

Brett King ask, what have been the biggest effects COVID has had on digital transformation? That was a great question, Brett. And one that I looked forward to answering for you on today's episode of the Banking On Digital Growth podcast.


Greetings and hello. Thank you for tuning into the 53rd episode of the Banking On Digital Growth podcast, where I James Robert Lay, your digital anthropologists coach and guide you along your digital growth journey to provide clarity, to help you avoid the biggest pitfalls and mistakes that will keep you from maximizing your future digital growth potential. Today's episode is part of the Inside Digital Growth series. And I'll be answering a question from Brett King. As he recently asked me on LinkedIn, what have been the biggest effects COVID has had on digital transformation? Now, Brett asks me this question when he was guest editing the 35th edition of The Fintech Times, which is the world's Fintech newspaper. And I recommend that you grab a copy of this yourself, because there are tremendous insights that are shared from Brett on his perspective of FinTech in a post COVID world, as well as from Ron Shevlin among others. When Ron's thinking about FinTechs and wanting to generate revenue, they need to do so by creating a financial health platform.

In this 35th edition, I also enjoyed a book review by Pauley Harrison, who was covering Anne Boden's new book Banking On It, which is now available on Amazon. So when Brett reached out to ask me this question, I started to write through my thoughts for an article that was posted on and published on page 28 in The FinTech Times. And I wanted to take some time today to share this thinking with you, because this is a question that I've been doing a lot of reflection on as we wrap up the century that we call 2020. So what have been the biggest effects COVID has had on digital transformation? Because what a century 2020 has been. COVID has completely transformed our lives forever.

And when working with advising and coaching financial brand leaders, I understand that for many change is hard. Change is uncomfortable. It's scary. COVID has forced us to move outside of our comfort zones, to leave our caves of complacency, which is really a good thing. Because the caves of complacency that so many of us have been trapped in, we found a false sense of security there in these caves of complacency. Because we were informed by experiences and constructs that were rooted in the past. And it doesn't matter what vertical you're in, from marketing, from sales, to leadership, from education to financial services, from retail to healthcare, COVID has been a massive agent of change on a scale that none of us could have, number one ever imagined. Or ever thought that we were number two, experience either personally or professionally.

And as we look ahead to the new year, now is the time to make a choice for how we will continue to move forward either as an individual, as a team, as an organization. We can choose to remain stuck in what I call the circle of chaos, where we feel confused, frustrated, and overwhelmed. Because my gosh, COVID has brought the confusion. COVID has brought the overwhelm. But if we stay stuck in the circle of chaos, we're going to get trapped deeper and deeper in the caves of complacency as we cower and hide from our fears of the unknown and what lies ahead. Alternatively, we can choose to come out of the caves with courage and with confidence to move forward, to battle our fears of the unknown, to battle our fears of the change, and blaze a new path that leads to a bigger, better, and brighter future. Because we can learn from the lessons that COVID has taught each one of us.

This is my hope for you. This is my hope for financial services, because I see an opportunity for banks, for credit unions, for FinTech to work together. And finally, finally put the transformation of people over the commoditized transactions of dollars and cents. And to do so, we will guide people beyond their financial stress, which is truly at an all time high, towards a bigger, better, and brighter future. So as we



look ahead to the future, that is ours to create, I want to explore some of the biggest roadblocks that we need to eliminate along with some of the greatest opportunities that are available for all of us. There just waiting to be captured in a post COVID world.


In fact, there are three things that I'd like for you to think about as we continue to move forward together today. Number one, we're going to start off by talking about how COVID has exposed both experience as well as communication capability gaps for incumbent financial brands, for traditional banks and credit unions. From there, we're going to talk through the opportunities that COVID creates for FinTech collaboration. And then number three, we're going to take a peak together into the future that COVID provides all of us.

