

In-House or Outside: Video Interviews Offer the Best of Both

The great dilemma

What's the best way to teach credit risk and loan structuring? Use risk experts from your own firm or professional instructors from independent training companies? In this Financial Training Partners white paper, we'll talk about the advantages and disadvantages of each and about a way to get the best of both — video interviews.

In-house experts

The benefits of using your own subject matter experts are pretty clear. Direct costs are low; usually the training program pays no more than travel expenses. Expertise is high; inside instructors will know more about credit market conditions and your firm's credit policies than outside instructors.

But your own instructors come with another special advantage. They are models of your firm's risk culture in action. When they lead discussions in class, they communicate a powerful impression of risk management's stature, expertise, and values.

There are real disadvantages to using your own risk experts to teach. They may be better at giving brief presentations than at designing and delivering a learning experience that extends over a full day. They may not be able to commit a lot of time to teaching the course, and there is the risk that they may be forced to cancel an appearance on short notice due to sudden demands from the businesses they support.

Professional teachers

There is a case for using professional teachers instead. They know how to create a day or more of training that keeps course participants engaged and learning. They can write practical reference materials that are helpful not just in the classroom but also on the job. And since they rarely have last-minute conflicts, you can rely on them to show up for class.

The disadvantages of outside instructors are clear as well. Costs are higher; you have to pay them teaching fees as well as travel expenses. Expertise is less; their knowledge lags market conditions and lacks a detailed grasp of your firm's distinctive approach to credit. And even though risk culture is vitally important,

outsiders will not be able to represent it as effectively as someone from your own risk team.

Video interviews

So how do you get the best of both worlds: the teaching ability of a full-time instructor and the relevance of a risk manager from your firm? In our experience, the best way is to combine cases taught by professional trainers with video interviews of risk managers.

The instructor writes the case, leads the discussion about it in class, and then shows a video of an interview with a risk manager who was involved with the credit. In the interview the risk manager talks about his or her own career in risk and comments on the credit's key risks, structuring challenges, and lessons learned.

Risk managers like video interviews. It is a lot less work than writing a presentation on the case and giving it in class. All they have to do is review the case and a list of interview questions in advance, give the interview, and comment on the final edit of the video. They also have the satisfaction of making a valuable contribution even if the class is in a remote location or a scheduling conflict develops.

Course participants like video interviews too. They enjoy variety in teaching media, they respect input from one of their own firm's experts on the subject, and they appreciate risk management's involvement with the training program. What is more, they get a very direct sense of your firm's risk culture at work.

How to make a video

Video interviews are surprisingly easy to make. There is no need for big film crews, specialized equipment, or elaborate production values. You can shoot them with a smart phone, edit them on a personal computer, and show them in a PowerPoint presentation.

Here is a step-by-step guide to the process.

Write the questions

They vary with the case and the person being interviewed. But a good basic set includes: What is your background in risk management? What are the rewards and challenges of working in risk? What were the key risk issues in the case? What were the structuring challenges? What were the most important lessons learned? What else should I ask?

Brief the interviewee

Good interviews are built on good preparation. Send the risk manager the case materials and a copy of the interview questions well in advance. Explain how the case fits into the training program, and tell them how long the interview will take. Offer to answer any questions.

Get the equipment

At the more expensive end, you can use a digital camcorder, a lavalier microphone, and softbox lighting. But a cheaper set-up of smartphone, tripod mount, tripod, and natural lighting works almost as well. Participants are not looking for polished productions; what they want instead is high-impact content.

Shoot the interview

Do it with the interviewer and the subject sitting down and looking at one another. Make sure there is good light on the subject's face but not strong light in the background. Place the camera at eye level, slightly to one side of the interviewer, and close enough for the picture to include the subject from the waist up. Zoom in to a head-and-shoulders shot for more impact.

Edit the interview

Download the video from your phone to one of the many video editing programs available for personal computers. Keep the focus on the risk manager by replacing the interviewer's questions with text pages, and add titles at the beginning with the name of the case and the risk manager. Limit the video to about ten minutes.

Show the video

Even basic editing software lets you enhance the lighting, crop the picture, and boost the audio. When the editing is done, convert the video to a format for playback. Make it compatible with PowerPoint so it is easy to build into the instructor's classroom presentation.