

James Robert Lay:

Paula asks, how do you help educate banking and credit union executives along with their marketing teams that their primary job is to drive qualified leads back into the business to ensure conversions and ROI? Well, that's a great question, Paula, and I look forward to talking through it with you together on this episode of Banking on Digital Growth.

James Robert Lay:

Greetings, and hello. I am James Robert Lay, and welcome to the 126th episode of the Banking on Digital Growth podcast. Today's episode is part of the new Clarity Calls series and I'm excited to welcome Paula Tompkins to the show. Paula is the CEO and Founder of ChannelNet and an acknowledged pioneer in using personal technology to facilitate multi-channel marketing and sales strategies. She was also a guest in episode number 86, which was Stop Pushing Messages and Start Creating Dialogue.

James Robert Lay:

However, in this episode of Clarity Calls we're going to turn the tables a bit as Paula has a really good question that we're going to talk through together for you to provide you with clarity, to guide you, to empower you. Welcome back to the show, Paula. It is good to be with you today.

Paula Tompkins:

Thank you. It's a great pleasure to be here.

James Robert Lay:

Before we get into your specific question, which is a really good one and I know that we'll have a lot to talk about here to educate and empower and I think even inspire the dear listener, what is one thing that you're excited about right now just personally or professionally? It's your pick as always.

Paula Tompkins:

Well, I'm really excited about the fact that I'm starting to see a real break in the action in terms of digital adoption, more so by credit unions than banks. Banks still are struggling to understand it. They're confused, they're not great marketers. That's just one of the things I've observed. But at least when you see this change in terms of leadership, when you see a younger generation of leadership coming in and really lighting a fire under their team, I mean, I've just seen a couple of our clients, just the energy that they're creating.

James Robert Lay:

Yes.

Paula Tompkins:

And pushing harder and harder and harder to do more versus letting people whine and, "Oh, we got to do this and we don't have enough to do that." And it was very interesting, I was down in Tennessee recently and I was in one part of the state and met with one group. And all they did is say, "No, no, no, no." And I went to the other part of the state and met with a different group and it was, "Go, go, go, go." And so it's just to see those go getters.

James Robert Lay:

Yes.

Paula Tompkins:

Is really inspiring.

James Robert Lay:

It's interesting, you mentioned that credit unions, banks, there's a lot of opportunities to transform marketing, to grow from good to great, to do even more to do even better. And I think about Loni Meiborg, who's the Vice President of Marketing at Fortifi Bank in Wisconsin. And the journey that she's been on really over the last probably seven years, eight years, that's a great transition because you asked me a question here, how do you help educate bank and credit union executives and their marketing teams that their primary job is to drive qualified leads back into the business to ensure conversions and ROI?

James Robert Lay:

I think about so many marketing and leadership teams that we've coached and have advised, really over the last probably 8, 9, 10 years. Before I provide clarity and perspective into this question, can you help provide some context for you from where this question is rooted? What are you seeing from your point of view?

Paula Tompkins:

Well, it's very interesting because I come out of the home improvement, the auto industry, the retail industry. And one of the things that the auto industry has done since the internet, troll for leads. I mean, everything is about putting a lead in that dealer's hands. I mean, and by the way, a dealer will pay for a highly qualified lead hundreds of dollars.

James Robert Lay:

Leads are lifeblood.

Paula Tompkins:

Yes, yes. And when you think about... What shocks me about a credit union and a bank is there isn't even really a title like vice president of sales. There is no vice president sales, there is no sales manager. There aren't even really necessarily salespeople. There's account executives or relationship managers, but marketing's role doesn't appear to be to take a customer a need and match them with a product specialist that can help them accomplish their goals.

Paula Tompkins:

And I don't care what anybody says, financial services are complicated. And I just think about investments and mortgages, and loans, and CDs, and what's the best option and when should I do this or that, and you need somebody that's knowledgeable. I mean, I'm not knowledgeable on this stuff. I run a business, I don't have time to sit around and figure out the latest interest rate or whatever. You need people that can help you. And today with digital, I haven't been in a bank branch for probably... Well, the last time I was in one I think it was to sign a notary, to get notarized. I mean, that's it. That's it.

