

## Minnesotan harnesses lessons from the recession

The years from 2008 to 2010 weren't fun for bankers. Yet, those were the years Andy Schornack credits as the set-up for his current success as the president and CEO of Flagship Bank Minnesota, Wayzata.

*NorthWestern Financial Review* is honoring Schornack as a Rising Star in Banking for 2016, along with seven other bankers.

"I'm hopeful that cutting my teeth during the Great Recession will only play out well for Flagship Bank and me as we go forward," Schornack said, likening the 2008-2010 experience to getting a law degree without attending law school. "You're working with people where the business is their livelihood, and they have employ-

ees and other people who look to them, but at the same time, there's a lot of strategy that goes into some of those deals. That can be kind of exciting and challenging in a good way, even with workouts."

Schornack started at First Commercial Bank, Bloomington, Minn., in 2005 as a part-time intern while getting his MBA from the University of St. Thomas. He joined the bank full-time after graduation in 2006, and had a few good years before things started going downhill.

Schornack and another First Commercial lender – who followed him to Flagship after its acquisition – were handling well over \$200 million in loans between them at the age of 25. The situa-

tion brought Schornack experience he originally hadn't bargained for.

"If I was born a generation earlier, I might have been ten years into the job before I had experience like that," he said. "It gave me experience I otherwise wouldn't have had in a very short period of time... Working through troubled loans has given me more skills than just sitting on the desk learning loan administration."

He started keeping a notebook of observations on his experience, inspired by more seasoned bankers who said they'd never witnessed something like the Recession before.

After First Commercial was closed by state regulators in September 2012, Schornack spent eight months with Republic Bank

# CONGRATULATIONS!



Andy Schornack  
Chief Executive Officer,  
President

**Flagship Bank  
is proud to announce  
Andy Schornack  
has been named one of  
*NorthWestern Financial  
Review's* Rising Stars  
in Banking 2016!**

**FLAGSHIP BANK**  
MINNESOTA

MEMBER FDIC

& Trust Company, Louisville, Ky., which bought the failed bank. In 2013, he was part of a group of investors who bought Flagship Bank Minnesota, which he joined as president in May of that year, tasked with stabilizing the loan portfolio and generating deeper relationships with current customers.

The move has worked. Non-current loans to loans decreased from 1.25 percent at the end of 2013 to 0.48 percent at the end of 2015, and net charge-offs to loans dropped to 0.03 percent from 1.76 percent. In those two years, return on assets rose to 0.54 percent from negative 0.47 percent, and return on equity rose to 4.07 percent from negative 4.47 percent.

Besides bringing the bank's loan quality up to snuff, Schornack focused on internal improvements and updating the bank's product offerings. The bank completed a manual core conversion and updated its website and mobile banking presence.

"For a younger banker, he's seasoned way beyond his years," said

Scott Coleman, an attorney with Minneapolis law firm Lindquist & Vennum who has worked with Schornack. "I've seen him work in more stressful situations than most bankers face. When he stepped into the current position with Flagship, it had been battered a bit in the financial crisis and had some recovery work to do. He dived right into it. I've watched him deal with the FDIC and the state, and they quickly came to realize that he was committed to moving forward in a good way."

Now that Schornack's set the \$101 million Flagship well on its way, he's turned his sights outward. Along with a group of other investors, he bought the \$82 million Landmark Community Bank, Isanti, early last year. Schornack is CEO of the bank's holding company, and plans to merge Landmark into Flagship next year are underway. The move will give Flagship a nice ring of branches around the western sub-



Andy and Jill Schornack have three children. From left, they are: Rory, Grace, and Luca.

urbs, and Schornack is shepherding Landmark with a similar eye to cleaning up its portfolio.

Another goal for Schornack is raising the bank's visibility in its hometown. Their Wayzata office

*Schornack, Continued on page 13*

**CONGRATULATIONS ANDY!**  
**2016 Rising Star in Banking**



Andy Schornack, CEO/President  
Flagship Bank, Eden Prairie, Minn.

**SECURITY BANK & TRUST CO.**  
Member FDIC [www.Security-Banks.com](http://www.Security-Banks.com)



Andy Schornack  
CEO/President  
Flagship Bank  
Eden Prairie, Minn.

