

# Commercial Insights

WINTER 2022

EXPERIENCE FOR BUSINESS LEADERS

REGIONS.COM/COMMERCIALINSIGHTS

## ROADMAP TO TRANSFORMATION

Embracing Opportunities,  
Overcoming Challenges

Using  
Technology  
to Transform  
Customer  
Experience

What's Next  
For Southern  
Tech Hubs?

SPECIAL  
ISSUE

Digital  
Transformation



In order to remain competitive in a rapidly evolving landscape, it's essential for all businesses to ramp up investment in technology and digital capabilities. But where should you begin?

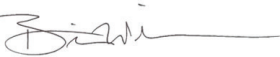
In this issue of Commercial Insights Magazine, we're diving deep into the topic of digital transformation, helping business leaders like you understand the topic in accessible terms and outlining industry trends and changes that are poised to impact your business this year.

True digital transformation requires two things: new technology and operational change. In *The Science of Simplicity: Using Technology to Transform Customer Experience* (page 14), Chief Marketing Officer Abbas Merchant discusses how consumer behavior has shifted over the last two years and how business leaders can use technology to address those needs. In *Digital Transformation Strategies* (page 10), we discuss how you can more effectively leverage technology, processes, and people to improve both operational efficiency and customer experience. In *Help Found: Retraining Manufacturing Workers for a Digital Age* (page 8), we discuss an important piece of the puzzle: how to reinvent existing roles and retrain workers to support digital transformation.

Finally, if you haven't had a chance to check out our new podcast series, *Commercial Insights with Regions Bank*, I'd encourage you to do so. We've shared a range of strategies to help your business navigate challenges, prepare for the future, and make the most of opportunities on the horizon. The complete first season is available to stream at [regions.com/commercialpodcast](https://regions.com/commercialpodcast) or on your favorite podcast platform.

I hope you enjoy this issue of Commercial Insights Magazine.

Sincerely,



**BRIAN WILLMAN**  
Executive Vice President  
Head of Commercial Banking

# CONTENTS



**IN FOCUS**  
**Digital Transformation Strategies**  
Successful digital transformation is about far more than technology. Here's how to develop a strategy for your organization.

**BUSINESS INTELLIGENCE**



**4 Do You Need a Cybersecurity Attorney?**  
How organizations that collect data or conduct business online can benefit from working with a cybersecurity attorney.



**6 From Sun Belt to Tech Alley**  
The southeast has been called "a vibrant ecosystem teeming with a herd of the billion-dollar tech businesses." Here's what's ahead for our region's tech industry.

**8 BUSINESS STRATEGY**  
**Help Found: Retraining Manufacturing Workers for a Digital Age**  
New technology requires new skills — ones that many manufacturing industry workers haven't had a chance to develop yet.


**14 PERSPECTIVES**  
**The Science of Simplicity: Using Technology to Transform Customer Experience**  
CMO Abbas Merchant shares how consumer behavior has shifted over the last two years and how businesses can use technology to successfully deliver on those needs.

**16 YOUR WEALTH**  
**An Effective Use of Credit for Savvy Investors**  
There are many ways for investors to make the most of today's low-interest rate environment, but have you considered all of your options?

**18 SPOTLIGHT**  
**Protecting Your Business Against Fraud**  
When it comes to preventing fraud, awareness is key. Learn how to detect fraud and discover resources to help you protect your business.

**Editorial and Design:** **imagination.**  
**Editors:** Jessica Austin, Elizabeth Cornelius  
**Special Contributors:** Christine Baylet Bergeron, Carrie Fowler, Dave Sozio, Abbas Merchant, Grace Jackson  
**Investment, Insurance and Annuity Products:**  
▶ Are not FDIC-insured  
▶ Are not Deposits  
▶ Are Not Bank Guaranteed  
▶ Are Not Insured by Any Federal Government Agency  
▶ May Lose Value  
▶ Are Not a Condition of Any Banking Activity

© 2022 Regions Bank, member FDIC, Equal Housing Lender. This information is general education or marketing in nature and is not intended to be accounting, legal, tax, investment or financial advice. Although Regions believes this information to be accurate as of the date written, it cannot ensure that it will remain up to date. Statements of individuals are their own—not Regions'. Consult an appropriate professional concerning your specific situation and IRS.gov for current tax rules. This information should not be construed as a recommendation or suggestion as to the advisability of acquiring, holding or disposing of a particular investment, nor should it be construed as a suggestion or indication that the particular investment or investment course of action described herein is appropriate for any specific investor. In providing this communication, Regions is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity.  
Regions Investment Management, Inc. (RIM) serves as the registered investment adviser to Regions' Institutional Services. RIM is wholly owned by Regions Bank, which in turn, is a wholly owned subsidiary of Regions Financial Corporation.

