

James Robert Lay:

Greetings and hello. Thank you for tuning in to the 24th episode of the Banking on Digital Growth podcast, where I, James Robert Lay, your digital anthropologist, commits to simplify the biggest digital marketing and sales strategies that will empower you and your financial brand to generate 10 times more loans and deposits. Today's episode is part of the By the Book series, where I share insights from my bestselling book, Banking on Digital Growth: The Strategic Marketing Manifesto to Transform Financial Brands.

James Robert Lay:

But before we get into today's discussion, I'd like to first give a shout-out to Yuri for his book review on Amazon. Yuri writes: "This book is a clear and instructive manual for gaining a competitive edge by developing your digital growth mindset. It offers a transformative message for practitioners and leaders that is actionable and aimed at generating value as your main competitive advantage."

James Robert Lay:

Thank you very much for the note, Yuri, and I'd like to take a moment to pause and reflect on one word you noted and shared, and that's "transformative" or "transformation." When we think about transformation, our minds might go straight to digital transformation. That's a word that's getting thrown around a little bit too much for me right now. In fact, I think there's a misunderstanding of what digital transformation is at the heart of the matter. And that's because too much of the conversation around digital transformation has been and continues to be rooted around technology, but technology is just another tool, and tools will continue to change.

James Robert Lay:

For digital transformation to be realized and to truly be a success... There's a report that I recently read that 80% to 85% of digital transformation projects fail. That's because the conversation must transcend beyond technology and really start focusing on the people that have to apply the technology.

James Robert Lay:

Jim Marous, co-publisher of The Financial Brand and CEO of the Digital Banking Report, recently noted, and quote, he quotes, "Legacy cultures still must undergo a significant evolution to facilitate the digital transformation underway. While progress seems to be occurring with the development of talent and skills throughout the organization, this is still a major challenge to digital transformation. This relates not just to specific capabilities but also to the need for leaders who better understand how to integrate new digital methods and processes into existing ways of working." Jim finishes up and says, "It is expected that this challenge will continue to only be greater in the future due to the lack of experience in the marketplace."

James Robert Lay:

Now, this is why I believe organizations, in addition to thinking about technology transformations, must really first and foremost focus on and empower the transformation of the individual self, the person, the people applying these technology changes, because change, let alone exponential change, is hard. As I discussed in episode number 19, we as human beings would much rather stay in our cave of complacency where it is safe, it is warm, it's comfortable, instead of having to venture outside into the dark, unknown territory where wild and hungry beasts are just waiting to devour you. Now, oftentimes, we're held back by fear, but fear, as I noted in episode 19, is false evidence appearing real.

James Robert Lay:

So, in brief review here, to transform oneself, one must begin their transformation journey by transforming their thinking. And to transform their thinking requires the gathering of new insights and new perspectives, which only comes through ongoing training and education. Therefore, training and education must be at the heart of digital transformation, not technology. Because once again, technology is just a tool, the tools will continue to change, and really even more so, at an exponential pace over the next five to ten years as we move deeper and deeper into the age of AI.

James Robert Lay:

Those that fail to learn, those that fail to change, that fail to transform their thinking, those will be the ones that struggle. But not you. Not your financial brand. And that's because, instead of talking about all of the changes that have to happen internally in the coming months and years, I recommend you begin really talking about all of the transformations that must occur for you to continue to grow from good to great.

James Robert Lay:

And this is because no one likes change. Change is scary. Change is hard, change is painful. But transformation, transformation is all about leveling up. It's about progressing. Transformation is about evolving, it's about growing, it's about becoming an even better version of yourself to reach and achieve our full potential. And if digital transformation begins with the transformation of the self, of individual thinking, which leads to personal transformation, digital transformation, digital growth, for that matter, as I've noted many times before, starts in the mind.

