

Speeches

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OTS-085 - Opening remarks by Ellen Seidman, Director, Office of Thrift Supervision, at the 2001 Thrift Industry Leadership Conference: Charting the Course of Competitive Community Banking, Atlanta, GA., April 23, 2001

Opening Remarks

Ellen Seidman
Director, Office of Thrift Supervision

Before the

**OTS 2001 Thrift Industry Leadership Conference:
Charting the Course of Competitive Community Banking**

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Atlanta, Georgia

Opening Remarks for Leadership Conference

Welcome to the 2001 Thrift Industry Leadership Conference: Charting the Course of Competitive Community Banking. Whether you mark passage of the millennium as 2001, or by last year's Y2K event, or perhaps as November 12, 1999 with the passage of landmark financial modernization legislation, all of us recognize that we are at a confluence of diverse forces that alternately spawn cross currents, calms and riptides that confound our navigation and threaten our safe passage toward a brave new world of financial services.

General Santayana's admonition that those who cannot remember the past are condemned to repeat it, is now accompanied by the realization that those who do not anticipate the future are unlikely to survive it. We need to remember the cautions born of past mistakes, but we cannot be so preoccupied with our past experiences that we lose sight of how the future diverges. As leaders you want your institutions to do more than survive tomorrow. You want them to thrive! As the industry's regulator, we share that aspiration.

To succeed, each thrift must re-examine the way it thinks about its business, must anticipate where it needs to be and must develop a strategy for getting there--successfully, profitably and soundly--over the long term. The purpose of this forum is to inspire institution leaders--you--to think creatively and, most importantly, strategically about the future and how best to position your institution to ensure competitive viability in the coming years and beyond.

The seed for this conference was planted two years ago as a result of OTS's own agency strategic planning efforts. Senior Washington officials gathered with all of the Regional Directors on Maryland's

Eastern Shore to devise an OTS strategic plan. We then extended our planning process to employee groups throughout the agency. Finally, we refined our mission statement and enumerated several goals to achieve it. Primary among them was the objective to reach out to the industry and to our own examiners with a message of support and encouragement for developing new markets in the communities thrift institutions are chartered to serve.

We took some time to decide how best to accomplish this objective. OTS is mindful of the history of its predecessor agency. Our role is not to cheerlead. Our place is not to dictate your business initiatives. Our mission is to ensure a safe and sound industry that affords access to responsibly delivered financial services for all Americans.

We concluded that each institution would have to find its own way in the new financial services world. Each thrift would need to rely on its own leadership to survey the changing banking landscape and devise its own business plan for serving its community, however expansive its boundaries. From this realization came our conference title. We would convene the CEOs and Directors of the thrift industry at a

Leadership Conference where we would focus their attention on Charting the Course of Competitive Community Banking.

Popular authors and social science experts have remarked on the need for leaders to chart the course of their organizations. John Maxwell in his bestseller, *The 21 Irrefutable Laws of Leadership*, identifies as his 4th law The Law of Navigation, and observes, "Anyone can steer a ship, but it takes a leader to chart the course." Warren Blank, author of *The 9 Natural Laws of Leadership*, describes leadership as a quantum field of interaction where leaders are those who "map the territory and chart the course."

With the help of leading experts in their fields, this conference will explore:

- The national financial and demographic trends that have implications for your local communities;
- A strategic approach to harnessing those implications to build long-term customer equity

- Four different customer market segments that illustrate the potential opportunities for new business in your community;
- The role of management and the board in assuring a sound operational structure to enable the institution to attain its goals; and
- Ways to effectively develop and evaluate your institution's strategic planning choices.

We have three major objectives for this conference:

- First, to promote strategic planning. Although each thrift must find its own direction and plan its own approach for realizing its future, we hope you will find insights to accomplishing that process in the wisdom of our speakers. The difference between success and failure, and between progress and stagnation, may start with how well you plan your strategy.
- Our second objective is to encourage the exploration of unrealized market options within your communities. This afternoon's breakout sessions will explore different market

segments that may suggest opportunities in your own service areas. Our choice of illustrations is not meant to be directive, but rather to be illustrative and, perhaps, provocative.

- The third objective of the conference is to assure you of our support for responsible business ingenuity. Too often government regulators lag beneficial market developments, or worse, interpose undue obstacles to responsive business initiatives. OTS must grow with you. A new world of financial services cannot be navigated without taking risks. What OTS must ensure is that you and we approach those risks strategically, with sound systems in place, and prepared to alter our direction to avoid unknown hazards. But you cannot shy away from setting your ultimate course to those lands of opportunity just over the horizon and on that journey, OTS must be a beacon that warns you of dangerous shoals, not a pilot that controls your chosen course. We are not here to obscure your vision, but to help you improve it.

There is no one right course for this industry. Rather there are many courses for the many thrifts that make up the industry. Over the next

two days, we hope you will join with your colleagues and with us as together we explore the possibilities the future holds. Use this time to think creatively, but with strategic vision and operational discipline. As former West German Chancellor Conrad Adenauer once observed, "We all live under the same sky, but we don't all have the same horizon." So look ahead, search out your institution's horizon and begin to take those bearings that will allow you to chart your course for achieving success as a competitive community banker.

A course well conceived, well plotted and well executed will be a course well received by OTS and its examiners.