 Regions Bank | Equal Housing Lender | Member FDIC | 1-800-826-6933

## The Factory of the Future

Moving full speed ahead toward a new era of interconnectedness.

The manufacturing industry is often thought of as being traditional, staid, and behind-the-times — an undeserved reputation for an industry whose impact has gone far beyond introducing us to new energy sources, cutting-edge technology, and new modes of transportation.

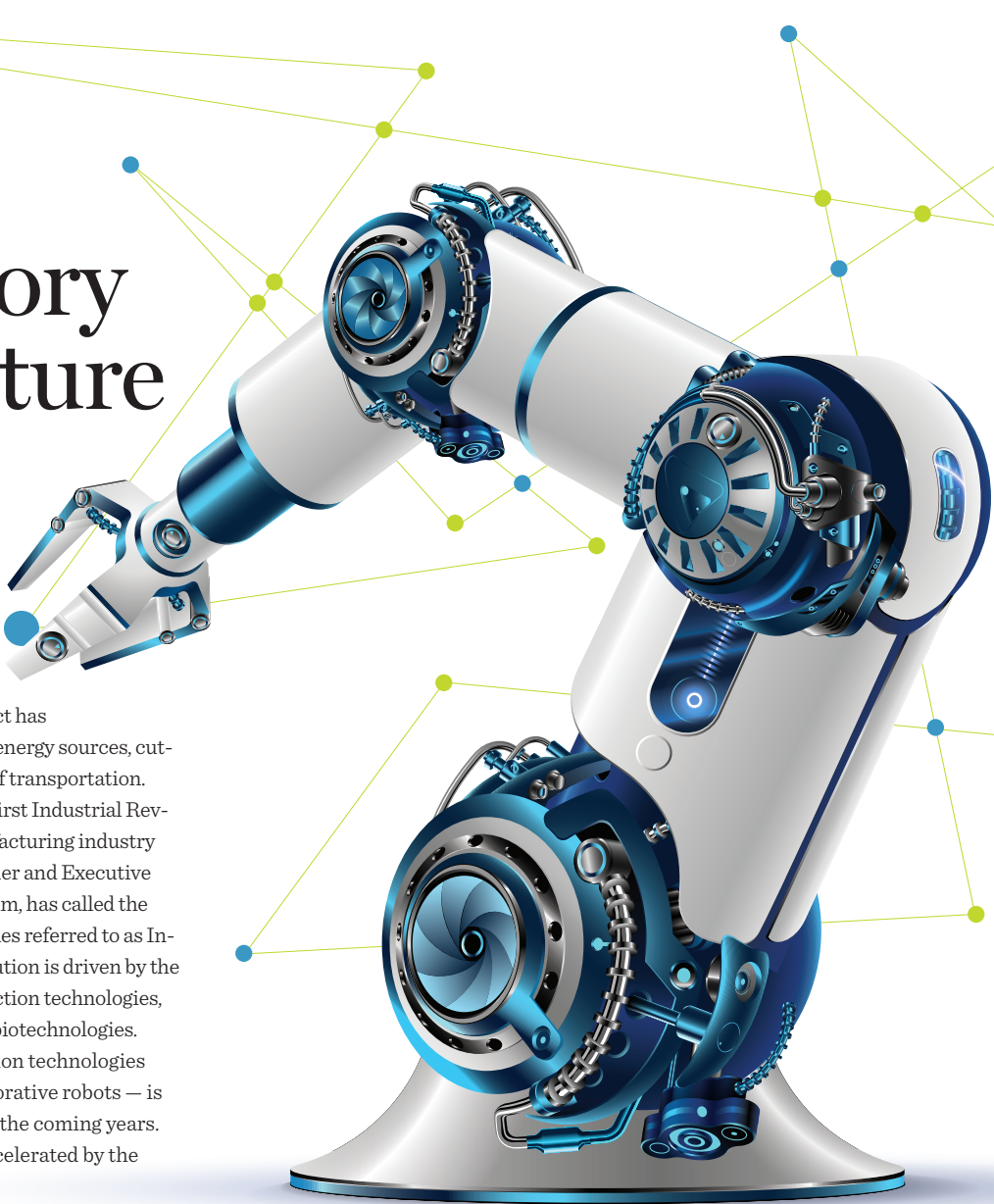
Now, more than 200 years after the first Industrial Revolution transformed society, the manufacturing industry has entered what Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, has called the Fourth Industrial Revolution. Sometimes referred to as Industry 4.0, the Fourth Industrial Revolution is driven by the convergence of advanced digital production technologies, new materials, nanotechnologies, and biotechnologies.

A wide array of digital and automation technologies — from artificial intelligence to collaborative robots — is poised to transform manufacturing in the coming years. That transformation has only been accelerated by the pandemic's effects on digital adoption.

