

## A PHELPSIAN VIEW OF PERFORMING IN BANKING

by [Steve Brown](#)

We don't know about you, but we were mesmerized by the performance of Michael Phelps. People are mentioning his name in the same breath as Tiger Woods and Michael Jordan. Hey, what do you expect for someone that broke a record that has been standing since 1972 against the very best athletes the world has to offer? Simply put, Michael Phelps is an amazing example of what can be accomplished when you put your mind to something and stick with it.

While not in the same league as winning 8 gold medals, bankers can improve their skills by mirroring a few key things done by this top performing athlete.

**Relentless determination:** The first thing to do to improve your game is to decide what you want to accomplish. Star athletes have a relentless will to win and they don't like it when they lose. Their drive and determination is amazing to watch in whatever they put their mind to do. Bankers in a difficult environment are pulled in many different directions, but those who remain tirelessly focused on achieving a few specific results stand a much better chance of doing so.

**Continual learning:** Great bankers know they must also continue to learn and expand their mind. No training program can take the place of a committed person who wants to learn and takes responsibility for doing so. Bankers that ask questions continually of those who may have answers, provides powerful insight and helps improve one's knowledge base. We do this all the time, read everything we can get our hands on and continually seek out those who want to learn as well. Whether you liked school or not, those who remain interested in learning and improving will succeed where others fail.

**Good coaching:** Star athletes cannot do this on their own. While personal skills, desire and dedication are extremely important, having a good mentor and coach is critical. Everyone gets tired and needs a push to continue, which is where coaching comes into the equation. Bankers can be good mentors to other bankers by sharing their insight, providing education, spreading learned knowledge, providing advice and supporting others who work in the bank in doing their jobs. Bankers who take 10 minutes per day to find someone to help in their company are doing more than they know to boost long-term performance.

**Creativity:** Bankers that operate at the highest level seem to have an innate ability to come up with new ways to solve problems. No matter the issue, these individuals do not accept that the status quo is the way to go. Continual process improvement is a way of life for them. Banks that find that out early, are supportive and embrace change as inevitable can improve performance and improve employee satisfaction.

**Strong work/life balance** While it is difficult to assign a specific return or dollar value to this, study after study show it is critically important to maximizing employee satisfaction. Banks that give employees enough job flexibility to promote a good work/life balance usually also have higher retention rates and greater employee commitment.

No matter your passion in life, know that studies reinforce what star athletes such as Michael Phelps do to super-achieve. To get to the top in financial performance, make sure your bank, team, unit or branch focuses on keeping employees happy. To do that, make sure team members are given recognition when due, provided motivation, given ample opportunity to receive mentoring, strive for improvement throughout the organization and focus on excellence in everything they and the bank does.

You might not come away with 8 gold medals, but then again, you just might.

## **BANK NEWS**

### **Bank Failures**

A total of 534 financial institutions failed at the peak of the S&L debacle in 1989, compared to only 8 so far this year. While pundits say more failures are likely through this year and next, nearly all say we won't get anywhere near that number (due to higher industry capitalization, more accurate appraisals and faster acting regulatory agencies / banks).

### **Credit Cards**

On the whole, 10% of teens use credit cards and the numbers are rising. Oddly enough, the percentage of those 18Y and 19Y olds using credit cards has declined over 5% in the past year. According to The Nilson Report, 55% of consumer transactions in the U.S. will be through credit and debit cards.

### **Writedowns**

Losses stemming from the subprime crisis and credit crunch have exceeded \$500B in the world's top 100 banks as writedown and credit losses continue into the 3Q. The International Monetary Fund estimated a total bank loss of \$510B, minimal compared to NYU economist Roubnini's prediction of \$2 Trillion. Over \$200B of these writedowns and losses came from 5 firms, Citigroup, Merrill Lynch, UBS, HSBC, and Wachovia.

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