

Eric Cook:

all of the things that you are worried about, what freaks you out? And be totally honest, just let your mind flow right to your paper. And I think just getting it out on paper is, one, where you can actually see it. And then when you see it on paper, you might look at it and go, "Really, that's what I'm worried about?"

James Robert Lay:

Greetings and hello, I am James Robert Lay, and welcome to the 154th episode of the Banking on Digital Growth podcast. And today's episode is part of the Clarity Calls series, and I'm excited to welcome back Eric Cook to the show.

James Robert Lay:

Eric is a 15 year recovering banker who, since 2007, has been running a digital agency focused on helping community banks navigate the complexities of a digital world. Now, Eric and I had a great conversation going back to episode number 81 that I recommend you take a listen to where Eric and I dove deep into sharing social media secrets and how financial brands can build relationships in a digital world. But today we're going to mix things up a bit as Eric asked me a great question that I thought would be helpful that we talk through together to provide you the, dear listener, with clarity so that we can both guide you forward along your own digital growth journey.

James Robert Lay:

Welcome to the show, Eric, it is so good to have you back.

Eric Cook:

It's awesome to be back. Thanks for inviting me.

James Robert Lay:

Before we get to your question, which is a really important one that you had asked me, always want to start off on a positive note, what is good for you personally and professionally? What's well for you right now?

Eric Cook:

Well, I think the last time we talked, I was bragging about my new mountain bike and I walked out this morning, as the date of this recording is in late November, approaching Thanksgiving, the ice is starting to form on the lake right out my back door, which has got me excited for my studded fat bike tires and some ice mountain biking this winter. So I know most people that prefer doing their bike riding in shorts and t-shirts are probably listening to this going, "Are you crazy?" But I did it last year for the first time, and I am getting really excited to slap on the old studded tires and go out. And I see ice fishermen sitting on flipped-over five gallon buckets and they look at me like I'm weird. And I'm like, "You're sitting in the middle of a frozen lake with a line in a hole, at least I'm sweating and working up a little bit of body heat." But it's probably a mutual look of disbelief on both of our parts, but I'm looking forward to that, believe it or not.

James Robert Lay:

Yeah. Well, it's funny, being down on here in Houston, I'm not really feeling it because you're giving me the chills right now. We get down to about 40 degrees and I'm like, "I'm good. Give me that heat, give me that humidity." But 40 degrees, 45, 50 degrees, low humidity, that is perfect winter running weather, which is where marathon season starts to heat up, pun intended down here.

Eric Cook:  
There you go.

James Robert Lay:  
So, definitely, you and me, we'll both stay active instead of hibernating in the cold.

Eric Cook:  
Yep, yep. Well, and you may not feel the cold or the chill, but you'll be with me podcast-wise. And you know that I'm a big fan of listening to your voice keeping me motivated while I'm pedaling, or running, or paddling, or whatever I'm doing outdoors.

James Robert Lay:  
Well, you're doing great things yourself. And you had a great question that I think we'll be able to talk through to provide the dear listener with some clarity, because it's a question that I've heard before. It's a question I know others are thinking about, particularly if they're on, say, the marketing or the sales side of the house. And the question that you asked me was, how can we get financial brands and their leadership teams to a comfort level of actually opening accounts online and then digitally onboarding those accounts to grow share of wallet?

James Robert Lay:  
Before I provide my take on this, I want to get some clarity from you about where is this question rooted? Why ask this? Maybe what are you seeing, what are you hearing here?

Eric Cook:  
Well, and it hadn't been asked of me prior to me asking you the question. But just recently, I had a conversation with a director of a marketing for a bank who got a new CEO that came from internal. And the CEO's directive to that marketing director and her team was, "I need you to get more people back in the office."

James Robert Lay:  
Hmm.