As of 2019, 81 percent of industrial manufacturers had already begun to leverage the Internet of Things (IoT) to improve operational efficiency and optimize factory conditions, according to a PwC survey. In the wake of the pandemic, 91 percent of manufacturing companies increased their investment in digital technologies.

Smart factories now rely on connected machines, sensors, and devices that communicate with one another in real time to ensure everything about the system is running well and efficiently. From supply chain optimization to fraud prevention, the IoT works in concert with artificial intelligence to crunch numbers, make predictions, recognize trends, and diagnose problems, all without human intervention.

Some manufacturing companies are taking the IoT one step further through the use of digital twins — computerized versions of machines and other physical tools.



Leveraging data from sensors outfitted on real-world machines, digital twins can simulate thousands of potential outcomes, enabling companies to identify and diagnose potential problems before they occur. For example, officials at multinational CPG company Unilever, which has invested heavily in the technology, note that the use of digital twins has dramatically reduced the number of production line false alarms. With 90 percent fewer alerts to respond to, workers have been able to focus their energy on the job at hand, boosting production numbers.

There's no doubt that a paradigm shift is underway. As in past revolutions, those who adopt changes quickly are likely to lead their companies — and their customers — forward into the new world. ■



Investing in digital technology for your business? Speak to your relationship manager about Regions' equipment financing solutions.



# Do You Need a Cybersecurity Attorney?

Businesses of all sizes are engaging cybersecurity lawyers to help bolster all facets of their cybersecurity and mitigate risk.

If your company collects data, conducts business online, or otherwise relies on cloud services, you may eventually find yourself in need of legal counsel specializing in cybersecurity.

Your organization's individual needs and the extent of a cybersecurity lawyer's participation should be based on the type of data you possess. Personal health information, financial data, Social Security numbers, and biometric data (such as fingerprints or iris scans) are all examples of sensitive data that may require expert legal oversight — and specific cyber insurance coverage.

"The greater the volume or sensitivity of the data, the more you should be doing to protect that data preemptively," says Christine Baylet Bergeron, Assistant General Counsel at Regions Bank. Likewise, international business relationships can further complicate adjudicating exposure and legal needs. For example, organizations that collect data belonging to individuals in the European Union are required to comply with the General Data Protection Regulation, or GDPR.

## FINDING THE RIGHT CYBERSECURITY ATTORNEY

Given the rare skill set the role requires, your search for cybersecurity counsel should hinge on two key elements — experience and expertise — rather than existing relationships. "Cybersecurity attorneys have a very specific background and skill set," explains Baylet Bergeron. "This means a firm that may represent your business in other areas may not necessarily be the right firm to be your cyber counsel."

Carrie Fowler, Assistant General Counsel at Regions Bank, explains that counsel can bridge the gap between your IT and legal departments, helping with everything from creating a compliance program for your organization to finding the most appropriate cyber liability insurance for your business. She notes that you should look for "someone who has a true technology background," such as an attorney with technical credentials or experience as a working technologist.

As with any vendor, seek out relevant past work and a proven record of success. "Most law firms publish a summary of the type of work they perform," Baylet Bergeron explains. "If a firm is known for providing cybersecurity guidance, it will usually include that information on its website."

Baylet Bergeron also recommends senior leaders bring prospective firms or counselors in for in-person interviews. "You're going to have to do your own due diligence on their cybersecurity practices, their services, and their general cyber hygiene to make sure that you are comfortable with them as a long-term vendor," she says. "That typically requires that you meet and ask them candid questions about their cybersecurity practices and how the firm can support your company's cybersecurity needs."

Better yet, you can ask a prospective firm to engage in a few evaluation exercises to help you get a better sense of its approach. For example, you might consider asking the attorneys to describe what high-level steps they'd take to protect your business from cybercrime. "You want to evaluate them in a noncrisis situation to see if they're a good fit," explains Baylet Bergeron.

Most importantly, finding the right counsel requires time. In the midst of a cybersecurity breach, exigent circumstances might lead you to act impulsively — and that could be a mistake. "You should be looking for this individual before an incident happens," she says, especially since the process to engage counsel can take weeks. ■



# From Sun Belt to Tech Alley

The southeast has been called “a vibrant ecosystem teeming with a herd of the billion-dollar tech businesses.” What’s next for the region’s tech scene?

Despite the South’s impressive roster of tech companies — nearly 10,000 in total, according to Crunchbase — the region’s tech scene has largely flown under the national radar. However, thanks to the recent influx of venture capital (VC) activity centered around Atlanta, the South is finally starting to receive the recognition it deserves. Take TechCrunch, which recently labeled the region “a vibrant ecosystem teeming with a herd of the billion-dollar tech businesses.” That’s high praise from one of the tech industry’s most prominent publications.

“The tech sector in the South is really robust, growing, and varied,” explains Dave Sozio, Managing Director of the Technology, Media, and Telecommunications Group at Regions Bank.

