Bankers: You're Wanted
by Charles B. Wendel

Last week's newsletter focused on why bankers are leaving banking as well the challenges banks face in attracting and retaining young employees many of whom seem to require the care and attention of rare orchids.

But what type of bankers are non-banks looking for and why?

Let's start with whom they are not looking for.

- Bureaucrats, rule makers and enforcers, have gained increased power at many banks. But non-banks want doers with demonstrable track records of achievement. For example, ESG seems to be a major growth area at many banks, but, for multiple reasons, much less so in the non-bank world where HR is a support group and usually not a policy maker. Similarly, with some notable exceptions, bank marketing groups have not been offering non-banks with great personnel finds.

- Long-term employees may be suspect to non-banks. If you've been at the same bank for 20 years, it suggests to some that you are a "salary man" and lack the flexibility to work in a less structured environment.

- While IT programmers and analysts are valued by non-banks, senior management many not be viewed as providing as much value. Many have operated in a world of core systems where the big providers in effect make decisions for banks, and internal politics suck up much time. Non-banks often prize flexibility and innovation, not qualities all banks are known for.

Who are non-banks focusing on?

- As mentioned above good, young technology people are sought after and are often willing to leave banks. Banks have to offer a lifestyle and working environment that matches non-banks or lose many of these people. Some big banks seem to have done a good job at addressing this issue.

- Credit and compliance personnel may also be a priority depending upon the non-bank's focus. The best non-bank lenders operate with a respect for and adherence to credit policies that may differ from some traditional banks but, nonetheless, are rooted in good lending disciplines.

- Non-banks that are selling to or through banks rather than directly to small businesses or consumers need and want strong bankers to join their group. Years ago, in my early work with Fintechs some of the owners thought they didn't need bankers to talk with other bankers. With some arrogance, they thought the brilliance of their ideas would win out. Nope, not usually. Whether related to a technology sale, a credit product, or other areas a respected ex-banker provides credibility, offers insights to his/her employer, and can often reach people at a target bank that others cannot get to.

- If a banker has a track record of revenue generation and business building, non-banks will seek them out. Bankers who are both good managers and profit generators are limited in number. Many non-banks struggle with how to achieve profitable growth and/or expand into new markets. I've seen multiple cases in which those rare bankers feel both unappreciated and underpaid by their banks. Non-banks search those rare bankers out and grab them when they can.

Bankers leaving banks is not a new phenomenon, but the extent of the opportunity available to current bankers is increasing. One major challenge facing top management and BODs is how to retain your best employees, those critical to the bank's economic sustainability, and avoid becoming the preferred employer for those with limited options.

FIC works with senior management and Boards on issues that are critical to a bank's sustainability and growth. We emphasize practical solutions that we customize to a company's capabilities and culture. Reach FIC at cwendel@ficinc.com.