

Jeff Judy & Associates: Training Offerings

Focus on Perspectives

Different levels and functions of the organization hold different perspectives on common issues. Some are focused on broad strategies, values, and standards, some on portfolio level trends, some on individual transactions.

I provide training at all levels, from Board Directors to Executive Management through the lending staff, analysts, audit/review, and support staff. There are many topics where providing somewhat different training content and delivery methods to different levels of the organization can significantly enhance results and help ensure that sound practices are implemented and maintained over the long term. For example:

- ◆ **Board Members and Executive Leadership:** they may get a high-level overview of an issue through a conference presentation or webinar, or I may facilitate a working session on the topic of choice.
- ◆ **Front Line Credit Staff:** likely to get seminar/workshop training on specific practices, ranging from information gathering and analysis through loan structure to relationship development.
- ◆ **Specialist Training:** specific functions may get their own sessions, e.g., Global Cash Flow might be limited to analysts, if they do all the number crunching, or technical staff may get help with data collection and management in support of credit portfolio assessment, risk profiles and predictions, and so on.

Let me summarize just a couple of examples, keeping in mind that whenever you seek to implement consistent practices and shared standards and values, training multiple levels within a common time period can contribute to better outcomes.

Credit Risk Management

Every institution tries to assess risk and predict future patterns in the credit portfolio. The better the information those efforts produce, the better the financial management that is possible, particularly in the area of reserves and capital.

Effective credit risk management cuts across many levels of the bank, all of which I serve:

- ◆ **Board/Leadership:** key topics at this level include hitting the ALLL/Capital "sweet spot," maintaining a truly informative risk rating system, and models of credit portfolio assessment.
- ◆ **Front Lines:** training of credit staff is generally needed to reinforce better practices (e.g., full utilization of the risk rating system to enhance quantity and quality of portfolio information), and to help them understand how their transactional activities roll up into portfolio-level outcomes.
- ◆ **Technical Staff:** implementing a sophisticated credit portfolio assessment model is made easier by drawing on my associates' experience with a variety of models and critical data management issues.

Problem Loan Management

- ◆ **Board:** far from being a technical detail of lending, avoiding and managing problem loans is at the heart of successful and profitable credit operations. Especially for board members

without a strong personal banking/financial services history, I can provide an understanding of the importance of problem loan management to financial success *and* the role the board can play in maintaining high standards for problem loan management practices.

- ◆ **Leadership/Senior Management:** more facilitation and consulting than a "canned course," I work at this level to ensure that policy, process, and systems support effective problem loan management practices.
- ◆ **Front Lines:** seminar training focuses on early detection and early response to prevent or at least mitigate charge-offs as much as possible.

Market Analysis & Guidance

Your staff who work with potential borrowers need to know, broadly, what they are looking for, and just as importantly, what they should avoid. This boils down to the concept of a "target market," a subset of all possible borrowers that describes the kinds of people and businesses your institution wants to work with.

- ◆ **Board/Leadership:** at the upper levels of the institution, I facilitate coming to a common, and focused, description of preferred credit customers. Without a strong shared vision of the target market at these levels, it is impossible to communicate a consistent message to the front lines. I can also assist with communicating that guidance through effective credit policy.
- ◆ **Front Lines:** credit staff who find, analyze, and book credit customers need to understand the principles of target market guidance, and get some practice in applying that guidance to typical potential customers.

Culture Issues

"Credit culture" refers to the consistency, the uniformity of views across all levels and locations of the organization in regard to practices, strategies, and values. Addressing culture issues typically requires a combination of training and consulting services. The list below is organized as a sequence, rather than just by "perspective."

- ◆ **Board/Leadership:** education on the importance of culture to business success.
- ◆ **All Levels:** anonymous culture assessment (survey) and data analysis.
- ◆ **Board/Leadership:** present results of data analysis, highlighting areas of concern.
- ◆ **Board/Leadership/Managers:** training in communication skills/practices to help ensure that top-level messages truly reach the front lines.
- ◆ **Front Lines:** specific training topics where reinforcement of preferred methods/practices is needed to provide consistency throughout the institution.