From Dallas to Durham, the region is home to a variety of fast-growing tech hubs, many of which are drawing in impressive numbers of tech workers from near and far. According to Sozio, this inflow of tech workers is being driven primarily by several factors: opportunity, cost of living, and quality of life.

This growth can also be attributed to the number of well-established tech companies that have chosen to plant their roots in the South. Both Tesla and Oracle sent shockwaves through the industry when each announced their respective plans to relocate from Silicon Valley to Austin.

## TECH DEALMAKING IN THE SOUTH

In addition to attracting tech talent, the region has also attracted the attention of investors. Even as the Bay Area saw a big decline in angel and seed deal counts in 2020, Atlanta experienced a 13 percent increase, with the city’s companies raising \$2 billion in VC funding, according to PitchBook data.


“While there’s increased flow of venture capital into companies in Austin and Atlanta, it still pales in comparison to the activity in Silicon Valley, both by dollars and number of deals,” Sozio points out. “There are just a greater number of startups in Silicon Valley than there are in the South, and there are a lot more people, entrepreneurs, startups, founders, and investors on the ground.”

Despite these differences, he notes that the favorable cost of living in the South may continue to drive the growth of the region’s tech industry.

“What I think will be interesting to observe in the future is the impact on the cost of living differential between the tech hubs in the southeast and Silicon Valley, because it’s pretty pronounced,” he explains. “Over time, I think it’ll be interesting to see how it changes the dynamics of both places.” ■



## What’s Next for Southern Tech?

 Listen to our full conversation with Dave Sozio in Episode 14 of Commercial Insights with Regions Bank. Visit [regions.com/commercialpodcast](https://regions.com/commercialpodcast)



# Help Found: Retraining Manufacturing Workers for a Digital Age

Addressing the skills gap from within brings opportunity — and challenges.

Even before the pandemic upended business models and supply chains, the manufacturing industry was dealing with unprecedented transformation. From increased automation to artificial intelligence, new technology required new systems and exceptional changes to plant operations.

Then the pandemic accelerated the pace of change, forcing many manufacturers to speed digital adoption and automation in order to improve safety and overcome fragmented supply chains.

New technology requires new skills — ones that many manufacturing industry workers simply haven’t had a chance to develop. That has led to a persistent and widening mismatch between workers’ skills and the skills that are needed in the modern manufacturing company. This gap is making it difficult for some employers to fill open positions, and many predict the situation will worsen: According to Deloitte, 77 percent of manufacturers anticipate ongoing difficulties in attracting and retaining workers in the coming years. Another study conducted in partnership with the Manufacturing Institute and the National Association of Manufacturers predicts that by 2030, the manufacturing skills gap could result in 2.1 million unfilled jobs in the United States.

Against those headwinds, some companies have begun to look inward at their existing workforces, whose roles may have at one time been at risk of becoming obsolete. Manufacturers of all types are now grappling with a significant challenge: retaining and retraining existing workers to support digital transformation.

## FILLING THE SKILLS GAP FROM WITHIN

From the Internet of Things to 3D printers, the manufacturing industry is awash with new technology designed to make things run smarter, faster, and more efficiently. While the automating of systems can ultimately mean fewer roles for plant-floor workers, all manufacturers — no matter the extent of automation — still rely on human employees.

Some manufacturers are looking within their existing workforce to

fill new roles rather than finding new workers with these skills. Not only does reskilling ensure that jobs are protected, but for employers, retaining those with valuable insight into their company’s operations simply makes good business sense.

Retraining enables operators to become part of what Sarah Boisvert, author of *The New Collar Workforce* and co-founder of the commercial division of Potomac Photonics, a manufacturer in Baltimore, calls the “new collar” workplace. Ultimately, she notes, retraining not only can offer new pathways for workers but also has the potential to reinvigorate entire companies.

Reskilling and shifting workers requires thought and training, as well as more than a little patience, says Carissa Gudenkauf, talent consultant and coach at MVP-Results, a talent strategy service based in Tampa, Florida.

In the 2020 Deloitte Global Human Capital Trends Study, 75 percent of organizations identified reskilling the workforce as important for their success over the next year, but only 10 percent said they were very ready to address this trend.

## A SUCCESSFUL APPROACH TO RESKILLING WORKERS

Employers are acutely aware of the fact that reskilling workers can be a significant undertaking. In some cases, employers may need to train employees on the digital skills needed to program software and sensor systems, operate software, and maintain robots. In other cases, there may be opportunities to transplant workers into functions with transferable skills, such as retraining product technicians to become product-expert sales specialists.

However, according to Gudenkauf, it’s important to carefully evaluate each employee’s strengths rather than simply assigning them to new roles that sound similar. While reassigning a salesperson from in-office to on-phone sales may *seem* like an obvious move, that might not necessarily be the best fit for their strengths. “Does that person have the same level of sociability over the phone as in person? It’s a different level of communication, and a person’s natural work style may not lend themselves to phone sales,” she says.

