

John Findlay:

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James Robert Lay:

Greetings and hello. I am James Robert Lay and welcome to the 101st episode of the Banking on Digital Growth podcast. Today's episode is part of the exponential insight series, and I'm excited to welcome John Findlay to the show. John is the CEO of Lemonade LXP, a learning experience platform that helps financial brands with the human side of digital transformation. Lemonade drives customer adoption out of financial brands through technology by transforming frontline staff and customers into digital experts. Welcome to the show, John.

John Findlay:

Thanks, James Robert. I really appreciate you having me.

James Robert Lay:

John, this is going to be fun because this is a topic that I'm really personally passionate about. Digital transformation, human transformation, for that matter before we get there, what are you excited about right now? One thing personally or professionally it's your pick?

John Findlay:


Well, I'm always excited about a lot of things personally. I got a lot of hobbies, music, sports, all that stuff. I'm a big tennis player. So I'm really excited about this summer tennis season. But on the professional side, I'm really excited about this opportunity that's in front of us, that the pandemic has forced this rapid acceleration of digital transformation for financial institutions and for other businesses for that matter. But it puts in front of us the opportunity to push this along at a much faster rate than we were able to before. And for us as a business, I feel we're really well positioned to help FIs drive that transformation amongst staff and a bunch of customers or members. So I'm really excited about the opportunity to help accelerate that and nail the customer or member experience through transformation.

James Robert Lay:

Absolutely. And you talk about this idea of experience. And when I think about experience, I think about three key experiences. I think about the employee experience because a positive employee experience will yield a positive HX or a positive human experience, and that positive human experience can be delivered then through a positive digital experience. So EX plus HX plus DX equals growth. Now you believe FinTech adoption or just tech adoption for that matter is about people not technology. I agree with you. The focus has been too far, too long on technology and not on people. And that's one reason 60 to 85% of all digital transformation projects fail. They don't fail because of technology. They fail because of people and people feeling confused and frustrated and overwhelmed by the technology, especially in financial services. So why is that? Why do you believe FinTech adoption and technology for that matter is not about people, but is about people but not about technology?

John Findlay:

That's a great question. Here's the analogy I'd make, to me, digital transformation, digital adoption is a bit like a four by 100 relay. And most often you'll see organizations make their big investments on the



front part of the leg. So they'll have a lot of effort put into the first leg, which is planning and choosing a vendor or starting the development. Then there's putting a ton of effort into the development side of it, and then turning and putting effort into the marketing side. So little effort is left for that final leg. That's usually the fastest sprinter on the track that wants to bring that thing home. And if you don't have a good final person, final athlete on that leg, then all of the efforts before are going to fail. And that final leg is the human side. And it's not just about... Marketing is part, but a big part of it is training your frontline and the people who are going to help drive adoption of that tech.

John Findlay:

They need to be fluent. They need to understand the tech deeply so that they can both promote and support it. And that's a tricky thing to do, especially with old fashioned learning systems that don't have digital tools baked in. So they're not tooled correctly for the job. So if you don't educate that frontline staff, because they're going to be the ambassadors, especially in the world of financial institutions, a lot of frontline staff don't actually have to bank with their employer. So they never used the tech, they don't understand the tech as if they're going to promote it, less the question that a customer asks them a question they can't answer and they become embarrassed. So they have to touch and feel the technology.

John Findlay:

And the way to do that is give them a risk-free environment with things like technology, simulators and demos, allow them to understand it so they become the ambassadors for that technology so they can promote it to customers or members and they can support it. And to me, that's the first of 30 meters of the last hundred. But then the next piece is, how do you support customers? There's an aversion to changing how you do your banking. There's an aversion to changing any way that you interact with the company, even outside of banking. If you want me to fill out my insurance application online, people get worried about using tech. There's an anxiety and a concern of trying something new. They don't want to make mistakes. Also they have an aversion to change. So again, we need to give them an opportunity to test drive the tech in an environment that has no risk. And you mentioned the employee experience often forgotten, but if the employee is trained and understands the tech, they're going to give a better experience to the customer.

