
DID GETTING 'LEAN AND MEAN' MAKE YOUR STAFF TOO LEAN, TOO MEAN?

Are your best sales types stuck inside doing compliance?

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UNconventional Wisdom is a periodic guest blog, where authors hold up the so-called common wisdom to a fresh perspective. To propose a guest blog, email either William Streeter, editor in chief, or Steve Cocheo, executive editor

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We are all aware of just how rotten things have become: the economy, regulatory pressures, lending environment. The one item that has not been on the radar recently is your people.

Yes, over the last few years, you have created a leaner organization, one boiled down to the best. This achieves incredible efficiency and high performance—at first. But has this strategy backfired?

How many of your loan officers and branch managers spend more time in their offices than on the street?

They can't sell if they aren't selling

Increasing administrative duties of regulatory compliance are chaining your lenders and relationship builders to their desks and leaving opportunities on the pavement. The sheer volume of paperwork alone can consume an entire day, leaving less time for their core responsibilities.

There is still growth to be had. But finding it is like "scraping the bottom of the barrel." Doing so takes increasingly more effort from your sales force.

There are two issues here:

1. Addressing the intellectual fatigue your people are suffering.
2. Getting them back on the street.

Stressing the best, the best get stressed

The more that today's malaise drag on, the more discouraged and stressed your team is becoming. With each passing day, you invite the risk of losing key team members who may think they see greener grass elsewhere.

Your best employees are not only important to you: They are viewed as important to other institutions that are looking for additions to their staff.

With higher salaries offered and a perceived lack of stress at another institution, you have a lot to compete with if your people aren't happy and committed to your organization. You don't want to be put over a barrel, but you must stay vigilant for signs of unhappiness in your A-Team.

In my experience, when bank executives find themselves in this spot, it's time for them to start talking more strategically with their team. Tactical meetings to address immediate concerns and risk mitigation need to be balanced with aligning the long-term strategic goals with the role each team member has within it.

Really great employees want to see a path to more empowerment and ownership of their jobs.

Your key managers and high producers are well aware of your expectations. Their successful ongoing fulfillment of them is the foundation of your success. To keep that foundation sound and keep their energy high, you must make them part of the creation of your institution's strategic direction—not just the fulfiller of it.

Don't turn Outsiders into Insiders

As I said before, to get more business in this environment, bankers have to search longer, look farther, and work harder. When you're already running lean, as this economy has warranted, it is hard to justify the addition of more sales people. It is natural to assume that any addition directly and negatively impacts overhead. So for increased volume what is to be done?

You have to let your sales force go.

I said they were chained to their desks—cut the chains.

Your lenders and branch managers must be disentangled from the operational sphere as much as possible. But, to actually get them out of the office, other staff needs to cover the operational tasks.

Many banks I have been working with are concentrating on this very thing. They have set about reorganizing the back offices. Or they hire additional support staff. Or both.

They are efficiently utilizing their strong operational support staff (current or new) to streamline the duties of their relationship managers and lenders.

And letting them go back out to the street.

Sure, this seems to be going against their lean mentalities. But it is the very thing that was needed to increase loan and deposit growth. Successful campaigns should have your loan officers out from behind the desk 65%-75% of the time.

Bank that found its way again

Let me tell you about a recent client experience, during a strategic planning visit. As with so many banks out there, they were operating under a C&D for asset quality. This regulatory scrutiny created a whirlwind of increased pressure, long hours, and short tempers.

Management knew they had a problem. There was a whole group of people becoming increasingly exhausted and frustrated.

What they lacked was a full grasp of the problem. Even when encouraged to “vent,” employees tend to curb their words and shy from being as frank and honest as they need to be when discussing such matters with their managers or in a group setting.

So, they asked me to talk to each identified employee confidentially and ask what they thought of the direction of the bank. How they see the risks and the mitigation of them. And what their expectations were for the future of the bank and, maybe more importantly, their expectations of how they fit in.

What happened next is the key here.

They asked, they heard, they acted

Not only were the employees asked, they spoke and were listened to.

The items taken from those confidential interviews were critical to the strategic planning process. The issues were discussed and met head on. They identified and rectified "flight risks," something that is historically viewed as tactical and not to be discussed during a strategic planning session.

The issue of keeping key talent was a valuable addition to the agenda since it was maybe the most determining factor in achieving the long-term goals being set.

I can happily report that to date they have lost not one employee. And they are in fact hitting their strategic goals faster and with more vigor than they had seen in quite a while. The identification of the roadblocks to the bank's success and, further, their input into how to strategically master them during their sessions has them well on their way to achieving their strategic goals.

There is no reason to set such goals without being confident in the talent, longevity, and commitment of those who will fulfill it.

The takeaway

To retain critical talent, now is the time to give them reasons to stay. A tangible place in the future of the bank, increased input into the strategic direction of the bank, and providing help to get them back to what they love to do is the key.

Finally, if you don't have personnel you feel you can't afford to let go of, now is good time to ask yourself why.

About the author

Michelle Gula entered the industry as a financial analyst in early 1999 and later assumed the role of senior financial analyst, overseeing financial analyses of over 130 community banks every quarter. In the years that followed, Michelle challenged banks to realize opportunities for high performance beyond the balance sheet. This diversified her into strategic planning, tactical consulting and enterprise education. In recent years, propelled by her long-held belief that the human element is at the same time a bank's most valuable resource and volatile risk, she created an independent consulting firm focused on succession planning, strategic planning, and training and education.