

Patrick McCarthy:

It's content, everyone knows it's content and it's trying to create that journey, keep people interested.

James Robert Lay:

Greetings and hello, I am James Robert Lay and welcome to the 147th episode of the Banking on Digital Growth podcast. Today's episode is part of the Digital Growth journey series, and I'm excited to welcome Patrick McCarthy to the show. Patrick is SVP head of North America marketing and market at City National Bank, and he's leading a team of more than 50 colleagues in New York and Los Angeles who are responsible for developing and executing the company's brand marketing, content development, digital marketing, direct response, and social media campaigns. In addition, Patrick is also overseeing the new formed client insights group, as well as the sales force and Adobe teams. Welcome to the show, Patrick. It is so good to have you on today, buddy.

Patrick McCarthy:

Thank you for having me, appreciate it.

James Robert Lay:

Before we get into your own digital growth journey, where you've been, where you're at, where you're looking forward to going next, I always like to start off on a positive note. What are you excited about right now? What's good in your world personally, professionally, it's always your pick.

Patrick McCarthy:

Yeah. I'm excited that I feel there's a semblance of our world coming back to normal, and we've seem to have dealt with the Delta variant pretty well, and I'm excited to be back on the road, I'm on a work trip right now, meeting with my team. I think part of the pandemic and the result of how we interact has been really positive in terms of digital adoption and acceptance, but we've lost some of the importance in person interaction that define teams, and I'm sure we'll talk about it later, but it's been really nice to see some of my team face to face for some important brain brainstorming, things like that.

James Robert Lay:

You and me, both, it is good to get back out on the road, it is good to see people, there I even say hug people because I wasn't much of a hugger before the pandemic, but I'll tell you I'm given more hugs now than probably ever before, just because it's... We need that human connection, we're social creatures, and when you stay apart for so long... But I'll tell you for me personally, I think the travels with more intention now, what can be done remotely or asynchronously, what do we need to get together and actually sit down and powwow, and that's where I want to take this. You've been on this journey, particularly at city Nashville, going back to 2019, let's hop into the time DeLorean of your mind, roll the clock back. What has really transformed? Because I mean, it was right bef... Kind of before the pandemic and then you've you've journeyed through this now, what has that experience been like looking backwards? Where have you been?

Patrick McCarthy:

Yeah, it's a great question, and we took some pretty deliberate steps early in 2019 to transform how we as a marketing organization sort of took our product services, lines of business to marketing. And traditionally it was a pretty analog organization given the fact that we had a business model that was focused very much on interpersonal relationships and referral based marketing. So the marketing group sort of acted as a lever that used analog channels to drive awareness, there was very little in the way of sort of digital acquisition because there wasn't the right infrastructure tools set up that that sort of allowed the marketers to go to market. So when I came in we made a really deliberate effort to lean into

Salesforce and Adobe is sort of our two key partners, Adobe for our public facing marketing activities and sort of Salesforce is the backbone of our connectivity to the lines of business.

Partrick McCarthy:

And once we had that right found in place, we took a full funnel approach to digital marketing from awareness, using digital to build audiences, and then, all the way down to acquisition, reaching out and testing into lead gen campaigns where... We're still cognizant of the fact that we're a relationship based bank, we're never going to be a mass market bank that's leveraging sort of digital onboarding all the way through, but how do we leverage digital to help our bankers build their business? And it's been an evolution and thankfully we took a lot of steps before the pandemic because when the pandemic happened and everyone went digital, we had sort of already set up the right infrastructure, our website was where it needed to be, we had set up the right processes with the lines of business to facilitate sort of lead gen activities. So in my mind, what I tell my team is we were already pivoting right, the pandemic sort of allowed us to take a much harder right, as an organization.

James Robert Lay:

Yeah. You've got that jump start, and when you think about the progress that you're making there on that journey, you hit on a couple of key points, we're a relationship bank, but now we're using technology to empower our bankers to build even deeper relationships, to do even deeper level work, and even from an acquisition, I was just talking with the CEO of another bank, multiple billions in assets, and they're actually hiring a Chief Digital Acquisition Officer, and I think it's a really unique role because it's almost taking the playbook out of banking on digital growth and applying it back to your point, full funnel, awareness consideration, purchase, and technology is the tool to connect those different dots together. I want to come to the banker side here, you mentioned Salesforce kind of powering some of the stuff behind the scenes, the backbone, but digital growth is more than just technology. What role has culture, with the people side of this played internally on the journey that you've taken throughout the entire organization here?