John Findlay:

And then if we give the proper digital support tools, that customer is going to have a better experience in learning and understanding the tech. And ultimately that will lead to a better digital experience as you talked about. The analogy I'd give on that one, I'm sure you've all had the experience of being tech support for your parents and they call you up, they can't figure out how to do something on their computer. They're already frustrated because they haven't been able to do whatever it is they're trying to do. So they're asking you to help them. You can't see their screen, they can't understand why you can't explain to them. So you're starting to get a little frustrated. They're already frustrated. Next thing you know, that's a pretty crappy customer experience. And so I think we need to give our frontline the tools that they need to get on the same page with the customer or the member as quickly as possible, so that you take the frustration and anxiety out of that interaction and make it easy and smooth for the customer who ultimately this is all about.

James Robert Lay:

You're right and I agree with you, and that's a great analogy of the relay and running out of gas right at the very end, because we don't have the strength to bring it home on the human experience side of things. All the focus has been on technology, but then it becomes time to deploy that through humanity

and we burn out, we get tired and there's a lot of human behavior here. And I can't help, but think of my old days of working in retail, I worked at Old Navy and I was one of the very first hires when Old Navy came into the Houston market. And we grew the number one selling Old Navy in the entire country at the store that I was at. I was the second round of hires. And we did a lot of sales training for other Old Navy's as they opened up.

James Robert Lay:

But it's almost if you're not banking at your financial brand where you're working, number one, that's creating a blind spot because you're not able to touch, see experience the digital products. And then two, it's working at Old Navy, but wearing Abercrombie. There's almost a brand misalignment in the mind because we are viewing things just a little bit differently from the perception that we bring to the world. And [inaudible 00:08:51] recently shared an article from the financial brand about online and banking adoption. they showed that 59% of people who still use the branch, they do so because they think it's easier and that the digital tools are too hard. But once again, it's about behavior modification and a behavior modification opportunity for financial brands. So what are those opportunities here? Number one, to begin by educating and empowering internal teams. So that number two, they can educate and empower account holders to bank even better because I mean, let's be real, how simple is it really to drive to a branch, to conduct a commoditized transaction when it could be done literally in seconds on a mobile device. Everyone wins that way.

John Findlay:

Well, you make me think of a lot of things there. One is, imagine if we could start fresh and there was no history of banking. And so we said to someone, "You have a choice. You can go into a branch to do your stuff, or you can use this digital tool." I think the vast majority of people would choose the digital tool. So what it's really about is it's about breaking old habits, and I think we know those die hard. So I think we have to ask ourselves the people who aren't using our tech. So COVID has driven accelerated transformation anywhere from three to 10 years, people are saying. But there's still a good chunk of people who aren't using our digital platforms to do their banking. So ask yourself, where are those people? Well, those people are coming into our branches and they're calling our contact centers.

John Findlay:

So spending and doing a big media splash on national advertising doesn't make any sense. Most of those people aren't your customers and the ones who are, a good chunk of them are already using digital. So the best place to reach the people who aren't using it is through your frontline staff. That is the number one way. And it's the human touch, a little bit of handholding to come, to get over that adoption aversion that people have. So I think the huge opportunity and challenge is to make sure that that frontline staff is as comfortable as possible and as well-versed in also the soft skills of how to elegantly make a product recommendation without seeming salesy and guide that customer who came into the branch to do a transaction or who called the contact center, because they weren't sure how to do something.

John Findlay:

Can we give our frontline the soft skills they need and the hard skills, the product knowledge and the ability to use those products so that, that confluence of product knowledge and soft skills allows them to give a really smooth and seamless customer or member experience and guide them towards a digital product. I think that's the biggest opportunity. And I think the biggest failure point is not doing that with your front line, because then there's the customer who comes in and let's say they just wanted to deposit some checks.

