

SEVEN STEPS FOR A BETTER NEW YEAR

What to drop from 2010, what to keep, what to pick up

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- It's a human enough tendency this time of year to mark up the first page of the new calendar with a number of resolutions. Frequently it's a waste of time for most of us-as we seldom do as we say. It's another example of the difference between our stated values (what we say) and our operational values (what we actually do).
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- But here are some things that we can do, and not break a sweat, and actually enjoy ourselves.
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- First, let's stop talking about what the big banks did and all the damage they were doing for much of the last decade.
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- It's not as if we community bankers didn't make some mistakes. It's just what we did didn't almost crater the American economy. But at this point, who cares? Those who do already know the talking points; those who don't won't get it and we'll only continue to irritate them with our carping. Let's all move on!
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- Second, let's stop talking about the evils of regulation.
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- It's here to stay and it's nothing new to our businesses. We've survived CRA, Reg Q, Truth in Lending, and many more things that weren't as bad as we had feared. All the beefing isn't going to cause Congress to rewrite anything much, so let's put our energy into complying rather than all our needless and useless crabbing. (Editor's Note: One well-known banker says of regulation, "We fuss it, cuss it, discuss it, and then get it done.")
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- One of my bank's directors in Oklahoma used to say, "If you find yourself in hell, brag on it until the Devil lets you out." That's profound advice when you think about it.
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- Third, we're still alive as an industry, so let's concentrate for the next couple of years on making up for the few years we lost to the recession.
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- We owe our customers, our stockholders, and our banking public at least that much.
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- One suggestion along these lines would include visiting our customers in their places of business and saying "thank you" for their business.
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- Customers are going to be paying more fees in coming years so we might just as well get used to saying this and

meaning it. Customers can spot a phony much as a good credit person can sniff a bad deal. We should at least give them credit for being, in their own ways, as astute as we consider ourselves to be.

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- Fourth, let's give back to our communities in some imaginative ways.
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- We can start with community service. When I came to Albuquerque several years ago, the bank was recovering from a regional recession and the dividend had been suspended the year before.
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- I couldn't compete with Brand X across the street in terms of the contribution budget. But my colleagues and I could be out in force in the community, and we were.
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- It was noticed and not only contributed something to making Albuquerque a better place to live, but it enhanced our reputation as bankers and as people who cared. That it also helped business by allowing us to rub elbows with community business people we might otherwise never know is something that I can't resist pointing out.
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- Fifth, let's mentor our younger staff members more systematically and effectively.
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- I received more handouts from experienced colleagues than I can ever repay or even acknowledge.
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- Some of the lessons from many years ago are as fresh and vivid as if they were yesterday and I never would have had read anything of them out of books or manuals. I learned things from customers, too, but the best teachers were my bosses and more experienced colleagues.
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- Unfortunately, much of this was hit or miss. Imagine what we could accomplish for our industry and our employers if we were half way organized in doing it. And it's fun.
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- Sixth, let's do our part to raise the tone of the public discourse on banks and banking.
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- We did some not so smart things as an industry in recent years but we have survived and that's worth celebrating.
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- Maybe we've earned the right to say some things about business, ethical standards, and some constructive things about our local economy and market place. We can be sources of wisdom-or discordant voices expressing a constant level of concern and frustration. If you had listen to yourself, which of these two options would you prefer?
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- I remember when anyone who worked for a bank was expected to have an opinion on the prime rate or the direction of mortgage rates. People value our opinions but only if we are reasonable voices and have something thoughtful and useful to say.
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- Seventh, let's project the image that we enjoy our work.

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- Most of us do, so why is it so easy to slip into negative thinking?
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- I used to work with a fellow in Oklahoma who said that everyone has the choice to be happy or glum-every day. For his part, he chose to be happy and most days, he acquitted himself well on that score. He laughed a lot too and was fun to be around.
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- I got a Christmas card recently that gave several nuggets of uncommon advice. The most memorable was that each of us should spend more time with people over 70 and under six.
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- The over-70 crowd can teach us wisdom and patience.
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- The under six group can teach us those exact same things but just in different ways.
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- It's good to be a banker, even if the world doesn't often put us on a pedestal. I can't imagine having done anything more consistently interesting or rewarding with my life's work. I suspect that most of you deep down feel the same way as I do.
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- Happy New Year.

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 free audio 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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