
MENTORING DOESN'T JUST MATTER TO THE NEW LENDER

How an unhappy tale of a "lone ranger" underscores the importance of being able to be a mentor

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My post Christmas mail brought me the news that Roy, one of my bosses at The Bank of New York, had died this past summer. He was in his early 80s and had retired after a full and distinguished career as a credit professional and branch administration manager. I was the beneficiary of the great gift of his advice and personal observations. How I must have frittered away his valuable time with my questions and need for guidance and input! Yet his door was always open and his counsel was more valuable than I had any way to know at the time. He was always "present" to me and to my other colleagues for words of encouragement and, rare, but occasionally necessary, admonitions.

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A tale of a "lone ranger"

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I reflected on my good fortune of knowing and working with Roy during three formative years of my early career. It made me realize more fully how important mentoring is to young bankers. But in the course of my recent ruminations, I thought back over another mentoring lesson I learned not long after leaving The Bank of New York.

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One of my lending colleagues at the bank was "Dick," a "hot shot" vice-president, one of the youngest in The Bank of New York's long history. Dick had a sharp and incisive credit mind; was a gifted business developer; and had presentation skills that aided him in his advocacy within the bank for his customers' benefit. But

Dick had one shortcoming, and it became his undoing. He was a "loner." He was quick to criticize any mishandling of any aspect of any customer's account by any of the other bank departments. He could be caustic and demanding of operating and support staff, whether a particular person was a clerk or a vice-president. One didn't want to cross him or get into a disagreement on account administration, as he could be and often was very domineering.

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One day Dick came back from a late lunch on a Friday afternoon. I suspect that he might have had a cocktail at lunch, a practice more widespread then than it seems to be today. The daughter of the CEO of a Fortune 500 customer (both the individual and the company were banked by Dick), was making a personal deposit for her father and stopped at Dick's desk to engage in some small talk. Dick allegedly got "fresh" with her. She stormed out of the office and reported the incident to her father, who picked up the phone and called the bank's chairman. Within an hour, Dick was escorted out of the bank and his bright and very successful career to date at the bank was over.

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Why? First, that sort of behavior, if literally true, is completely unacceptable. The question was whether the allegation was true or not. I have no knowledge one way or the other, as I did not witness the incident. What I so vividly recall these many years later is that probably because of his caustic, demeaning ways with colleagues, he was without any friends who might pause and conduct an investigation on the merits or facts of the situation.

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Dick was out. He was what we might call a "lone ranger" and had no advocate.

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Unhappy return of the "lone ranger"

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About
five years later, I was a vice-president of lending at the Southeast
First National Bank of Miami. One day, the president of the bank called
and said, "Ed, could you come up to my office? I have a question to ask you."

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A
few anxious moments later I was ushered into the president's office.
Sitting around his conference table were the head of the bank's human
resources function and the bank's senior lender. We had an open credit
position and they were examining the resume of an applicant, who had
been my contemporary at The Bank of New York. It was none other than
Dick.

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After
a couple of perfunctory comments, the president asked me the following.
Did I work in close proximity to Dick at my old bank? Could I verify
the principal items on his resume? I could, and did.

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Then came the question that I've never forgotten:
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"Would this man help develop younger lenders?"

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My answer was simple and direct.

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"No," I said, "that's not your man."

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Ability by itself isn't enough

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The fact that Dick possessed well-documented business development and credit skills that were trumped by the concern about whether he would help develop and nurture lending talent was a revelation to me.

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Many years later, I understand that perfectly well and agree wholeheartedly. Lending is not an activity for lone rangers. There must be a team approach and I'm not talking about teamwork in the hackneyed way that the term can be used and misused today. It's a collective sense that we

are responsible for the care and development of our coworkers, and younger talent in particular.

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I wonder how prevalent this attitude is now. Surveying the corporate wreckage that is the banking business today, I suspect that it's probably a minority view. That's sad and does not speak well of our industry to the extent that it is a valid observation. So much of lending money and dealing with customers is technique as well as specific credit skill. Banks can teach the skills or provide opportunities to acquire them. Techniques are learned skill sets as well and there's no a formal school curriculum labeled "techniques." Where then do lenders get them? How well are they taught, reinforced and nurtured?

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I encourage you "senior hands" to examine your personal attitudes toward developing younger talent. It's probably not a formal part of any job description-but perhaps it should be.

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Are you doing what you can to develop the lenders who will succeed to your business and your customers in the years to come?

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Are you building shareholder value in the lending and support staff of your bank?

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These are urgent questions and we've probably not paid enough attention to them in recent years.

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- 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. O'Leary's website can be found at www.etoleary.com.

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