John Findlay:

What a tremendous opportunity to say to them, "Do you know how easy that would have been with our mobile app? And you wouldn't have even had to stand in line? So on so forth." For every customer that comes in and reaches an untrained frontline staff, that's a missed conversion opportunity. And with all the money that we've invested in bringing digital and digitizing the services that we offer to customers, what a shame to drop the baton at the last hundred meters with that frontline staff who could have just said, "Oh, wow, let me show you how easy this is." Right? So I think that's really the biggest opportunity, but also the biggest failure point.

James Robert Lay:

It's interesting, you talk about this idea of someone coming in and we're missing the opportunity to educate, to empower, to elevate very, very practical. That has to be built into the culture even, because I think historically speaking financial services has been in a very reactive state. People come in, they ask us to do something and we obliged them. We now need to take a proactive stance in their life and make the recommendations to step up because... To help the unaware become aware. And so almost very practically speaking, someone comes in with a check, we get out the mobile device, we set that up. We show them how to do, is it going to take a little bit longer? Absolutely. It's going to take a little bit longer for that one experience, but the overall positivity, because what is an experience? Experience is a well-defined systems and processes that have been strategically thought out, applied and optimize over a period of time resulting in one of two things, a positive or a negative emotion.

James Robert Lay:

And so we, number one, we need to ask permission, "Do you mind if I show you that there's an even better way that we can go about conducting this?" And that one word right there even is a psychological hack, because otherwise, if you say, "Can I show you a better way?". "What do you mean, am I doing this wrong?" So there's even better is already transforming us from a positive conversation or into a positive conversation. And then we actually just guide them and walk them through and wow, that wasn't so scary that wasn't so bad. That was actually quite easy.

James Robert Lay:

And it's just these small micro wins that need to be reinforced instead of this massive transformation, because change is hard and we've already been going through massive change this last 15, 18 months. But it's the small ideas of helping here that I see the really big opportunities. So what are the dos, what are the don'ts when it comes to training and education first, internally, that can then be deployed externally? What are some of those do's and don'ts that financial brands should think about and consider listening today?

John Findlay:

So I'm going to work it in one by one. So the first don't I would say is a lot of financial institutions have legacy learning systems that are not that new and their learning experience is not very interactive and it has a bad reputation amongst their employees. We hear it all the time. So if you are one of the was FIs that that has an older learner management system that delivers static experiences, don't lean on that for your digital training. That's the first thing I would say, because already employees have an aversion to using it.

John Findlay:

You don't know two aversions, an aversion to the tech and an aversion to learning about it, and you're really stuck. So I think the first thing is you need to look for a more modern solution that's tooled

properly. So in terms of what to do, I think... So, for example, when you're trying to teach someone about your new technology, there's a few different things that you have to teach them. First, you have to give them foundational knowledge, and that's the stuff like what are the daily limits? And what are the rules and procedures that you have to for using the tech and so forth?

John Findlay:

That's pretty dry stuff which typically would be delivered in a PDF format. People would read it, tick a box, say they read it. Not really understand it and you didn't succeed. That stuff is where we would use a game-based learning approach, because it turns that boring stuff into something that's fun. And if you do it right, they'll play multiple times and they'll drive that information into their brains and you'll get the retention needed so that they can handle those questions from customers or members. So that's the first one. The second do is you need to create walkthroughs of your technology so people can test drive it in a risk-free environment, especially for those frontliners who aren't your customers. They can't be expected to promote and support tech they've never used.

John Findlay:

And you're not going to have them sign up to a live app. It's not going to make sense, stuff isn't going to work if they don't have money in their account and the ability to do these transactions. So you need a simulated environment and that's going to take away their anxiety because there's no risk, doesn't matter if I mess up, who cares? But they'll get familiar with that tech. So foundation is you've gained game-based learning for foundational knowledge, then you've let them test drive the tech. The next thing is you need to find a way for them to practice recommending it to customers in a risk-free environment. We use interactive role-play experiences allow... It's a virtual experience for the customer coming in. They challenge the frontline staff to give them possible customer experience. It makes it fun. It makes it pressure-free. And so those to me are some crucial dos.

