will end.
- A temporary marriage tax penalty relief program will expire.
- The present Alternative Minimum Tax patch will expire for tax year 2013 and potentially increase income tax liabilities for up to 30 million American taxpayers.

- The payroll tax holiday which reduced the Social Security tax rate paid by individuals from 6.2 percent to 4.2 percent over the past two years will expire. As such, next year working Americans paying into the Social Security System will see an immediate reduction in their net earnings of 2 percentage points; amounting to about \$120 billion in aggregate for the year.
- All federal extended unemployment benefits will come to an end and the maximum number of weeks a person can obtain benefits will drop to 26 weeks throughout the nation, regardless of the “tier” structure that individual states now experience.
- The Medicare “doc fix” for primary care physicians will end and reimbursement rates provided by the federal government via Medicare will drop by an estimated 27.4 percent.
- The exemption for mortgage debt forgiveness will end for impacted individuals as they calculate 2013 federal income tax obligations.

Taken together the above automatic changes will amount to a nearly \$500 billion hit to Americans, or approximately 3 percent of total nominal GDP. Is it any wonder that the CBO outlook for 2013, which assumes all aspects of the fiscal cliff are implemented, is so much more depressing than the Federal Reserve outlook, which seems to ignore all of the above.

But the cliff goes even further. Under provisions of the Budget Control Act of 2011, some \$1.2 trillion in automatic spending cuts must take place over the ten year period between 2012 and 2021 (inclusive). Of course, in an effort to put the pain off until after the 2012 elections, politicians put the cuts at zero for 2012; with 2013 being the first year for a bite out of federal spending. As such, total automatic expenditure reductions will be about \$110 billion next year, with half from impacted defense budgets and half from impacted non-defense budgets (which excludes some entitlement programs).

So there you have it. Take your best guess as to what may happen. After all, there truly are many paths to economic perdition.

Dr. Newton's views do not necessarily reflect the opinion of Commerce National Bank or First Merchants Corporation.

Think Process

by Mark Engle, Senior Vice President, Healthcare Business Banking Group



Do you want to leave a lasting impression with new patients, build your practice with patient referrals, and enhance the value of your practice?...Then Think Process!

Your clinical skills are, of course, critical to a positive patient experience; but what about the customer's initial impression of your business? What about the efficiencies within the practice? What about the follow up?

Many of us get comfortable with our skills or expertise, but it is more than our individual skills that make a business successful. As leaders, we are accountable for implementing the processes that a customer will experience. The execution of those processes, however, is carried out by our team - and this is what the customer remembers.

How often do you assess your processes to ensure that they are efficient and focused on customer satisfaction? Do you have regular team meetings to discuss efficiency needs?

Do you challenge yourself and your team to do better?

Everyone on the team has to be engaged and working towards the same mission. Maybe that is a good place to start...**Design a Mission Statement.** At Commerce, our Healthcare team of bankers has a defined Mission Statement which helps to provide clarity and direction to everyone on the team. Teach and coach every team member on how their role contributes to the mission. But don't stop there. Encourage extra effort and recognize



those that add value to your business with their commitment to the mission.

And then if, no wait – **when** process efficiencies result in new business, a competitive advantage, and raving fans, reward your team.

In today's competitive economy, we all need to be sharp with our marketing efforts in order to appeal to patients/customers. But more importantly, we need to be sharp with our processes and execution to create an enjoyable patient experience. 

Practice Owners Group

The Practice Owners Group is a collection of industry experts who focus on the business side of running a practice. We are your resource to the management concerns that face all practice owners throughout the course of their career. Each member of our group has extensive knowledge regarding the operations of a healthcare practice. From legal considerations, to tax planning, financing and banking, marketing, and financial planning, the Practice Owners Group wants to provide guidance to help you run an efficient and profitable practice.

For more information, please contact Ken Barton at (614) 340-6632 or Mark Engle at (513) 794-7457.

Who Will Buy Your Practice

...and Why?



As you look to the future, what steps do you need to take to position your practice to be sold? This seminar will help you prepare to sell your practice and provide valuable insights in planning for the future. Industry experts on legal, accounting and financial considerations will also be available.

