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How to Properly Maintenance the Machine – The Importance of Employee Education

Importance of collateral machinery maintenance:

Most banks make loans that are secured by equipment. Particularly with farming, construction and manufacturing, equipment is an integral part of making sure that certain businesses can properly operate. Banks serve a mission-critical role by providing capital for those businesses so they can acquire the equipment that enables their enterprise to succeed. But what happens if the equipment is not properly maintained?

I can remember my days working at Commercial Banking Company (CBC) in Hahira, Georgia back in the 1990's. I would periodically ride with CEO Bobby Wetherington to visit with area farmers who had received production and equipment loans from CBC. I was always struck by how much attention Bobby paid to the level of maintenance that the farmer was applying to the equipment. It certainly helped that Bobby had a large farming operation himself and could talk specifically about the need for attention to the hydraulic systems of harvesters. But in the end, as a banker, he wanted to make sure that the equipment, which was the collateral on CBC loans, was in good working condition. Very prudent.

Importance of employee maintenance:

Today, our FIs have very little "big iron" type of machinery in use. Gone are the reader / sorters and other similar equipment full of belts, gears and cameras we used in decades past. Heck, I am not sure a bank even needs a simple document jogger anymore. Our banks run on a different type of "machinery"; that is human capital, the people that make up our team. Our institutions are run using brain power, the collective body of knowledge and experience that makes up the population of employees is what allows us to be successful. However, the fact that we don't have to deal with "big iron" equipment to operate our banks shouldn't obviate the need for maintenance as a mission-critical part of our daily activities. So what am I talking about? Education. Training. Certifications. Just as a tractor needs grease, new belts and the proper amount of hydraulic fluid, education and training serves as the way that people maintain their effectiveness, regardless of what their role is in the institution.

There are multiple types of education you might use as a part of your human capital maintenance. Let me highlight a few of these:

- **Job-specific Education and Certifications** – There are numerous opportunities for job-specific education and training, everything from what a brand new teller might need to learn to someone studying for the ACH-focused AAP certification. Regional banking and payment associations provide a wealth of education via in-person seminars, conferences and remote learning webinars. If you are not already getting their updates on education offerings, you need to sign up for them now. FNBB offers a variety of webinars and in-person conferences such as the Summer Conference and the BSA Experience Conference focused on BSA, AML and payments. You can look [here](#) for a list of upcoming events. There are also third party companies that provide a comprehensive curriculum of education, training and certifications. It is uniquely beneficial for an FI to look at each employee and determine what training and/or certifications may be appropriate for their job (or the job they are being groomed for) and then execute a plan for the employee to achieve that training. Even more important is the comprehensive training that an FI might offer to a future executive, such as sending them to an accredited banking school. These programs, such as the one offered at LSU or the University of Colorado, are generally a 3-year commitment with 2 weeks of in-person education offered each summer. I am on the faculty of the Graduate Banking School at

University of Colorado and I can personally attest to the quality of education these programs provide. Regardless of the scope, each and every employee should have a “maintenance” plan that includes ongoing education tailored to their job function.

- **General / Industry Education** – I recently attended the ICBA Annual Conference in San Antonio. As I was working the expo hall and attending breakout sessions, I had a realization that my first ICBA conference was in 1992, 30 years ago! The 2022 conference was the first time that I was attending as a banker. I was not a vendor exhibiting, I was not a speaker, delivering content, and I was just an attendee. And I was there for my own educational benefit. I was able to linger and have conversations that I could not have anticipated or planned for, but they provided great insight. I learned how the industry is talking about faster payment fraud (likely overplaying it in my opinion but I’ll cover that in a future article), and heard one of the best overviews of Crypto Currency. I got a look at 11 companies that the ICBA has in their current cohort at the Venture Center in Little Rock. This was “maintenance” for David Peterson, for me to be effective as Chief Innovation Officer, to learn about new Fintech services, establish new contacts and reconnect with industry stakeholders. I am grateful to FNBB for investing in me. I get that not all employees get to go off to the bigger conferences each year. However, they should be considered for meetings and conferences that are appropriate to their job and that represent meaningful maintenance for them as a valued employee.
- **Product/Service Knowledge That Enables Customer Service** - Do you train all of your employees on the services that the bank offers? For example, how well versed is your team in knowing how your online and mobile banking applications work? Well, you might say, we have specialized staff that handle specific questions related to our virtual banking platforms. Fair point, but I am not talking about solving some vexing online banking problem. I’m talking about general knowledge about the features of your OLB and Mobile banking services. Every one of your employees, especially any that are customer facing (and at some level that means pretty near everyone) there is an opportunity for a bank employee to discuss bank services. But the sad fact is that most bank employees have little knowledge of the bank’s virtual banking capabilities. This is due to the fact that they have access to the core system all day at work and find it generally unnecessary to use the same services that are offered to customers. Thus, when asked about how the mobile banking app would perform a remote deposit, it is possible that the employee has never used the mobile remote deposit feature! This is a missed opportunity, both in terms of an employee sharing their personal experience of service usage and the ability of the employee to receive training on the service as a part of their overall “maintenance”.

It is likely that every employee receives an annual review from their supervisor. Consider that every year, each employee should have an education component on their annual review. The employee and their manager can collaborate on what the educational goals should be and then either set a specific training / certification course as a goal for the upcoming year or allow the employee to research and recommend training elements. Some FIs assign each employee an education budget and then allow the employee to make a pitch to their boss about how they will spend their “maintenance” budget. Empowering the employee to research and suggest an education plan can be risky in that the employee could come up with training options that are not acceptable to the manager. But given the proper guidelines, having an employee do the research and suggest an education plan gives them a high-level of buy-in. It’s a “maintenance” plan that they have created, making it all the more likely that they will follow through.

One more thought, we could do a better job as bankers in making education and training more “fun”. We generally don’t think about the fun factor in how we plan for operating our institutions, but we should. People who are having fun at work are more productive and the customers can definitely tell a difference in interactions with bank staff that enjoy their jobs. So as we think about education, think about how you can make it more enjoyable for your staff to increase their skill and knowledge. Wait, I have an idea about how to do that ... but it will have to wait until the next article!

P.S. About that issue regarding online and mobile banking knowledge. If you want to get a higher level of knowledge about your virtual banking services across the employee base, shut off access to the core system for all employee accounts. This forces them to use the same tools as your customers to access their accounts and transact business. You will be amazed at how proficient they will become on your virtual banking services.