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James Robert Lay:

Greetings and hello. I am James Robert Lay and welcome to the 152nd episode of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight Series and I'm excited to welcome Katherine Regnier to the show. Katherine is the CEO and President at Coconut Software, a holistic solution for financial brands to manage appointment scheduling as well as lobby management with clients, including Capital One, Royal Bank of Canada, Arvest Bank and Vancity Credit Union, just to name a few. Welcome to the show, Katherine. It is so good to have you on today.

Katherine Regnier:

Thank you for having me. I really appreciate it.

James Robert Lay:

I am excited to get into this idea of experience with you. I know it's something that you think a lot about, you write a lot about. But before we go there, I always want to start off on a positive note. What is one good thing for you right now? What are you excited about, personally or professionally? It is always your pick to begin.

Katherine Regnier:

Well, I am really excited about us just raising our Series B, which was \$28 million, so-

James Robert Lay:

Congratulations.

Katherine Regnier:

Yeah, that just happened. So lots of growth and new challenges coming quickly.

James Robert Lay:

Yes. And I like the way you frame that. It's growth and challenges, because growth would not be growth if it didn't welcome challenges along the way. That's one of the things that we teach here at the Digital Growth Institute. One of the most important questions that we can ask ourselves, ask our teams, ask our organizations, is how do you want to grow? And there's a ton of acronyms in digital growthtopia, because it's the only way that this ADD mind remembers things. The G is, what are your goals for growth? The R is, what are the roadblocks that stand in the way of achieving those goals? And then the O is, what are the opportunities available to create, capture or capitalize on as you work to overcome those roadblocks and then ultimately, achieve those goals for growth? So I really like where you're thinking and your mind is with this.

James Robert Lay:

And one of the things I want to talk about is when it comes to humanizing banking, another similar perspective that we both share, I wrote about this idea in Banking on Digital Growth and really put a simple equation behind it that a lot have latched onto. It's HX plus DX equals growth. Put it another way, it's the human experience, plus the digital experience that leads to growth. And I know you and the team at Coconut Software are also thinking about humanizing banking as well. What does that actually mean to you?

Katherine Regnier:

I think at the end of the day, everyone deserves to feel valued. And when you think about how important people's time is, how hard they work for their money, there's always going to be that relationship that you're going to want to access somebody. And I think when we make it really difficult to get a hold of somebody, what that brand is telling me, as a customer or a member, is that I'm not valued. I'm not important enough for you to be responsive. And that's really where the thought for our company, Coconut, came to be.

James Robert Lay:

Is there a bit of a paradox here? Because as we've all experienced through the COVID experience, the world has gone more digital. But is it more important now than ever before to make it easier to use technology to connect people with people when historically in this vertical, it has been a bit of a challenge? Is it more important now? Or was it more important before? Where are we on the spectrum here?

Katherine Regnier:

I think it's super important. And I think the industry's just catching up to this importance. Digital is the vehicle, but it's not the end all and be all. So you see so many companies going in and digital strategy, digital strategy. Well, that's great, but there's a human component. We are still humans at the end of the day. And it's about what I, and you have probably said this, James, and I'm not coming up with anything new here, it's providing a holistic approach. If I want to go old school into that branch and talk to somebody, let me do it. If I want to do a Zoom online to conduct a meeting, let me do it. So this isn't about a hundred percent digital or a hundred percent old school. It's about the new world and how we need to just make things accessible anytime, anywhere, anyhow.

James Robert Lay:

I was just having this conversation with Joel Schwartz in episode 149. And we were talking about this idea of giving people choice, giving them a sense of control, giving them a sense of agency. One of the things I referenced in that, and I'm, curious, choose your own adventure. Do you remember those books as a kid?

Katherine Regnier:

Yes. They're awesome! Yes.

James Robert Lay:

Yes. Because you, as the reader, were in control of how the story played out. And that's the thing, we are all authors of our own lives, getting to write our own stories. And when we have that choice, when we have that control, whatever the experience might be, it tends to end better in the end. And around this idea of experience bridging the human digital divide, where in your mind are the biggest opportunities for financial brands to use digital and physical engagements to power future growth? Not one or the other, but both unified.

