25 Years…and Counting?
by Charles Wendel

It is because of LinkedIn that I was reminded that I started FIC 25 years ago this month. The welcome electronic congratulatory messages I received, some from people I have not talked in years and a few from names I did not recognize, forced me to think about the last 25 years, the clients I have met, the employees worked with and the successful and not so successful projects FIC completed.

Projects only work if the client wants you there. That may seem obvious and it is, but oftentimes, consultants are brought in without a clear direct sponsor. There have been a few cases in which FIC was "gifted" to an executive by a top management. They hated having us there, and they showed it often in passive aggressive ways. Never again. Conversely, projects in which the client is engaged and participates in developing solutions are fun, fulfilling, and successful.

The individual banker has become less appreciated by the bank. As banks adopt more technology and increase their reliance on algorithms and AI, the role of the banker will change. Yes, more customers will want to make their own financial decisions and conduct more self-service, but in some cases that is a mistake on their part, a mistake that the best banks will help their customers avoid by the value a banker demonstrates. If technology is used effectively by a bank, it will increase the time available for a banker to work with customers and enhance their knowledge so they can provide insights more valued any website. When we conducted business owner interviews for our recent Digital Lending report, several interviewees noted that the digital offer from their lenders was largely similar and commodity-like. It was the banker who made the difference. Banks cannot afford to forget that.

At many banks, however, the role of the banker has been undercut by more centralized decision-making and the increased dominance of support groups ranging from Product Management to Compliance. This has caused more bankers to constantly look over their shoulders to make sure they are following various internal rules, reducing their client-focused activities.

Banks need to go back to celebrating the revenue generators. All bankers are not of equal value to a bank. Revenue generators, those who build a bank's bottom line and, in effect, pay everyone else's salaries deserve special attention. That may be obvious too, but then why are do so many line bankers appear beleaguered? And, support people, while they are critically important as well, should avoid condescending comments about those bankers.

It is now much harder for a good banker to do his/her job versus decades ago when I was a commercial banker. If you run a bank, you can do nothing more important today than determining what changes you need to make to allow your revenue generators to generate more revenue…quality revenue that is.

*Push back against regulatory exces*s. The banking industry was largely responsible for the regulatory pile on it suffered during and after the last down turn. But smaller banks did an inadequate job of differentiating themselves from the Citibanks of the world that deserved to disappear. Just as old generals fight the last war, regulators may be fighting the last crisis. Banks should be more forceful in this area.

Commercial bankers respect and want to help their customers. Yes, I have worked with one banker who disappeared in international waters and an investor whom I think fled the country (invoice remains unpaid), but most bankers I have worked with are very good people who care. I would not say the same about investment bankers, many lawyers, and big firm consultants, although my issues with big firm consultants that can charge multiple hundreds of thousand each month and provide largely generic recommendations may simply be jealousy.

By their actions, banks dislike small businesses. Last week I spoke with a small business owner who said he had to write a 500-page employee handbook to submit to a bank client as part of their review process. FIC does not even try to work with the biggest banks anymore (OK, they may not care, I admit) because of onerous vendor management hurdles. Big firms have staff dedicated to this and increase their rates to cover the expense. Small firms either cannot or do not want to go down that route.

This is a recent phenomenon, something that has become more prevalent in the last ten years as support groups and regulatory paranoia have taken over. Is there anyone in a bank asking, "How do we become more small business friendly?" Does senior management really care or do they just spout PR verbiage?

Relax; we're all going to die. This paraphrases the title of a book about Buddhism I read years ago. I spoke with a banker recently who is approaching retirement, and he said he was speaking more frankly now than he ever had. Too bad he is doing that so late, but understandable, since I have known several bankers who "talked truth to power" and shortly thereafter were looking for new jobs.

The best banks encourage push back and mean it. Life is way too short to focus on silos and turf protection. I know as an outsider that's easy for me to write, but the best companies thrive with that approach, and it is way more fun to work there.

Now, for the next 25 years?