Eric Cook:  
And the marketing director kind of said, "Okay." And the CEO said, "Because we've got all these employees, we've got all this office space and nobody's here, I need people to come into my office." Subtitled, to justify the expense, the infrastructure, the environment that we created many, many, many, many, many, many years ago. And the marketing director just kind of told me that whole story. And she says, "Okay, now what do you think is running through my head?" And I said, "Has she heard about digital?" Where is that mentality that, okay, the solution isn't how do we repurpose, retrain, re-educate, re-empower our employees to be able to connect and engage with our customers digitally and maybe change our office environment so that when people do come in, we've got more privacy. So, if somebody does decide they want to come into the office, they've got more of a need that can't be satisfied through a digital channel, so they deserve more privacy and attention. And we train our employees to take better care for longer periods of time.

Eric Cook:  
None of that was even in this CEO's mindset. And I've heard others where, "We don't want to get our customers using our online applications, because if they're applying for mortgage loans online, then

what do they need me for as a lender? My job is at risk." There's very much an intimidation around this, and it doesn't happen a lot, but the fear is still there that, to a lot of traditional bankers... And those may not be the ones that are listening to this podcast, so maybe I'm preaching to the choir... but if that exists within your organization and you're listening to this, I want to talk about how do we get traditional managers, traditional executives, over the hump of the fear of they don't understand it. They wouldn't open an account online, they wouldn't do it. So if they're not going to do it, they're not familiar with it, they're afraid of it, and they're going to resist it. And that can't be the case.

Eric Cook:

And I understand the experience in some platforms maybe isn't as ideal as what it could be, but technology and the trickle down economics of technology is making it affordable to provide awesome experiences. And you think of platforms like Plaid that do instantaneous funding and account connectivity.

James Robert Lay:

Right.

Eric Cook:

And you might have to spend a little bit of extra money and go outside of the free or the low-cost option that your core is providing you, but you can provide a very personal, very comfortable, very effective way of digitally bringing your clients into your organization. And then thinking about, once they're there, "I'm not going to see them, I'm not going to shake their hands. I'm not going to give them cookies and cider at Thanksgiving time. How do I welcome them into my organization so they understand everything that I can do as an FI, and they stick around long term so they're not just there for the \$500 bonus on the checking account that they got when they opened their checking?"

James Robert Lay:

So I've got three thoughts that popped into my mind as you're downloading this to me. Number one, you said the word mindset.

Eric Cook:

Oh, yeah.

James Robert Lay:

This is definitely a mindset opportunity to transform hearts, to transform minds internally. That's number one.

James Robert Lay:

Number two, it's the idea... This probably happens more than many people know. I actually see that on my side over here. And it typically is at a leadership level. It even might be at a lender level, it could be at a branch manager level because we attach our self-worth to what we do or to what we have done. Therefore, in my mind, I think online application, I think irrelevance... "Well, I'm going to do everything possible to fight that progress."

James Robert Lay:

And then number three, and this is really what I call heart-centered thinking, which is part of human-centered growth, it's putting the account holder, the prospective account holder, at the center of our thinking, at the center of our doing. Because if we're really trying to throw up roadblocks or challenges to force them literally to come into the branch, it's almost like being at a fast food restaurant and closing

down the drive-through because we want people to walk inside. In my opinion, they're probably going to maybe do it once. But then when they see the line and the friction and the frustration that comes from it, next time they're driving by, they're like, "Ah, I'm going to go to the next place that has the open drive-through because it's just that much more convenient."

Eric Cook:  
Oh, yeah.

James Robert Lay:  
And so the question, if you're facing this type of a challenge, are we trying to make things easier for us or to justify our "reason for being", or are we putting our selves to the side and putting the account holder, prospective account holder at the middle of our thinking which, there's two different ways of operations here.

James Robert Lay:  
What's your take there?

