

**COVER STORY**

**BUSINESS  
LEADER OF  
THE YEAR**

# **BANKING ON GOOD PEOPLE**

Lake City's Kubacki  
Builds Associates, Clients

By Matt Ottinger

In an age when the concept of “work vs. life balance” is analyzed and dissected by human resources and management executives alike, Lake City Bank Executive Chairman Mike Kubacki hardly separates the two concepts.

Frankly put: Being a community banker has been his life.

“As a CEO of a community bank, there simply isn’t a distinction between what I do at work and at home,” he explains. “Back in the day, we’d say there are two kinds of people in the world for a community banker – customers and prospects. So you need to be on your best behavior all the time. If you don’t enjoy that, you shouldn’t be a banker.”

Kubacki’s approach and results have garnered accolades throughout the banking industry. He was named Community Banker of the Year by *American Banker* in 2011, and he twice earned recognition from *Greater Fort Wayne Business Weekly* as a “best value CEO,” among other honors. His passionate involvement in community enhancement at all levels has included a variety of board and leadership positions.

### In his blood

Kubacki was raised in Pierceton, where his father ran the Pierceton State Bank in the small Kosciusko County town.

After attending Indiana University, Kubacki heeded his father’s advice as he pursued his own banking career, finding a home with the Northern Trust Company. He spent the next quarter of a century in Chicago and Los Angeles.

“(Northern Trust) came to IU every semester to recruit trainees,” he recalls. “My father knew I wanted to leave town and see what I could do in a larger city and recommended Northern Trust to me because of all the banks that would call on him, they had the highest quality people.

“I got an interview and found them to be very professional and very relationship-oriented internally and externally. I got the job and was there for 25 years, until the previous CEO at Lake City Bank gave me a chance to come home.”

While at Northern Trust in 1986, Kubacki also began mentoring his future successor (at Lake City Bank), when he supervised a budding commercial lender named David Findlay.

“He was my first boss,” relays Findlay, who took the reins as CEO of Lake City Bank in April.

“I’d argue that Mike’s been mentoring me for this role for 28 years,” he adds. “During my tenure (at Northern Trust), I was introduced to Mike’s management style and his philosophies on business and life. That influence in my career when I was a young, first-time commercial lender was the start of his mentoring of me for greater things.”

Findlay joined Kubacki and Lake City Bank as chief financial officer in 2000 and became president three years ago.

“In that 2000 to 2011 period, he and I were connected at the hip in many respects, growing the business with him mentoring me and helping to grow me to become president. Then in 2013, we formally made the announcement I would succeed Mike as CEO.”

### Back home again

After returning to Northern Indiana and ultimately becoming Lake City’s CEO, Kubacki seized the opportunity to take the bank (now with a 127-year history) to another stratosphere. Growth came annually through adding staff – and ultimately new locations in new markets.

“When we grew from \$800 million in total assets to \$3.2 billion, or effectively grew fourfold, there were several keys you have to understand in terms of how amazing that growth story is,” Findlay qualifies. “In our industry, there are a lot of banks that are growing aggressively through acquisitions. But our strategy was organic – to identify a new market, enter that market and establish a presence and grow it there. When you look at Mike’s tenure as CEO, we were able to grow it organically – and profitably for shareholders.”

Lake City Bank now boasts 46 offices in 30 communities, spanning 12 counties. Notably, the bank entered the Fort Wayne market in 1999, opened a loan production office in Indianapolis in 2006 and then established regional headquarters in South Bend and Indianapolis in 2011.

“We’re not looking for banks to buy; we’re looking for places to expand to,” Kubacki articulates. “It has to be the right location from a market potential standpoint, and we ask, ‘Can we hire and move the best people we can find to be in that market, and then can we gather up successful clients to help us propel our business forward?’”

That growth has earned widespread admiration. Dan Evans, CEO of Indiana University Health, was elected to the Lake City Bank board in 2010. He cites Kubacki’s leadership as a driver in his desire to serve.

