Superhero Community Banking--”...princes kept their view”

Well, believe it or not...we’re rounding 3rd about to slide into home on this podcast series. I wanted to thank y’all for the nice response on last week’s episode. This will likely be the last episode in the Superhero Community Banking series that’s directly tied to a chapter in *The Art of War.* Tzu has two more chapters in his book, but they’re on using spies and using firebombs. That’s....tough to recreate in community banking and still stay within the confines of banking regulations and, well, the law. BUT...there are some good basic idea in both of them to do nicely in summarizing the overall message. So, if you’re reading along, go ahead and finish the book. It’s really good....just don’t go around setting firebombs or hiring spies. Please don’t do that. Main Street Banking is definitely anti-firebombing.

Now that *that* has been established...

Chapter 11 is really a continuation of chapter 10’s discussion of the ground the army faces or, for us, the markets in which we find ourselves. So, for us, today we are discussing in more detail how to move around in these different types of markets and how to lead our teams within those markets. I was in a Zoom meeting this week about a content partnership we are working on here at Barret and we realized this very point. It’s one thing for management to know what to do...it’s one thing to have a good plan (you need one) and to have identified your competition’s weakness (you have to)...but if it’s not sold downstream...to the front lines...to the back offices...it’s never going to work.

How many of us have seen good ideas fail miserably when it came time to execute them? If you’re driving...please don’t take your hands off the wheel!

Tzu speaks to this directly. “Carefully study the well-being of your men, and not overtax them. Concentrate your strength. Keep your army continually on the move and devise unfathomable plans”. Later he says “Prohibit the taking of omens and do away with superstitious doubts”. Now, why would I mention that last quote? How many bankers are out there doing rain dances and using voodoo to gain success? Remember, this is an ancient military text. The use of supersitions and omens was very common. Tzu is saying here...don’t be cliche. Don’t do what everyone else is doing if it doesn’t work for them! Take care of the well-being of your team...keep them moving forward and following you...but don’t be cliche or silly.

Remember the 5 Constant Factors...Culture, Macroeconomic Environment, our markets, our leadership, and our operations? “Culture” equates to what Tzu calls the “moral law” and it’s the moral law, Tzu argues, that causes soldiers in the filed to willingly die for their commanders. Again, we are not out to sacrifice banker’s lives in the name of strategic advantage...but we are looking to inspire people to not just follow our plans as leaders but to embrace the strategy themselves so much that it motivates their actions independent of our having to force it on them. Make sense? Notice what Tzu says in moving around in different types of ground “I would inspire my men with a unity of purpose.” ”I would see there is a close connection between all parts of my army.”, “I would consolidate my alliances”....he even beautifully summarizes the entire of idea of strategic movement in our markets (again, which he calls ground). “To muster his host and bring it into danger--this may be termed the business of the general. The different measures suited to the varieties of ground (for us...markets); the expediency of aggressive or defensive tactics, and the fundamental laws of human nature: these are things that must most certainly be studied.” Getting the team to move into areas that are not comfortable...do different things...try new ideas...*that’s* the business of the Superhero Community Banker. How is that done? Study the tactics required (be that understanding fintech, a new product launch, a new organizational structure...whatever it may be) *and* understand the human nature side of things as well. Success is dependent on studying and knowing both. It requires using both our right and left side of our brains. It requires an holistic view of your bank and/or your team. Top to bottom....bottom to top. At that point...once we get that and implement that into our culture and in our actions...THEN the next steps and the “what to do” and “how to do it” becomes obvious.

And we’ve said this before...but it bears repeating now. When it is obvious what the next step is...strike fast and hard. No half measures. Go big or go home! Tzu has many great points in this chapter on this one central message...keep your competition’s eyes on where you are and what you are doing...not implementing their own plans! He makes the statement that we should “overawe” the competition. I love that word...overawe! I thought it was a made-up word before I looked it up....and the definition is even better. Oxford dictionary defines it as “impress (someone) so much that they become silent or inhibited.” That’s what success looks like over your competition...whatever form your competition may take...you’ve overpowered them so much that they are struck silent in awe of your team. And, like we’ve said before...it *all* stems from this holistic view of your team...right and left brained...and careful objective strategy.

That is probably a good place to end the episode...but Tzu makes another great point that, quite frankly, I couldn’t really place smoothly. It’s not long enough for an entire episode...but kinda has to be squeezed in here as well. That’s about “alliances” and local guides. And it is a great metaphor for what I am seeing re: fintechs and community banks. To quote Tzu “we cannot enter into alliance with neighboring princes until we are acquainted with their designs. We are not fit to lean an army on the march unless we are familiar with the face of the country--its mountains and forests, its pitfalls and precipices, its marshes and swamps. We shall be unable to turn natural advantages to account unless we make use of local guides”. First, there’s a great deal of truth in that today to every community bank. Be local...hire local...develop local. I think we all understand that application in community banking. It’s the foundation of who we are. But what I would point you towards is the idea of “alliances”. Think fintechs here too. We cannot take advantage of the natural advantages we have in our markets without getting help from those who know the terrain. We’ve talked a great deal about the fact that by the very nature of who we are in our communities, we have a natural advantage over other banks. That being said, every army has to have alliances with those that know the terrain. Let’s face it...most community banks don’t know the fintech terrain like we need to. That’s fine...we can’t be everywhere all the time. But we can use partners. We can take the time to work with those who have already been through the highs and lows of the fintech terrain in which we find ourselves today. I think you’ll find most fintechs view their role in the same manner. This allows you to compete!! This allows you to secure your advantage (maybe even grow it!) in your markets. So, if your bank is slow to adapt digital...or do it begrudgingly...shift your point of view. You’re not inviting in danger (if you’re going about it the right way)...you’re finding a mutually beneficial alliance and from your perspective, you’re gaining the advice from someone who a) wants to help you and b) has had the experience in this field to be of actual value to you.

So...bankers...keep your view! You’re doing great!! Keep learning...keep growing...and keep your eyes focused on whatever it is success looks like for you and your team!