

Transcript_Podcast#6_Workforce Lens_Hosting Eddie Broussard, President of Texas Capital Bank for the West Texas Region

Shannon Bryant (Host): Greetings and welcome to the sixth installment of our podcast series, The Workforce Lens, brought to you by Tarrant County College in North Texas. I am Shannon Bryant, Executive Vice President of Corporate Solutions & Economic Development, and I will be your host, moderating strategic conversations with employers and economic developers on all things related to preparing and growing the workforce today in the future. Today, please help me welcome our guest, Mr. Eddie Broussard, president of Texas Capital Bank, Fort Worth, West Texas region.

Welcome Eddie, so happy to have you here. Thank you for the opportunity. I absolutely can't wait to have a conversation today and learn more about you and Texas Capital Bank. To get started, Eddie, let's just go ahead and out the gate, tell us who is Texas Capital Bank and a little bit about your mission, your values, the locations that you have around the state and just kind of your overall purpose.

Eddie Broussard: I'm happy to. So, Texas Capital Bank a relatively young bank. We were started in 1998, in Dallas. So, we're a Texas-based business bank, with total assets of \$40 billion. That would put us in a category, what I would call a mid-cap bank. There are a number of very large banks that are well known, and a significant amount of community banks that are very important. We fall pretty much in the middle of those big banks and little banks at \$40 billion.

We have approximately 1600 employees. We are located primarily in the state of Texas. We are in each of the major cities: Houston, San Antonio, Austin, Dallas, Fort Worth, and the number of other locations is actually an interesting question, because I think the importance of that is actually changing now. Historically, branches were very important to banking. But as we go forward, I think, and as most people begin to bank on their phone, the number of locations really becomes the number of phones that people are carrying around.

Shannon Bryant (Host): That's an interesting perspective and something you don't think about.

Eddie Broussard: Right now, there's been somewhat of a de-emphasis on actual physical locations, because the new generation basically aren't going to branches, and particularly in our emphasis of banking, which is business banking and less of a consumer or retail banking. We have a very low number of branches and that was our strategy. As we began, and it still is a strategy as we sit here today.

Shannon Bryant (Host): Okay, very good. Let's talk a little bit about you. You have a really strong career background serving as a President, a CFO, CEO, and various other senior-level positions among businesses, including leadership for a number of nonprofit groups. If you could please tell us more about your story, your career path, and what has led you to be the President of Texas capital bank today,

Eddie Broussard: I went to college in Lubbock, Texas Tech, and got out of college in the mid-80s. I came to Fort Worth in banking. Back in the 70s and the early 80s, there were a lot of students who graduated in accounting as a great career path, but banking was very much a career path for folks that were interested in finance and accounting but didn't really want to be an accountant. So, a number of my

friends became bankers and it sounded appealing to me. I loved the marketing aspect. There are a lot of relationships that you build.

Shannon Bryant (Host): Finance major at Texas Tech?

Eddie Broussard: Oh yes, I was going out with a BBA in Finance, and I really hit the ground running and working as a banker. I moved to Fort Worth in the mid-80s. Started my banking career banking. In the late 80s, in Texas, banking was an absolute train wreck. I don't know if any of your listeners were around that are studying back then, but banking in the late 80s, particularly in Texas, and in some of the areas of the country, really went through some significant struggles, both with oil and gas loans and real estate loans. At the end of the day, by the end of the late 80s and early 90s, virtually all of the holding company banks in Texas had failed.

The bank that actually went to work with out of college, failed in 1989, and the government came in and stood up most of those banks, and then ended up selling them to other banks that entered the market. So, there was a big change in the late 80s in banking. Basically, that was also the time where the industry went from state-by-state banking laws to more of interstate banking across the country.

So, it was a very interesting time, a very challenging time, but I was able to learn a lot through that, and I stayed in banking for about 12 years. I always had in the back of my mind that I would love to be on the other side of the desk from the banker. And really, run a business. Put a business together and really understand how to do that. I had the opportunity to go to work for one of my clients and I left banking to be the CFO of a wholesale distribution company here in Fort Worth, and spent about six years doing that, which was really a tremendous experience because, as a banker, we understand financials. We understand trends and things like that, but it's totally different when you're actually in the company, and you're trying to execute a strategy. The learning curve for the first 18 to 24 months after I left banking was, for the most part, straight up. It was a valuable experience and I ended up spending about 17 years, with two different companies, as a CFO, CEO and President.