“Mike’s intensely focused on what is best for his customers and the communities that Lake City serves,” he notes.

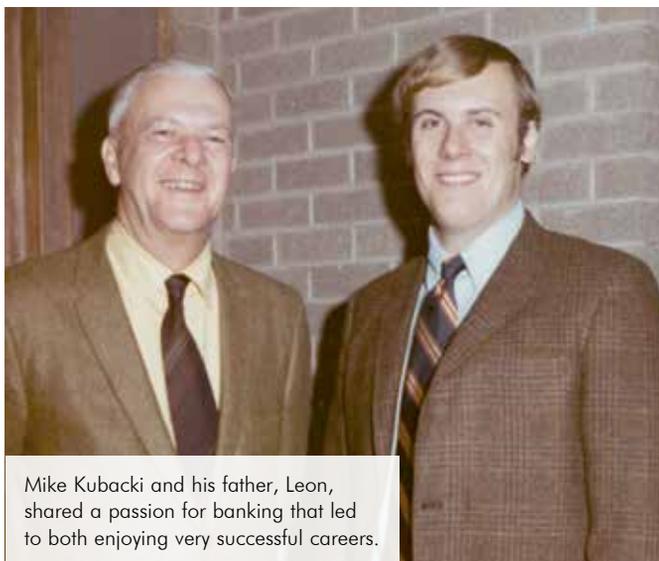
Evans adds that the bank’s success actually helps companies in his industry as well.

“Warsaw is the home of the medical device implant industry, and I’m at IU Health,” he points out. “We recruit top-ranked researchers from all over the world, and we cite Warsaw, Lake City Bank and other leaders there as examples of cutting-edge leadership here in Indiana. We use Lake City Bank’s success as a draw to Indiana. In that respect, it’s totally unique because of its location, culture and leadership.”

### Everybody counts

The workplace culture Kubacki is often credited for cultivating is no accident. In fact, when asked what advice he’d give to business students, he offers: “Business is about people and finding ways for your people to be as effective as they can be.

“I never felt like it was my job to manage anybody,” Kubacki



Mike Kubacki and his father, Leon, shared a passion for banking that led to both enjoying very successful careers.



Kubacki, shown in one of Lake City Bank's Fort Wayne branches (top and bottom right), is a mobile man these days – considering anywhere he has his phone and briefcase to be his office. In his early days with the company, he developed Lake City University (bottom left) – a training program to help associates learn about the industry and enhance their personal development.



adds. “On a personal level, based on my belief about human nature, I think people come to work in the morning and they know what their job is – and if things need to be done better, they’re the best people to figure that out.”

In an effort to enhance the development of his workforce, Kubacki launched Lake City University early in his tenure. The comprehensive on-site and online program allows staffers to get the most out of their potential and grow their skill sets. It features courses for tellers, managers and other staff – as well as American Banking Association classes.

“About 15 years ago, we formalized our training programs into Lake City University – a concept that is not new now, but it was back then,” Kubacki remembers. “We have dozens of courses in sales management, Microsoft Office, team management,

customer service – all of those things so people know we’re doing the best we can to provide the tools we need for our folks to be successful. When we say our people are very important to us, we try to demonstrate that in a tangible way.”

Kubacki believes a CEO’s job is to create an environment where staff can freely offer ideas to improve the organization.

“If people felt like I thought my ideas were more important than theirs, they’d just come in and say, ‘Mike, what do you want me to do today?’” he states. “They wouldn’t have any fun, and I wouldn’t have any fun. You don’t want to get trapped in that situation because it’s just wrong. I think successful companies understand that.”

Findlay experienced this leadership firsthand and benefited from it.

“The key to Mike’s leadership is it’s a participatory leadership style, and one of consensus building and collective decision making,” he reports. “He does an exceptional job of bringing people together to push for the common cause and make good decisions while doing it. It’s a leadership style that’s very unique for a company of our size.”

