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## FOR YOUNG BANKERS ONLY: DO YOU HAVE TOMORROW'S™ SKILL SET? OR EVEN TODAY'S™?

Back from a meeting with the nation's ag bankers, Ed returns with food for thought for young lenders. (Bosses ought to read this too.)

I spent the last few days attending and presenting at the ABA's National Agricultural Bankers Conference in San Antonio. It was enjoyable to be among bankers in a segment of our industry which has seen some reasonably good economic times while so many others have been in turmoil or worse.

One presenter, Dr. Robert Jolly of Iowa State University, discussed the attractiveness of a career in ag lending, and how to increase one's value and marketability in the field. His presentation reminded me that the entire issue of how to assess and manage one's career prospects as a lender is an important one.

And one that increasingly is entirely in each lender's own hands.

Hard skills and soft skills both make a career

My experience as career banker prompts me to make the following suggestions to readers who are in the early years of their careers. You owe it to yourselves to think carefully about what sorts of skill sets are needed for ultimate success. Some are obvious, such as accounting, economics, and marketing, but many are less so.

The latter are often among the "soft" skills, such as communications (written and spoken), leadership, and negotiating, to name a few. The list can be as long as your interests and the business base of the bank, but hard skills, like accounting, and soft skills, like communication, are very different and accessed, acquired, and honed in very different ways.

As a result of some important work in human resource management over the last 15 years or so, many companies are recognizing that their employees are increasingly identifying their work with its functional content, rather than with the organization providing the paycheck.

As a 20-something recent graduate of the Bank of New York's loan officer development program in the late 1960s, if asked what I did for a living, I'd have probably said, "I work for The Bank of New York."

Odds are very strong that if at the same stage of my career today I would say "I'm a commercial banker."

The followup questions of where do I work or what do I do are 180 degrees apart from each other, in a single working generation.

The implications of this change are important. Employers now have a powerful business reason for building their employees' skill sets. The employee wants to grow and both the bank and its customers are the better for any activity that improves the employee's proficiency.

Know where your own career is going

Unfortunately, not all professional working environments contribute towards employee proficiency. Nor do all employers practice that on a continuous basis.

It's critical to understand this fundamental truth in the early years of your career. Ask yourself:

1. Is your employer contributing to your worth as a commercial banker by enhancing your skills?

2. Are you provided with opportunities to acquire and hone both the hard and the soft skills that you have determined are important to your success?

Larger institutions, such as very large community banks and most regionals, exhibit a certain formality in their training activities. This is not frequently so in smaller banks. Very often, those institutions' top managers have come of age in smaller banks and may not be aware of, or fully appreciate, the latest financial analytical tools and techniques.

Soft skills can take hard work

Soft skill development presents a different set of challenges for the young banker. Many banks will not address these in any formal way. And mentorship opportunities may not always be available or, for that matter, be particularly valued or nurtured.

One area where relatively recent entrants into the workplace often show glaring weaknesses is written communications. E-mailing, texting, and "tweeting" are transforming the way that we communicate—and not always for the better.

What we say in the style and format of a text message is seldom appropriate for a loan memorandum or a write-up to the loan committee. Many of today's young bankers are very fluent with words, but woefully short in the skills of normal business writing, such as are common in the world of the commercial lender.

My own observations of recent years tell me that there's a big problem in this area. It's a skill set that's missing in many bright and aspiring young people who will, over a 40-year career, earn their livelihoods by their ability to convince or influence someone through the written word. They need to be able to write better to do better.

It will be time well spent for young lenders to seriously assess their soft skills and what appears to be necessary for their long-term success. I've seen several good articles and blogs on the subject of how to acquire and maintain a mentoring relationship with experienced and more mature members of a person's working environment. I encourage all of you to Google that and explore the matter, but my concerns are broader.

Ask yourself these questions:

1. Do you understand what skills you need to be a successful lender? The list will change (usually getting longer, not shorter) as new techniques emerge in the area of hard skills.
2. Do you have a sense of what you'll need for the next couple of years to continue to grow?
3. Do you have any sense of what might be needed as your bank grows organically or by acquisition?
4. Can someone help you with a good assessment of the soft skills necessary for success and your own list of possible shortcomings that need work?

Employers, particularly larger ones, will afford these opportunities for their people. But you can't automatically assume that they have all the skills figured out correctly or that they necessarily satisfy all your interests.

Advancing your career is your responsibility. I wrote that at the outset, and it bears repeating.

Increasingly employers see their own self interest and their employees' interest as more or less identical. But that's a crucial assumption and you can't afford to be wrong or leave such important matters completely in the hands of others.

About Ed O'Leary:

Veteran lender and workout expert O'Leary spent more than 40 years in bank commercial credit and related functions, working with both major banks as well as community banking institutions. He earned his workout spurs in the dark days of the 1980s and early 1990s in both oil patch and commercial real estate lending.

O'Leary began his banking career at The Bank of New York in 1964, and worked at banks in Florida, Texas, Oklahoma, and New Mexico. He served as a faculty member and thesis advisor at ABA's Stonier Graduate School of Banking for more than two decades, and served as long as a faculty member for ABA's undergraduate and graduate commercial lending schools.

Today he works as a consultant and expert witness, and serves as instructor for ABA e-learning courses and a frequent speaker in ABA's Bank Director Telephone Briefing series. You can hear interviews with Ed about workouts here. You can e-mail him at [etoleary@att.net](mailto:etoleary@att.net). O'Leary's website can be found at [www.etoleary.com](http://www.etoleary.com).

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