



TRUST!

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Jan Lynn Owen, Commissioner, California
Department of Business Oversight

Values to Value: Financial Institutions That Are Changing The Way Business Is Done



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Co-founder IEX Group



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TRUSTWORTHY LEADERSHIP AT SUNRISE BANKS



by David Reiling

Introduction by Barbara Brooks Kimmel, Executive Director, Trust Across America-Trust Around the World

In 2014, David Reiling was named to Trust Across America-Trust Around the World's [Top 100 Thought Leaders in Trustworthy Business](#) because of his ongoing commitment to trustworthy leadership. David graciously agreed to participate in our [Profiles of Trustworthy Leaders Project](#), a series of questions designed to engage business leaders in an analysis of the role trust plays in their organization.

I would like to thank David for both his time and for modeling trustworthy behavior in the financial services industry.

Barbara Brooks Kimmel

What role does trust play in the ensuring of success of your organization?

Trust is at the cornerstone of Sunrise Banks' culture and in the DNA of all levels of the organization, with accountability held by all levels – from the executive leadership team to the tellers who talk to customers every day. Trust is inherent but reinforced through interconnection of job duties, regulatory requirements and regularly scheduled audits. In addition, we have a strong enterprise risk management function that integrates best practices throughout each business line.

Our 10x core values make the connection of our mission, vision and values. For example, our first core value talks about having a *Bigger than Us Focus*. This core value is about having a personal connection, genuinely caring for others, always having a positive intention and focuses on giving back while creating a culture of giving whether it's of time, talent or treasure. This connection of mission, vision and values allows for great things to happen. Our employees are encouraged to try new ideas. We are results driven but know that it is okay to fail. And that is when innovation and sustainability flourish.

As part of the Minneapolis/St. Paul metro area for decades, the Sunrise Banks' brand and reputation allows us to be a trusted partner to communities across the urban core; in turn, our customers share our inspiring story to their neighbors and their community.

How is trust tied to high performance, innovation, and sustainability?

Trust is represented within each of these three facets across the organization. With inclusive collaboration across all functional areas, teamwork at Sunrise Banks is both efficient and effective resulting in high performers with timely execution.

As mentioned previously, trust is embodied in our culture as our ethos empowers employees to achieve.

The Global Alliance for Banking on Values (GABV) found in a recent report that over the long term, the business case for banking models based on values similar to Sunrise Banks, offers a compelling route to a more stable and sustainable banking industry.

Innovation is key to the organization's success as our mission is to empower the underserved. In the banking industry we are often confined by regulation; however, at Sunrise Banks we believe we have the right level between internal risk management and innovation which is needed to promote and sustain innovation based on customer's needs. This innovative spirit allows employees to try their ideas within a regulated process, knowing that it is okay to fail and learn from both our successes and failures. The results are employee empowerment and engagement with progressive, cutting edge products that push the banking industry to think differently within the regulation lines.

Sunrise Banks knows that the greater of our parts makes a stronger whole. This means that as an organization we are open to listening to others, our employees, our customers, our communities, making us sustainable for generations to come.

The Global Alliance for Banking on Values (GABV) found in a recent report that over the long term, the business case for banking models based on values similar to Sunrise Banks, offers a compelling route to a more stable and sustainable banking industry. This will allow for greater focus on the real economy, more resiliency in the banking system, more profitable and less risky financial returns, and sustainable growth for banks.

What are the costs/implications of not having a high level of trust in your organization?

The lack of trust in any organization can have detrimental effects on customers, the business, employees and even the communities served.

If a lack of trust occurs, the culture by which an organization operates declines. The culture directly impacts the strategic execution of employees which means execution will decline, and the organization will become less efficient and effective.

And, in the case of a mission based organization, the impact of the mission on communities will dissipate and the margin will fall below target.

The benchmark for success then becomes average. Good is the evil to becoming great. Sunrise Banks is not about status quo because, let's just face it, being average sucks.

What are the payoffs of a trust based organization for the workforce, customers, leadership and shareholders.

On the flip side, the payoffs on being a trust based organization have the potential to be exponential. With trust, employees are allowed to "punch above their weight" and think outside the parameters, setting the organization up for ten times the growth compared to if hands and ideas are tied and held back.

With a trust based organization, there is a much bigger future. Mission multiplies margin and margin multiplies mission.

And not only that. Employees get both a financial paycheck and an emotional paycheck. They believe in the mission and work to make the organization succeed. They are invested in their organization, the mission and their team. And being on a winning team means something. Shared success is met with a shared desire to continue to succeed and fulfill the mission of the organization.