John Findlay:

I think the don'ts don't rely on static text-based experiences. You're talking about something that's digital and fundamentally interactive. Your learning has to mirror that, it can't be read about this and be expected to support it. The other thing I think is you have to understand too that your frontline staff are in high anxiety situations frequently, where customers are asking them questions they're expected to respond. And think about it through the pandemic where many of them were sent home and working from home. They don't have the shoulder to shoulder colleagues support they once enjoyed. So they can't just turn to somebody and go, "Hey, how do you do this?" So now when somebody calls with questions about your tech, their anxiety is even higher. So you need to give them tools that they can access on demand. When a customer says, "How do I do this?" And that's where the technology walkthroughs can be used as part of your training, but it can also be used for supporting that frontline in live environments on demand.

John Findlay:

"Hey, I don't know how to send a transfer to my kid in college." No problem. Let me pull it. And you just go and pull up a simulator and go, "What screen are you specifically having trouble with?" Click on it, get to the right screen, walk them through that transaction. De-stress the situation for both parties. So to me, the ability to test drive the tech is a huge, huge do. It's to me, one of the most important. I think another don't is forgetting about the employee experience. You mentioned it earlier, James Robert, and you're one of the very few people who I hear talking about the employee experience. I hear a lot about customer experience. My feeling about being an employer because I am one, is that we are as much a service to our employees as we are an employer. We're providing a service to them as well.

John Findlay:

And that service is to help them be as good at their jobs and make their jobs as stress-free and happy as we can. And so investing a little bit in making sure that your digital training is a positive experience for your staff instead of, "Oh God, I [inaudible 00:19:48] the training again." That's the least we can do when we're asking them to help us take a huge step in our digital transformation journey. One that by the way, many staff are feeling might even replace them in their jobs. So I think you have to be mindful of all of the things, the stressors that are going on for your frontline staff and make sure that your training addresses the stress of having to support new tech, make the experience fun, make it a little more digestible to learn the boring stuff, but also make them realize that as a digital savvy, frontliner, you're more valuable to the financial institution than the one who isn't. And so make everybody... Make the experience as positive as possible for employees. And it will translate into an amazing experience for your customers and members.

James Robert Lay:

I have been talking a lot, a lot, a lot about EX or employee experience. Confession, I missed the mark when writing Banking on Digital Growth because my formulaic approach was DX plus HX equals growth. Meaning digital experience plus human experience equals growth. It became very clear and evident to me with COVID that we needed to reformulate that equation to include employee experience because to me, that's where the light bulb went off. I kept hearing from internal team members when doing surveys and assessments that financial brands specifically when it comes to technology rollouts, those technology roll, they're the last people to know. Decisions are being made at the executive level and "Oh, by the way, next week we're launching this new technology and it could be an app. It could be remote deposit capture, whatnot." It could just be a new process or new system.

James Robert Lay:

And so the technology changes have been coming fast in the medium I think, Marshall McLuhan from your neck of the woods. Back in the 1960s, was writing about how the medium is the message, the medium in which we communicate is actually more powerful than the messages of which we communicate through them. And you're right. So doing digital training via a PDF is not conveying or signaling the appropriate message to the ideal audience. In this particular case, internal team members, or I've seen it as well, a financial brand launches some new technology, and then they send out an email and they click to download the PDF. And there's really a cognitive disconnect with that. The other thing that I'm thinking about here is empathy. Everyone learns at a different pace. Everyone learns in a different way, and when you can hit all the different learning modes through, we'll call it an optimized LMS one that is really made for digital first delivery, then we can really lean in on the perspective of EQ plus AQ is greater than IQ. Emotional intelligence plus adaptability is far greater than just intelligence alone.

James Robert Lay:

So my question for you here, and I see this, I hear this, when it comes to training, when it comes to education for financial brands, why is this one of the very first things to get cut or not even considered at all? When I truly believe in this digital world of exponential change, training and education is a competitive advantage for a financial brand, but why is that? Why do you see training education not getting the attention that it needs to have going forward in this post COVID digital world?

