

Quarterly Statement



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Security Advice for Online Purchases

According to a national poll recently released by the National Cyber Security Alliance (NCSA), many Americans have not made an online purchase from a specific website because of security concerns.

Stop. Think. Connect.

"Stop. Think. Connect." This is a good method for shopping online. NCSA offers four tips for consumers to remain safe and secure while buying online:

1. Keep a Clean Machine. Check that all software, especially security, Web browsers and operating systems, are up to date and set to update automatically.

2. Protect Your Personal Information. When opening new accounts, use long and strong passwords. Provide minimal amount of information needed to complete a transaction. When providing personal information for any purchase or other reason, ensure that you know who is asking for the information, and why they need it.

3. Connect with Care. When shopping, check that a website is security enabled. Look for Web addresses with https:// or "shttp://," which means the site takes extra measures to help secure your information during financial transactions. Be wary of shopping efforts to lure you. Cyber crooks will try to get you to click through to deals that may appear too good to be true. They may also try to trick you by sending emails that something has gone wrong with an online purchase.

4. Be Web Wise. Research sellers before a first-time purchase from a merchant (or auction seller) new to you. Search to see how others have rated them, and check their reviews. Do these things even if you are a return customer, as reputations can change.

April is Community Banking Month.

As part of this month-long celebration, ASB is inviting customers in for coffee and cookies Monday, April 11th. Come in and enjoy a cup of coffee and the opportunity to sign up for drawings throughout the day.

New E-Mail Encryption With McAfee

We are now using McAfee to secure our emails to you to protect your confidential information. You will receive an email letting you know that our email was encrypted and that you will need to choose a password to open it.

Unlike Zixmail, our new services with McAfee send a confirmation back to us when you have opened our e-mail. Keywords in the text of an e-mail will trigger encryption. This is the reason we are encrypting many more outgoing emails with McAfee. A complete list of trigger words are available upon request.

South Dakota Bankers Association Profile.

Our very own Bob Clair was featured in the February issue of South Dakota Bankers magazine. Clair is Senior Vice President at ASB and is currently serving his first term on the SDBA Board of Directors as a director representing banks in Group IV.



Photo courtesy of SDBA

ASB forming Relay for Life Team.

The Hughes County American Cancer Society Relay for Life will be July 15th, 2011 in Pierre. ASB is planning a fundraiser. We will keep you up-to-date at asbpierre.com.

Bill Pay Upgrade

In October, ASB upgraded its bill pay system. Please take into consideration the following when using this service: 1) Review the bill you are paying. Include your account number with the biller (usually found on your invoice) in the account number field to help the receiving party process your payment in a timely manner. 2) Plan ahead. If your bill is due on a certain date, schedule the payment 4 - 5 days earlier.

This service is provided free of charge. We hope these suggestions help in your overall bill pay experience.

ASB will be closed the following Holidays:

Good Friday, April 22nd	Closing at Noon
Saturday, April 23rd	Closed for Easter
Monday, May 30th	Closed Memorial Day
Monday, July 4th	Closed 4th of July

Top 10 Ways to Build Profit (and Value) in Your Business When Raising Prices Isn't An Option

By Lauren Owen, MBA – from Profit Mastery's Business Resource Services

Today's economy has resulted in some brutal price wars that make it difficult, if not impossible, for many companies to raise prices. Many of us have done as much cost cutting as possible. But based on evidence we're seeing from around the country in many different types of industries, we believe opportunities to build profits remain.

While there are many factors that affect profitability, we are going to focus on gross profit --- that is, what's left after you subtract from your sales the costs of selling your product (cost of goods sold) or delivering your service (cost of sales). It is critical to keep an eye on all costs. In almost every business model the largest percentage of costs are tied up in company's costs of goods sold. Because of this, even small changes in margin can have huge impacts.

The following is a list for increasing profit and company value when there's downward pressure on prices.

1. Set A Gross Profit Goal. Measure It Properly. Watch It Like Crazy. Ensure your accounting system is categorizing the right costs in this area. You need an ability to compare your company to others in your industry. Get profit and loss statements with columns that show your numbers in both dollars and percentages. That way you see changes in gross profit in absolute terms, not just changes due to sales increases or decreases. You should track your gross margin on at least a monthly, if not weekly, basis so you can take quick action.