Paula Tompkins:

Now, with this automated deposits and automated this and automated that, you don't have to interact with anybody. So then how do you demand-sense, what these customers, what they need, what they want, what they're in the market for? How do you demand-sense life events? Because that's when... I'm getting a divorce, I'm getting married, I'm buying my first home, I'm having my third child. The kids are out of college and now I'm downsizing and buying a second home. I mean, this is when you make or break a bank or a credit union. And then their business customers. I mean, 80%, what is it? 20% of the customers get a 80% of the time with their "relationship manager." So they need to start to learn to use digital to drive leads so they can interact with people and help them.

James Robert Lay:

Yeah. That's great context and perspective here when it comes back to your question, how do you help educate banking and credit union executives and their marketing teams to view their primary job as to drive qualified leads back into the business to ensure conversions and ROI? And from what we're seeing here, people just simply don't know what they don't know, and to admit that would be to show weakness. But I really believe the world is growing more complex, particularly the world of just let's call it marketing, marketing, and sales, digitally. Your analogy back to the auto dealer world, your analogy back to home improvement leads back to my point, are the lifeblood. And what you don't know could in fact kill you too, right?

Paula Tompkins:

Yes.

James Robert Lay:

And that's why I really strongly believe training and education is so critical. And some thoughts back to your point about marketing, it's a perception thing. How does marketing perceive themselves within the organization? Number one, marketing must really transform from being reactive to being proactive and data provides the capability to take a proactive stance in people's life. But to do that you have to transform and really redefine what is marketing? What is the role of marketing? What is the purpose of marketing throughout the organization?

James Robert Lay:

Because particularly at the executive level, if they view marketing as a necessary evil, as a cost center, as kids that play with paint and crayons, marketing is always going to be a challenge and a struggle, where those, back to those you mentioned to your story in Tennessee. You've got one side saying, no, you got the other side saying, go and grow. I'm willing to bet those that say go and grow are those that look at marketing as an investment into future growth potential.

Paula Tompkins:

That's exactly right. Yeah.

James Robert Lay:

And so redefining marketing and the purpose of marketing, and whose role is that? I'm going to put the role in the marketing team. Marketing must take responsibility for defining or redefining what marketing is and then translate that throughout the entire organization. There's a lot of cultural transformation that has to happen because if at an executive level they view marketing as an expense, as a call center, as a glorified in-house on demand Kinkos, the past will become the predictable future.

James Robert Lay:

And so I think the other thing too, and this is where marketing and sales and leadership and service all come together, it's to gain clarity on how people shop and buy in a digital-first world. That is so critical because it's not point A to point B, put up a billboard, run a direct mail campaign, broadcast TV, broadcast radio, and then drive traffic into the branch. That was a very easy life, glorified and personified with madman, but, but those days are long gone. And so if you think about what is the role of marketing, two things in my mind. Number one, control the brand messaging, the positioning, if you will, in the marketplace. And then number two, generate leads. And that's where marketing can really around those two perspectives, points of view, can really thrive.

James Robert Lay:

Back to your point of your question, ensuring conversions in ROI, that's where we have to bring the sales team into the conversation because if marketing is controlling the brand perception and brand messaging in the marketplace and generating leads, who picks those leads up? Has to be sales. Nurture those leads, convert those leads. And so marketing and sales has the potential to become the growth team.

James Robert Lay:

What are you seeing now with those that you're working with to really make that a reality, to make that shift? And I'll come back to the question and provide some more perspective, but I want to stop on this point about marketing and sales becoming the growth team and working together around really a bigger purpose than more that of the traditional siloed world?

Paula Tompkins:

Well, it's very interesting you mention this because I was visiting with one of my clients recently, and the CEO was in the room. The former vice president of marketing who is now the chief experience officer was in the room, and they had just appointed the head of "business development" and they had just named him chief growth officer.

