



Mission Bank

*Since it's partnership with
The Pacific Institute, Mission Bank has
generated impressive results:*

138% Increase in Net Income

88% Increase in Total Assets

110% Increase in Demand Deposits

194% Increase in Loans



BACKGROUND

Let's begin with the premise that a clearly articulated vision drives real business growth, and that an aligned mindset behind that vision drives *exceptional business growth*.

In 2012, Mission Bank's President, A.J. Antongiovanni, believed the bank's people were its best asset. He recognized that an organization's strength comes from the employees, and to grow and expand, an investment must be made in that asset. Mr. Antongiovanni also acknowledged that the bank was not a low-cost leader, and therefore wanted the focus to be on quality, exceptional service, and relationships.

During that time, with three locations in California, Mission Bank looked to accomplish several goals. The first was to grow the organization from its total assets of \$200M – which had increased at an average nominal rate of 5% in the prior years – into a \$1B bank by the year 2021. The second was to successfully integrate the merger of another bank, and the third, to create a successful transition between the CEO at the time, to the current CEO (then-President A.J. Antongiovanni).

To become a \$1B bank, Mr. Antongiovanni understood that a culture capable of achieving \$1B needed to be cultivated within the organization. He knew that the culture would either support or destroy a billion-dollar strategy, and therefore the importance of elevating and developing culture was necessary to attain that goal. Mission Bank was also aware of the vital role culture plays in successful acquisitions. According to Harvard Business Review, between 70 and 90% of mergers fail; the success or failure solely determined by cultural integration. Ultimately, the two companies' mindsets need to align.

With the bank objectives outlined, it was clear to the board and leadership of the importance of alignment, culture, mindset, as well as the investment in the people of Mission Bank. After meeting through a banking 'best practices' association, a partnership formed between Mission Bank and The Pacific Institute®.

ASSESS

In late 2012, Mission Bank partnered with The Pacific Institute® (TPI). TPI, founded over 40 years ago, has shared its education and curriculum with over 6.5 million individuals in more than 60 countries worldwide. The TPI approach provides holistic consulting services, facilitation, and an education to change individual and organizational mindsets, driving greater performance.

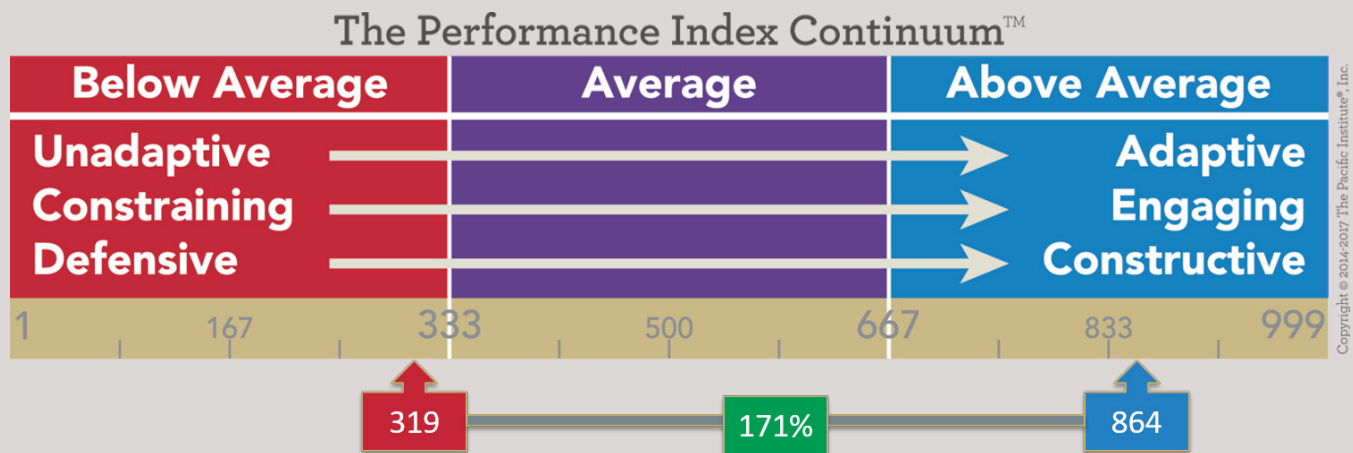
To gain an understanding of the current culture throughout the bank, TPI administered a culture assessment tool amongst the executive team. This provided a benchmark of both the current and ideal culture. After analysis of the results, and noting the gap between the assessment of current culture, and the vision of ideal culture, the company-wide concept of 'Go Blue' was adopted. 'Blue' refers to a constructive culture – a culture that accelerates performance through encouraging, affiliative, and motivating behaviors.