Partrick McCarthy:

Yeah. That's a great question, and traditionally marketing and sales have been hitted against each other, right? If you're a salesperson, marketing is trying to take my job or do my job better, if you're a marketer, I can't achieve my goals because I need sales to finish the funnel. And it takes, number one senior leadership on the sales side that are willing to sort of take this leap with you, invest in change management, if they're not exactly seeing returns yet, and number two, it takes collaboration, and City National has a culture that is very entrepreneurial, we were started by entrepreneurs many years ago, and so thankfully we have a culture that allows innovation and change, and we met a lot with the bankers across sort of all the lines of business, took them with us on this change, showed how we really... Our success is inextricably linked, I can't succeed without them, they can better succeed with marketing.

Partrick McCarthy:

And so, it's been a shift in mindset and thankfully we've had some time, it didn't happen in a day, you have to test in. We started sort of this digital lead gen capabilities with a small test in one region showing value, then we went to two regions, then we went to all of our markets, multiple lines of business, and that's how you do it. If you came in and I came in sort of day one in 2019 and said, "We're going to change the entire way that we support your business." I would be fired. And so it was important to sort of... Again, it's sort of, when I say to my team is it's like turning the [inaudible 00:08:05]. My boss talked me about a long time ago, right? You don't take a hard rate, right? And then all of a sudden, two years

later you look back and you say, "Oh my God, we are a different organization than we were two years ago, right?" It's small little changes across your entire marketing organization.

James Robert Lay:

It's what I speak to so often the idea that progress is greater than perfection, because if you do say, "We're going to come in here, we're going to change everything." change is hard, change is scary, change is painful, and you're going to get a lot of negative reaction to that. You mentioned a couple of things, we're a culture of change, we're a culture of innovation, we're a culture of collaboration, so we're all working together, but I like the point that you made of testing, piloting, iterating, learning in a smaller area, and then moving that to the next, and then to the next, and then to the next, because that helps to build the courage to commit to move forward even further with confidence, so I'm curious looking back and really to help the dear listener, because so many right now are struggling with what we're talking about, you've got to jump start. How do you gain the buy-in? How do you gain the support of others to come on this journey with you? You mentioned, executive buy-in and there's the entrepreneurial built into the culture, but I know not every financial brand culture is like that, so how do you gain? What recommendations could you make for others to bring others along with them?

Partrick McCarthy:

So It was interesting. Early on I... In my tenure here I spent a lot of time with sort of the senior management within each one of the groups, and that's important, right? Because you're trying to change vision, you need to spend time with them. I had an epiphany about a year and a half ago that I needed to go couple levels down, and I actually went and did what I called was, a listening tour, and I met with the branch manager in each one of the regions and had the conversations with them, and brought them along and said, "This is what we're going to do together, and this is how I'm going to help you reach your quarterly, yearly goals, right? But I need you to follow up on leads that I send you within X amount of time, I need you to be putting inputs into Salesforce so that we can be more effective on our side, and how we go about and how we target via media, and that is what has really changed the conversation.

Partrick McCarthy:

And I think it's important to find people that are hungry, and for what you're trying to achieve. So in a given division, I would be lying if I said that everyone sort of immediately saw sort of the promised land, right? There are early adopters, there are laggards in every organization, and so find those early adopters that... And really make sure that we're funneling the leads to them in the beginning, and then sort of casting a wider net as we show adoption and prove value to the heads of the lines of business, and show them this really can be sort of the growth driver for you.

James Robert Lay:

I like the idea of a listening tour, this is something that I've heard echoed from Jeffrey Kendall, we've been spending a lot of time having these conversations, and I know the team over at Nimbus has been doing a lot of listening, but to take that idea in internally, go to the different lines of business, sit down have these conversations, I talk about going all in externally which is about asking, listening and learning through observation with external market segments. The same is through here, you've gone all in, you ask, listen, learn to observed internally. I'm curious too, you mentioned you've got the natural early adopters, what I call the growth agents, the neutrals, and then some of the detractors, how does training education, did you have to do any training? Did you have to do any education? Just to help the unaware become aware of what some of these opportunities are to begin with, because we only know what we know and then... How do you overcome some of that lack of awareness which is really kind of rooted in fear of the unknown?

