

# ALBANY BUSINESS REVIEW

## How Pioneer plans to grow into a \$5 billion institution



By [Chelsea Diana](#) – Reporter, Albany Business Review  
Sep 12, 2022

Pioneer is close to reaching its goal of \$2 billion in deposits and assets. The next goal for the Colonie-based bank: \$5 billion.

"We haven't set a benchmark, but it won't be unheard of if we reach the \$5 billion mark," CEO Tom Amell said. "We'll get to that over the next five or 10 years, and that's our goal."

The Colonie-based bank is one of the largest in the region, with 22 offices and over \$1.8 billion in deposits. The bank raised over \$100 million in a public stock offering as part of a reorganization into a mutual holding company in the summer of 2019.

A few months later, the institution faced one of its toughest challenges when [Michael Mann's \\$100 million bank fraud was revealed](#) with Pioneer (NASDAQ: PBFS) among the largest institutions affected. Then came the Covid-19 pandemic, as banks scrambled to fund clients' Paycheck Protection Program loans.

While [legal battles surrounding the Mann scandal are still playing out in the courts](#), Amell is focused on what's next for the financial institution. How the financial institution gets to that goal relies on what investments it makes, how it builds out its executive team and how it develops the next generation of talent.

"We have an enormous amount of capital that we raised in our public offering. In addition to that, our liquidity is an all-time high because of the influx of deposits that have come in," Amell said. "So we have a ton of capital that we want to deploy, buying insurance agencies, employee benefits, wealth management. So our commitment to the bank is to safely and properly deploy all of that capital to grow our financial institution."



[Enlarge](#)

Tom Amell is CEO of Pioneer.

DONNA ABBOTT-VLAHOS

### **What it means to be a bank is changing**

Part of Amell's goal is to ensure Pioneer isn't viewed as just a bank.

"A small community bank that only offers loans and deposits is not a viable business model. It just won't work. You have the likes of CAP COM and SEFCU coming together. They're going to be \$8 billion," Amell said. "In order to compete with that, you have to be more than a bank or else you end up just competing on who gets the highest depository and gives the lowest loan rate. And over time you just work yourself out of business."

The [number of community banks across the country has declined](#), driven by technology changes, low interest rate environments, and a competition over talent. Consolidation in the industry has only increased due to the pandemic.

It's part of why Pioneer has been prioritizing acquisitions and investments into areas like wealth management, insurance and benefits consulting. Pioneer through its subsidiary, Pioneer Financial Services Inc., has acquired three smaller wealth management practices in the last year, according to public documents.

It's the playbook [that many community banks are adopting](#) as competition becomes fiercer.

For Pioneer, it involves training the next generation of bankers to think and approach customers differently.

"As we sit with a client five years from today, it's not going to be, 'Tell us about your loan. Tell us about your deposits. If I give you a better rate, would you move your business to Pioneer?'" Amell said. "We are going to be sitting with clients saying, 'What keeps you up at night?' And they're not saying loans and deposits because they can get them anywhere, any time. They'll say things like, 'I'm having a difficult time with diversity.' Or, 'I'm having a difficult time with the Paid Leave Act. We're having a difficult time figuring out good compensation plans for middle managers.' Those are all the things that keep small businesses up — we want to solve those problems."

### **Expanding the executive team**

To get to that point five years from now, Amell and Pioneer have spent the last few years building out a new executive team.

Pioneer [hired Thomas Signor as executive vice president and chief administration officer last month](#).

Amell said Signor's hire completes the executive team that he's been reshaping in his 10 years with the company. Amell said it sets up the bank to be more forward-looking.

Along with Signor's hire, Kelli Arnold's title has changed to chief strategy and innovations officer. She was previously chief sales enablement and financial services officer and was hired in 2020. Jesse Tomczak, Pioneer's chief banking officer, will oversee insurance, wealth management and employee benefits, in addition to banking.

"When [Signor] was at Kinderhook Bank, he had to do a whole host of different things. So it was impossible for him to wake up in the morning and say, 'How do I look forward five years?' It would be impossible," Amell said. "Now we have enough talent in the organization and enough depth in the organization where Kelli can wake up every single day and say, 'I'm going to make sure we're looking forward five years.' We're looking at our strategic plan every day, saying 'How do we implement items? How do we grow the call center? How do we grow the wealth business?' Because time goes quickly, unless you're looking at it every day."

Pioneer Bank's stock was selling at \$9.61 Monday.