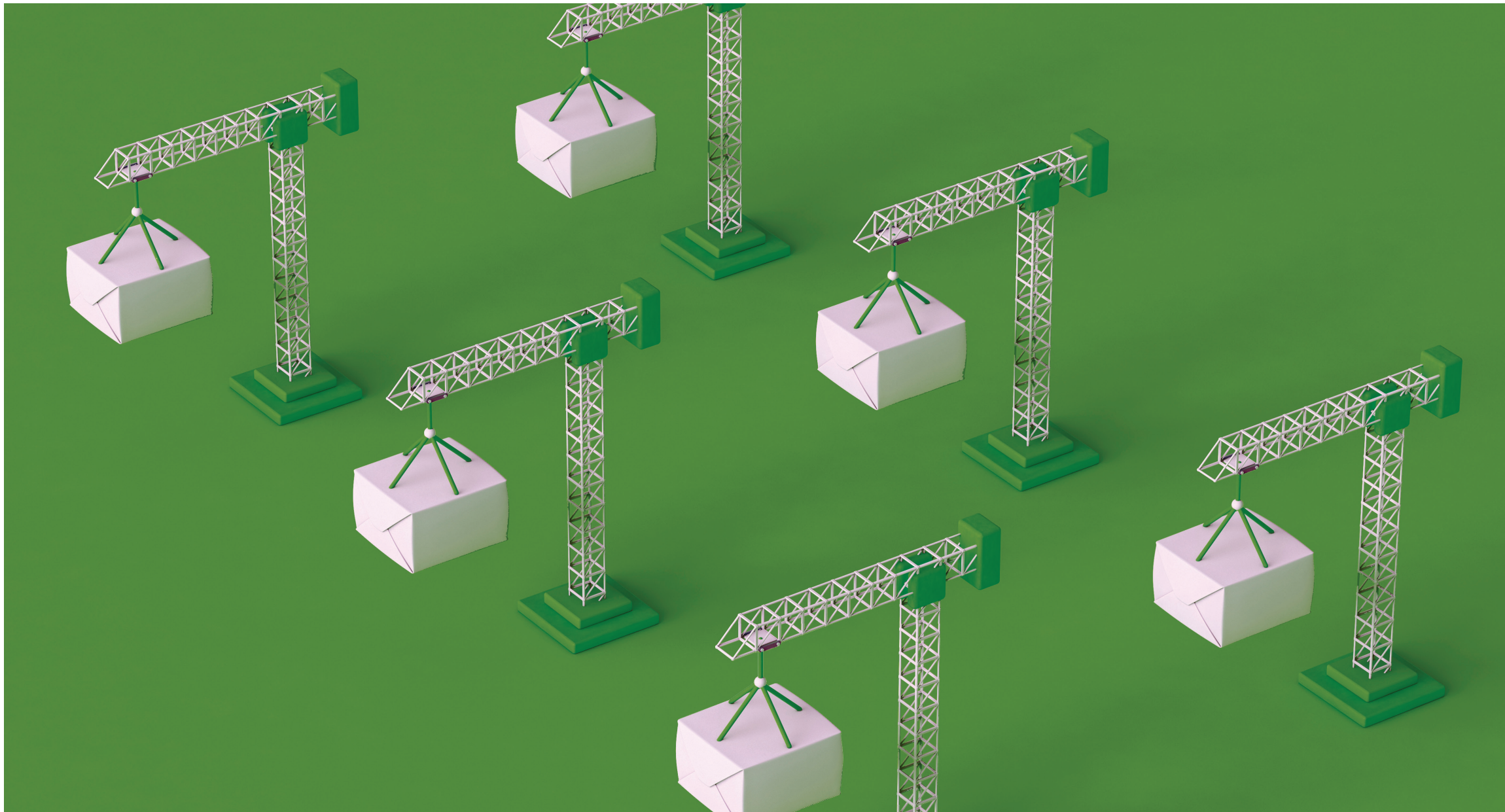
Gudenkauf also advises managers to pay close attention to each employee’s preferred learning style. For example, many skilled workers are hands-on learners who will be most successful when they understand the full

functionality of a machine. Others may simply prefer to have a clear set of instructions to follow. By tailoring your training to a variety of learning styles, you can help ensure that your workers thrive in their new roles.

While change may happen more slowly than some managers might like, it’s important to consider the difference between what workers were hired to do and what you’re asking of them. That doesn’t mean change can’t or won’t happen — it just means the timeline needs to be well thought out and realistic.

Because the reskilling process can require a great deal of time, energy, and careful consideration, some companies might consider engaging the help of a training or career development specialist who can assess workers’ individual strengths and ensure they’re placed into a role in which they’ll thrive.

