

# A CASE STUDY IN HR

## THE WELLS FARGO APPROACH

By Mary-Jo Gagliardi

For companies today, talent management is more than just arming employees with the skills and knowledge to do a job. It's about cultivating a team and developing its leaders within an organization. Mary-Jo Gagliardi, head of Human Resources at Wells Fargo Capital Finance, gives us her take on this concept and explains what steps Wells Fargo Capital Finance is taking to develop and empower its team.





Ensuring the right people are in the right jobs and are doing the right things. Sounds simple – almost easy – right? Well, for businesses it is a constant balancing act. With the business environment constantly changing, financial performance pressures mounting, regulatory oversight, and competition for top talent, this concept is more important than ever in financial services.

There are thousands of articles that speak to the “special sauce” that makes a company successful, and it seems that Wells Fargo & Company is doing something right. For its June 25 cover story, “The World’s Most Respected Companies,” *Barron’s* magazine ranked Wells Fargo 27th – the highest among banks — moving up 15 spots from 2011.

Every year, *Barron’s* examines the world’s 100 largest companies by market capitalization on factors including management strength, business strategy, ethical business practices, competitiveness, and revenue and profit growth. *Barron’s* and its research partner, Beta Research of Syosset, NY, surveyed 116 money managers at firms large and small in late May and early June (*Barron’s*).

In the story, Wells Fargo CEO John Stumpf is quoted as saying, “When you keep the focus on customers, the results always follow. We know that by doing the right thing every day for our customers, communities, and team members, we’ll continue to be the kind of company people want to do business with and invest in.”

It is no surprise that John Stumpf included that doing the right thing for team members every day is what makes Wells Fargo successful, as talent management is a top priority for leaders. As is probably true for most of our competitors, Wells Fargo Capital Finance continues to face challenges related to talent acquisition, moving the needle on diversity, and managing risk — both core credit risk and reputational risk. At Wells Fargo Capital Finance, our human resources team leverages its collective experiences and knowledge to engage our leaders in the acquisition, training, development and retention of key talent to achieve business results. However, at Wells Fargo Capital Finance, managing these challenges comes

back to what we believe is the “special sauce” of having the right people in the right jobs doing the right things.

Wells Fargo Capital Finance Chairman and CEO Henry Jordan was quoted in *The Secured Lender’s* May issue titled “Asset-Based Lenders Speak Out” as saying, “It’s important to put trust in your teams and enable them to do the right thing for the company and our customers.” Jordan goes on to say, “I also believe in creating a collaborative and open culture. I encourage open and honest communication across both Wells Fargo Capital Finance and Wells Fargo with the goal of fostering behaviors that serve the needs of our customers. At the end of the day we do our best to help our customers succeed financially, regardless of where in the bank those solutions are located!”

#### **Hiring the Right People**

While Wells Fargo Capital Finance has maintained single-digit turnover and a strong preference for hiring and promoting from within, it is the constant focus on creating opportunities for team members through product expansion, promotions and the focus on continued learning that keeps team members engaged and challenged.

When Jordan was asked by *The Secured Lender* for the article, “Asset-Based Lenders Speak Out”, what he liked most about ABL, his response was, “The people...we have created an environment of mutual trust and teamwork. Because of the high caliber of our people, we have continued to innovate and provide the best lending products to our customers and exceptional returns to our parent, Wells Fargo & Company.”

Investing in people is a key driver of success for any organization. Some suggestions to consider: creating an entry-level credit training program as well as instituting programs that aim to assist your company in acquiring, developing and retaining future leaders through early exposure to technical and analytical skills in credit management and underwriting, and exposure to all aspects of the business.

In the Right Job: As referenced in the *Barron’s* story, the success for Wells Fargo depends not only on the value we offer our

customers through our financial products and services, but also on the knowledge and skill of our team members.

Developing the knowledge and skills of team members within a large and diverse organization is no small task. In 2012, Wells Fargo introduced new key competencies for managers and individual contributors with the launch of the Wells Fargo Competency Framework to ensure we continue to focus on developing our team members. Developing and nurturing the team that we have continued to be a key factor in retaining key talent within the organization.

