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James Robert Lay:

Greetings and hello. I am James Robert Lay, and welcome to the 108th episode of the Banking on Digital Growth podcast. Today's episode is part of the Exponential Insights series, and I'm excited to welcome Bradley Leimer to the show.

James Robert Lay:

Bradley is the author of Beyond Good, founder at Unconventional Ventures, and co-host of the One Vision podcast. And today, we're going to talk about how technology is leading a purpose-driven business revolution. Welcome to the show, Bradley.

Bradley Leimer:

Yeah, man. It's good to be here.

James Robert Lay:

Let me ask, before we get started in this conversation, I always like to start off on a positive note. What is exciting? What is good for you right now, personally or professionally?

Bradley Leimer:

That's a good one. I think working with the type of clients that we get a chance to work with every single week is very satisfying. I work with startups and we work with corporates and doing an awful lot of writing and sort of positioning and strategy with very small and very big. So it's like from IBM down to a startup with two people, or napkin stage startups that are looking for just advice about where to go next. That's always been sort of the space that I'm happiest in, is being able to sort of take a big old beast and kind of wave its flag and tail at itself and say, "You need to change," and then going down to this place where people are making that change.

James Robert Lay:

Yeah. My wife's cousin, so my wife is Lebanese, and her cousin is in the mortgage space and he has been seeing my journey. So he was like, "So what exactly do you do?" And I was like, "Well, I'm a digital anthropologist. So I'm at the intersection between marketing and sales and technology and human behavior." He was like, "So what does that mean? Tell me what you do." I was like, "Look, let me make it very simple. I bring the future into the present moment to provide some clarity into what the future could be, so that financial brands and their marketing, their sales, their leadership teams." The future just doesn't seem so scary anymore, because I think there's just an inherent fear, right? Fear of the unknown and fear of change. It's like that risk aversion that's a strength of this industry can also be a... It's a double-edged sword. It can also be the Achilles heel that prevents us from maximizing our potential as a whole as an industry.

James Robert Lay:

So you wrote a book. Let's talk about the new book here, the new book you have out, Beyond Good. I want to start by getting into why write this book in the first place, because I know that you didn't grow up thinking that you'd ever work at a bank, yet alone be tethered to the banking industry, for that matter. What inspires you to make the commitment? Because it is a commitment to write a book like this.

Bradley Leimer:

Yeah, and it's also, I think, a commitment to write something that ended up being during the pandemic. I think that definitely changed the way that we approached the book.

Bradley Leimer:

I think the reasoning behind it was that for the last couple years, we've been working with so many founders and so many companies that really think differently. So we wanted to highlight those voices a bit more and in a very structured way, and sort of look at good business models that were within financial services that really demonstrated what they found in a study that we worked with Oliver Wyman and Flourish Ventures, which is part of a media group, that there could be good things in banking and good things in financial services and ways that you could help people that actually are still profitable and still have good businesses behind it. So that's really what the book is about.

James Robert Lay:

Yeah, and I'm right there with you. You were mentioning something like it's just your history, your background that has imparted something on you that is always looking for the good, it's always looking for something to be even better. I'm right there with you. How has that history, that journey that you've taken brought you to this point? And then what's the future? What's the vision that you hope to inspire others to take a journey and walk down with you together, hand in hand?

Bradley Leimer:

I think the book was really that journey. I want people to understand that what they do on a daily basis matters in terms of where they work, what they build, how they shop, how they approach life in their community. And it's about looking at sort of a larger system's way of thinking, and the choices that we make in life really, really matter.

Bradley Leimer:

So I started out my career working with financial data, and then worked at a credit union, and then worked at a community bank, and then worked at one of the largest banks in the world. Through all that sort of experience, I've always been gravitating toward people that are making a difference in people's lives, and it turns out to be their financial lives.

James Robert Lay:

Yeah, because the thing is if we think about the role of money and the stress that it puts on people now more than ever before. And really at the end of the day, people, I believe, want three things. They want to feel healthy. They want to feel wealthy. And it's not to be a bazillionaire. I think wealth, it can be measured in multiple states. But all of that impacts the what we're all working towards with Maslow is that a higher self, it's the, "I want to be happy." And when you think about money and finances, it's the thread that connects all three together.

James Robert Lay:

One of the things that you've noted is you believe inclusivity doesn't require creativity, it requires empathy. That empathy is really the greatest source of innovation when we're thinking about the opportunities here to go beyond good. So when we think about empathy, one of the things that I teach is EQ plus AQ is greater than IQ in this age of AI. So where are the opportunities for financial brands in regards to empathy being the greatest source of innovation in this post-COVID world that we're all navigating and journeying through together?