Eric Cook:  
Well, I'm reminded you talk a lot about putting the customer as the hero and putting them at the center of the story and focusing on... And hear still... I mean the resistance, because it's going to create an inconvenience within the organization, "We can't have people doing this because that's not the way our process works." And I gently push back because if you want to keep your clients for any extended period of time, you have to make sure even when you're delivering bad news, you do it with tact and courtesy. But I push back and I say, "Are we really in this to try to make things as easy for our employees, or are we in this to make things as easy for our customers and the people that want to do business with us?" And those don't always have to be in opposition of one another.

Eric Cook:  
But if you take an organization that doesn't have the ability to take an online application quite yet, because they haven't felt there's a definite market need or they haven't secured budget for it. Well, then let's build a more sophisticated, secure form on your website to collect the information. The customer doesn't necessarily need to know that it's not an automated platform with bells and whistles and automated underwriting and a soft pull on the credit, and it automatically sends all the data into your doc prep. It might be a bit of a haul on your end as an employee at the bank to take that information, to download it, to manually enter it. But to the customer, to the visitor, to the person that's on your website filling the form out, it's as slick as anything else. And it allows for them to get the information to you. And if you find that it creates operational efficiencies behind the scenes and it's inconvenient, you've just made your business case that you need to go out and invest in technology.

James Robert Lay:  
Yes. It's funny because two things popped up to the top of my mind. Number one, it's a quote and I had to pull this over here. It was from the head of IT at an Asian Pacific bank. And the quote is this, "We are focused on customers and serving them as best we can. If that means we have to disrupt the way we operate, so be it."

James Robert Lay:  
The second thing is this point of a use case, it's almost like demand generation, but it's internal demand generation.

Eric Cook:  
Sure, sure.

James Robert Lay:  
Because I always get the question of, well, what comes first? Do we build, for example, a digital sales team or do we create the demand to prove that we need a digital sales team? I say always create the demand, knowing that there's going to be some growing pains in the interim until you kind of get that team staffed and ready because otherwise you've build the digital sales team, and they're sitting there twiddling their thumbs, "What are we supposed to do?"

James Robert Lay:  
I want to come back to the human condition on this a little bit, because you mentioned this idea of fear before. When you think about leadership, a loan officer, a branch manager, digital is like literally transform the world. It has flipped people's worlds upside down when it comes to growth. Because before, you'd have some type of marketing broadcast TV, radio, print, and it would drive people into the physical branch location. We'd conduct the transaction. Boom, life was good. But now, there's so much more complexity in... What is it?... in 92%, from the studies that we've conducted, 92% of people are starting their shopping journey for financial product online. The other 8%, you're like, "What are they doing? Walking to the branch?" No, they're actually having conversations with friends, with family, asking. And then going on online to validate. So therefore, it's like a 100% of people are at least doing some type of exploratory research.

James Robert Lay:  
And then what happens next, it could be in the branch, it could be over the phone, it could be online. But you have to consider, people that have built a career around growth in the physical world, they built their entire career on brick and mortar, it's normal. It is the human condition for people to, one, fear what they don't know. And two, fear change. And all of this is really getting amplified at an exponential rate. We're at a tipping point because things have moved so quickly over the last 18 months through the COVID experience. It's going to get quicker. And so I want to get your take on this, if it's going to get faster, if it's going to get quicker... Before I give my perspective... what's the opportunity here? What's the next best step?

James Robert Lay:  
You mentioned, for example, you could maybe build something out to bridge the gap while might not be fully automated and fully funded, and do the decision checks, and the credit pools, and the KYC, at least it's better than having nothing, which we have found through secret shopping studies is detrimental because it does create friction in that buying journey. What's your take? What's the opportunity?

Eric Cook:  
Well, a bunch of stuff is rattling in my noggin right now, because I mean, it always happens whenever you and I talk. It's like, "Okay, where do I start first?" I think going back to the shift that took place, thanks to that sneaky little virus that interrupted everybody's lives, oh, 20 so months ago. While everybody understood maybe at a philosophical level that digital innovation was something that was needed, the reality was nobody really got the choice to jump in the pool.

James Robert Lay:  
Correct.