Then, about eight or nine years ago -- the second of those companies was out in North Carolina, so I had moved my family to North Carolina, and we'd been out there for 11 years. The company I was with went through a transition and I decided to leave, to look for another company, or find a CFO job in Charlotte. We were about an hour from Charlotte. I spent about six months looking around and the economy in that area was, was very poor, [including] the manufacturing base and the business base in rural North Carolina, and for that part of the rural United States. A lot of those cities are struggling, a lot of the large employers from those cities [had been] bought and sold and liquidated. So, for the first time, I found myself really having to look for a job with a resume. Most of my career, I changed jobs, but it was really under my direction. For the first time in my career, I was back with a resume, trying to figure out what I what I wanted to do for the next 15 to 20 years. I ended up, about six months into that search, I wrote an email to 15 people that I knew back here in Fort Worth. That was really where my network of folks was outside of the industry, I had been in.

Long story short, I sent an email to 15 people and the next day, 12 of those people had responded to that email, and I told my wife, I said, "I think the economy is different in Texas, because I sent one email and I'm getting more responses from that than I had while looking in North Carolina for six months. So, from that point forward, the idea of moving back to Texas and moving back to Fort Worth really took hold. And actually, some of the folks that I had been [working with] in banking, early on in my career,

actually picked up the phone when they got my email to call me. They suggested that I move back to Fort Worth and get back into banking. So, it was a bit of a leap for me to go back to what I had been doing. I flew to Fort Worth and in the drive from DFW to downtown Fort Worth, I call my wife and I said, "You know what, we should consider moving back here." I said, "There's road construction everywhere I've been, they are building houses." I said, "This economy here in Texas is absolutely on fire, as it relates to the rest of the country."

So, long story short, it didn't take long for us to move back to Texas, and I actually did get back into banking. I went to work for Texas Capital Bank at that time, and I really wasn't sure if I could transition back into banking. Looking back, over the last eight years, it's been a really wonderful transition back into banking and I'm probably a much better banker today than I was in the beginning, having spent 17 years, on the other side of the table.

And so, it really gives me a different perspective on what a bank is supposed to do and how they can help businesses grow and achieve their goal.

Shannon Bryant (Host): It's funny how life leads you down different paths, right?

Eddie Broussard: Yes, it is. I went 360 degrees in 30 years, which is really kind of a bizarre idea.

Shannon Bryant (Host): I get that. I think I told you that I came from the financial services industry and then entered Higher Ed. I think I'm better in this role now because of my experiences on the other side of the fence, but it's funny that you mentioned that. When I first came to Fort Worth, I flew into DFW on the travel. I was always told, from an economic development perspective, that orange barrels on the highway equates to progress. So that's kind of what led me here to Texas, as well. So interesting.

One of the key focuses of this podcast, and the conversation that we're having today, relates to workforce development. And so, if you could for a minute, take yourself back to your 18-year-old self, and think about your education, the career path you chose, and knowing what you wanted. What advice you would go back and give your 18-year-old self, knowing what you know now.

Eddie Broussard: Sure. You bet. I think the advice I would give now is that, instead of kind of focusing straight into a particular discipline, whether that be finance or accounting or a doctor or a lawyer, I love the idea of getting a much more diverse and well-rounded education, particularly in college when you have the time to explore some other subjects and other things. I would probably would have taken more History classes, and more English, some more of the liberal arts type stuff, just because I think that really adds to life, in general. It also adds to your understanding and your emotional health and well-being, as you're doing whatever it is you're doing, whether it be a banker or an attorney or running a business. You just have a much broader base of understanding and exposure to different things. So, I would encourage students to really spend some time and don't, unless you are dead set on being a doctor or a dentist or an attorney, I would say, "Really get a broad education, and do some things that aren't necessarily in your scheduled [degree plan], just to get [the] exposure. That's how I've been able to do that, post education. And I would really love the idea of doing that at the college level, just to see and understand different things.

Shannon Bryant (Host): That's a really great point. You know, I talk to employers every single day. And I think being more well-rounded and having those experiences really helps with not only the soft skills or what I like to call the essential skills of each individual, as well as the emotional intelligence of being able to go into a position. That is so key today because, in my conversations with employers, a lot of times these days, it's almost as if the technical skills are becoming a commodity, whereas the essential skills, the ability to be well-rounded, is really becoming that value-based need for the organization. So, I appreciate your comments on that. Exactly.

Let's say we have some students here at TCC, or anywhere in the region, and they're interested in going into banking or finance, and that's kind of the direction that they want to hit. What advice would you offer a young person interested in entering into this field, and as a follow-up to that, what advice on becoming a leader, would you give those individuals today.