James Robert Lay:

Yes.

Paula Tompkins:

And I lit up like a balloon. I mean, I was so happy. Not only are they great people, but the fact that we're now transitioning, and guess what they were talking about? When I first started working with them three years ago, they wouldn't have known what to do with the lead if it hit them in the face. Now they're talking about how they want to push these leads to the branches, and they've got to teach the branches how to follow up on these leads and it was just absolutely exciting.

Paula Tompkins:

But actually we have almost in every instance started to teach them about leads. And I was with another CEO and vice president of marketing and the vice president of operations or senior vice president of operations, they were in the room. And I watched the VP of marketing turn her computer around and show the CEO the leads that are coming to her and she doesn't know what to do with them, from our program. And he goes... He must have said 15 times in the room, "We got to figure out what to do with these leads."

James Robert Lay:

That's a great point. And I want to pause you there because once again, you're showing two different narratives and how they're playing out. And we've seen the same thing over the years which is why we're so dedicated to training education. I'll come back to this point, but I wanted to highlight what you share, three years, three years looking back at the transformation of this organization. It's a journey and now it'd be interesting to project three years out looking back on the second narrative of, we need to do something with these leads, we need to do something with these leads. Because now it is about coming and moving from marketing into sales, sales down to branch level, maybe it's digital call center.

James Robert Lay:

And what I have found through my experience is a lead is a lead is a lead and there's just that value place on that within a financial brand. However, looking at different leads for different funnels at different stages of the pipeline, if a financial brand can place a monetary value of what is the potential net interest income, say for a loan, or what is the lifetime value for a deposit account, now, I have 100 leads in my pipe for deposits. Maybe it's just checking, CD, whatever it might be, but let's just say my lifetime value is \$1,200. Well, now I have \$120,000 worth of value in my pipe. That seems like a more urgent matter than just 100 leads because what I see is the branches, particularly, they're so busy servicing and focus on the present moment, they're not thinking about future growth so they're serving who's right in front of them not wanting to make these outbound calls.

James Robert Lay:

On the flip side, let's say I have 100 leads in my mortgage pipeline, now I have potential net interest income of \$5,000. Now I have half a mill in the pipeline. People are going to be more motivated to follow up with half a million than versus 100 so there's an opportunity, I think, of putting monetary value on different leads in different stages for different product funnels within a financial brand. What do you think here?

Paula Tompkins:

Well, funny you should mention that because we have started to do that. And what we do is we get them to work with their CFO.

James Robert Lay:

Yep.

Paula Tompkins:

And we look across all the major product categories, primarily loans, because that's where the big bucks are, so to speak.

James Robert Lay:

Absolutely.

Paula Tompkins:

And so you look at mortgages, you look at and what is the average annual interest per loan booked? And then we assign that value to that lead, right?

James Robert Lay:

Yep.

Paula Tompkins:

And then we watch as the data comes to us every day, whether or not that lead closed and that person adopted a mortgage or a car loan or whatever. And if they haven't in two weeks or four weeks, we can digitally follow up. But at the same time we're firing those leads and those statuses off to the people in the mortgage department, if you will, that can get that customer on the phone and talk them through the process. And we even go so far as to ask them when they're in the market for a new home. Is it 30 days, 90 days, six months, a year, two years? And then you now know their timing. So we are actually reporting on the ROI and trying to teach them that it's not about clicks and visits, it's about quality of those interactions and what you can glean from those interactions in terms of intent.

James Robert Lay:

Yes.

Paula Tompkins:

And I don't even think they think about things like intent.

James Robert Lay:

And that comes back to your question here of really the primary job of marketing is to drive qualified leads back to the business to ensure conversions and ROI, and I want to address that about intent and looking at ROI and growth. And you mentioned this before, marketing must move beyond vanity metrics, go beyond really clicks, but tracking conversions at different stages of the buying journey. And the way that I like to solve this problem is with an acronym. Everyone needs a little bit of TLC in their life and not tender loving care, although that would be fantastic. But in this particular context we all need some traffic, we all need need some leads, and we all need some conversions. And we can solve this problem by ensuring the conversion element is as good as it can be. Then we can move up to the next level and now we can start looking at lead gen.