Bradley Leimer:

I think the most important thing about innovation and where we have seen things happen is that innovation can't just be for efficiencies, it can't just sort of point back into the organization as a form of profit. What we've found over the last 16 months of this pandemic is that so many businesses have had to pivot and they did it to survive, they did it so that they could do any sort of semblance of normal during this time. A lot of that though, that survival, was survival of the top, survival of the founder, of the CEO, of the... Because we've seen business models just go awry, and the most important thing is for us to think about how our business impacts the people around us, the people that are our customers. If you're not building something that is helping people, if you're not in financial services for that reason to actually help people with their own financial lives, what are you doing?

James Robert Lay:

Yeah. That's where when diving into your book, *Beyond Good*, you open up referencing the changing tides. And my gosh, have we seen the tide change over the last 15 to 18 months with COVID. So what are those tides that you've seen transform through your work, through your research, through your experiences? And believing now longevity is going to be kind of the new normal here as we move forward.

Bradley Leimer:

Yeah. I mean, in the last hundred years... Well, 100 to 150 years, we've doubled our lifetime. And just in the last hundred years, it's 30 plus years. So we're healthier, we're living longer. Our finances totally don't reflect that. So that is one key thing that is driving change across economies, but across countries and our communities is that we no longer can think about our lives alone.

Bradley Leimer:

Think about they talk about the sandwich generation, but the sandwich generation is going to be the norm, where you have young kids in the house and you're helping take care of older adults that are your parents or other people in your family. That's a norm. So that's one thing.

Bradley Leimer:

We also talk about changing tides in terms of the future of work and how the gig economy is sort of shifting not just the way that we think of people driving and delivering and these type of things, but the whole nature of work is more transitory. The type of jobs that we have are going to be more transitory, and the type of people that are doing quote, unquote, "gig work" or temporary work, or just, "I'm doing this for these six months," and so on and so on. There's so many changes.

Bradley Leimer:

So we talk about that, we talk about sort of the rise of the entrepreneur and small business. We talk about all of these different ways that our lives are changing that technology impacts, and we talk about that intersection. And then we sort of always kind of draw back to this different examples in banking, because we just have to change our mindset. We have to think longer term.

James Robert Lay:

Yes. So I'm in an executive coaching program, Strategic Coach with Dan Sullivan. I'll never forget one of the very first questions that I got asked was... It's called the Lifetime Extender exercise. The exercise goes like this, write down the day that you think you're going to die. I think I probably wrote something like, I don't know, 83, 84, 85, something like that. And then back to your point, we're living longer, healthcare has improved, technology is transforming everything. If we get an extension, what do you think that new date would be? I wrote down 123. It was more of just a random number that I picked out, because I always see 123 on clocks, so I was like, "Maybe that's a sign," just playing around in my head.

James Robert Lay:

And then the question was is you take 123 minus the 85. That's the extra lifespan that you're going to get. If you got that, what would you do with your time? Well, that's a really good question. So we start writing down what we would do with that extra time.

James Robert Lay:

Then the follow-up response to that was, "Why are you waiting to do that? Why don't you start doing that now?" That really set me on a massive course and a massive path to just think differently.

James Robert Lay:

So one of the things that you note in the book around this idea of thinking differently, looking at the trends, looking at the changing tide is inclusion. Inclusion has been a growing area of focus on opportunity through many different lenses. What are some of the foundations of inclusions that you note in *Beyond Good*? And on that note, how would you frame them as opportunities when thinking about the what you call the forgotten?

Bradley Leimer:

Yeah, so when we think about inclusion, we tend to, at least in financial services, think about people that don't have a bank account, as if that's the thing that matters the most. Because that bank account is our central thinking, because that's the way we make money. When we think about the people that are excluded, it's not just people that are bankless. These are people that have been marginalized.

Bradley Leimer:

Even if you look at something... The biggest thing that we look at is the difference in gender. The opportunity cost of being a woman in today's world, it's no different than what it was a hundred years ago, but it's more complex now because more women are on their own, more women are living even longer. There's potentially a large percentage of women that are going to have 20 to 30 years of their life alone, because they simply live longer and well, men are kind of stupid sometimes and that's why they die young. I don't know.