John Findlay:

I think that that is changing a little bit and I think it's changing because for the first time really in their history banks are being pushed by non-bank competitors. And there's a risk now that like before

whatever, if the customer experience isn't that great, I mean, the worst thing is I might lose a few customers to the other financial institution down the block. But now I'm going to lose them to the local grocery store and I'm going to lose.... The national grocery store. I'm going to lose them to Apple, to PayPal, to you name it. So I think-

James Robert Lay:

Death by a thousand cuts.

John Findlay:

... exactly. That's it. So I think we're seeing FIs look and go, "Well you know what? We do actually have to focus on our customer member experience." I think banks even have to start looking at how credit unions operate in their member first approach and delivering that through human beings and through great experiences. And so training has been one of those things that gets cut, but I think that might be changing a little bit, but I think it largely was cut because quite frankly, historically once you have a customer, you've got them for life. And I think now you losing a customer, it's not a, "Oh, I'm choosing to change banks. I'm going to take all of my stuff and go to a new bank." Uh-uh (negative).

John Findlay:

It's, "Oh, I downloaded the Apple Pay thing on my phone." And next thing you know, you're using Apple Pay. And it's, "Well, did you know, this credit card is easier [inaudible 00:26:07]" And it's a gradual erosion of that customer as they started with one financial institution and their part with one and part with the next, and if you're not adding value to that experience, the next guy's going to gradually take that customer from you. And so that's where I think it's going to change.

James Robert Lay:

And these behaviors that you're talking about really through digital transformation, that leads to digital adoption, that leads to digital growth. I also believe they can be deployed from a financial health, a wellbeing, a financial coaching perspective because that is another area that we've been focused around over a year. We've got all of this data available. We probably know our account holders, personal lives, spending habits, spending behaviors better than they know themselves, because a lot of spending is subconscious. We're not even aware of what we're doing at the time of purchase. I mean, even for example the Starbucks cup. Starbucks has made it so easy they've eliminated the barrier of transaction and have gamified it on their end to where you get the little stars and you get the cup of coffee and whatnot, but taking a proactive stance would also create value for account holders and as a result, create value for the financial brand here. When you think about training, when you think about education in financial services, what is a commonly held belief that others might have that you just disagree with?

John Findlay:

I don't know if it's a belief others have, but I think that it is a huge failure that our education system produces kids who know oceans about English literature or whatever, and very little about how to manage their personal finances. I think it's a tremendous failure. Combine that with the fact that many of them are coming out of school with enormous debt yet, no understanding of how to manage that. So I think maybe the myth is that we're all capable of handling our own finances, but I think the truth of the matter is, we aren't and we need to educate people. And there's lots of great tech out there that's helping enrich the banking experience. The guys that move in are doing that. There's a number of other technologies that are trying to help you understand that. And I think that's a great service.

John Findlay:

Imagine a situation where your financial institution is able to look at, "Okay, here's the size of your debt. Here's your financial picture. So here's reasonably what you can afford as a home, or has a car or for whatever the things you want." Typically you go in and you ask for a mortgage, they get your information and they say, "You don't qualify. You qualify for this much of a mortgage." But there's no backstory. You don't know. You're like, "Oh, I can't afford the house I wanted, damn." But it would sure be nice to be simple, "Here's how it all maps out. And here's some of the changes you could make." If you want to say, "I'm not going to drive an \$80,000 car." Then that's going to put you into a house that's a little bit bigger if that's where your values lie. But I think that financial literacy that leads to financial wellness has been a missing part of the equation for a long time.

James Robert Lay:

It's funny, you mentioned that. And I agree. I see that, I go and volunteer in schools and I bring an entrepreneurial perspective as part of career day. And that just alone is a whole area. There's research coming out now that is showing financial literacy by itself, without context, without coaching is actually doing more harm than good, because it creates a pseudo sense of confidence like, "Oh, I read this article or I watched this video. So I know about X, Y, or Z." And that's not the reality. And people are getting themselves into trouble because it's pseudo confidence. And I think healthcare is a great analogy. It's you can go to Google and you can Google your symptoms and misdiagnose yourself. That's why you still end up at the doctor, even though you freak yourself out with all of your possible symptoms and diagnosis you want to go in. I really believe the same is true.

