MANAGING CHANGE IN THE EXCELLENT BANKS

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THE MANAGEMENT OF INTERNATIONAL BANKS
EXCELLENCE IN BANKING

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Steven I. Davis

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*To Joyce, Andrew, Christopher and Stephanie:
growing together*

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Preface

In the four years since *Excellence in Banking* was written, the pace of change in the banking world has accelerated. Journalists and consultants everywhere have been sustained by an outpouring of prose on the forces of globalization, securitization, deregulation and a host of other factors.

Amidst this tumult, readers of *Excellence in Banking* may understandably raise a number of questions. How have the excellent banks fared? How uniform are the pressures for change? Perhaps most important of all, what lessons do the banks at the firing line have for those advancing to the forward trenches?

My interest in picking up the pen – or rather a lap-top computer this time around – has been whetted by the positive response to *Excellence in Banking*, for which I am eternally grateful to Macmillan as well as the bankers who took the time to traverse it. It warmed this author's ego considerably not only to have the book translated into Japanese, Spanish, German and Portugese, but more importantly to see it on a number of senior bankers' desks with relevant quotations from their peers underlined and circled for future reference. The banking culture does indeed focus heavily on role models, but it was particularly satisfying to see experience transmitted through these pages.

In the meantime, my own perspective on the banking scene has been complemented by a broader array of management consulting assignments which have given me new perspectives on how banks are addressing the challenges of a ferociously competitive market. In a word, I have progressed from a neophyte banking consultant in 1984 to perhaps the adolescent stage. One of the more exciting of these assignments is to put on a financial analyst's hat for my good friend Tom Hanley of Salomon Brothers in New

York to review a number of major banking institutions in Europe and the Pacific Basin on an on-going basis.

As in 1984, the contribution of my panel of bank-watchers – or bankologists, to use the phrase of my partner Alan Banks – has been invaluable. Friends such as Dwight Crane at the Harvard Business School, John Rudy of Greenwich Research Associates, David Cates of Cates Consulting Analysts, Bill Turner of Price Waterhouse, and Robin Monro-Davies of IBCA Banking Analysis have contributed generously of their time and experience. Tim Farmiloe, my publisher, has been totally supportive as in the case of my previous literary labours. Dolores Mulroy has once again lent an essential hand – this time in introducing me to the mysteries of the PC.

But, as was the case in *Excellence in Banking*, it has all happened because of the willingness of so many bankers in 12 excellent institutions to take the time to reflect on their own experience in managing change. And even more, to share this with the competition. As one of my friends in a New York excellent bank commented in response to my request for yet more appointments,

one common thread in excellent bank management might be a focus on running the business rather than taking the time to talk about it. There is a low ROE in this competitive world in being a role model for peers.

To which I can only say amen, – and thanks!

London

Steven I. Davis

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