Eric Cook:

Everybody was standing there kind of going, "Yeah, probably should get in there and do some swimming, but I'm not sure." And then all of a sudden, big bully COVID shows up and shoves everybody in the deep end and says-

James Robert Lay:

Swim.

Eric Cook:

... "Okay, figure out how to swim, how to tread water. And you're not getting out for a while." And some people instantly didn't like the cold water. They didn't want to be there. They wouldn't have gone, they never would've gone. Others maybe would've gone there. But you know what? It would have been nice to be able to walk down the stairs, to get into the shallow, to get comfortable a little bit and then make my way into the deep end so that I get comfortable with the experience. So now it's just not all of a sudden, boom, I can't touch, and oh my gosh, I'm going to die, kind of thing. And so like it or not, we've been thrust into the deep end and you have to figure this out.

Eric Cook:

I think the empathetic position for some of these senior managers is to figure out, and I don't know, who's the right person to do this, but to figure out within your organization to go back and acknowledge that fact and to provide some basis of, okay, I know we probably should have done this, but we didn't have a choice. We had to keep open. We had to take care of our customers. We had to collect documents for PPP. We had to, we had to, we had to... Now that we can come back and do a little breathing room, let's do a little digital culture training. Let's talk about how your job is not at risk. Let's reassure our employees that the world is not coming to an end as we know it because 20 years as a banker has gone out the window and now everybody's applying online, where's my sense of worth and bad value and relevancy in the organization?

Eric Cook:

We need to have that discussion and to come back. And we need the right person to be able to lead those conversations with people, to make sure... I mean put a little hug around them and say, "It's going to be okay, we're going to train you on how to do stuff. We're going to show you why it's not a threat. And if anything, it's going to give you more time to take care of the people that you really need to take care of so you don't feel so pressured." And that is one of the big thoughts that jumps into my head. And I'm curious what you think about that. Because when I mention empathy, I know the listeners can't see us, but I saw your eyes light up because I know empathy is a topic that you're pretty passionate about.

James Robert Lay:

EQ plus AQ is going to be greater than IQ over the next three to five years, like it's intelligence-

Eric Cook:

See, where have I heard that before?

James Robert Lay:

Yeah. Intelligence alone is like... Yeah, you can be smart, but unless you're overlaying it contextually, like I understand where you're at. I really feel for you. And that's why like we've really, over the last 18 months, have tried to codify this into what I call the three Ts for transformative growth. And I'm not surprised, 60% to 85% when you look at like Bain and BCG, and all the big consulting firms, they're coming back with the same number, 60% to 85% of all transformation projects fail not because of

technology. They fail because of the human factor, the human element. I am so excited to be writing Banking on Change as the next book in the series.

James Robert Lay:

And here are the three Ts, number one, all change, all transformation must begin by telling the truth about where you've been, where you're at and where you can grow next. And that is the honest, hard, difficult conversations. And if you don't know something, admit it. It doesn't mean that you're a failure, you're not a good leader. It just means that you just don't know what you don't know.

James Robert Lay:

And that brings to the second T, which is the training to help the unaware become aware of what the opportunities are to begin with in the first place. Because, it's that awareness that you begin to overcome the fear of the unknown. I'll never forget this, it was a couple months ago, I was leading a board strat session for a two billion dollar institution up in the Northwest. It was the second strat session. There was about 30 individuals. So the first one we did, it was remote. The second one that we did, it was board and executive team, and it was in-person.

James Robert Lay:

And we were on a break, I was in the bathroom and washing my hands. And a senior vice-president of retail, who's over on the branches, comes up next to me. He said, "Hey..." I said, "Yeah." He said, "I just wanted to let you know how much I've enjoyed the conversation today so far and how much I've enjoyed your book." I said, "Well, I appreciate that." He said, "Whenever I was told that I had to read your book and I saw the title, I didn't want to read it." He said, "But you've given me some hope for my team." I said, "Exactly." And I said, "If you can now take that and then deliver that back to your team, put their minds at ease that we need people."