Partrick McCarthy:

Oh, for sure. And it goes back to your point around testing. When we first did the initial pilot in the small market, we were going out with a few different products, and as we were passing the leads to the bankers via Salesforce, we were getting all types of questions, I didn't know how to steer this conversation, I didn't really know what to reach out with, and it was training that came in and said, "If a lead comes from this media..." Because we're out there with 16, 18 different pieces of creative, different call to actions testing different, and the bankers on their side didn't have any of that, they got a lead. And so we started passing that information, this lead came from social and was talking about X product. So when you reach out to the prospect, they're going to expect you to lead with that product. And that was all stuff that we learned along the way, right? How do we make it that it's a journey, it's an end to end as we're passing as much information as we can to the bankers.

Partrick McCarthy:

And you also, people don't necessarily understand what we do as marketers, right? And that's true, especially in financial services, but I think in most industries they think that we sit around and pick out a lot of pretty pictures all day, but having them understand why it's so important that we get feedback on a lead, if it doesn't work, because then we can be better partners to you when we're passing the next lead to you, right? We're optimizing our media. So helping them understand how we make decisions as marketers, what their input means to me and my team, it's all important, right? And you can't just top down, gets [inaudible 00:13:34] theirs, 60% of the way, but to get the rest of the 40% you need understanding on the banker's part, and that part of it's... The campaigns lasted three months, right? But there was seven months of me meeting with the bankers, getting them excited, showing them the creative, walking through the process, what we need from them, what they're going to get from us, and it's... Change can be tough work, but it's pretty rewarding if you get it right in the end.

James Robert Lay:

You hit an interesting point about the misunderstanding of marketing, how has the role of marketing transformed over? And we're going to create a shorter horizon line, let's just say three years, two of them really kind of being pandemic related, and what might others might not understand about marketing? Because you have financial brand leaders who are listening, you have obviously marketers who are listening sales team members, ops lendings listening, we've got a good mix of audience here, so where might there be misunderstanding that you can help clear up for others?

Partrick McCarthy:

I would say that, and especially the last few years, marketing can be a proactive partner for you in how you're going to drive your business right. We have insights through media partners that can help us decide what products we're going to design based on client or prospect intent, right? We were able to provide through a partnership with Google early indications on SBA loans which search was exploding early in the pandemic, right? We can be that front end strategy partner, and I think it's a shift in mindset from marketing can be my reactive partner to market marketing can help me decide where we're going to go, who we're going to prioritize really, all on the front end on the business side, and I'm lucky here at City National that I have partners that allow me to sit at the table and have a voice based on what I'm seeing in the market, what's resonating.

Partrick McCarthy:

And the other thing I would say is marketing especially in financial services where each different line of business can sort of march towards their own goals, marketing is an enterprise wide in most organizations and enterprise function that is a rare part of the organization that sees sort of all the

different initiatives and can help connect dots and help scale campaigns across different groups, because the needs of a small business are different than the needs of a commercial business, right?

James Robert Lay:

Yes.

Partrick McCarthy:

But there are similarities between them that you can leverage from a marketing perspective. And so I'd say even more sort of reason to have a marketing partner at the table early on, and I think the pandemic has helped that as we've gone digital, the marketing insights become even more important in how we're designing products, how we're developing sort of campaign solutions for and client. And so hopefully marketing in other organizations has had that seat on this at the strategy table.

James Robert Lay:

That's a great point. Marketing transforming from being a reactive element to being a proactive element, and the only way that's going to happen is if marketing is included in the conversations earlier and often even down to product design, because I know so many stories and was even facilitating a conference in the middle east over in Dubai a couple of weeks ago, and one of them was... They had shared that they had launched about 300 products, never did any kind of real world market research, which was so different, and he was a Chief Marketing Officer, he said, "This was so different." He came in from CPG, Consumer Packaged Goods, and it's all about that early market research to provide that guidance, that direction, and then it's the collaboration that comes back. Thinking about your own journey, where you've come from really once again, kind of this horizon line 2019, if you look back, what would one thing that... If you could do just thing differently, what would that one thing be?

