Leading for Growth: How Umpqua Bank Got Cool and Created a Culture of Greatness
by Ray Davis with Alan Shrader
Jossey-Bass, 2007

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Ray Davis took over as CEO of the regional South Umpqua Bank and its five branches in 1994 and grew it to $7 billion in assets and 120 branches (“stores”) over the next decade. The recognition and awards just keep coming: 2004 Ernst & Young Retail Entrepreneur of the Year, 2007 Fortune Magazine “100 Best Companies to Work For,” one of the top twenty-five influential high finance leaders listed by US Banker magazine, etc.. Given the stench in the banking industry over the past decade as, blinded by greed, many of its leaders sold out their historic mission and values, it is nothing short of awe-inspiring to have a look at how it could be done. Bank of America founder A. P. Giannini and legendary Citibank CEO Walter B. Wriston would roll over in their graves if they could see what has happened to the institutions they led. But they would love Ray Davis!

Leading for Growth is Ray Davis’s 2007 summary of lessons learned at Umpqua. He divides his book into five parts. In “Prerequisites for Relentless Growth” Davis describes how Umpqua figured out early that they were a “retail” business serving customers in “stores” --- not just “bankers in branches.” He sent his staff to customer service icons Nordstrom and Ritz Carlton to learn how to do it. Attention to detail in making the retail banking stores great neighborhood hang-outs is an Umpqua trademark. Getting the front line staff thinking “World’s Greatest Bank” and giving them a mandate and freedom to make the customer number one --- this is Umpqua. Relentless, positive passion is what Davis exudes, and what he wants in his people.

Part Two is about the “Roles of a Leader.” Support, accountability, empowerment, clarity of vision, effective communication, explanation of all the key ideas and decisions, and personal authenticity --- these are the virtues of a great leader, Umpqua-style. Part Three is called “Master the Basics.” Here Davis talks about the importance of sweating the details, the small stuff. He also picks up on Jim Collins’s phrase “get the right people on the bus” when it comes to personnel matters. His chapter on building a strong board of directors is excellent. While I find Davis’s discussion of ethics and values weak --- the reality of ethics and values at Umpqua is obviously strong. Caution, though, Mr. Davis: build a robust ethics and values into your leadership training and your organizational/cultural systems if you want this thing to endure.

Part Four is all about “Marketing” --- the importance of brand, design, consumer preference, and customer service from associates (employees). Davis and Umpqua are total aces at this stuff. Part Five is about “Leading Your Culture.” It’s about staying balanced, paying constant attention (building culture is like raising kids, he says), differentiating the non-negotiable heart of the culture and all the other aspects that may need to change, and maintaining the culture through mergers and acquisitions (Umpqua has grown a lot through acquisitions so he has a lot to contribute on this topic).

Every other page of Davis’s book has some quotable insight. Here is the kind of stuff you get: “If you want the best of the best, you’ve got to offer an exceptional workplace. You’ve got to value the people you choose and let them know it at every opportunity. You’ve got to empower them and provide opportunities for growth. You’ve got to be fair. You’ve got to build a culture that helps them thrive, that makes them eager to get to work every day” (p. 115). So simple and seems so obvious. But I know lots of big bank employees --- and they rarely express eagerness to get to work. Relief to have a job maybe, but is that what builds great businesses?

Leading for Growth is a great little book: it’s not just about theory and ideas but an up-close account of a contemporary business success in an industry devastated by horrible leadership.