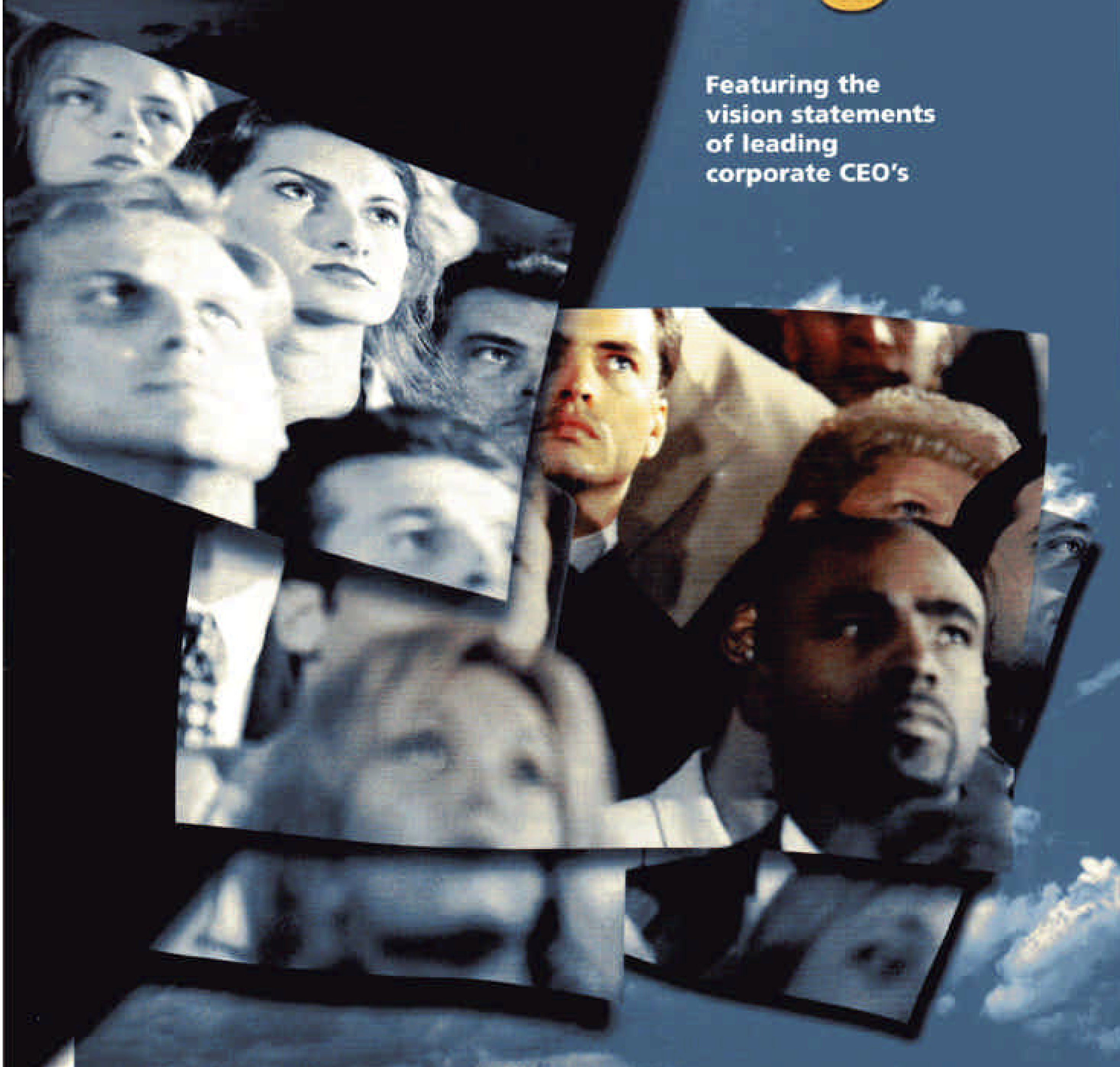
AMERICAN BANKER

Visionaries In Banking

Featuring the vision statements of leading corporate CEO's



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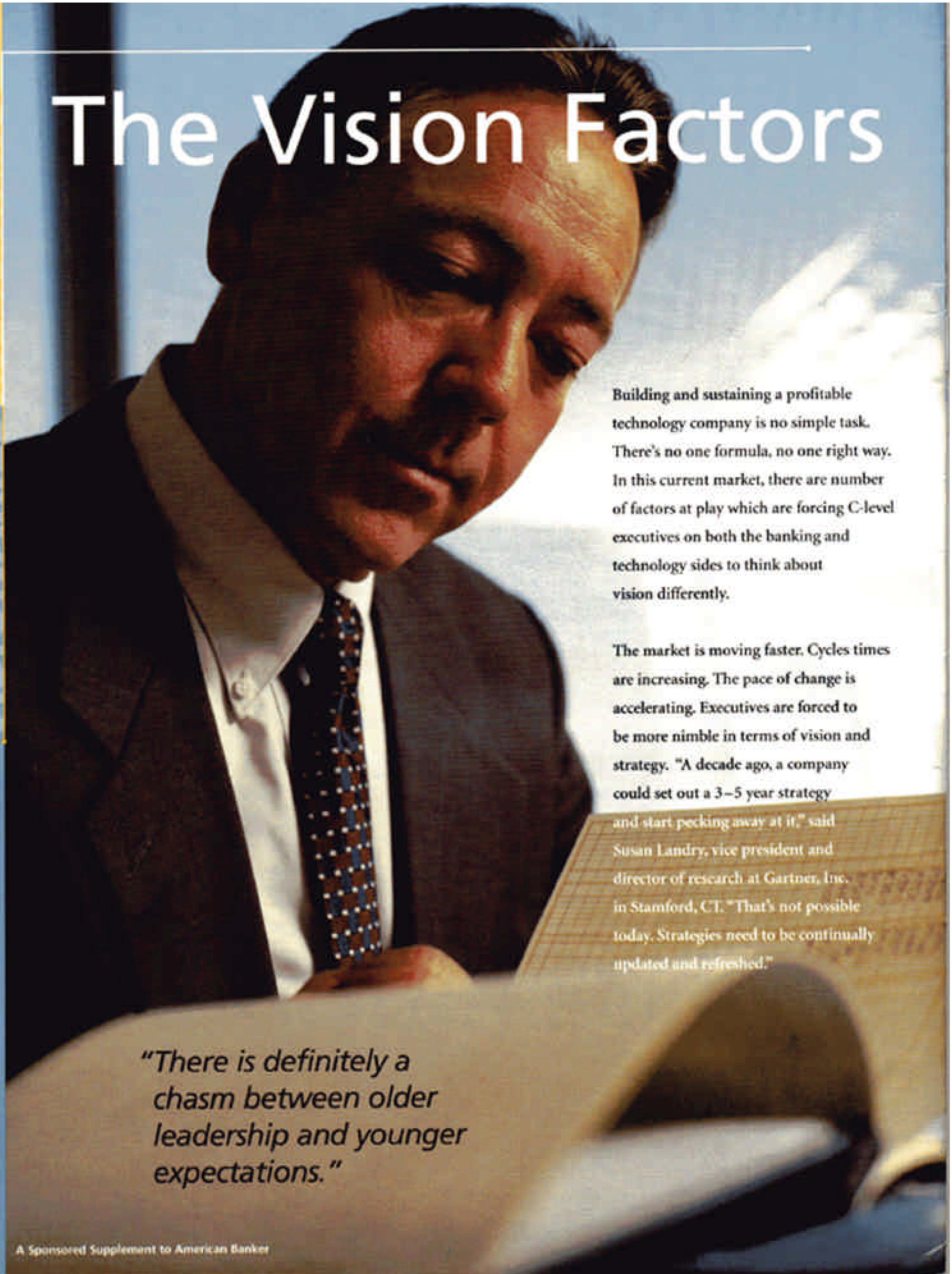
The Vision Factors



Building and sustaining a profitable technology company is no simple task. There's no one formula, no one right way. In this current market, there are number of factors at play which are forcing C-level executives on both the banking and technology sides to think about vision differently.