Customers are not left out –they feel the energy. They see employees excited about what they do, they experience the innovation through the products they use and they feel the impact of the mission on their communities resulting in confidence and trust in the organization.

And lastly, shareholder and leaders of the organization have an innate sense of pride of their financial and mission accomplishments. Long term thinking of the organization results in long term investing. In turn, both of these facilitate trust and then, once again, trust begins to multiply.

How do you transform a silo, reactive, heroic, leadership culture to one that is trust – focused and collaborative?

First, to move to a trust based organization, you must have a CEO and a leadership team that is comfortable with being vulnerable. Trust means you can't control everything. Instead, you are forced to have faith in the processes built and the employees running those processes.

Secondly, an organization must have an open and honest culture that encourages communication throughout all functional levels within the organization. It takes leadership and courage to insist on the consistency of open and honest communication and integrity of actions by all.

This starts at the top. An organization must hire and fire on their core values to build and protect the culture of trust within the organization. If your top performers are anti-culture – they can't stay.

In short, leadership has to walk the talk. Each and every day.

What values, principals or beliefs does your organization follow that are essential to building a foundation of trust?

Our 10x core values include:

Bigger Than Us Focus

Colleagues with this trait have a personal connection, genuinely cares for others, always has a positive intention and focuses on giving back while creating a culture of giving whether it's of time, talent or treasure.

Big Boy Pants

These coworkers are responsible, act without direction and have a pride in everything they do. They put on their Big Boy Pants every day.

Blind Spot Awareness

This person not only shares ideas but listens to one another while recognizing other's challenges and perspectives. We need all perspectives to ensure we do not have any blind spots.

Do the Right Thing

These selfless colleagues lead by example with character building honest, trust, consistency and courage and the ability to make hard decisions when hard decisions need to be made.

WooHoo!

These colleagues are engaged, enthusiastic and ready to rock and roll without any battery recharge

Because We Can

These colleagues consistently are building a culture of achievement and excellence.

These values may be said differently but are similar to both the GABV and B Corp values, principles and beliefs. Both models encompass broader, longer term thinking. It's not about the bank or organization, it's about others.

What are the key actions that characterize your commitment to building stakeholder trust?

Our key actions are driven by intention and integration, but founded on four key pillars: 1) vision, mission and values 2) policies, procedures and people, 3) metrics that are both quantitative and qualitative, and 4) stories of hope and opportunity.

Mission and innovation are in our DNA. It is embedded in our culture and we live and breathe it daily.

In addition to our vision, mission, and values, our processes, policies and people also characterize our commitment to keeping our stakeholder trust. For example, the Compass Principles created by CFSI (Center for Financial Services

Innovation) and used by Sunrise Banks, guide our prepaid line of business and define how we can work toward a vision for the future in which financial services are safe and actively contribute to improving people's lives. Another example is the number of CDFI awards we've received because those awards demonstrate the success we have had in lending inside low- and moderate-income communities.

Actions that culminate into awards and success convey trust.

Also, the 10x core values referenced earlier makes it evident that the Bank holds true to the values and principles of both the GABV and the B Corp.

Which do you consider is your best practice in trustworthy business behavior – the strategy that separates you from your competitors?

Sunrise Banks is a not just a bank; we are a social enterprise. This means our primary purpose is the common good. We use the methods and disciplines of business and the power of the marketplace to advance our social, environmental and human mission.

Being a social enterprise is embedded in our business model and we live it daily in our intention and integration. On a recent trip to Jamaica I had the privilege to spend some time with a Rastafarian named Fire. I saw how

simply he lived and yet he was filled with so much love for others. While my time with him was short, I also learned about his spirituality. Jah, shortened from the biblical name for Jahweh or Jehovah, is inside all of us. Our purpose is greater than us because it simply isn't about us.

Thus, we must be authentic to our mission, to our vision and to our values.

What types of leadership behaviors build high trust and collaboration in your organization?

As I mentioned before, it is critical for leadership to walk the talk. Every day. Leadership has to do the right thing at each corner. At Sunrise Banks, we do this in a handful of ways. First, our policies provide the checks and balances embedded in our practice.

But, it's also about the human side of business. It's about encouraging employees to volunteer with nonprofits that the Bank supports or organizations that the individual employee believes in. We also have a Pay it Forward program that gives each employee a dollar amount each year with the only instruction is to give it to an individual or an organization in need. The bank seeks to radically change the way urban communities and underserved people thrive by empowering them to achieve their aspirations. Simply stated: compassion is the bank's motivation, its mission is to empower, its spirit is to achieve.

The Bank also focuses on what IS the right thing, and, thus, why the 10 core values were created by the leadership team. Each year we celebrate those employees who exhibit these values by allowing employees to nominate their peers for a highly recognized award.