Katherine Regnier:

I really love this question. And I think it's about being very intentional of, what is a big investment for banks? It's their people. And it can be their branches, of course. So there is a place for digital only. And those are great and those systems exist. But when you have high-value transactions, if we're thinking about wealth, if we're thinking about servicing for a loan, whatever that might be, and we need to have

that conversation, that's where you need to have the connection. It can't be one way or the other. So I think it's the high value piece is where that hybrid needs to belong.

James Robert Lay:

That's a great point about high-valued conversations, because historically banking, I think, has been incorrectly viewed as transactional. I'm hoping to transform the narrative to where banking becomes transformational. Transformational for people, their lives-

Katherine Regnier:  
Connection.

James Robert Lay:

Yes. Their future. And why? Money's stressful. It's confusing. It's overwhelming. And that stress takes a toll on people and their wellbeing. I'm curious to get your take on this. Why might combating this financial stress be a common, we'll call it a villain, that inspires financial brands, banks, credit unions, even fintechs to use this villain of financial stress as a catalyst to maximize future growth? If we can identify this and really rally around this here, where might there be some opportunities to dive deeper into that thought?

Katherine Regnier:

Well, I think there's a few things here that you're actually hitting on. And if we look at banks and credit unions, and they're really a sales organization, at the end of the day, we have to think not wholly, how can we get the member to be speaking with us so we can close that? But how do we also keep that relationship going and create that connection? And if they don't move on that, we're starting to see some of these other players come in and do it. So I think it's really customer-driven and pushing it hard. And we're having to catch up on that.

James Robert Lay:

It's what I call heart-centered thinking that is a key element of human-centered growth. And I know that's been a big area of focus for you over the last 10 years, since you and Romeo founded Coconut Software. The world, it was different place going back just a decade.

Katherine Regnier:

Nobody knew what I was talking about. Nobody had a clue. And when we came up with the idea, it was all about creating an experience that was intentional and effortless, and we hear frictionless. And what's really fascinating is we went out to the market with that message and no one cared. Nobody cared. What they cared about was, how do I better optimize my workforce at this bank, because lunch hour has lines out the door? How do I understand my capacity? How many services are we having booked at these different places? And it was all about the insights. It had nothing to do with the member experience yet. That's why we created the company. So it was really fascinating.

James Robert Lay:

I want to touch on that, because I can go back in my mind 8, 9, 10 years ago and advising around some of this thinking here, and it would fall flat. People weren't really connecting to it. And where a lot of my thinking is inspired from is looking outside of the industry at others' experiences, other retail experiences. And I always, back in the day, I would say, "Well, I can go and schedule an appointment with my barber to get my head shaved. And I don't have to wait 30 or 45 minutes, because my time is valuable."

Katherine Regnier:

You matter. Your time is valuable. Everyone's time is valuable. Those advisors' time is valuable. Should they be sitting there for four hours, not speaking to anybody?

James Robert Lay:

Right. Or, now there's multiple ways to make that connection. It might not be in person. It might be through video. I mean, there's so many ways to make this human connection. And I'm glad that you stuck through, you saw it through. One of the quotes I shared with you before we hit record and I want to share with the dear listener here, was from Elon Musk. And I just texted this to my wife the other day. I said, "If something is important enough, or you believe something is important enough, even if you are scared, you will keep going." And so what I want to do is I want to go back. I want to hop into the time DeLorean of your mind. I want to take a trip back 10 years ago.

Katherine Regnier:

Uh oh, okay. Let's do it.

James Robert Lay:

What transformations have you seen? Because you've looked at the world through a lens of how will this help our customers solve the challenges that keep you up at night? What have you seen transformational-wise in this vertical over the last 10 years?