James Robert Lay:

In fact, the transformational opportunities I see for financial brands in the age of AI are rooted even deeper within metanoia. Metanoia. Metanoia is a Greek word that could be broken down into two parts, with "meta" meaning beyond and "nous" meaning mind. In classical Greek, metanoia actually meant changing one's mind about someone or something. And when we experience metanoia, when we change our mind about something, it means we must let go of the past so that we can create an even bigger, better, and brighter future for ourselves, for our teams, for our financial brand, and really, most importantly, for the people in the communities that we serve.

James Robert Lay:

Granted, and truth be told, letting go of the past is much easier said than done, but that is exactly what today's By the Book episode is all about, because those that cling to and fail to let go of the past put their future at risk. This is something I call digital Darwinism. Digital Darwinism is a phenomenon that we're seeing when technology, consumer expectations, and the competition simply evolve faster than a financial brand can adapt and evolve themselves. Now, when this occurs, banks and credit unions get stuck in the circle of chaos.

James Robert Lay:

Here's how the theory of digital Darwinism typically unfolds and plays out. First and foremost, you have a financial brand, their leadership team, their marketing team, their sales teams, they feel confused of all of the exponential changes occurring around them. This confusion leads to frustration when they try new approaches to achieve growth, digitally speaking, whether that be on the marketing side or on the sales side, and when they don't get the results they had hoped for, this leads to a feeling of overwhelm, because they begin to feel defeated because they just... They start to falsely believe they can't keep up and compete digitally.

James Robert Lay:

This becomes a vicious cycle, and despite all the good intentions marketing, sales, and leadership teams have, they just can't break free from the legacy models, from the mindsets of the past that have left them up to this point really understaffed, underfunded, and underdeveloped for digital growth. And so, the same pattern, the same cycle continues, and they end up just operating in a constant state of conflict, just simply trying to survive, not really making any progress or growth, for that matter.

James Robert Lay:

And so, summing all of this up, where are they? They're stuck in the present moment, informed by... And not even just informed by. I would say something stronger. More so, they're weighted down by the past. And when you begin to recognize and gain awareness of this challenge, something that I discussed in episode number 21, when you begin to gain awareness of long-entrenched legacy models and mindsets that have created significant structural barriers to growth, to digital strategy, for marketing, for sales, it takes time to rewrite the narrative. It takes time to rewrite the stories, to develop a new path, to develop new systems, to develop new processes. But that is exactly what has to be done. It's metanoia.

James Robert Lay:

When a team is stuck in the circle of chaos, one of the very first pain points they typically self-identify or self-diagnose has to do with the awareness they have of a growing technology gap. It's the easiest and most obvious thing for them to identify. And so, they fall behind on marketing and sales technology, and they begin to feel debilitated. Marketing and sales technology, to that point, has actually become the great divider. In our research, we're finding that 20% of financial brands are becoming the digital haves, and the other ones that are struggling to survive, the other 80% are becoming the digital have-nots, getting left behind.

James Robert Lay:

Once again, I want to note, technology and technology alone, focusing all the time, effort, and energy on technology, that's not the answer. Technology is just another tool that brings people together for good to create value. And oftentimes, to make matters worse, marketing and sales teams are already working at maximum capacity. They're overwhelmed. Their leadership teams are still trapped in the past, those legacy mindsets, those legacy models, but they're just not letting go for one reason or another.

James Robert Lay:

And then the last challenge is the struggling to keep up with consumer expectations, and that's because consumers are now very much in control of the communication and the messages that they receive throughout the entire buying journey, on which they decide how to move forward themselves. That's why, as financial brands, we can do nothing more than play the role of the helpful guide on the consumer's journey, because the consumer is the hero. We're not the hero; we're the helpful guide leading them, showing them the way, so that they can move forward whenever they are ready.

James Robert Lay:

So, when a financial brand reaches a point when they can't keep up with these ever-growing consumer expectations, it leads to decay, which, in practice, decay means an erosion of market share. And the same sad outcome is seen when they can't keep up with all of the competition, the competition that's coming in, that's capturing that market share, because when a financial brand can't fill the consumer needs or the market gap and their competitor can, that's the end. That's the demise, that is death.