While investments in new technology can help raise productivity and cut operating costs, part of the technology investment must be allocated to retraining workers for jobs that match their skill sets. It’s an investment that’s likely to pay off in spades. For managers, it’s important to remember that robots and software alone don’t run the plant — the people overseeing them do. And that’s one fact that will never change. ■



STOCKSY



## Successful digital transformation is about far more than technology.

**T**he last two years have brought dramatic, rapid change, and many companies are struggling to keep up. A May 2021 McKinsey study noted that 9 in 10 business leaders say their organization will have to adopt a new, digital-first business model by 2023 in order to remain economically viable.

Why the urgency? Because digital transformation, when done right, provides clear, significant benefits. A recent study conducted by Deloitte found that companies with a higher level of digital maturity significantly outperformed competitors on key financial metrics. These companies were three times more likely to report annual net revenue growth and net profit margins significantly above their industry average. The companies outperformed in other ways, too, reporting significantly higher efficiency, product/service quality, customer satisfaction, and employee engagement than their competitors.

# ROADMAP TO TRANSFORMATION

SHUTTERSTOCK



With all those benefits, the race to transform is on. But simply investing in new technology isn't enough. True digital transformation requires a top-down commitment and a methodical approach to be successful. That's because true digital transformation is about more than technology; it's about fundamentally rethinking how you can more effectively leverage technology, processes, and people to improve both operational efficiency and customer experience.

Here's how to develop a holistic digital transformation strategy for your organization.

### START WITH THE END GOAL IN MIND

Rather than focusing on the implementation of technology, your digital transformation strategy should focus on what you want to achieve through the use of technology, whether it's streamlining your supply chain, elevating customer service, or gaining production efficiencies. Your plan should address your company's greatest problems or its greatest opportunities, and the outcomes should be stated in terms of concrete goals, such as improving speed to market or boosting innovation.

Examples of successful holistic digital transformation abound. Across all industries, businesses of every size have implemented chatbots — software that simulates human-like conversations with users via chat — to provide immediate support to their customers during times when human agents are unavailable. Chances are, your utility providers have digitized their billing process and have enabled you to sign up for paperless billing. Meanwhile, in the health care industry, the widespread adoption of telehealth has made quality care more accessible to the millions of Americans who'd previously struggled to attend in-person visits due to lack of transportation, physical disability, or proximity to care. In all of these cases, the end goal came first, and the technology was the means to an end.

According to Boston Consulting Group, companies that track the progress of their digital transformation efforts against clear, quantifiable goals are significantly more likely to succeed. Not only does this create accountability among managers and workers for reaching targets but having clear KPIs can also make it easier for organizations to track and measure progress.

## Mitigating Mounting Risk

Since digital transformation creates more connections with the world, it can also increase the likelihood of fraud. Here's how to mitigate risk and safeguard your organization during periods of rapid transformation.

### Build awareness.

A cybersecure culture is one in which every employee is trained to identify risks, understands protocol, and feels empowered to speak up when suspicious activity arises. Business leaders should educate themselves and their teams on the most common threats and how these schemes work. Implement periodic anti-fraud training programs to build awareness among employees.

### Establish strong protocols.

Even conscientious organizations should periodically revisit their approach to cybersecurity and make sure all employees are following established protocols, such as requiring strong, frequently updated passwords and enabling multifactor authentication when available.

### Take steps to mitigate risk.

Dramatic change often brings complexity and risk. Any organization that collects or stores customer data should consider engaging the assistance of legal counsel with a specialty in cybersecurity. Likewise, a cyber insurance policy can be another important safeguard.



### FOCUS ON THE CUSTOMER

In a time when customer demands are evolving, digital transformation should have a relentless focus on improving the customer experience. New business processes, created through digital transformation, should eliminate pain points in order to serve the customer better.

Though the transformation is digital, some of the best tools are decidedly traditional: good old-fashioned conversations with clients. For many companies, the process may start via interviews with existing customers and other stakeholders,

exploring what they like and dislike about dealing with your company, with questions that are tailored to that end goal.

### CREATE A CULTURE OF CHANGE

Rethinking how to meet customer needs using digital technology may require you to change how work is done across your entire organization — in some instances, it may actually require a fundamental shift in how your company operates.

When it comes to implementing a successful strategy for digital transformation, engaging your workforce is key. The fact

is, change can be scary, and a common fear among workers is that the introduction of new technology will result in the loss of jobs. If the process isn't handled with care, it can trigger resistance from your workforce.

As part of the change management process, managers should address concerns head-on, reassuring workers that the goal of digital transformation is to eliminate the mundane and routine aspects of their work, freeing them up to focus their energy on tasks that make a more significant contribution.