James Robert Lay:

It might not be contextually through the branch experience because that then brings me to my third T. You got to tell the truth, number one. You got to get the training, number two. But number three, taking time to think about the next best steps forward, which requires us to what? To break free from the doing, which is a very dangerous place to be. It's a very dangerous place to get stuck because when you're constantly on this hamster wheel of just continuous doing, and digital almost creates an environment to where you can be doing literally 24/7/365. The problem with that is, is we're not robots yet. Our computer is built a little bit differently than... But even then, you still have to plug your phone in to recharge. We have to do the same thing as human beings, as leadership teams to step away, to create space and time to review what we've done, learn from that experience, think about what we can do next and then apply that to our next iteration.

James Robert Lay:

That whole process, we call that the 90-day growth method. That whole process, it's a new concept and a new idea within... It's very common in the software development world to work in Agile and sprints and whatnot.

Eric Cook:

Oh, sure.

James Robert Lay:

Even marketing is becoming more common place for an agile marketing department. But then if you take that thinking and apply it to the other areas of the organization, they're like, "Whoa, what about the three to five year horizon line?" I'm like, "Not applicable anymore?" 12 to 18 months.

Eric Cook:

Yeah, [crosstalk 00:22:58].

James Robert Lay:

24, if you're lucky.

James Robert Lay:

Yeah, exactly.

Eric Cook:

Yeah, yep. Amen.

James Robert Lay:

That's my take, man. Like, it's telling the truth, having the honest conversations, the difficult conversations, which takes courage, but remove the emotion out of it. It's objective. We're not here to hurt people's feelings. We're here to just to grow together.

Eric Cook:

Oh, absolutely. Yeah. Yep, yep. Give them the perspective of what's really going on. And yeah, so those three steps, that basically is exactly what's going on in my head when I think of that is, getting them excited about what lies ahead, not intimidated by the demise of their role, the demise of their job. And letting them acknowledge that it's okay to feel this way, your world, our world, the world was turned upside down. And so we've got to acknowledge that, but we also see that there's opportunities here. And those are the ones that, I think, are ripe for the organization that gets it.

James Robert Lay:

Just like I write and speak and teach a lot about giving account holders and prospective account holders, give them some help, give them some hope, but hope often has to come before help. The same is true in here, but now it's an internal conversation.

James Robert Lay:

Eric, as we wrap this up, this has been a great back and forth here with you today, what would you recommend to the dear listener to give them some help? But I even say more importantly, give them some hope as they look ahead forwards towards the future that they can create. What would you say on this point here, as we wrap up?

Eric Cook:

If you're someone that's struggling with this transformation concept, I would say go old school, get pen and paper and just let your brain dump. Write all of the things that you are worried about, what freaks you out? And be totally honest, just let your mind flow right to your paper. And I think just getting it out on paper is, one, where you can actually see it. And then when you see it on paper, you might look at it and go, "Really, that's what I'm worried about?" And if there are things that are legitimate, that you still are concerned about once you have it documented, then maybe lead a discussion within the organization, or find somebody, a colleague, it can be somebody within your own institution, or one of



the things that I loved about being a banker is meeting people at conferences and conventions and banking schools.

Eric Cook:

And you probably have a confidante across town, across the country, across the state that you've connected with. And if you want to brainstorm, I can probably offer you, but I will definitely offer me, and you can say, "Yeah, you too." But reach out and just explain where your fears are and what you're concerned about and have somebody that you can talk to about it. It almost sounds like I'm trying to inject myself as a therapist, but a lot of these things aren't really as bad as what you think. And there's definitely more of an upside potential than a downside drawback to feeling comfortable with where things are headed.