The market is moving faster. Cycles times are increasing. The pace of change is accelerating. Executives are forced to be more nimble in terms of vision and strategy. "A decade ago, a company could set out a 3–5 year strategy and start pecking away at it," said Susan Landry, vice president and director of research at Gartner, Inc. in Stamford, CT. "That's not possible today. Strategies need to be continually updated and refreshed."

"There is definitely a chasm between older leadership and younger expectations."

The days when a CEO could rule from a hidden inner sanctum disappeared with black and white TV. In a faster moving market, clearly communicating to employees is critically important. "To turn strategy into action, an executive must communicate that strategy simply and relentlessly — so that people are never in the dark." Ms. Landry explained. "They must fund the strategy — so that it's real. They must stick with it-so it's credible, sustainable and not the flavor of the month. They must tie it directly to incentives, rewards, and recognition-so that it is embraced."

ROI is everything. Financial institutions are increasingly focused on how applications are going to make them money or cut costs. ROI is the market mantra. "Technology is being used to improve existing processes and support existing customers, so it's less of a 'leap of faith' purchase than before," said Hugh Bishop, senior vice president at Boston-based, Aberdeen Group. "People want to know about costs and savings — not about inventing something new." But this new focus is not without it's challenges. "ROI is an important result, but we often forget that ROI is rear-view mirror measure," explained Steve Walmsley, a former Bank of Montreal executive and now the president of Walmsley & Co., a Toronto-based management consulting firm. "Technology, particularly new technology, always represents a risk. Creating an environment for technology to thrive is critical. This is where leadership comes in. It's essential that the stakeholders for success are engaged, ownership is shared and that leadership is directly involved in performance and the outcome. This way, the certainty of ROI is maximized."

The company is more important than the technology. Five years ago, leading banks and Fortune 500 companies were less risk averse and more open to the idea of testing out technologies from a start-up company. This is no longer the case. "We've seen so many companies go under. Fewer technology buyers are going to take a risk on a company that doesn't have a track record or doesn't look like it might be around next year," said Aberdeen Group's Hugh Bishop. "I believe in this market, proof of technology is less important than proof of the company."

Today employees have different expectations of their leaders and even their jobs. Three factors have had an enormous impact on leadership: 9-11, the corporate scandals and the ailing economy. C-level executives are faced with a situation where they must continually create and recreate trust. "Enron and the other scandals have raised issues of authenticity, trust, and integrity," said Kerry Bunker, a senior enterprise associate at the Center for Creative Leadership in Greensboro, North Carolina. "This coupled with the emotional fallout from 9-11 have changed a lot of peoples' thinking in terms of what's important in life and where work fits in." Mr. Bunker pointed out that 20 years ago, most major North American corporations emphasized lifetime employment and connected to their employees through the concept of job security and the job as "family." This culture was both toppled by the emergence of new companies and undermined by continued downsizing of older corporations. So much of this tumult has left people wondering what their relationship to work is. One of the challenges for CEOs is managing the diversity of psychological perceptions around employment itself. "There are people in a company who've been there for years and then there are those who come in and think, 'I'm staying for a few years making my mark and then leaving'", he said. "These varying expectations have an impact on how a CEO communicates vision."

A younger, more educated workforce will have impact on the "vision" dialogue. Twenty, thirty and even forty-something employees have experienced more over the past decade in terms of work and technological change than their parents probably did over their entire careers. The new workforce has grown up with change and these individuals are less likely to blindly accept a corporate mandate or take leadership directives at face value. "There is definitely a chasm between older leadership and younger expectations," said Steve Walmsley. "The hot term now is "cultural creatives": people who want more integration in their lives. Community, family, and recreation are important to this group. They have extremely high expectations for what a leader should be."

This group will most certainly question top-down directives among themselves. They have to. They've seen too much. The smartest C-level executives will harness this feedback and use it to improve strategy and planning rather than letting it fester as gossip and complaints. The best C-level executives welcome dialogue. ■