"Culture drives our success and we would not have implemented the blue culture as quickly or as effectively as we did, without The Pacific Institute."

A.J. Antongiovanni
President and CEO
Mission Bancorp/Mission Bank

ALIGN

Following the administration of the culture survey, TPI began delivering its leadership development program, TPI *HeadCoach*®. TPI *HeadCoach* – a cognitive-based leadership development program – is designed to help leaders identify and address habits of thought that are impacting performance. Through the program, the mindset of the leadership team was stretched to be able to envision the possibilities and the potential the bank had to offer.



The Performance Index Continuum™ has been designed to easily communicate the transformation of an organization, group, leader or individual. Utilizing an index score out of 1000 to summarize the actual data collected creates a single number for comparison purposes. In this case study the culture has improved 171% over a four-year period, from below average (319 Index) to above average (864 Index).

After completion of the *HeadCoach* program, the leadership team focused its attention on the bank's vision and values, with the guidance of a senior TPI consultant. The vision and values would become the cornerstone of the organization's operating philosophy.

ENGAGE

Once the leadership team was in alignment, the bank went on to deliver TPI's *Thought Patterns for High Performance*® to the entire organization. They delivered the curriculum through 13 internal facilitators, who connected the staff to the overall vision. The bank's employees recognized the investment Mission Bank was making in them, and that they had been given the tools to be successful both personally and professionally.

Through these efforts, the employees were motivated to use their discretionary effort – going above and beyond what is required of them. The initial statement developed by the leadership team, 'Go Blue,' was amended to 'Go Blue, Go You.' The modified phrase referred to the Thought Patterns training, in that all meaningful change, begins first with the individual.

Throughout the acquisition, The Pacific Institute® used the cultural assessment data to help merge the cultures together, and facilitate the transition to the new Mission Bank philosophy. After the merger, the ability of the merged bank's team members to shift and adapt culturally was greater and faster than the existing Mission Bank employees.

Trends in Key Financial Metrics



SUSTAIN

Since the initial implementation – where all team members received the *Thought Patterns for High Performance*® education – Mission Bank has continued to deliver refresher sessions once a quarter. It was very important to the leadership that the program wasn't something that was only done once then forgotten. Instead, they stressed the necessity to keep the momentum and continue to reinforce the values and behaviors. It is utilized and referenced constantly.

RESULTS

With three locations within 10 minutes of one another, a small bank mentality had always existed within the organization. Through the application of the curriculum, Mission Bank's footprint expanded to two regions, including a location in Los Angeles county.

In November 2015, strategic goals were set for 2016. By the end of Q1 2016, the bank had almost met the goal set for the entire year.

In addition to impressive financial gains, improvements have been noted across the staff behaviors and organizational culture, i.e.:

- Improved employee engagement
- Lower turnover amongst staff

Mission Bank is gaining a reputation within the community as an organization with a highly constructive culture. The recruiting department receives applications from people who are seeking employment because of the culture within the bank.

Overall Growth:

Area	2012	2013 (Merger Year)	2016	Overall Growth 4 Years	Organic Growth 3 Years	Average Annual Growth 4 Years
Total Assets	\$282MM	\$400MM	\$530MM	88%	33%	22%
Demand Deposits	\$118MM	\$190MM	\$248MM	110%	31%	28%
Loans	\$130MM	\$229MM	\$382MM	194%	67%	48%
After Tax Income	\$2.1MM	\$2.4MM	\$5.0MM	138%	108%	35%

CONCLUSION

Mission Bank remains committed to growth through investing in the company's people, building a constructive culture, and reaching the goal of 'Billion-Dollar Bank.'

"The focus is on a high-performance culture. This is who we are. When we set goals and the right affirmations to go after these goals, we blow through them... We own, innovate and achieve."

Diana Wolf
Mission Bank - Assistant Vice President
Manager of Human Capital



About The Pacific Institute®

The Pacific Institute® is a global consultancy with over four decades of expertise in delivering customized solutions that empower organizations and individuals to improve performance and reach their full potential. Founded in 1971 in Seattle, Washington, we've served clients in over 60 countries and 23 languages. We've worked with over half of the current Fortune 1000 companies, as well as governments, educational institutions, professional athletes and sports teams, and other organizations. To date, more than 6.5 million people around the world have participated in our programs.



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