

Shoot the Dog! by Charles B. Wendel

The media has been having a field day with the revelations made by Governor Kristi Noem in her just published biography. A *Time* magazine article summarizes the story in the headline: “Trump VP Contender Kristi Noem Faces Backlash After Admitting to Killing Her Dog.” As the book tells it, “she shot dead Cricket, a 14-month-old dog she had intended to train for hunting pheasant, after the canine ruined a hunt, killed another family’s chickens, and moved to bite her.” She wrote of concerns that the dog put her family at risk. In addition, she also killed a “nasty and mean” goat, but it was the dog story that has gotten all the attention.

As one observer noted, finally there was an issue that could unite Republicans and Democrats, namely, don’t shoot your dog. Decades ago, *National Lampoon* magazine exploited this view by featuring a worried-looking dog on its cover with a gun aimed at its head with the headline “If you don’t buy this magazine, we’ll kill this dog.”

We should never shoot a dog (and maybe not a goat), but managers should seek out to eliminate (“shoot” is too strong a word) bad businesses, projects, dumb initiatives, and mediocre people. Too often management avoids “conflict” preferring to inflict poor practices and people on their companies and the customer.

Based on client experience, here are some examples of dogs that merit action:

Senior banker. In this case virtually all his colleagues noted his lack of warmth and interaction with other groups within the bank. He was happy to take leads but never provided them. Further, he continued to generate below projected numbers year after year. Behind the back of the number one exec, they’d ask how this person survived. This person both put up bad numbers and harmed the culture. This is a snarly defensive dog that at a minimum needs to be retrained and should probably be kept away from Kristi Noem.

Banks. There remain over 4,000 US banks. Many of them are super small and /or quasi-zombie. There have been some recent articles by community bankers and the consultants who serve them extolling the importance of community banks and the services they provide. Too often, though, these banks fail to differentiate themselves by anything other than location and a claim about great customer service. Their traditional market is likely disappearing as demographics change, IT-based banking increases, and the regulatory spotlight intensifies. Some of these banks resemble old dogs, ones that were once vital but now are limping and in pain. Just like dog owners, Boards need to make some difficult decisions about these companies.

Internal staff. For various reasons many banks have seen an explosion in support staff, whether in areas like HR, DEI, Compliance, and so forth. As per the dog theme, there are way too many dogs in this litter, potentially overwhelming the owners. Many need to be

placed elsewhere in different homes where others can pay for their upkeep. Otherwise, their maintenance costs may overwhelm the bank, while providing marginal value.

Product offerings. Dogs don't need fancy food. Good, nutritional food, yes, but keeping it simple is usually best for the owner and the dog. Product proliferation within banks has been an issue for decades with product managers often creating products ahead of customer needs and the ability of line bankers to sell them. Complicating what we feed dogs can lead to unfortunate end products from our pets. Complicated or unnecessary bank products waste time and money. At the same time some old products may need to go. Does anyone still serve their dogs Ken-L-Ration?

I've probably pushed the dog metaphor further than I should have. My point that all companies operate with some "dogs"/problem areas/opportunities that need be addressed while avoiding the ultimate solution offered by the Governor of South Dakota.

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.