

The Worst of People Defeat the Best of Plans

by Charles B. Wendel

The plan had been developed over multiple years. All the key people, acknowledged experts in their fields, had played a hand in creating the plan. Consultants had added value and reviewed the plans; compliance officers agreed; IT and Logistics had assigned off; vendors provided detailed bids that ensured the required support was available. Most important, the top officers, those with decades of experience and self-confidence you could cut with a knife, signed off on the plan's doability.

But something went wrong.

As I am writing this, Kabul has been lost, and the announced withdrawal of the United States from Afghanistan (I had to check my spelling of this hell on earth) unexpectedly is way ahead of schedule. It was set for September 11th, an unfortunate date to choose for admitting defeat. Instead, the U.S., may be out of Afghanistan much sooner, maybe before you read this. What a mess.

On a Sunday news show the current Secretary of State, who most recently worked at a very plugged in Washington consulting firm named WestExec Advisors, said that this withdrawal was nothing like our sad experience from the U.S.'s 1975 withdrawal from Vietnam. He is right. It is worse, because it demonstrates that the military and government learned nothing from the last war, although the deaths of Americans in Afghanistan declined to 2,500+ from Vietnam's 50,000+. Can anyone say with a straight face that those who died in Afghanistan did so for a good cause, that their lives were not given in vain? Shameful.

What's this rant have to do with banking? Today's bank ecosystem focuses on issues like technology, data analytics, digital everything. But in many instances it fails to put sufficient focus on strategy, the why and how behind a bank's focus. Sooner or later not doing so will turn into a disaster for banks. Oh, yeah, beyond the lack of a realistic strategy, leadership remains a huge issue.

Did these generals, whose medals seem them to make their uniforms so chest forward that they become male versions of Mae West, have any idea what they were doing? When I was at McKinsey & Co, I learned that many consultants excel at looking someone in the eye and speaking forcefully, even though their content was lacking in a sufficient degree of rigor. They succeeded in offering high end BS because they spoke with authority and the McKinsey imprimatur was so strong and their contacts with senior management so great that any challenge would put the challenger, not the consulting firm, at risk.

Years ago, a mid-level Canadian banker told me he was executing on consulting recommendations he did not agree with because senior management had bought into them. He was doing what he was told to do without pushing back. If people are afraid to push back on consultants, how could anyone challenge a GENERAL? How much more intimidating would they be? But even General Washington, now being attacked by people of no accomplishment or sense of history, made some strategic battle errors.

Some takeaways:

1. *Challenge internal and external experts.* Despite their arrogance, they are often wrong. Push back rather than accept their pronouncements.
2. *Execution is everything.* Leaving Afghanistan is not the issue, how to leave is. Those currently in charge cite the previous administration for agreeing to the withdrawal. They say their hands were tied, although their hands were not tied by other prior policies like building a wall. We will never know if the previous administration's withdrawal plan, whatever it was, would have worked. What we do know is that the execution plan we see playing out now is a disaster.
3. *History teaches.* Recently, I was watching a series about Pablo Escobar. Each episode begins with the quote, "Those who do not learn from the past are condemned to repeat it." This paraphrase from philosopher George Santayana should be etched into all our minds. Many banks continue to make the same mistakes year after year, failing to address fundamental issues and instead being distracted by initiatives like social equity, rather than providing excellent customer service or anticipating changing customer needs. Making critical decisions is hard, but signing on to the latest fad is easy, makes management feel good, and quiets activists.

Unlike the horror we are seeing in Afghanistan, banks do not deal with life and death issues. That should make it easier to identify and execute on the changes required for future success. Should.

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