Eddie Broussard: Sure. You bet. I think most folks understand banking at a general level and understand that you have a checking account, and the banks maintain the security, and take care of your money when you don't need it and make it available when you do. So, I would encourage someone, if they are interested in banking or finance or any sort of financial services, that they seek out either an internship or a job opportunity in a bank or with a financial service company, even at the entry level, just to get in to see what happens and how it works and get a little bit of exposure to the industry. There's a lot of different things and a lot of different disciplines that are there within that industry. You can focus on traditional lending as the backbone, but I would say, today, the area of cash management and data in tech, are really becoming the forefront of banking and financial services.

So, young folks are going to have a tremendous opportunity to help as the banking changes. I think banking is changing significantly, as we speak. Get a bit of exposure to that and realize that it's not necessarily the traditional education that banking has historically required. There is that, but it's very much about being nimble as Amazon and other companies begin to disrupt industries. I believe the banking industry is actually being disrupted, as we speak. To be on the cutting edge of where that's going. I think, is a tremendous opportunity for young people.

So, I would say "Get exposure to the industry, firsthand, and then seek out a professional in that industry and ask to shadow them or visit with them." Most bankers are very social people and are more than willing to sit down with young people, and answer questions, and give ideas and thoughts, so if the idea of a part-time job or an internship doesn't work out, I would still seek out a financial professional and grab them and asked to go to lunch or to shadow them for a day.

Shannon Bryant (Host): Exactly, mentorship is very, very key. So, let's transition a bit of a different topic. Commercial banks obviously have a large role in the economic development of a country. If you could please, I know you talked a little bit about the state of what the banking industry was like in the 80s but speak directly to Texas Capital Bank and the role it plays as an institution today in the economic development of this great state of Texas.

Eddie Broussard: So, at a base level, and there's a number of areas where I think Texas Capital Bank and other banks play in the economic development story or world, first and foremost and most obvious is to provide additional capital for growth. Traditional lending is really adding to the capital or the base of a

company, in order for it to grow at a higher rate than it may be able to grow. Leveraging the company's assets allows a company to grow quicker and more stable. So that's the obvious first answer I would give. Banks are a wonderful source of adding capital to the growth of a company or to a growth of an economy. And I think that has played out very well here in Texas.

The other aspect, as I mentioned, [in addition to] lending as a more episodic event, is the actual managing of cash as a day-to-day process. Banks aid in managing your cash more efficiently and maximizing your cash through various products. The cash management of a company can really be fine-tuned to generate additional profits for the company, which really helps the company have the cash available when they need it, [versus] having it sit idle when they don't. So lending is one cash management for the company, then two is really maximizing a company's ability to use its cash, [getting] the highest and best [return for] when it needs it, and not having it sit when they don't need it.

The other aspect is that the banking community has historically, and still today, plays a very vital role in economic development, whether it be through the chambers or through community colleges or through four-year universities, really attracting and retaining business in their communities, whether that be through board involvement or providing funds for initiatives, various ways to build the economic engine within a city and within a state. Banks have historically played a very key role in that, and I think we'll continue [to do so] today. This will continue at Texas Capital Bank. We spend a significant amount of time and money in the communities we're in, supporting them in every way, not just economically but socially, in every way possible. That's a real benefit and makes for a healthier community and a healthier place to live. I think banks play a more subtle role in that, but it is very much a key role in the health and wellbeing of the community and economic growth.

Shannon Bryant (Host): Absolutely. So, it's one of the leadership hats at Tarrant County College, here in the direction over the Tarrant Small Business Development Center. I know you are all a great partner in that initiative. So, in a sense, you're also educators, because I know we have a lot of people show up at our door who don't have a lot of experience in starting a business or becoming an entrepreneur, and folks within your organization are always very helpful and trying to direct them on what they need to do and their finances, yes?

Eddie Broussard: Yes, mentoring in the financial education pieces is key to the success of the small businesses.

Shannon Bryant (Host): It certainly is. So, Eddie, as a bank, you are obviously in daily communication with all sizes of businesses and different kinds of industry in the county. What is your assessment of the current economic state of North Texas, and the recovery from the pandemic, looking out, let's say the next five years?