James Robert Lay:

And we're seeing that on the health side, for example, the app NewMe. NewMe uses psychology to build new habits and to crush goals. It helps people stop dieting to get lifelong results. And people have really transformed their life by an app. And it helps to create that accountability measure. But I truly believe being held accountable by another human being that is then supported further by technology, that's where the biggest opportunity is for growth. John, this has been a fantastic conversation. I've got one last question for you here because I always like to end and send the dear listener off with something very practical, very specific, because as we've been talking about all transformation begins with a small micro step, a small micro commitment. Ford, what is that one thing that they can think about? Number one, and then number two, apply to begin to make progress on their journey here today?

John Findlay:

I think for me... From my... Where I come from it's to put a deliberate focus on the human side of the digital transformation journey. And that human focus extends from not just the people developing your tech, it's making sure that you support every person who is going to be expected to either promote or use that technology. And if you can nail their experience, nail the frontline experience, nail the customer, a member experience, your digital transformation or odds of success have gone up dramatically. And so again, I go back to the analogy, the human side is that last leg of the race, put some focus there, just like the four by 100 team does it put your fastest runner there because that's what's going to bring it home.

James Robert Lay:

Put people at the center of all of your thinking, all of your doing and not just people externally. I really believe the EX has to proceed the CX, the employee experience has to proceed customer experience. And there was an article in Forbes that mentioned that. And I think about front line here, because this was what they were looking at, that individuals become comfortable with a set of routines. And in many cases, resist change. In fact, in an analysis of several surveys that totaled a hundred thousand responses,

only 22% of frontline employees surveyed like to leave their comfort zone. Put another way, 78% of frontline employees, please don't move my cheese. And if we're going to move their cheese, we can do it in a fun, educational, engaging, and gamified way that goes beyond the traditional LMS or the PDF, and really creates positive behaviors that are linked to positive emotions through gamification.

John Findlay:

That's awesome. Can I tell one quick story to finish up?

James Robert Lay:

Absolutely.

John Findlay:

Prior to this business, I was a software trainer and so I trained a middle management and up to use SAP. And this was back in the last century showing my geezer dome. But it was awful. I was an instructor led training guy. I'd go in with a PowerPoint slide and tell them about SAP and how it worked. Everybody in the room hated it. And they were largely distracted. When on those days on their blackberries and one day I had an idea, I decided... I asked if I could have two computers in the room because they didn't have computers in the room back then. And just broke them into two teams and said, "Look, I'm going to help you do a transaction on a system task on SAP. And I'm here to help you, but you guys figure it out. First one to finish wins."

John Findlay:

Well, these people went from hating it to coming up to me after this session and going, "That was the most fun training session we've had." And here they were touching the technology they didn't want to learn because really it was more about can they beat their colleagues? And so that's what it's about. It's about understanding that, listening to me drone on about a tech they're not familiar with, is a crappy human experience, but actually touching and feeling it in a little bit of competition. And you've got your other colleagues helping you figure it out. It was fun.

James Robert Lay:

Absolutely, because it changes the environment. And when you transform the environment, as Dr. Benjamin Hardy has written in his book, *Willpower Doesn't Work*, "If we want to create consistent change and transformation that sticks, we sometimes have to transform the environment because the environmental pool is simply just too strong." And that's exactly what you did. It's a great story. John, if anyone is listening, they have questions, they want to continue the conversation that we started today. What is the best way for them to reach out, say hello, connect with you?

John Findlay:

Oh, hit me up on LinkedIn if you like, or email me at jfindlay@lemonadelxp.com. Hit me up. I'm happy to chat. Happy to answer any questions.

James Robert Lay:

Connect with John, learn from John. John, thank you so much for joining me on another episode of *Banking on Digital Growth*.

John Findlay:

James Robert, thanks so much for having me. I really appreciate it.

James Robert Lay:

As always. And until next time be well, do good and make your bed.