James Robert Lay:

To get a glimpse of what's going on outside of this industry, take some time to Google two words. Pull up a browser on your phone, and I want you to Google "retail apocalypse." And when you Google "retail apocalypse," you can begin to read the names of once well-known brands that are no longer with us because their marketing, their sales, their leadership teams were stuck in digital denial, they were stuck in the circle of chaos.

James Robert Lay:

When we talk about this idea of digital denial, this is a theory that I discussed in detail in episode number 21. And sure, I've shared these stories before, the stories of Blockbuster, of Borders, of Kodak, of Tower Records, of Toys "R" Us on previous podcasts, but in some recent research that we've conducted, we have found that just in the first eight months of 2020, digital denial and digital Darwinism have taken down more than 7500 retail stores that are closing this year. And this includes some well-known brands: Men's Wearhouse, Lord + Taylor, GNC, Victoria's Secret, Nordstrom's, JC Penney, Sears, just to name a few. And on that last point, I really think it's interesting to note how Amazon is talking about acquiring Sears and JC Penney mall space for pennies on the dollar as part of their digital retail to physical distribution growth strategy, which really began a couple of years ago when Amazon acquired Whole Foods.

James Robert Lay:


But even in the midst of all of this COVID chaos and confusion, of technology tension, I want to give you some hope. I want to give you a path, I want to light the way for you and your financial brand to escape the circle of chaos with confidence, to not only survive but thrive in the age of AI. Now, I get it, words like "extinction" and "apocalypse," they might sound grim, they might sound scary, but this is where I see a small glimmer of hope, and one that can become even greater with metanoia, with the transformation of the mind.

James Robert Lay:

Think about the dinosaurs for a moment, those once-mighty creatures that ruled the earth: T-Rex, triceratops, stegosaurus. When you take into account the theory of evolution, it wasn't actually the biggest, the strongest dinosaurs that survived the mass extinctions. In fact, it was the smaller, more agile, more nimble creatures that could quickly adapt to the changes in the environment. Today, digital, and really even COVID, metaphorically speaking, is like the meteorite that has been cast down on almost every single vertical, including financial services. But just as in prehistoric times, it's going to be the more agile, the more adaptable, the more nimble financial brands who, even within all of these environmental changes happening at both the macro and the micro level, it'll be those that thrive. And that's my hope for you, to not just want to survive, but to thrive, because thriving is all about growing. Thriving is transformation, and to transform requires metanoia.

James Robert Lay:

Take a moment. Think about yourself. What kind of creature are you? Are you like the dinosaur, the T-Rex, the stegosaurus, the triceratops? Or are you more like the smaller, agile, nimble creature that can adapt to the environmental changes happening all around us? What about the rest of your team? What about your organization at large? Because your financial brand is made up of teams, which is made up of people. And this is why digital growth, digital transformation, must begin with the transformation of people. Commit to ask yourself, to ask your team the hard questions, the tough questions that I unpacked for you in episode number 22 as you assess your situation. This quick and simple exercise I



shared is one of the best ways to begin to really help ensure that you escape digital Darwinism, that you don't get trapped in the circle of chaos caused by digital denial.

James Robert Lay:

As we wrap up today's episode and look ahead towards the future, I want to leave you with one of my personal maxims that really helps to keep me honest on a day-in and day-out basis. It's an old Latin phrase. It's two words: "memento mori." And "memento mori" means "remember your death." For example, the Stoic philosopher Seneca wrote numerous letters that were full of thoughts and meditation on death. And if anything, whether we want to admit it or not, COVID has most likely forced us all to meditate on our own demise, which we probably are doing now more than we ever have before, and that's a good thing. And that's why I share this maxim of "memento mori" with you today. Not to be afraid, not to be morbid, but to really encourage you to think of this time right now as your own memento mori moment, for yourself, for your team, for your financial brand. Remember your death. Remember your death so that you may carpe diem, because the future is bright. As always and until next time, be well, do good, and wash your hands.