Bradley Leimer:

But okay, so beyond gender parity, we talk about people that have been marginalized, whether it's because they're LGBTQ, whether they are immigrants coming from one country to another. And we talk about this idea that when you're in banking, it's not about creating a segment around some of these groups, because these groups, it's life. You're trying to simply help people. When you think about the kind of neobanks that are starting now, like First Boulevard for African Americans, and Cheese for Asian Americans, and Daylight for LGBTQ and so on and so on, it's about understanding your community that you serve and understanding their very specific needs.

James Robert Lay:

That is really where I'm excited about some of the work that Jeffery Kendall is doing over at Nymbus and this perspective of niche banking and really focusing on solving problems for the few, but at a macro level. So looking for what are the few problems that a mass number of people have?

James Robert Lay:

Like women, right? Women. I can't help but think of Shari Storm and a lot of the work that she's been doing on that subject over the years with Verity Moms, and then now doing advisory work on the subject. I just was having a conversation with another financial brand yesterday, and they were like,

"Well, we're looking at new market opportunities. What do you think about moms? What do you think about mothers?" And I'm like, "That..." It's a massive opportunity, particularly if you're looking at multi-generational banking, because those patterns and trends get then passed down to the next generation.

James Robert Lay:

You mentioned the sandwich generation. I know Ramy. Just saw Ramy Serageldin is now working to start up Firstly, which is going to be focused on that sandwich generation.

James Robert Lay:

So one of the things that I see holds financial brands back around focus and niching down, if you will, is fear. It's like, "What are we going to have to give up?" Because we've been kind of commoditized, we've been standardized, but it's like we're giving up in our own minds. How can we transform that thinking? We're not giving up, we're actually creating far more value through focus. Where would that thought go for you to advise others?

Bradley Leimer:

Yeah, I think it is in the mindset of how short term everything is in this industry. And if we're driving toward the monthly reporting and the quarterly-

James Robert Lay:

Quarterly.

Bradley Leimer:

... financial reports and in our earnings statements, it's the wrong place to start. Because what has happened over the last 25, 30 years is that we have completely unbundled the relationship of any sort of financial institution's sort of place in our life. And it's not digital that has done that. It is financial institutions tearing apart their products, tearing apart their services, and siloing these balance sheets within the organization.

Bradley Leimer:

Even small institutions that are quote, unquote, "community-focused" really still have this challenge, because they're trying to compete against Chase. And they think that that somehow is their competition, but they're taking away their own superpower, which is their tie in to the community, which is their place in the community, which is the fact that all of their employees are in their community.

Bradley Leimer:

When I think about big bank, small bank, and I think about the experience of walking the streets of Oakland and actually talking to people about becoming members of a credit union, or going to my select employee group meetings where I'm talking to the employers or the employees of the SEG that sponsored, I think Kaiser Permanente. I think that was the connection, is that you've lost that in banking. So we all wonder why has fintech started to erode your relationship, and why have neobanks like Chime have 10, 15 million customers, and how is Nubank in South America eating up Brazil's market? It's just come on, banks did this to themselves.

James Robert Lay:

I agree and I think that's where it's a good transition into what you write about in the book, called the Profit Conundrum. This is an area that I also touched on in Baking on Digital Growth, because it's... What is the purpose of profit and what is the profit of purpose? Can you expand on those two ideas?

Bradley Leimer:

Yeah, so that part of the book, we wrote about... This is we're talking about Beyond Good, which I co-wrote with Theo Lau. You could get more information at beyondgoodbook.com.

Bradley Leimer:

The section on profit was really about questioning whether or not there were businesses that could be profitable, why they still serve the purpose of helping people. That's exactly kind of a good segue, like you said, from where we were before with siloed sort of profitability, where deposits have a certain level that they're basically there just to park so that we can lend it out and everything else. The balance sheet of a bank is completely upside down in terms of the value to the consumer and what's important to the consumer.

Bradley Leimer:

Siloing people in terms of hey, they have mortgage debt or they have consumer loan debt or they have credit card debt, and not thinking about the consumer's profitability, what they actually are earning on their deposits or getting in terms of their wealth exchange. This is what happens when you unbundle.

Bradley Leimer:

So profit to me is something that we see companies like Aspiration that is thinking more broadly about long-term climate changes and long-term financial health of its customers in a totally different way. We see companies like Even Financial, which partners with Walmart to even out people's paychecks, because well, Walmart kind of enforces this idea that maybe this week, you're working 30 hours, maybe next week, you're working 20, and then you're doing 40. Well, we need to be able to actually smooth out people's income. These are companies that are finding models that are helping people and are profitable and are growing. And at the end of the day, how much profit do you need?