Partrick McCarthy:

I think I probably would have moved a bit faster and been more deliberate. I think Hindsight's 2020 and... I think I didn't expect given our relationship model, how many people were open to having sort of a digital relationship with a relationship bank, and I heard early on, analog, analog, analog and analog will always be important, right?

James Robert Lay:

Yes.

Partrick McCarthy:

Especially when you look at a clientele like ours that have very specific needs for not sort of a mass market financial institution, I was surprised as how willing people were to talk to us that fit our sort of the business model we were trying to get after. And so I think we've done the testing, and we've shown value, and we're sort of scaling it across B2C and B2B, but I probably would've been a little bit more deliberate early on.

James Robert Lay:

This is a very tact question that I'm about to ask, but it's one that I know so many struggle with, getting people to use the CRM, getting that data entry, that data input on the other side, how have you been able to effectively do that? Because I know so many organizations, they bring CRM in, it doesn't matter if it's a Salesforce or... The flavor doesn't matter, it's the fact that it's not being utilized, there's that cultural conversation, how have you been able to effectively do that, to get the actual use of the technology to get to reap its full benefits?

Partrick McCarthy:

Yeah. I'll tell you what doesn't work, is sending around sort of dashboards that show login over the past two days and using a scare tactic, trying to get [inaudible 00:19:57] to log in, because you're sort of putting a bandaid over. So we would send that around and logins would spike right before we sent it to our management team, and then it would go down. And I think that sort of where we were early on, I think it's sort of where I was getting at with my comments is trying to sort of mask the real problem, and then what we did is we developed programs that were critical to bankers and how they do their business, so when I think... You and I have discussed PVP and the enormous burden that put on our organization, and we originally decided to build something ourselves that facilitated repayment and then for PPP two, that facilitated applications, and it was better than what we had done before, it was faster, it was more customizable, it was on brand, and it transformed how this organization thought about our CRM system.

Partrick McCarthy:

And it went from, "You need to do this to I have this other process I do, can it be in this system?" And that's now where we are as an organization is a backlog of 300 requests to put into our CRM platform. I'd say it almost killed the team that does Salesforce for me and the gentleman who leads the practice across Adobe and Salesforce, [inaudible 00:21:20] really took a gamble and said, "I can do this, my team can do this, and we can build this internally, we can transact over 2 billion in payments through Salesforce for this." And it was a risk, but it paid off, and we are in a completely different frame of mind across Salesforce. Adoption rates are up across, some of our lines of business have gone from 40% to 80% rate and that's real adoption, so it's been transformative.

James Robert Lay:

Well, when you have people who are coming to you with requests, you know that the mind has shifted, the mind has transformed because they're seeing things in a whole new light, and it creates that what I call that backlog or not the backlog, I call it the innovation jar, make a deposit into the innovation jar, and we're going to revisit this thing like every 90 days, and we're going to reprioritize and move things around, and then it's this whole new energy that's being brought into the organization. As you look ahead towards the future, really the next two to three years when it comes to marketing within financial services, what's one thing that you're most excited about based upon where you've been, where you're at and then where you can continue to grow going forward.

Partrick McCarthy:

Yeah, and I think it's the continuation of how do we... It's really two things, it's how do we continue to look at the client journey? And I'll talk about sort of my part of financial services specifically across the B2B side. I think we in financial services have done a pretty poor job in understanding the B2B side of our business and how it's a unique monster, but B2B marketing, you're still marketing to a person, right? So you can take what you do on the B to these side, there's longer sales cycles, there's more decision makers involved, but you can take what you've done in the digital infrastructure you've set up leveraging paid digital, understanding the client journey, developing unique content, you can apply it to the B2B side. So I am extremely excited, a lot of our work the last and a half years has been modernizing the BC side of how we go to market, I'm excited to take all that and unique on the B2B side, leveraging Salesforce, leveraging Adobe, the unique insights we can get and, and transforming that side of the business.