James Robert Lay:

Well, that's one of the reasons like if I think about just my own personal story over the last 20 years, the first 10 years was doing all of this. Then I took about five years to consult around it. And now it's moving into more of an advisory and a coaching perspective because if we can get that self-actualization to happen internally, that's where massive growth really takes off because otherwise you're coming in from the outside and saying, "Hey, I'm seeing all of this stuff over here, why don't you go do one, two, three, four, five, six, seven, eight, nine, ten?" Well, then there's still that internal friction. And as you were talking about, literally like this is what I call my growth ability. I can take an idea, visualize it, and turn it into a model.

James Robert Lay:

And Eric, we just made something together today. And so I'm going to take a riff on you, that's why I love doing these right here. Here it is, get a piece of paper and I want you to write down three columns. So, cut it into thirds. The very first column is, what you're clear and confident about. The second column is going to be what you are confused about. And then the third column is going to be what you're concerned about. That's a great way to segment the mind is, what are you confident about? What are you concerned about? What are you confused about? And I think just like you said, doing a brain dump, pen and paper. It is still pen, paper, one of the most powerful tools for strategic critical thinking. I'm a big believer in both just to, once again, unplug from the matrix for a moment, reconnect with the self and then get a download into the sub super-conscious, conscious, subconscious mind, however you want to frame it. And that's a great exercise right there, man.

James Robert Lay:

This has been fun collaborating riffing with you.

Eric Cook:

I think we just created like the 3C model of digital transformation. There's got to be some sort of a name to it. But yeah, I just wrote that down as well. So, those Cs are perfect.

Eric Cook:

And you just talked about the confidence, because that was one thing if you're concerned. But if you're comfortable with where things are at, put yourself in the position of other people that you're working with and try to get into their shoes and say, "What are my coworkers? What are the things that I'm hearing? And how can I, as somebody that's confident in this new digital age, how can I help this loan officer? How can I help this branch manager recognize that this is not a threat to their job? If anything, it's an enhancement. And to be able to be part of that change process."

Eric Cook:

And so I know we wanted to talk about account opening and digital onboarding and we touched on it a little bit. Maybe we'll get more to that in a future episode, but I always love chatting with you and never know where the conversation's going to go. I just know that when I get done, I want to go do a bunch of pushups and run around the block several times because you get me jazzed and pumped up. So, thank you-

James Robert Lay:

Well, you've done the same today. And I always appreciate the thinking and the mental sparring that we can do together to provide clarity. And we started on that path of account opening, but I think we got into some really deeper level areas here that can provide a positive impact within all areas of a financial brand, even of a FinTech.

James Robert Lay:

So, with that being said, conversation, what's the best way for someone to reach out, connect with you and continue the conversation, Eric, that we started today?

Eric Cook:

So I'm on LinkedIn quite a bit, Eric Cook MBA. I would encourage you to visit us at WSI, poweredbywsi.com. And our mentoring program is now over a year old, thelinkedbanker.com. We're helping banking professionals figure out ways they can leverage their personal brand and connect and build relationships using social and digital tools. I say it all the time, people need to see you as their banker and have a relationship with you as a human being in a valued, trusted, confidants, more so than they need to see you as somebody that works in the institution. And The LinkedBanker is all about trying to get people comfortable with that and becoming thought leaders and building relevancy in the digital age.

James Robert Lay:

Got it.

Eric Cook:

So, any of those areas, track me down. I'm usually pretty findable.

James Robert Lay:

Connect with Eric, learn from Eric.

James Robert Lay:

And I agree with you on this point here, the personal brand is going to be a multiplying effect. Could even be more important... And I know this is a wild thought, but let's get this on tape, and I've said it multiple times already, come back and revisit three to five years from now... The personal brand has the potential to be even more important strategically from a marketing channel and a sales channel over the next three to five years in this digital world.

Eric Cook:

Oh, yeah.

James Robert Lay:

So, The LinkedBanker, check that out.

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James Robert Lay:

Eric, this has been a lot of fun as always. Thank you again for joining me on another episode of Banking on Digital Growth.

Eric Cook:

My pleasure. Thanks, man.

James Robert Lay:

Until next time. And as always, be well, do good, and make your bed.