2. Tune up Your Product Mix. Once you have your costs in the right buckets, you have the "high level" view of gross profits -- your company's overall gross profit, which is made up of the gross profit of each of the items sold. This adds up to the total gross profit of each of your product lines. While you can measure your historical gross profit this way, ultimately the only way to really manage it going forward is to drill down backwards:

- Total Gross Margin
- Gross Margin by Department
- Gross Margin by Product (or Service) Line
- Gross Margin of each SKU (or Stock Unit) or Job

Breaking down your gross margins in this way can help identify which aspects of your business are helping you meet your goals and which might be getting in the way. To do this analysis, you'll need a good accounting system that can generate historical data that shows gross margin by department, by product or service line and by SKU (or job). A capable accounting professional should be able to get you set up to do this.

3. Look at Pricing and Product Strategy. Customers can and will shop the competition in town and on the web for cheaper options. When you offer unique products and services, it's a lot harder for them to price compare. You can't be all things to all people. When thinking about adjusting your mix, think about what your company can do particularly well.

4. Discount With Purpose, Not from Habit. If you need to discount to stay alive, by all means do so. Do it strategically by knowing how much more you'll need to sell at the lower price to make up for the discount. Also, don't make it too easy for your salespeople to automatically discount to make a sale: if you pay your sales people on commission, base it on gross margin, not top line sales, so that if they discount to make the sale, they'll feel the pain as well.

5. Buy Better and Smarter. Buy products with your target margin and your customers' price points in mind. For example, your target margin is 50%, and your research shows that \$200 is the average selling price point at which your customers buy. Find products that you can buy for \$100 and that your customers will think are a good value at that \$200 price point. Also, negotiate discounts for early payments or bulk purchases from your vendors. Look for other sources that are more cost effective.

6. Introduce Counter-Cyclical Products. If you have a slow season, think about introducing counter-cyclical products or services to your core business to generate incremental profits and cash flow.

7. Take Action. A very wise person said that hope is not a strategy. Take action when needed. Don't let problems linger. If you made a buying mistake, don't hold on to the product. Take the hit and get it out the door so you can generate cash to buy or produce products that will sell.

8. Look Around You. Find out what the leaders in your industry are doing. As long as they are not direct competitors, most are willing to share ideas. Join a peer group that shares numbers, not just war stories. I know many businesses that are alive and flourishing even in today's challenging times because of ideas and insights they gained from such groups.

9. Think Outside the Box. Look outside your industry for ideas. We can all learn lessons from how other industries and business models are maneuvering through these times. The New York Times has an excellent online series called "How I Saved My Company" that features videos of business owners sharing how they got their companies through the recession.

10. Nothing Ventured, Nothing Gained. Ships are safest in harbors, but that's not where they belong. Sometimes you have to make strategic decisions that are outside the prevailing wisdom. While many are cutting back on advertising and marketing, now might be the right time to increase your visibility. Invest in sales training. Look at picking up some of the substantial talent and experience that's currently on the market.

All in all, think of this period as an opportunity for more time to build company value, develop a thought-out transition plan and mentor your successor(s).



Spring is Trying to Spring! By Brad Curtis

The temperatures of the past couple of weeks have really been trying to remind us that winter will not last forever, and spring just might be around the corner! What a welcome relief. With the upcoming season you may notice some projects around the house that you'd like to get done. If you're thinking of remodeling or doing fix-up repairs, consider a Home Equity Line of Credit to cover the costs of these projects. Rates are very low on this type of loan right now. You can set up a line of credit to cover your project needs using what you need when you need it. You are in control of how much money you use at any given time. You only pay interest on the amount that you have used. Certain restrictions may apply.

While some of you may be looking at some fix-up projects, some of you may be looking at a new home altogether. If you are in the market for a new home, stop by the bank first and let's talk about what you have in mind. We can go over your current financial situation to best determine what you can and want to afford. That way you can narrow your search and find just what you're looking for.

Put us to work for you and let us know how we can help. You are the reason we're here!



ASB is an Equal Housing Lender

Hours

Monday – Friday 7:30 am – 5:30 pm
Saturday 9:00 am – Noon
Sunday Closed



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