James Robert Lay:

You talk about the B2B space, and that was actually a prediction of mine going all the way back to January of this year, saying that, "B2B small business growth, commercial growth is an untapped

opportunity digitally speaking." And your point about the buying cycle to me, B2B is almost like a SaaS, a software as a service buying cycles, six, 12, sometimes 18, 24 months to where there's multiple touch points, multiple conversations along the way, and be able to reference and store all that together. Once again, more of a tactical question here, but I'm just curious to get your take for the dear listener. As you look ahead, marketing channels have transformed over the is going from analog to digital, even in digital marketing channels are still continuing to transform, what's maybe the big marketing channel that we need to be paying attention to? Maybe, maybe it is in the B2B space of just a way to gain people's attention, hold their attention, educate, help, where's your mind in regards to marketing channel.

Partrick McCarthy:

I mean, we are right now transforming our own digital external facing property on the B2B side, and infusing as much content as we can. And ultimately, I think what's important and something we're thinking through, and I love your point of view on this is where is that sort of delineation between when we start collecting first party data on our... Because we all know sort of the cookie list future and what do we provide to anybody, when do we start asking, and when does that sort of value exchange switch for someone's willing to give us that first party data? Because to your point it's we're not going to get a cell with someone reading a single white paper, right? It's going to be a white paper and then an invitation to an event, and then a follow up on the event, right? And creating sort of a journey on the B2B side is going to be important. But I think it has to start with the owned properties, you have integrating content, integrating thought leadership, that's unique in whatever verticalization you're going into, because that's sort of where the B2B side of the business is going is less so sort of a one size fits all on the commercial side, but how do you develop unique, creative or unique content or unique solutions for my specific industry or industry vertical?

James Robert Lay:

I love the question, I'm glad you're thinking here because you're right. The future is going to be cookie list and that's going to create a lot of blind spots for marketers, even in the inbox. I predict that in three years, the inbox of what we have known is not going to look like it is in three years, iOS 15 is showing they're leading the way, if we follow the pattern with iOS 15, what Apple's doing around data privacy, what they did in safari, for example, Google probably follow in Gmail three years, two to three years from now, so what does that leave us with that leaves us with content, and that first party data. And so I would say that the big opportunity is to look at operating more like a media first organization to where content is the fuel of the engine.

James Robert Lay:

I've been doing a lot of advising around podcasts, for example, and video content. I mean, that's one of the reasons we're upgrading, we're investing a lot of money into the studio here as a small business, but it is leading by what you do, not by just what you say, because I'm really predicting that if we can transfer this knowledge into other banks all the way down to the first person level of a lender, of a banker, that's a marketing channel of one, it's a micro influencer who I really believe that over the next three to five years in marketing, it's going to be the micro influencer, it's going to be the lender of the banker who might have more power than the corporate brand, that's a very scary proposition for some, but if it's done with education, if it's done with training, if it's done with respect, it's a multiplication factor, because back to your point in relationship banking, people trust people, people do business with people, people bank with people, technology is just the medium, the exchange right there, and so from a marketing standpoint, I see an opportunity to really provide a lot of knowledge transfer into bankers, lenders, sales team, however you want to frame it to basically become little thought leaders who then can influence their book of business and the people that they know in their digital sphere. So that's my take, what do you think on that?

Partrick McCarthy:

I think we're completely aligned, right? And thankfully my organization is part of Royal bank of Canada, and so we have access to amazing thought leadership from them, and in our minds it's how do we take that thought leadership and that unique perspective that Royal bank of Canada has as one of the leading global financial institutions and provide that to our clients. But I think your spot on its content, everyone knows its content. And it's trying to create that journey, keep people interested and at the right opportunity, engage the bank or the relationship manager to say, "This person has shown interest in x, y, z, right? But you can't get there unless you're showing value, thought leadership, unique content in the space, and I think it's going to be unique content, especially on the B2B side, thinking about verticalization. So industry specific content and not necessarily sort of broad technology specific content is where we're thinking of going,

James Robert Lay:

It's that idea of vertical or nicheing to down, not necessarily building, but communicating expertise within a certain vertical, "I'm right there with you." What's going to hold us back, what's going to hold the dear listener back, what's going to hold others back from moving forward on this journey, what are the roadblocks or the challenges that we either a, need to be aware of or b, we might need to eliminate altogether? What's that in your mind?