The Minnesota Bankers Association extends a sincere wish of congratulations to **Andy Schornack** of Flagship Bank, Eden Prairie, on being recognized as a **2016 RISING STAR IN BANKING** by *NorthWestern Financial Review*.

Andy, you are truly a bank champion! Thank you for your dedication to the industry and support to our organization.

- your friends and fans at the MBA





captain with the Wisconsin Army National Guard, including a 2008-2009 tour in Afghanistan. Prior to being commissioned in 2007, he also served as a recruiter, becoming the second-most productive recruiter in Wisconsin.

"I think he gets this sense of collaboration and teamwork from his military background," Peotter said. "He's always aware and committed to helping out his clients, but he also always wants to understand and connect the loan to the larger goals of the organization. It's something he picked up from the military: How do the personal goals fit into the larger institutional ones?"

Erickson credited his military training with an ability to formulate and execute plans while foreseeing and defusing possible road bumps. "When you develop a plan to move soldiers from point A to B, you have to look at all scenarios and attempt to mitigate the risks associated with them," he said. "It's a similar thing with credit requests – not just evaluating what the best possible outcome is, but isolating the worst case scenario as well, and structuring the loan accordingly."

Erickson has taken his highly-developed personnel skills beyond face-to-face meetings. He puts in a lot of legwork behind-the-scenes to understand the opportunity for the bank and to learn about the customer so that he can break the ice faster. "The ability to generate leads and contacts right now is higher than it's been in the history of sales," Erickson said. "I can go to somebody's LinkedIn page and see interests, job history, and then I can put together my own leads page.

"I want to be the guy who has 1,500 contacts," Erickson continued. "I want to be posting every day so I'm the guy whose face is in front of everybody in terms of branding."

Erickson's research on customers makes a huge difference in a market as tight as Madison. For every lending opportunity Erickson sees, most have at least one other community bank in the mix, he said. Because it's so challenging, he has to work to earn relationships based on factors outside the interest rate.

"The way I look at it, I'm sell-



Steven Erickson enjoys coaching his son's little league team. His children, from left, are: Eva, Olivia and Levi.

ing a commodity, and my goal as a banker is to de-commoditize it," Erickson said. "I don't want them because I'm earning a commission, but because I want to do business with them, because I want them in my portfolio, because it's good for me and them."

By Mara Gawarecki

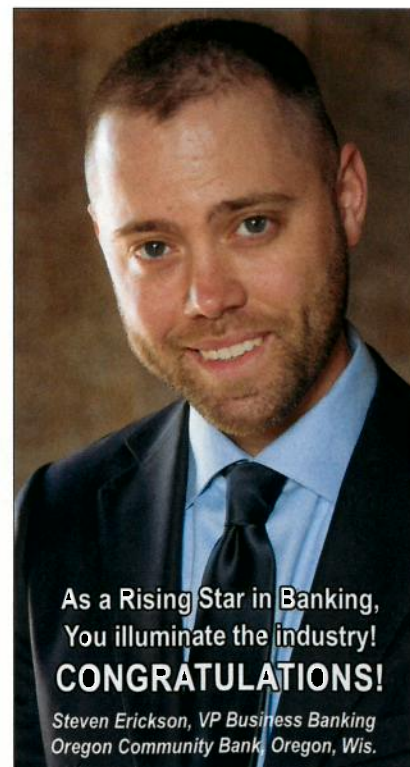
*Schornack, Continued from page 11*

is moving to a location a few blocks away later this summer; the new landlord had never heard of them, even though the bank has been there for more than 10 years.

To increase the bank's profile, Schornack decided to step up the bank's marketing efforts. He's set a brisk pace of social media patter, both for the bank and personally. "It comes back to complacency. If you're not reaching out, someone else will fill that niche," he said. "Social media is a long game. You will not build 1,000 followers who will engage with you in a month. It takes time and consistency."

Schornack's passion is evident in how he talks about community banking generally, and about Flagship and Landmark. "You can't sit on your hands," he said, outlining his general principles for success. "You have to keep pushing forward. That's the strategy we've used at Flagship and Landmark; it's the strategy we'll keep using going forward."

By Mara Gawarecki



As a Rising Star in Banking,  
You illuminate the industry!  
**CONGRATULATIONS!**

Steven Erickson, VP Business Banking  
Oregon Community Bank, Oregon, Wis.

 **Wisconsin Bankers  
ASSOCIATION**