According to McKinsey, nearly 30 percent of companies that successfully implemented digital transformation included employee training that focused on new behaviors and mindsets in addition to teaching technological know-how. Workers should be encouraged and enabled to upgrade their skills, and managers should position this as an investment in their growth that will ultimately make them more valuable in the marketplace. Reskilling workers so they can handle new roles can pay huge dividends — according to Deloitte, this move can lead to a double-digit improvement in employee engagement.

Company leaders must explain to employees that digital transformation is critical for the company to grow and prosper, and change must start from the top. In order to truly be effective, executives must walk the talk, using the technology themselves.

As you work with employees, reassure them that change will happen in a way that's methodical and thoughtfully paced. In a world that changes at a rapid clip, it's worth reminding yourself of that, too. No matter how fast tech seems to evolve, a strategic, logical approach is key to long-term success, as with any initiative that will so fundamentally affect every aspect of your organization. ■

For more digital innovation and change management, visit [regions.com/commercialinsights](https://regions.com/commercialinsights).



# The Science of Simplicity: Using Technology to Transform Customer Experience

Chief Marketing Officer Abbas Merchant shares how technology can help businesses meet consumers' changing demands.

**N**o matter your industry, it's safe to say that your customers' expectations and behaviors have changed significantly over the last two years. Case in point: Today's consumers are three times more likely to conduct at least 80 percent of their transactions online than they were before the pandemic.

We sat down with Abbas Merchant, Chief Marketing Officer at Regions Bank, to discuss how consumer behavior has shifted over the last two years and how business leaders can leverage technology to better address those needs.

## LET'S START WITH THE BIG PICTURE: HOW HAVE YOU SEEN CONSUMER BEHAVIOR CHANGE SINCE THE START OF THE PANDEMIC?

**Merchant:** The pandemic has made some lasting changes in customers' behavior. Today more than ever before, customers are looking for what I call the three S's: simplicity, speed, and stewardship. We're all aware that the big tech companies have trained us to expect to get what we need with ease and simplicity and to get it quickly. As a result, simplicity and speed are increasingly becoming table stakes for businesses of all sizes. The third S — stewardship — starts with empathy. Customers want to know that they're doing business with brands that care about their associates, and they care about the communities, and they care about customers' needs.

One consequence of living in the virtual world is that people are facing technology fatigue. As a result, people are eager to re-establish personal relationships and engage in activities that involve in-person interaction. Of course, some of the behaviors that we've adopted and adapted to, like using more digital to do our day-to-day activities, will continue to stay with us. This brings a unique opportunity for businesses to combine the convenience of virtual with a high-touch experience of in-person interaction.

## LET'S TALK A BIT MORE ABOUT THE THIRD S: STEWARDSHIP. WHAT IS THE MOST IMPORTANT ASPECT OF ENGAGING AND UNDERSTANDING CUSTOMERS, AND HOW CAN BUSINESSES GAIN THAT UNDERSTANDING AND ACT UPON IT?

**Merchant:** I believe that when it comes to engaging and connecting with customers, the most important element is empathy. This means that we must understand how the customers' priorities have changed and what concerns are top of mind.

Because of our reliance on technology both as consumers and businesses, companies have unprecedented insight into their customers. They have access to information on the visitors to their websites — who they are, what they're trying to do. Businesses can learn a lot from that information and use it to personalize the experience they're delivering. Using data from across the different channels and connecting the data points together to paint a more holistic view about where the customers might be in their journey — that's really important. There's no better time than now to adopt new digital and data and analytics capabilities.

## YOU MENTIONED THE IMPORTANCE OF SPEED AND SIMPLICITY. HOW CAN SMALLER BUSINESSES USE TECHNOLOGY TO COMPETE AGAINST LARGE TECH COMPANIES IN THIS ARENA?

**Merchant:** No matter your industry, there are digital solutions and apps available that complement your business. For example, think about small mom and pop restaurants that historically may not have had the ability to offer online ordering and contactless delivery. Today, however, there are a wide array of third-party apps such as food delivery or grocery delivery apps that can serve as an extension of their business. These platforms enabled independent restaurants to meet their customers' needs during lockdowns without having to invest in building out the technology, hiring delivery staff, and so on.

Technology has empowered small businesses in all industries to be able to serve the needs of their customers as well as — or even better than — many of the large organizations. Thanks to the rise of software as a service, technology is now more affordable and more accessible than ever before.

## IN ADDITION TO ADOPTING NEW TECHNOLOGY, WHAT ELSE CAN SMALL TO MIDSIZE BUSINESSES DO TO SET THEMSELVES APART?

**Merchant:** My advice would be that we should always keep a focus on the customer and work to understand what's important to them in the moment and deliver on that in an authentic fashion.