Evans concurs, explaining that his 15 years of knowing and engaging with Kubacki has helped him become a better CEO.

“(Kubacki) leads a dedicated workforce whom he obviously respects,” he iterates. “He likes his colleagues and they like him. What I learned from Mike is that business starts at the top, and a CEO like Mike is able to enlist his colleagues in a single-minded focus to help the customer.”



Kubacki, who relishes face time with clients, meets with leaders at Paragon Tube Corporation in Fort Wayne. When he's not on the job, he's working to improve the state – including as part of an *Indiana Vision 2025* regional forum in 2012.



## The state of Indiana

Kubacki has served in many volunteer capacities for the Indiana Chamber of Commerce through the years, namely with committees geared toward improving workforce development and K-12 education. He was and is deeply engaged in both of the organization's long-term economic development plans – *Economic Vision 2010* and *Indiana Vision 2025*.

"A good, vibrant business community helps us all have better lives. The Chamber is a very effective advocate for getting businesspeople and other community leaders – particularly government leaders – to work together to have the best possible climate for businesses to operate, and for their employees to prosper," he remarks.

He asserts the Indiana Chamber's board of directors is "the best cross section of business leaders in the state.

"The Chamber's staff really does the work and drives the agenda for *Visions 2010, 2025* – and advocacy at the Statehouse," he imparts. "I've been close to that for many years, not the least of which when the Chamber supported my wife's (former state Rep. Rebecca Kubacki) efforts to get elected and I saw on the ground how the Chamber works to get the right people elected. The Chamber is results-oriented, so we're not just messing around. There's a goal, an agenda and a plan."

In the broader picture, Kubacki contends Indiana is well poised for private sector and economic growth. He credits the state's fiscal discipline as a driving force.

"We've got a balanced budget as a state; that's important," Kubacki notes. "We have a state government that's attempting through tax policies to make this a good environment for business. In terms of what can be

improved, an over concern for what we call 'social issues' has a side problem in that it makes the state look less welcoming to people than I think we want to be. That needs to be improved upon and recognized."

He also believes there is room for improvement regarding education – a critical motivator in developing a booming economy.

"A good K-12 school system obviously produces graduates that will be productive in society, but it also becomes a magnet for economic development before the first kid ever comes out of it. It's a magnet for people and companies to want to move here. The one thing we all have in common is a burning desire for our kids to have the best possible education.

"Indiana, in general, could do a lot better," he adds. "I'm not saying it's easy, but nobody thinks we're doing as well as we could be. If there's something I wish we could change, it's that the K-12 education establishment across the country is too heavily invested in the status quo. If we're going to address poverty at any level or the fundamentals of economic growth, it has to be related to improving the quality of education."

Hope does abound, he offers, in the state's largest metro areas. Kubacki thinks, in no small part to the Chamber's advocacy, Indiana is making some positive changes to the structure of the K-12 environment.

"School systems in Indianapolis, Fort Wayne and Warsaw appear to be addressing our challenges with a fresh eye."

## Man about town

While Kubacki no longer orchestrates Lake City's daily functions, being chairman allows him to still travel the state as an ambassador for the bank – a critical role as Lake City expands into more communities.

"Mike's role as chairman is equally as important as his role as CEO was," Findlay reveals. "He's a tremendous voice for the bank and the communities we serve. He's continuing to stay engaged with not only community organizations, but also with clients. He's one of the most effective calling officers I've ever seen in terms of his development of relationships with clients, centers of influence and prospects."

Kubacki describes the pride he feels in representing the bank while out in public.

"It's very gratifying and it's a lot of fun. People come up to me and say, 'I bank at your bank and your people in this office are great,'" he beams. "It's really an outstanding job, and it's a 24/7 job – but that doesn't bother me. It's a magnificent experience."