Katherine Regnier:

I think what we're seeing is that the leaders of banks and credit unions are becoming really open-minded and realizing they need to flip the model over and say, "Okay, we need to make the member or the client the priority. We need to give them a better experience. They're more demanding. They're more digitally savvy. And let's not forget, they have the most options they've ever had." The day of banking at your corner bank is no longer necessary. We can take our money anywhere. And that money is their hopes, their dreams, their future. And they need to be accessible to them. I think that's the biggest thing, is that they've started to embrace this and they're open minded to it.

James Robert Lay:

That's a great point. I love the way you framed that. Their money, that's their hopes, that's their dream, that's their future and people buy with their heart. And I'm curious to get your take. What practical steps can a financial brand take to truly put people at the heart of all of their thinking to really live out this perspective of what we've been talking about here, human-centered growth, or even will dive deeper, human-centered experiences?

Katherine Regnier:

What's interesting when I speak with customers, because we're talking about digital transformation and we've said the word to death, over and over again. But I think where the light goes on is that this isn't leaving a certain customer behind. This isn't saying, "I'm only going to cater to millennials. We're going to go fully digital and they're going to do everything there." And then they have this fear, because let's think about this. Our high net worth members could perhaps be individuals that don't necessarily engage with the digital approach. So I go back to this holistic piece. That is the key.

Katherine Regnier:

It's not going one way, completely, the pendulum, one way. It's how do we centralize the experience? And I hate to use this word, but the omnichannel experience, because even though I'm very digitally savvy, I care about connection. I care about trusting the person who's going to be taking my money. I

care that they're going to be proactive. And yet again, that I matter to them. And so I think it's creating the ability to connect on any channel they wish to and providing an immediate response that says, "Yes, Katherine, you do matter. We do value you. Let's help you."

James Robert Lay:

We find through the digital secret shopping studies that we conduct for financial brands in the Banking on Digital Growth Program, the faster a brand can get a prospect, a lead in contact, make a connection with a human being at the financial brand, there's a higher propensity for conversion.

Katherine Regnier:

Results with-

James Robert Lay:

Yes!

Katherine Regnier:

Yes. Yes. It's responsiveness. We are in this immediate mode right now. And whoever gets there first, because people who are members, we can be lazy. We just know we need to do something and I don't want to call 20 people. So whoever gets to me first is probably going to have that opportunity.

James Robert Lay:

And I don't have the data off the top of my head, but I was doing a keynote in the mortgage vertical and a very high percentage of MLOs, mortgage loan officers, do not follow up with digital leads. They're leaving opportunity on the table. And I know one of the things that you have thought about is how to measure success, how to measure progress, go even beyond ROI, which in this world, I view ROI as almost a lagging indicator when compared to ROX, which is what is known as return on experience. I want to go deep here in our conversation to educate the dear listener, because I'm a big believer in empowering financial brands to optimize experiences that can help them maximize their future growth potential. So with that said, what is experience? How would you define experience in your own mind?

Katherine Regnier:

I think it's giving me the tools, whether it's 8:00 in the morning or 2:00 the morning, when I'm thinking about when am I having those conversations about a mortgage? It might be at 10 o'clock at night with my spouse. And we are on our phones. And it's not saying that the person has to immediately be there. Although I do believe that we're going to enter this on-demand generation, where I push a button and someone shows up on the other side. But until we get there, I think it's allowing me to commit to something. Let me commit to something so that I know I am going to speak with somebody at a certain point in time. So we talk about leads. I fill out a form. Well, that's not really a commitment. It's not a commitment. And guess what? It sounds like the MLOs aren't really committed either. We lose business every day because of this. So I think the experience is committing, engaging, and then we have that follow-up piece.

James Robert Lay:

That's a great perspective, because a lead is not a commitment. And it's like the life cycle of a relationship. I need to know you before I like you, like you before I can trust you, trust you before I commit to you, commit to you and then that's when I begin to fall in love with you. And from there, I can tell the world how great you are.

James Robert Lay:

On this topic of experience, what is a commonly held belief about experience that others in the banking and the financial services space have that you disagree with them? Where might you be able to transform hearts and minds for some who might not be in alignment with what you and I are talking about right here? Because I believe we're in complete alignment. Where could we provide some education?