Bradley Leimer:

I was part of a bank that was making billions of dollars every single quarter. And we look at Chase and we look at Bank of America and all these other big banks, and it's like they've got an opportunity to take a little bit of that profit and actually be a little bit more innovative, solve the needs of the people that are their customers, and reach out to more people that could be more of their long-term customers, but they don't think long-term enough.

James Robert Lay:

I think there's also an opportunity here to look outside, to grow inside. That was a keynote that I was giving, going back probably five, six, seven, eight years now, because I've always been one to look outside of the industry. What are the trends? What are the patterns that we're seeing?

James Robert Lay:

I want to highlight Kendra Scott, kendrascott.com. It's a jewelry designer based out of Austin, Texas. And I had no idea, honestly, who Kendra Scott was before Christmas 2020. It was the year of the pandemic and my wife wanted to do something really special for... We have four kids and she wanted to do something special for all the teachers, something that we've never done before, because we were just so grateful

for all that they've done for our children and their peers from such a crazy year. So we learned that teachers love Kendra Scott. So I'm like, "Well, who is Kendra Scott? What is this brand?"

James Robert Lay:

One of the big things that I found just by exploring the brand is not only do they provide jewelry, they're a purpose-driven company rooted in giving back. The ways that they give back is really around health and wellness, around education and entrepreneurship, and empowerment all for women. And I'm like, "Well, no wonder why there's such a strong brand affinity, because it's much more than just a piece of jewelry that you're getting or receiving or giving. You're giving to the greater good with a greater purpose, a greater mission, a greater vision."

James Robert Lay:

When we think about this idea of the greater good going beyond good, as we look ahead three to five years, what is the way forward? What is the path that financial brands can travel to put purpose at the center of all of their thinking and doing? What would you advise? What would you recommend as we look ahead three to five years?

Bradley Leimer:

Well, it's this question about how can technology sort of change the mindset of these institutions when you think long-term. It's like trying to fit into an AI model only one color of skin in order to envision how to recognize a human being. And you think about the issues that have come up with the way the technology tools are built. It's not inclusive. It's a very sort of white driven model.

Bradley Leimer:

So when I think about the biggest advice would be to look at yourself, look at how you make decisions, look around the boardroom and look at who's in management and who's actually reflecting back at you about the type of decisions that you make. Are you actually diverse enough to understand the problems of the communities that you serve?

James Robert Lay:

That's where empathy comes back into play. I think if we can at least be aware of and lean into some of the biases that we might just naturally have, and I'm not saying it's wrong that you have, but it's always questioning, it's challenging yourself. Because I've always said we have this conversation about digital transformation and why transformation is a challenge, why transformation fails. I think it's because we're putting too much of an emphasis on technology and not enough on the people who are having to deploy that technology.

James Robert Lay:

So for me, for digital transformation in this particular conversation for going beyond good to really become a reality, there's three transformations that have to happen. Number one, transform the self first and foremost, because when you transform the self, that's when you can then start to transform the team. And when you transform the team, you can transform the organization, because organizations are made up of teams, teams are made up of individuals. So it's almost kind of coming back to the first principle and starting within.

James Robert Lay:

And I'm curious to know, looking ahead, there's the opportunity, and you've addressed this looking at the boardroom and those that are making decisions. What might be some of the biggest challenges and

roadblocks for financial brands to be aware of, things that could trip them up, things that could hold them back from moving forward and making progress here?

Bradley Leimer:

I think of it in the same vein of when people look at the community and say, "Well, we're serving our community well, and this is how," and they look at numbers and they kind of tie it back to... And also we're profitable. So we must be doing the right thing. I would ask why aren't you changing a little bit more in terms of looking at your own data about who you're serving and looking at sort of this inherent bias that's within our business model itself about who you're lending to and how we're actually going about acquiring new customers. And it's top to bottom something that I think it's very possible for people to change in an organization, for them to really instill in their teams a different mindset to explore new areas.

Bradley Leimer:

I go back to some of the parts of the book. We talked to David Reiling, who's the CEO and founder of Sunrise Banks. They're up in Minnesota and they have a large immigrant community. And they've reached out to that community to bring in customers that may have a thin or no credit file, and they provide loans and they provide support for small businesses to start. And they give back to their community a portion of their profit, and they're a certified B Corp. That defines them and their mission.