As we look ahead, we can learn from the last two years and the challenges that we faced. The best experiences can be delivered when we effectively marry the digital capabilities with in-person capabilities. I think that companies that can deliver simple, seamless experiences to customers across the virtual and physical realms while demonstrating that they care about their customers, associates, and communities will be the best suited to thrive in the future. Learn from the past, take what has worked, and then combine it with what your business does best. ■

*This conversation was edited for length and clarity.*

To hear our full interview with Abbas Merchant, Chief Marketing Officer at Regions Bank, visit [regions.com/commercialpodcast](https://regions.com/commercialpodcast) and listen to Episode 12: Meeting Your Customers' New Expectations.

STOCKSY



# An Effective Use of Credit for Savvy Investors

Have you considered a securities-based line of credit?

There are many ways for investors to make the most of today's low-interest rate environment, but have you considered all of your options? One strategy that you may have overlooked is establishing a securities-based line of credit, which can provide easy access to cash and a number of other advantages.

"Whether you need money to pay a large tax bill, major medical expenses, make a lifestyle purchase like a vacation property or business investment, a securities-based line of credit can give you access to liquidity at a low cost," says Grace Jackson, Banking Product and Development Manager at Regions Private Wealth Management.

## LONG-TERM GOAL PROTECTION

If you have short-term needs that require cash, you can cover them effectively with a line of credit instead of liquidating investments, provided the rate of return on those invested assets surpasses the nominal cost of borrowing against your securities. "This type of strategic borrowing can help you take advantage of short-term opportunities without hindering your long-term goals," Jackson notes.

## QUICK CASH ACCESS

A securities-based line of credit works similarly to a home equity line of credit (HELOC), but it's much easier and faster to set up, says Jackson. You can access it within a few days, while a HELOC requires an appraisal of your home and can take weeks.

## NO TAX TRIGGER

Unlike selling your stocks to make a lifestyle or luxury purchase or pay a large, unexpected bill, accessing the line of credit will not trigger tax consequences. The line of credit offers immediate access whenever you need it. Meanwhile, your investments stay invested for the long term.

## WHAT HAPPENS WHEN THE MARKET DROPS?

A securities-based line of credit can be established based on the type and value of your eligible securities, which fluctuate. We can lend up to 75 percent of your invested assets on fully diversified accounts.

Keep in mind that a securities-based line of credit can be impacted by market volatility. "If the market did drop enough to create a margin call, clients would need to provide additional securities, or the bank would have the right to sell the securities," Jackson says. "But that's rare because clients typically have other funds, or they understand not to leverage up to their limit."

Although there are never any guarantees, interest rates are widely expected to remain low for a year or two. Backstopped by an accommodative Federal Reserve and an economy on the rebound, securities-based lines of credit can be solid investment options. Speak with your Regions Wealth Advisor to discuss how they might fit into your financial plan. ■



SPOTLIGHT

# Protecting Your Business Against Fraud

Helping you secure your payment transactions and private data is our top priority.

**F**raud continues to reach record highs, and businesses are particularly vulnerable. According to a 2020 survey conducted by PwC, 56 percent of U.S. companies say they've experienced fraud within the previous two years, with customer fraud, cybercrime, and asset misappropriation being most common.

## UNDERSTANDING THE THREAT

56% of U.S. companies have experienced fraud over the last two years.

Average number of fraud attempts:  
**6**

The average company will lose  
**5%**  
of its revenue to fraud each year.



## Most common types of financial fraud:

- 1 Customer fraud
- 2 Cybercrime
- 3 Asset misappropriation

## SPOTTING THE SIGNS

When it comes to preventing fraud, awareness is key. Unfortunately, fraud tactics are constantly changing, and as a busy leader, it can be difficult to stay abreast of these changes. That's why we've developed resources to help you understand the threats facing your business and tools to help you prevent financial fraud before it happens.

From podcasts to videos to articles, we've developed a robust array of tools designed to help you educate yourself and your employees on how to identify and prevent fraud.

Visit [regions.com/fraudprevention](https://regions.com/fraudprevention) to learn more.

## HOW TO REPORT FRAUD

When financial fraud does occur, time is of the essence. Be sure to contact us immediately to report the incident.

- For incidents involving Commercial, Corporate, or Treasury Management accounts: 1-800-787-3905
- For incidents involving Small Business or Personal accounts: 1-800-REGIONS



For additional resources, visit [regions.com/stopfraud](https://regions.com/stopfraud).





1900 Fifth Avenue North  
Birmingham, AL 35203

# Financial solutions focused on your business needs.



Given today's market challenges, working with a local dedicated team driven by a shared vision can make all the difference. Regions Commercial Relationship Managers know that developing a strong understanding of your business and its unique operations helps us provide highly responsive, personalized solutions. Let us leverage our capabilities and create a comprehensive financial strategy to help guide and strengthen your business.

**Commercial Banking | Treasury  
Management | Capital Markets  
Specialized Industries**

[regions.com/commercial-banking](https://regions.com/commercial-banking)