Katherine Regnier:

I think the hardest piece is that there feels like there needs to be this massive transformation that boils the ocean. And so it just feels, I think, internally, just another thing we need to do. We need to upgrade our core banking platform. We need to do this. And I am being a little light on this, but I believe that Coconut experience is like the hair and makeup. We can go on top of all of those old rickety pieces and provide a great experience without boiling the ocean. And so it's just overwhelming. To get back to what you said, if it's unknown and it's a new challenge, it can be scary. And not only that, socially at Coconut you're impacting the member and you're impacting the advisor. So I think it's very overwhelming.

James Robert Lay:

Great point on that, because I want to come back to the formulaic approach to growth that I had shared before,  $HX + DX = \text{growth}$ . I defined that in May of 2019 when I started writing Banking on Digital Growth, which was published in May of 2020, not knowing that we'd have a pandemic at the time. But one of my biggest lessons that I learned through conversations, through observations, through coaching with financial brands, your human experience, your digital experience, do not matter one bit if you do not have a positive EX or a positive employee experience. Because a positive employee experience, plus a positive human experience can be multiplied by a positive digital experience. But it all comes down to the internal here around people. What are your thoughts on that? We got to take care of our people internally so that they can take care of our members account holders externally.

Katherine Regnier:

James, I could not agree with you more. And the exciting thing that I have found talking with our customers is their advisors are closing an application within 15 minutes instead of 45 minutes. So one, I know exactly why James is coming to me. Two, I can prepare. Three, you show up. And guess what? I get the next 30 minutes with you to talk about strategy, to talk about other things, not fumbling through papers, and did you do this, and did we do that? I'm organized. I'm prepared. And we are actually finding that they're feeling more confident and empowered themselves. And that's what gets me, everybody. I think that is so exciting. We're more impactful. We're creating connections with the customer. And we're not being administrative. We can be strategic.

James Robert Lay:

Yes. We move beyond the transaction to focus on the transformation of the person. We go beyond the administration to then get into the diagnostic work, to really ask that question to the person that you're working with, how do you want to grow? What are your goals? What are the roadblocks that are standing in your way? What are the opportunities that you see? And then craft a plan and really provide some coaching around this. But this all comes back to this idea of experience. Positive employee experience, plus a positive human experience can be multiplied by a positive digital experience. I mentioned ROX before, return on experience. What is ROX and how might it be able to be measured by the dear listener? Because they might be listening, thinking, "I get ROI. I get ROE. What's ROX? And how can it be measured?"

Katherine Regnier:

Yeah. I think there's different ways and each organization probably values this differently. I think there's some traditional metrics that we have going on and they're maybe not quite at the level you're talking about, James, but what is the satisfaction score after the appointment? That's something that we bring in. And the great news about that is we can actually benchmark it and say, "Okay, what was it before Coconut? And what is it after Coconut?" And we can see that we have a huge impact. We didn't waste the member's time. They enjoyed their experience. It was a combination of digital and in person. And the business has a ton of insights.

Katherine Regnier:

No shows, that's a big piece. We decreased those by 13%. So we had a commitment, not just a lead. We know that sometimes the weather impacts if people cancel or not. And so we have to be helping them get committed and get in front of the advisor. I think we have a ways to go on the metrics, but I think there's some traditional ones that we can provide a lot of insight to.

James Robert Lay:

What are you seeing? Because there's a lot of in-person that we've talked about today, what are you seeing in regards to leap ahead three years out into the future? You touched on it before and it might not be that 10 o'clock at night experience, but that's when people deal with money. That's when people have those conversations. Where might other means and mediums of connection, of conversation, maybe even of community to facilitate what we're talking about here to provide a positive experience that makes people feel good?