An important factor to our low turnover is developing leaders within our organization and promoting within. Employing Wells Fargo's Leadership Model offers a simple yet comprehensive way to define what it takes to be successful at Wells Fargo. This model empowers the team member to lead him or herself, lead the team, and lead the business, while also allowing the team member to take ownership of his or her development. This model applies to everyone, regardless of line of business, job title, role, or level.

Our new approach to leadership and professional development helps develop and empower our workforce by focusing on the skills, knowledge, and personal characteristics that outstanding performers demonstrate more often, more skillfully, and with better results than average performers.

The ideal approach to career development blends experiences, relationships and feedback, and programs and courses, which allows the learning and development to happen in a variety of ways and supports different learning styles and methods of delivery.

### **Doing the Right Thing**

At Wells Fargo Capital Finance, Jordan has worked hard at creating a culture of mutual trust and teamwork, and he demonstrates this each day by motivating and inspiring his team through a simple email. For the past 12 years, Jordan has begun each business day with his "Thought of the Day," which is a quote followed by a few words of his own that is distributed to each of Wells Fargo Capital Finance's

roughly 1,700 team members. He keeps it simple and he delivers it every single business day, which has become part of the special sauce that makes Wells Fargo Capital Finance successful. One of my personal favorites: "Opportunity dances with those who are already on the dance floor."—H. Jackson Brown, Jr. And, followed with a comment from Henry: "P.S. Stay focused and take advantage of all the opportunities you discover!" While this is a relatively small action, it has become one of those ingredients that makes the culture at Wells Fargo Capital Finance unique.

Because the types of businesses served by asset-based lending are highly diversified in geography, industry and size, we employ team members throughout the world. Creating a cohesive culture across the various time zones can be challenging, and our leadership combats this challenge by focusing on one relationship at a time. One longstanding tradition at Wells Fargo Capital Finance is that Jordan leads quarterly road shows where he visits Wells Fargo Capital Finance offices and hosts a town hall-type forum. During these road shows, Jordan shares the financials and general business updates, as well as presents quarterly and annual awards to individual team members. This effort helps share our values, including diversity and inclusion, across the asset-based platform, as well as reinforces the openness and transparency, which is part of the culture of Wells Fargo Capital Finance. The Wells Fargo values are also intentionally woven throughout our professional development suite of offerings, reinforcing the importance of living our values and working together to build an inclusive culture.

At Wells Fargo and within each line of business, including Wells Fargo Capital Finance, culture is about who we are, where we are headed, and how every team member can help us get there and share in our team's success. We're one of America's largest financial institutions, and have a significant international presence. We're one of the world's 40 largest employers and America's 12th-largest private employer (Wells Fargo Vision & Values), with 275,000 team members. Our stock market value

exceeds \$175 billion as of 6/30/12, making us one of the world's 35 top companies in market value (Wells Fargo). *Forbes* ranks us among the world's top 50 companies based on a composite of sales, assets, profits and market value. (*Forbes*, 2011) We're in the top 20 among all U.S. companies in profits and market value (*Forbes*, 2011).

These are impressive statistics and can be a bit daunting at times. Every day we try to keep it simple and develop one relationship at a time while focusing on the core of our vision – which is the character of our company in action: We want to satisfy all of our customers' financial needs and help them succeed financially. All while ensuring we have the right people in the right jobs doing the right things. Sounds easy, right? **TSL**

Mary-Jo Gagliardi leads Human Resources for Wells Fargo Capital Finance. She joined Wells Fargo in February 2002, and was named director of Human Resources for Wells Fargo Capital Finance in 2005. She holds a bachelor's degree from Providence College and a master's degree from Boston College. Prior to her time at Wells Fargo, Gagliardi was a senior associate at Korn/Ferry International, and from 1993 to 1999 she was a human resources manager at Fidelity Investments. She and her family live in the south bay of Los Angeles.

Wells Fargo Capital Finance is the trade name for certain asset-based lending, accounts receivable and purchase order finance services, and channel finance services of Wells Fargo & Company and its subsidiaries.

The opinions expressed in this document are general in nature and not intended to provide specific advice or recommendations for any individual or association. Contact your banker, attorney, accountant or tax advisor with regard to your individual situation. The opinions of the author do not necessarily reflect those of Wells Fargo Capital Finance or any other Wells Fargo entity.