Presented by:
The Practice Owners Group
In cooperation with the
Ohio Veterinary Medical
Association



PRACTICE OWNERS
GROUP

www.practiceownersgroup.com

November 7, 2012

6:30 pm Dinner
7 – 9 pm Seminar

Featured Speaker:
David F. McCormick, MS
*Simmons Veterinary Practice Sales
& Appraisals*

Cost:
\$45.00, 3 CE credits

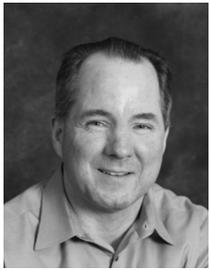
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Columbus, OH 43214

Register at:
<http://www.veterinaryseminar.eventbrite.com>

Or call Ken Barton 614-340-6632 or
Mark Engle 513-794-7457

Great People – First Step in Success

by Martin Brady, Senior Vice President and Chief Sales Officer



The third quarter of 2012 is behind us. The Bank has had a great start to 2012 and is looking forward to a great 4th quarter to finish up the year.

Our success this year is attributable to several factors. These factors include a better economy, exploring new opportunities for business, being in the right partnerships with great customers and prospects, and our people.

I saved our people for last, but this is a critical mission for our company and all companies. Hiring and retaining great people is essential for any team to be successful.

I was recently interviewing a person for a potential job opening at the Bank and I

came away incredibly impressed with this person's philosophy and thoughts on employment. She told me a story about running cross country in high school. She could never understand why some schools had terrible cross country teams and others had great programs. One day she asked her sister, who ran with her on the team, the cause of this and her sister responded: great runners breed other great runners. Teams almost never have just one great runner. The runners below the faster runner try and become better and the runners at the bottom try to bring themselves up from their current level. The moral of the story — make sure you have a team with some fast runners on it. She ended our time together with her thoughts on working for the Bank or anywhere; my job is to make myself indispensable to you. I have interviewed a lot of people and I have not had this



thought often, but I wanted to hire this person right on the spot.

People remain our primary asset. As we approach the end of 2012 and the beginning of 2013, make sure you have a team that is making itself faster and better, and employees that are making themselves indispensable.

United Pet Fund's 2012 Golf Classic – A Great Day Supporting a Great Cause!

by Nate Johnson, Relationship Manager, Healthcare Business Banking Group



The United Pet Fund is a non-profit organization founded in 2010 by Dr. Zeke Zekoff of Towne Square Animal Clinic, a Commerce National Bank customer. UPF has expressed the

mission of "empowering all those that help needy animals!" by providing services and resources to animal care and service organizations throughout the Cincinnati area.

On September 17, 2012, United Pet Fund held its Third Annual Golf Outing and fundraiser. The event was a resounding success as 72 golfers participated with local celebrities including former Cincinnati Bengals running back Ickey Woods.

Pictures from the Classic are available for viewing on the website of UPF's official photographer at www.skidogimages.com.

The golf outing brought in over \$8,000 for the fund, which will go toward supporting Pet Health Day in Over the Rhine, buy new gutters and windows for Circle Tail Rescue, fund a new HVAC system for HEARTT Animal Sanctuary's Thrift store in Sharonville, stock the new UPF Handyman Van with tools that will be used to help Animal Care and Service Organizations all over the Tri-state, and many other support projects. UPF is always open to hear from any animal-loving business owners who feel that their services or



products can help serve non-profit organizations that are Animal Care and Service Organizations (ACSOs). A video on the UPF website can help steer you in the direction of the many needs that ACSOs have. For further information, feel free to contact Dr. Zekoff at his clinic: (513)793-1875, or UPF's e-mail: unitedpetfund@fuse.net.

Commerce National Bank was proud to participate as a sponsor for the event. For more information on the United Pet Fund, visit their website at www.unitedpetfund.org.

At Commerce National Bank we have a team of dedicated HealthCare bankers. Contact Mark Engle, George Leugers, Justin Baker or Nate Johnson at 866-714-4626 to learn more.



Commerce National Bank

Healthcare Business Banking Group™

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Ohio State Chiropractic Association – Annual Convention a Great Success!

by Nate Johnson, Relationship Manager, HealthCare Business Banking Group



The OSCA is the only state-wide association representing doctors of chiropractics throughout Ohio and has been a customer of Commerce National Bank since 2007. This year the theme for the organization’s annual convention was “creating abundance” for its members and partners. The weekend began with a golf outing for members and partners on Friday, October 5th, followed by a day and a half of continuing education and celebratory events for attendees. The OSCA was pleased to welcome over 400 chiropractors, staff, and supporters in one space, at one time, to celebrate their profession in what was, by far, the most

successful convention to date. Event organizers reported countless e-mails from attendees sharing how monumental the weekend was and how they found a

renewed focus for changing the world around them.

Commerce National Bank was proud to participate as a sponsor for the weekend of events for the OSCA. For more information on the Ohio State Chiropractic Association visit their website at www.oscachiro.org.

At Commerce National Bank we have a team of dedicated HealthCare bankers. Contact Mark Engle, George Leugers, Justin Baker or Nate Johnson at 866-714-4626 to learn more.