Eddie Broussard: We've obviously all been through a year of just unprecedented activity, that none of us understood, none of us knew how to react to. And so, it was very interesting to be somewhat on the backside of that and look back, see what happened, what happened that was good and what happened that was bad. Obviously, as everyone else did early on in the pandemic, we just really hit the pause button and said, "Okay, what does this mean? How is it going to play out through the economy, through the different business sectors?" I think we really hit pause for probably 60 days, in our shop, and tried to get our bearings on, what does this mean and how do we go forward? One of the things that we found, whether you run a bank or you run a company, is just [practicing] normal conservative principles, as the

crisis happens. [You can] still buoy through most of that because you made prudent decisions. There were things that happened that were outside of people's control. Obviously, anything that had to do with hospitality and travel, really took a hit. No one really understood when that would actually come back. Thank goodness, in the last 60 days, [we are seeing] that is going to come back. So, it was really interesting to look back and see how companies fared through that. The other surprise is that a number of companies did very, very well through COVID. One that comes to mind would be restaurants that were able to figure out, "How do we get food out the door and in a pickup situation?" And those restaurants that were able to figure that out, actually did very, very well.

So, it wasn't a situation where all companies suffer. There were companies that suffered, indeed, but there were also companies that kind of held stable. And then there were companies that grew. I've seen companies that have grown 20 to 30% in 2020, which is absolutely mind boggling. When we look back, and I believe Texas was really one of the first States to begin to come out, when we begin to do things in the state, from a gathering standpoint, it was a little earlier than some of the states. I think that really helped the economy here in Texas kind of get a kickstart to coming back out. There were specifically a number of events from a sporting standpoint that ended up coming to Fort Worth and coming to Texas because we were open earlier than some of the other states. I think that kickstarted the engine and we saw a real quick recovery begin to happen. I think we still are seeing that today. I think the recovery is actually quite strong. And, in particular in Texas, we have basically picked up where we left off. A number of companies continue to move to Texas because of the business climate. A number of folks are moving here to live. The growth is incredible.

I think over the next few years, five years is a long time in today's world, I think in the next couple of years, Fort Worth will continue to grow at a record pace, and I think Texas will also continue to grow at a rapid pace, which should benefit all of us that live here and end up moving here.

Shannon Bryant (Host): Exactly. So, I just have to comment on your mention about the restaurants and how they thrive. The big benefit right now is that we can still get margaritas delivered to the house, right?

Eddie Broussard: There are a number of changes that were made through COVID that I think we're going to keep adding to the plus column.

Shannon Bryant (Host): All right, I want to quiz you a bit. I've got a true or false question for you. Community colleges are an economic development engine of their communities. Absolutely true or false?

Eddie Broussard: True.

Shannon Bryant (Host): Can you provide some insight on your thoughts encompassing this statement.

Eddie Broussard: Yes, I think community colleges are really part of the backbone of the workforce. A growing economy is dependent on the workforce that is there, and that is sustainable, and that can sustain the growth. I'm talking about jobs at every level that are needed. And I think community college is tremendous, and really taking a big slice of that workforce development, and really pushing that through. What I love about Tarrant County College is its ability to move and to react, and to change based on what they see. If you keep that nimbleness in what you're doing, you're going to win and

you're going to actually provide that workforce development we so need here in Fort Worth and Tarrant County.

Shannon Bryant (Host): Definitely. Right now, is definitely the time for that nimbleness and the ability to be able to adapt and adjust and make changes as necessary, because not only are we trying to help businesses learn to do a new way of doing business, but we also have had to do the same. It makes it makes a major impact. Speak a bit about the Workforce Development landscape of the commercial banking industry. And give some examples of not only positions, but skill sets and business acumen characteristics and values that you're looking for in the talent that you hire.

Eddie Broussard: You bet. This is very interesting and timely, based on the questions you've asked me so far and kind of where we are. I'll speak to Texas Capital Bank, specifically, and then more broadly. As a bank, we have actually pivoted and re-evaluated the need for bringing young people into the industry and young people into the bank. We have actually hired, I think, somewhere between 55 and 60, folks off the college campus to come into the bank in the fall. That kind of number of new hires easing into a training program is unprecedented. Those are numbers that would happen back in the 70s. Banks have routinely averaged bringing in 10 to 15 kids off the college campus into our program for the last three or four years. So, we have absolutely stepped up on what we think we are going to need and what we want to build in the bank. We feel strongly about bringing in the talent and training them on how we look at business and how we do what we do. I think that's it. That should be extremely encouraging for your students and for your folks, as they as they come out. There are banks, not just us, that are looking at what we need. We need to go back to the model and hire strongly off the college campus to come in and began to train through our program because we have so many vacancies now.

There's a big gap between what we need and the folks that are that are coming out of school. We need those five- and seven-year folks that just aren't out there. So, we've made a very conscious decision to really push and step into our training and development. We are very much on a hiring push to get young folks into the bank and trained. I think a number of banks are beginning to look into doing that, too.