Lastly, Sunrise Banks measures what we treasure – both quantitative and qualitative. For our quantitative metrics, we closely examine the foundational standards of successful banking (capital, assets, management capability, earnings, liquidity and strategic risk).

But, it's also about the human side of business. It's about encouraging employees to volunteer with nonprofits that the Bank supports or organizations that the individual employee believes in.



We don't come to the table with ideas for our partners, but instead we listen to the needs of our partners and together we create products that will work for them.

For our qualitative metrics, we look at factors such as corporate governance, community impact, employee engagement, environmental stewardship, product integrity and stakeholder engagement.

What verifiable evidence can you provide that these trust actions create, substantive and positive impacts for stakeholders?

The evidence that trust actions create, substantive and positive impacts for stakeholders is overwhelming. Over the past ten years, Sunrise Banks has grown 10 times and we expect to grow another ten times by 2028. Our CDFI loans in low-and moderate-income areas continue to grow year over year. Our Community Reinvestment Act (CRA) efforts that are designed to encourage commercial banks and savings associations to help meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods, has been rated "Outstanding" by our regulator.

We are a B Corporation, rated Best for the World (Overall) and Best for the World (Community) in both 2013 and 2014. This honor signifies that we have earned a score in the top 10% of all Certified B Corps on our assessment, which measures impact on workers, community, environment, and measures transparency and accountability to stakeholders.

Additional evidence is in our innovations. We don't come to the table with ideas for our partners, but instead we listen to the needs of our partners and together we create products that will work for them. We are not a one size fits all financial institution. Our product innovations are created to help people achieve.

And, finally, our customers tell our story. Our customers are passionate about us and share our stories within the neighborhoods they work and live. Our customers trust us and we see this by the choice they making in banking with us.

How will your trust building practices grow over the next five years?

Over the next five years, Sunrise Banks will continue to have trust as a cornerstone of our organization; thus, our trust building practices will continue to grow.

As mentioned earlier, we will continue our 10x outlook on our business so that we can serve not just our customers today but our customers tomorrow.

And, in the end, mission and innovation will expand in a complementary way. It reminds me of the starfish story. It used to be that one would walk the beach and throw starfish back into the ocean one at a time to make a difference. Now, in the dawn of social platforms, the starfish becomes much more powerful because instead of throwing the starfish back in the ocean, we take a photo of the starfish, we tweet it to our followers, we share the photo with our friends so that the impact or the reach becomes much greater than in prior years.

Much in the same way our mission and innovation will expand in a complementary way.

Global impact?

Sunrise Banks may have physical locations in the urban core of Minneapolis/St Paul, but our focus is much larger than that. Our national products division touches customers across the country. In addition, we have a strong desire as a GABV bank to develop relationships with other GABV organizations worldwide because they share the same values we do which results in inherent trust.

BIOGRAPHY

David Reiling is the Chief Executive Officer of Sunrise Banks headquartered in Saint Paul, Minnesota. As CEO of Sunrise Banks, David is responsible for three individually chartered banks (Franklin Bank, Park

Midway Bank, and University Bank) and two bank holding companies. The three banks and two holding companies are certified Community Development Financial Institutions (CDFIs).

Sunrise Banks' mission is to be "The Leader in Improving Our Urban Community". The banks aggressively lend to Saint Paul and Minneapolis' economically challenged communities. David has created several lending and depository products to assist underserved neighborhoods gain access to capital and cash. Under David's leadership, University Bank was the first bank in Minnesota to earn the designation of a Community Development Financial Institution (CDFI) by the U.S. Treasury.

Reiling serves on the Board of Directors of University of Wisconsin-Madison's Graduate School of Banking and Breck School. Reiling is also a member of numerous civic and professional associations including the Saint Paul Chamber of Commerce and the Midway Chamber of Commerce. David has lectured on socially responsible investing and community development banking topics to numerous schools, non-profits, and civic organizations. Reiling's bank was awarded the U.S. Chamber of Commerce - 2004 Corporate Citizenship Award and he was Ernst & Young's Socially Responsible Entrepreneur of the Year in 2002.

Reiling is a graduate of the University of San Diego, University of Southern California - Graduate School of Business, and University of Wisconsin, Madison - Graduate School of Banking. He has been in banking for seventeen years-seven years on the west coast with First Interstate Bank (now Wells Fargo) and Citibank/Citicorp (now Citigroup), and ten years with Sunrise Community Banks, nine of them as President of University Bank.

Reiling lives in Minneapolis, Minnesota, with his wife Kerry and his three children, Danny, Kelly and Sean. David enjoys spending time with his children and playing tennis with his wife. ■