Katherine Regnier:

Yeah. So short term, we're bringing something to the market called Coconut Connect. So even though we can have a conversation on Zoom, how do we actually go through those documents together? How do we do a signature together? It's interesting because I just had a meeting. And I'm flipping through papers on my desk. I had to sign them, then deliver them in person and sort of saying, 'How do we not only get the member in front of you, but how do we facilitate the whole experience if it is decided to be online, just like we would if you were across from my desk?' So that's part one.

Katherine Regnier:

The next part, maybe we're looking at that three-year mark, is completely on demand. It's so funny. I created an appointment company, but I honestly would just like to push a button and talk to somebody right now, because that's how we are. And so I think the whole workforce and capacity planning and that model, especially with COVID, has made the workforce just go more digital, that we're going to have more opportunity with advice centers. And these people are going to be able to help you versus transfer you over somewhere and lose you. So I think more on demand, more knowledgeable, more connections available through different mediums.

James Robert Lay:

I can think, in my mind, the equivalent of Staples' easy button baked into mobile banking to where I need to talk to someone. Boom, I connect. They hop on. Life is great. And it is a journey. And I think I like where you've taken this so far and I'm so excited for the future that you're going to continue to create, because you are putting people at the center of your thinking and of you're doing and that is then getting transferred into these financial brands and it's collaboration. You're working together to guide people, to help people, to empower people.

James Robert Lay:

Let's look ahead. Let's do a little bit more future thinking here. And this has been a great conversation and I appreciate the knowledge and the perspective that you shared. What do you feel are some of the biggest opportunities that financial brands have to make ROX a part of this human-centered, this heart-thinking when it comes to maximizing their growth, that just goes beyond traditional ROI? Where are some of the big opportunities in your mind?

Katherine Regnier:

This is a very tactical answer, but I think it's great, because anyone listening could really take this and implement it quickly, is why are we burying connection points on the contact page? Why are we not having this on, you can have it right on Google. You can have it on your website. You can have it on your email. You can have it on your app. You can allow access points for your customer to connect with you. And yet we feel like we only have one door to the house and that's on page 10 over here. And I'm going to get this incorrect, James, but there was something about, if you place an item in a grocery store in a spot that's not intuitive and then we look at the till tapes and say, "Well, nobody bought the butter." Maybe that's because it was in the candy section and nobody found it.

Katherine Regnier:

That's a bad experience. That doesn't mean they didn't want it. They just couldn't find it. And so let's open up our minds and understand as consumers, where are they trying to find your service? And it isn't necessarily that they go to your website. Those days are over.

James Robert Lay:

That's just one stop on this journey that has multiple access points to where someone can hop on and off the train. I used to fly into Toronto and fly into Pearson and then take the UP Express downtown. And it's like you stop at each one of these little train stations along the way. People get on. People get off. But everyone's on a different destination. Everyone has a different access point, a different exit point. So I really like that. Even Google, because in my mind, I almost think this future thinking that we're doing together here, which is always exciting, voice. I can't say it right now, because I'll turn it on. But, "Hey, so and so, connect me with an expert."

Katherine Regnier:

Yes. And we are partners with Google, actually. So if you were to Google, you could actually book an appointment right then and there. And you could do it through voice. Now, I'm not sure everybody is there just yet. But that's my point about we might not even make it to your website. I might just look for the branch. I can hit book an appointment, or phone, or whatever it might be, but just make it accessible.

James Robert Lay:

It's interesting. I think about my own behaviors to where I used to get a mobile device and then search a contact or search a location. And now, I'm at a point to where I'm asking, what are the hours? Are they open? Call them. And my own neural networks are getting reprogrammed to where I didn't think that I would use voice, just because you have these habits, but then slowly over time, the behavior begins to transform. The behavior begins to change. Thinking about where you've been, where you're at, the value that you've been creating for financial brands, what are some of the biggest roadblocks that the dear listener needs to be aware of? They're in marketing. They're in sales. They're in leadership. What are the roadblocks they need to be aware as they continue to move forward along their own journey of growth when it comes to what we've been discussing here today around experience?