I would say the other exciting part is historically those folks would either go up the production or loan officer side of the bank or possibly the credit and the risk side of the bank. Now we're going to have a whole new window of opportunity that's on the tech side of the bank, the data, and the digital side of the bank, and that should be very, very interesting and very fun for folks coming in. Banking is moving much more into digital and not as an 8-to-5, Monday through Friday world, but a 24-7 world, where money is going to move nonstop, anytime. That's going to break the old paradigms of banking reserve. It's a very interesting time in banking, and I would say, a very, very exciting time for a young person to get involved in the industry.

Shannon Bryant (Host): Just curiosity from the industry perspective. I spent 17 years in the financial services industry. And one of the things that I admired about that industry is the fact that they were able to maintain students as they're coming out of colleges, and they had that sticky factor, if you will, where there was a career path forward for them in terms of securities licenses to their designations. Do you see across the industry efforts being made in that space to be able to provide career paths for individuals to maintain that sticky retention over a course of time?

Eddie Broussard: Yes, I think there are paths. If somebody wants to take a trek through lending to get to management, that track is still very much available, but the really wonderful thing is there are a number of other tracks that can get you to the C Suite, other than just lending nowadays. It's treasury management, investment banking and other parts of the banking pie, that historically, weren't as rich as they are today. I think those are going to become more and more important and provide a number of career paths within the bank and financial services industry that you could go on track and really work through. The other thing, and you're aware of this, look at the last 20 years. My generation would work at one bank and hope to get the Rolex watch in 50 years. With that same bank. If you go back to the late 80s, when all the banks failed, I think it really shattered that paradigm that the bank will always be there.

What happened is we got people in, we got young folks into the end of the bank, but they began to look around at a particular career path for a while, and then they may jump to another career path. I actually think that's fine. I think that gets back to the broader base understanding, much more emotional wellbeing, understanding what's important here and what's important over in this in this aspect of the bank or in this aspect of the business to have that broader knowledge.

Young people today move a lot more, and my initial reaction to that was, "Well, it's going to take a longer time to get to the C-Suite, if that's your goal." Now, I think it's actually a better way to get to the C-Suite. You understand with a little more detail. [You understand] more than one area. The day of the 20-years and the Rolex watch are not so much there anymore.

Shannon Bryant (Host): No, I've got my years, but I don't have my watch.

Eddie Broussard: I don't have mine yet either.

Shannon Bryant (Host): They're still working on it. So, Eddie from your purview, what is the future of the banking industry? We discussed a little earlier how online banking has forced a number of branches to close over the past decade. What is the future of work for banking in those pursuing a career in the field?

Eddie Broussard: I think it is as bright as it's ever been, and it's because of the disruption and change that's going on in financial services. We all understand, we all probably do today, how to pay our friends and pay other folks with Venmo, PayPal and the like, which bypasses traditional banking. As it stands today, it is pretty much on a personal, consumer to consumer [basis]. I think we will see that move into the business world, and we'll see that move into a B2C or a B2B [scenario], where it's not, as I said before, an 8-to-5, Monday through Friday, industry. It's a 24-7 industry and money will be moved at all times of the day. The idea of managing money for a business will be 24-7, as opposed to waiting until Monday to see what your balance is. You know before you make a [buying] decision. So, the paradigms are being smashed, which I think brings tremendous opportunity for young folks to come in and understand the digital piece, the social media piece, the new financial world, as it will be particularly in the B2B world.

It's changing and now is a wonderful time to get in and be a part of that change, helping to drive that change and having an understanding and an ability to flex with that change, way more than somebody my age would be [able to].

Shannon Bryant (Host): It's definitely a pivotal point in the history of banking and in workforce, in general right now. Eddie, it's been wonderful having you on the show today. Really appreciate your insight. Any last words or thoughts you'd like to share with our listening audience?

Eddie Broussard: The only other thing I would add is that banking has historically been very much a key player in a community. I think banks will continue to be that. And the banks that are successful are the ones that do that well, that interact with the community at all different levels from an education standpoint, whether it be higher education, or secondary education, or early education. And that's key to economic development and the health and wellbeing of a community.

I think banks will continue to step into that role. And that brings really the quality of life for both the community and the banker, so that is a piece that has been there. And I think that's a piece that will continue to be there, and the opportunity to speak with you today is a part of that. We are delighted to be a part.

Shannon Bryant (Host): Thank you so much. I would like to thank my guest today, Eddie Broussard from Texas Capital Bank, and I appreciate the listening audience and thank you for joining us today. We look forward to seeing you on the next edition of The Workforce Lens.

Eddie Broussard: Thank you.