Bradley Leimer:

It reminds me an awful lot about credit unions versus bank and the requirements to have CRA, where we're supposed to give back to the community and we have to have locations that we serve in particular parts of our community, because if we didn't, it would be red lining, et cetera, et cetera. Well, you shouldn't have a model that requires, enforces you to actually be more inclusive. You should really, really think about, "Who is it that I'm not serving? How can I help a little bit differently?"

Bradley Leimer:

Which is why we point a lot to fintech models that are big and small that are growing. And you go back and you think about what's happening around the world in Southeast Asia and China. The story there is that we still have 1.7 billion people that are unbanked or underbanked. Giving them access to the system is one thing, but actually enabling them through credit to create small businesses and to create new forms of value through access to payments, that's another thing. But to actually create then an entire ecosystem where they could save, they could build wealth, they could move money at lower costs, these are things that the West has looked at and made money off of all of those features. Well, in other parts of the world, they're actually enabling these things and they're experiencing incredible growth. They've actually added almost 700 million people into the actual banked system.

Bradley Leimer:

So when you talk about inclusion and you talk about the premise of the book, it's that large companies have shown us that technology can be leveraged for good, that profit can follow, and that people are better off for it, financially and otherwise. And to your point earlier, it's like when you're financially secure, you're more healthy, you live longer, you have better lives, and you do more with it. So there's so much to learn from other parts of the world, and that's another thing about looking outside to improve what's in.

James Robert Lay:

May I go out on a limb with this one? When you're financially secure and well off, and the research shows this, and I think it was Ramy who actually did this study with Honeyfi, you have better sex. So coming back, I just had to put that out there because as you're talking about it, it really is at the core of elevating people to the next level up. And you're talking about David and Sunrise and its value creation. I can't help but think of the Global Alliance for Banking on Value and some of the financial brands and the work that they're doing there.

James Robert Lay:

When we think about change, and this has been such a tremendous conversation today. It's been empowering, it's been enlightening, it's been educating just for me. But when you think about change, change is hard, change is difficult. Change often begins with one small, simple step. As we wrap up and we're thinking about empowering financial brands to go beyond good, what is that one simple step, that action item that you would recommend for the dear listener to put into practice to make progress?

Bradley Leimer:

I think it's questioning the what you're doing, and the how you're doing it, and who you're doing it to. I look back because I just put out a piece in International Banker a couple weeks back. In it I say I think that every single financial business model can change and improve the communities they serve. And I said even the largest bank in the US can shift. Not just a little bit of a few million here and a few million there and feel good about itself, or provide access to it. Maybe ESG and impact investing sort of options within portfolios. I think it's fundamentally top to bottom, changing an organization by saying, "How can we do better? How can we improve people's lives?" And in our context, it's about getting people to be wealthier, getting people to have less worry financially.

Bradley Leimer:

So at the end of that article, I said, "You know what, Jamie? I'll send you a book. I'll send you this book, Beyond Good, and you'll find that you're not alone in that call." So I honestly hope that what we're seeing the last 15, 16 months and a lot of the last decade is really going to change this industry, and that people will really look at the examples that are starting to scale that are giving back more than what we have seen traditionally from banks.

James Robert Lay:

Well, I just have to tell you firsthand I'm grateful for the thinking that you're doing, the work you're doing, the knowledge, the insights that you're sharing, Bradley. And if anyone is listening, they want to connect with you just to grow their network, to learn from you, what's the best way for them to reach out, to say hello, to grab a copy of your book, which I think is extremely important they do that, and then also continue to learn just through your podcast that you have? What's the best way for them to do that?

Bradley Leimer:

Yeah, a couple ways. The book is, again, at beyondgoodbook.com, and you can get it anywhere books are sold in the world. We also do have a weekly podcast called One Vision, which is on every place that you listen to your podcast. In that One Vision, we talk to founders, we talk to people that are working sort of in startups and in corporates and just throughout the financial services industry and beyond. The other way, people can certainly talk to me on Twitter. I'm @leimer, L-E-I-M-E-R. And also at bradley@unconventionalventures.com.

James Robert Lay:

Great. Reach out to Bradley, connect with Bradley, get the book, listen to the podcast, and then help others help your financial brand continue to go beyond good. Bradley, this has been a fantastic conversation. Thank you so much for joining me on another episode of Banking on Digital Growth. As always, and until next time, be well, do good, and make your bed.