James Robert Lay:

And then finally, once we have our lead gen mechanism in place then we can move up to the very top and start driving traffic into the funnel and working this through. Because intent is important I can look at and identify, we see them looking at the mortgage page. Well, let's send them a proactive offer, coming back to my previous point. And all of this, all of this is rooted in training. It's rooted in to transform mindsets, to transform the mindsets of marketing teams, of sales teams, of leadership teams. Because without that mindset transformation, there's so much talk about digital transformation that it's focused on technology.

James Robert Lay:

But if you only focus on technology you will become a statistic where we see this with all the big consulting firms, 60 to 85% of all digital transformation projects fail. And they don't fail because of tech technology, they fail because of the people who have to deploy the technology. They fail because they're stuck in doing and they don't have space and time to review, to learn, to think about how to do even better.

James Robert Lay:

And so in reality digital transformation begins not with technology but with training to transform the mind. Really three transformations, transform the self, transform the team, and then you can transform the organization, because orgs are made up of teams, teams are made up of individuals and then those new thinking patterns, those new beliefs become new actions. Those actions become new habits, those habits can then be reinforced and multiplied with technology. Because technology is a multiplier. It's going to multiply confusion, which will become organizational chaos and conflict, culturally speaking.

Paula Tompkins:

Right, yes.

James Robert Lay:

Technology when there's clarity can create exponential value when you rethink about how people shop, how people buy, the role of marketing, the role of sales, and how it all fits around this bigger future I think that we can create together through the work that you're doing indirectly through the work that financial brands, banks, and credit unions are doing to guide people on financial stress, their questions, their concerns towards that bigger, better future. If someone's listening, they're like, "I'm connecting, I'm

agreeing with this," and we've had a great dialogue today, what would be one thing that you would recommend they do to take the next best step forward based upon the insights we've shared here?

Paula Tompkins:

I think they need to identify whether it's a business development person or a chief growth officer. The term sales scares them.

James Robert Lay:

Yes, it does.

Paula Tompkins:

Because they've never... It's like, "Oh, we build relationships, we don't sell." But we need someone that is willing to pick up the phone and do outbound and not sit there and wait for someone to raise their hand, walk into a branch, walk into a... or call the call center. I'm not sure the call or would know what to do with a lead.

James Robert Lay:

At this point probably not at so many financial brands because when we do digital secret shopping studies we find there's a massive gap of inbound versus outbound. And I think you're hitting on something. Sales historically is a dirty work, more so probably even at credit unions than in the banking world. My thought on this is, fine, don't think about sales, think about growth. And that's a marketing and sales alignment. And I'll build upon your thoughts, next best step, you're right. Look, identify what we would call that capability. But I would say first and foremost look for the gaps. Is it a knowledge gap? If it's not, check, move on. Is it a capability gap? Fine, we've got that person. Then the last one, is it a capacity gap? And if it's a capacity gap, that is where technology can really start bridging. Particularly with automation and AI, that's that multiplying factor right there.

James Robert Lay:

Paula, this has been so good talking through this question with you today and a lot of opportunities to dig even deeper. If someone wants to dig deeper with you, what's the best way for them to reach out and continue this conversation we've started today?

Paula Tompkins:

Well, they can and certainly reach out to me on LinkedIn, Paula Tompkins. My email is ptompkins@channelnet.com. No, H, just Tompkins. And my phone number, my cell number is 415-720-4498. And thanks everybody, I really enjoyed it. James Robert, you are the best.

James Robert Lay:

Well, Paula, you are as well. And thank you so much as always for your thinking, for your insights, and today for your questions. If you have a digital marketing sales or leadership question that you would like to get answered on an upcoming podcast, text me your question to gain clarity, 832-549-5792, and I look forward to talking with you like we've done today for you with Paula. Until then and as always, be well, do good, and make you better.