Partrick McCarthy:

I mean, I think the roadblocks are... If you think about financial services, number one is, I think we talked about sort of the cookie list future, and that's something that me and my team are spending a lot of time thinking about, and how do we leverage first party cookies? We're going to lose the ability to generally use some of our tactics that we have now, how do we get as much first party day as we can? And I think the second is, and everyone has this issue, but sales cycles are really long on the B2B side. And so it's harder to say this is working state of the course, keep investing, keep developing this new content, give me your best people's time to develop new content if you're not showing value, and I think that's the problem, that's not specif... Say National bank on the B2B side, any anyone knows that that's an issue, and so getting people to stay the course saying, we're investing all this time, money, resources into this side, because there will be payoff is hard, but-

James Robert Lay:

Yeah, it's the old challenge of what marketing was that idea of direct marketing, we do x we immediately get why, but was that even true or was that some fudging of the numbers even back in the day, but now we have this consideration stage in the middle, it's messy, but we're able to get a lot more clarity around engagement, around activity, around response, attendance of events, et cetera, that we can put together modeling that brings all of that together. What are the patterns that we're seeing throughout that consideration stage? And that's where the technology comes back into play to provide that clarity, the pattern matching that, we just can't do otherwise at scale. Patrick, this's been a fantastic conversation, I want to get real practical here at the end end for someone that's listening, they're energized, they're inspired, where can they take the next step to move forward? Because I do believe that all change begins with a very small, simple step, not a big one, but a small one, so that they can just make progress, what would your recommendation be for them just to one small simple practical step to move forward with confidence on their digital growth journey.

Partrick McCarthy:

And we're assuming they've read your book, right? Because that would've been number one.



James Robert Lay:

Well, maybe they haven't read it, but we'll definitely, we'll take another reader. So amazon.com baking on digital growth, grab the book, but let's assume that they've read, read it.

Partrick McCarthy:

Yeah, I would say the most important thing I did that helped in the early stages was set up a client insights or we call them clients, a customer insights division because it helps validate a lot of your hypothesis, so using data, external data, using client data, if possible, we have a gentleman that stood up a client advisory board where we can ask clients what we're doing, and we as marketers know we're going down the right path, but in terms of the thing that we'll derail you is change management, and having data on clients or prospects that helps validate the assumptions you're making allows everyone to sleep a little easier at night when you're trying to make big changes. So I would say it has to be data driven and standing up a client insights team within my group at City National was sort of that transformational, that stops focus groups of one and allows you to be the change agent that you want to be.

James Robert Lay:

I like the idea of a cab, a client advisory board that you meet, let's just say quarterly, you've got a key group of clients, and this would be really helpful, I think on the B2B front. And it's a great way of bringing the collaboration you're doing internally, you bring the collaboration externally. Now you've got some influencers too, possibly in the marketplace who can be a part of this journey, you're building something together. So the idea of a cab... Because it does, it takes the focus group of one and it just expands it, and now it's conversational and it's a journey that you're taking together. Really great practical inside as we wrapped up, great conversation today too, Patrick. If someone is wanting to continue the conversation that we've just started here, what's the best way for them to reach out, connect with you, say hello?

Partrick McCarthy:

Happy for anyone to reach out on LinkedIn, Patrick McCarthy, and happy to have any conversation, it's something I'm incredibly passionate about. I don't have all the answers, I'll tell you when I don't have the answers, and I'm happy to tell you sort of mistakes that fade along the way, because there's certainly been a few of those.

James Robert Lay:

Well, that's a great point. I think we're all learning together on this journey and the more that we can learn and transfer that knowledge to each other, the more that we will help each other grow together, a rising tide does raise all ships and if we can work together to help people move beyond where they're at financially, get them to a bigger, better brighter future. We're all just going to get better. So Patrick, thank you for joining me on another episode of Banking on Digital Growth, this has been a lot of fun today.

Partrick McCarthy:

Thank you. I so appreciate it.

James Robert Lay:

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