Katherine Regnier:

Hmm. I think the biggest roadblock that we're seeing is just the competing priorities of having to feel like they need to completely dismantle what they have to be competitive in the market. When I'm thinking they have so many things on their list, I feel empathy for them. I'm like, "Wow, there is so much here." And then dot, dot, dot, your customer doesn't have to suffer because of that. Something like Coconut, like I said, can be that face while you're fixing what's under the hood. And that's the hardest part is they have so much, because it sat for a long time, right?

James Robert Lay:

Sure. And that's a great point and really a great way we can wrap up this conversation together, getting really practical here at the end, because all growth begins with a small, simple step forward. It's not massive change. It's not massive transformation. But it's a compilation of small wins that get added together to make progress. And so what would one thing, something small, something practical, that you would recommend the dear listener commit to do, let's just say, over the next 30 days, to humanize the banking experience, to be even better, but not having to worry about transforming everything, but just to get that win? It could be observation. It could be research. It could be conversations. What would you recommend in your mind?

Katherine Regnier:

I would tell them to buy your book. That's what they should do. They should research Coconut and they should buy your book.

James Robert Lay:

You know what we should do? We can talk offline. Let's bundle something together. That'd be neat.

Katherine Regnier:

We'll bundle it up. I mean, this is very tactical, but I would say whatever solution it is that you're working on or problem you're trying to solve, not only are we entering the digital transformation stage, but banks themselves are having to operate different. And gone are the days of having to build things yourself. And as much as that team can say, "We can build appointment scheduling." We've spent 40 million in 10 years doing this. You can, but it's complicated. It's complicated. And there are so many providers now in the technology era that can partner together, and work together, and we can integrate to create a seamless experience. And that can be any product, not Coconut. So I think just you can move faster by finding these products that you can bring together and they can deal with the problems, because that's why you're paying them.

James Robert Lay:

Katherine, mark my words, I theme every year. 2022 is going to be the year of collaboration. It's going to be the year that we put who before how. The problem is, when we think we have a problem that we want to solve, our brain goes to think, "How are we going to do that?" And limitations tend to bubble up to the top of why we can't. We don't have the time, resources, whatever it might be. But I want to add upon your thought here, listen to episode number 69. It was a conversation that I had with Dan Sullivan. And he wrote a book with Dr. Benjamin Hardy called Who Not How. And it's this idea to where, when we put, who do we need as our first part of problem solving, the how tends to take care of itself. And the world that we're all in now is full of abundance. It is full of opportunity. And it's full of whos, that are typically a Google search away, who can be the how to some of your biggest problems.

Katherine Regnier:

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James, I couldn't agree with you more. And going back to the question about the obstacles that they face is I find that the financial services space is so fragmented with offerings. It's so fragmented. And I agree with you, they either have to consolidate or collaborate. I think those are the two options we're going to have. And we're also seeing software transform from a one-size-fits-all to very niche products. Or we're saying, "We're here to cater to you and your problems and we're going to get you there faster." And then again, that whole collaboration or consolidation needs to happen.

James Robert Lay:

Connection, collaboration, community, all working to solve the problem that money is stressful. Money's confusing. And through that connection, through that collaboration, we can guide people. We can work together to get people to a bigger, better, brighter future. Katherine, this has been such a fantastic conversation. I appreciate the knowledge, the wisdom that you have shared. If someone is listening and they want to continue the conversation that we've started to connect with you, to collaborate it with you, what's the best way for them to reach out to say hello?

Katherine Regnier:

I would suggest LinkedIn, because I like to connect with people. So if you're a business professional, LinkedIn is absolutely great. And it's Katherine Regnier. Hopefully, that's shared. As well as obviously, our website, CoconutSoftware.com. And I'm on all of the social media apps. So if you search me, you should find me.

James Robert Lay:

Connect with Katherine. Collaborate with Katherine. Learn from Katherine. Katherine, I appreciate your knowledge, your passion, your perspective. Thank you for joining me for another episode of Banking on Digital Growth.

Katherine Regnier:

Thank you so much, James. It's been a blast.

James Robert Lay:

This has been fun. And as always, and until next time, be well, do good and make your bed.