

## **Trust, but Verify...Your Vendors** by Charles B. Wendel

The technology told me the process would work perfectly. I made the appointment by phone to have the rug cleaned and almost daily I received texts reminding me of the day and hour of the appointment. Our condo has requirements concerning necessary insurance, and I dutifully told the company owner whom to call. Two days before his promised arrival, yet another text confirmed the date. Until the day they were supposed to arrive, all was fine.

While the business owner had contacted the condo office more than once, he had never heard back from them. Never knowing there was a snag, I assumed that internal requirements had been met. In fact the building requirements had not been met, and the cleaning had to be delayed. When I asked the business owner why he had not contacted me to tell me there was a problem, he texted back, "OK, so sorry, my assistant was supposed to follow up with you."

This is more than the tale of a dirty rug. It typifies what we often see in working with clients and with clients and their vendors. My mini-crisis occurred because I was busy and overly trusting. Banks cannot afford to be overly trusting with their vendors.

Initially, I was fooled and impressed by the constant stream of technology-created messages. I let myself be tricked by technology into thinking the business manager was organized in other areas.

1. I let go of my typical hands-on approach to issues like this, and look what happened.
2. The business owner failed to manage his employee by making sure she had contacted me.
3. The business owner failed to ensure that the condo office responded.
4. The business office failed, but they responded to me right away.

Working with banks as a consultant, I have learned to follow up with any request made. Otherwise, requests for information or approvals often get ignored. Over the years I have come to characterize some banks as two-request minimum banks while others are three to four-requests, minimum. Getting on the top of a banker's email pile is akin to a bill collector trying to get paid first. But without persistence ( some might say pushiness) requests often fall to the wayside.

The pandemic has exacerbated this situation, giving all of us an excuse for lack of responsiveness. When working with vendors banks face a problem that is worse than what consultants face with banks. Many of the big technology vendors have become HUGE, adding acquisition after acquisition as they attempt to vacuum up innovative companies, both to gain more expertise (particularly related to digital) and eliminate competition. Meetings with these companies often feature their internal employees introducing themselves to one another as well as to the bank client. The acquisitions bring increased knowledge but also different cultures, styles, and expectations. It is hard to avoid the view that the big vendors are spending at least as much time managing their internal issues and relationships as they are client concerns.

The net result is that banks may be left in the lurch by these unresponsive giants. In recent months I have spoken to a number of small and mid-sized banks that have moved away from the giant tech providers because of their unresponsiveness.

Dealing with my rug issue was not a big deal. But a big deal for banks is dealing with giant technology vendors that seem more focused on managing internal issues than client service.

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