So let's first explore how COVID has exposed, experience, and communication capability gaps for incumbents, for traditional banks and credit unions. First, by talking about why this is important. And then we'll follow that up around what you can do about it. When I look out at the financial services landscape and think about COVID, I think about how COVID has really been like a trip to the doctor's office for that checkup. The one that you've been putting off for way far too long. You know you should've made that appointment years ago, but you kept putting off the visit because you were busy. Other things kept coming up and life for the most part was good.

You simply didn't have time to do what you knew needed to be done. And as a result, now that you finally made that trip to the doctor, because you probably weren't really feeling so great anymore, put it bluntly, you're sick and tired of feeling sick and tired. What happens? The doctor examines you. He asks you about your symptoms that you've been experiencing. He reviews your labs, looks at your blood work, takes diagnostic findings from the x-rays that his team has gathered. And then something happens. The doctor, his brow begins to furrow, and he looks at you in the eye. Straight look comes over his face because he's about to deliver some not so good news about your health, about your condition. And the doctor explains that if you don't make some changes quickly with your diet, if you don't cut back on your drinking, if you don't start a new exercise habit, you're going to experience a pretty catastrophic event.

This is a wake-up call for you, but something happens. You begin to feel a little bit sorry for yourself inside that you didn't address these issues sooner. However, the good news is the doctor explains, is that you have a choice to improve these areas in your life. And so the doctor gives you a plan for you to take action, to transform your health for the better. Now as you leave the doctor's office instead of feeling sorry for yourself, you feel energized, feel excited about the future that awaits you. And is yours to create with newfound courage and confidence. You see when it comes to financial services incumbents with traditional banks and credit unions, 2020 has been your trip to the doctor's office. And COVID has been your wake-up call. Because it has exposed capability gaps in your growth model that was built for the physical retail world of brick and mortar branches.

Up to this point, many financial brands have simply been content to only dabble in digital as they've adopted digital and mobile banking technologies. But that created a false sense of security for many. Because they took refuge in their caves of complacency, thinking their legacy financial brand, because they adopted these new digital mobile banking technologies, check that off the list we are now digitally transformed. Well, COVID exposed also numerous consumer experience, expectation, and communication gaps throughout the entire buying journey for pretty much almost every single product line, both on the retail side, as well as on the commercial side of the house. And this is because before COVID, many thought from both marketing and sales at incumbent financial brands, many thought that digital was just simply a way of serving consumer needs primarily on the transaction side of the business.



Now looking ahead, the biggest opportunities for traditional banks and credit unions is to reset, to refocus and, to redefine digital growth in a post COVID world. Not just as an exercise at digitizing traditional services and fulfilling activities, which is where a lot of the focus has been up to this point. The opportunity is instead to systematize processes that are centered around the modern consumer buying journey. To unify marketing sales ops, IT teams all to increase website traffic. To generate leads from that website traffic. To nurture those leads with content and automation. And then convert those leads into loans and deposits. Only way that we are going to be able to do that at a bank, at a credit union, is to make a commitment to put the transformation of people in the communities that we serve beyond the commoditized promotion and the commoditized transaction of dollars and cents.

So as we move forward, I want to come to point number two and share what you can do if COVID has in fact exposed, experience, and communication capability gaps for your financial brand. That's because COVID has also created a tremendous opportunity for FinTech collaboration. You see in a pre COVID world, it was easy for incumbents for traditional banks and credit unions to view FinTech as the competition. The competition that was slowly chipping away at market share because FinTech was more nimble, it was more quick to adapt to changes, to respond to changes in consumer behavior, consumer trends, consumer demands. However, just as COVID has exposed numerous consumer experience, expectation, and communication gaps throughout the entire buying journey, COVID has also created a challenge for FinTech. So incumbents are struggling post COVID. FinTechs are also starting to struggle slightly when it comes to gaining access to ongoing capital and funding.

There's an article in ditch Finn asking what venture capitalists see in FinTech after COVID-19. And there was a quote, that shared investors expect a wave of mergers and acquisitions in FinTech once those companies use up their runway. Although this might not become visible until late 2020, or even early 2021. That's when VC portfolios will also have to start booking losses end quote. But here's my thought COVID does not have to be the end of the road for FinTechs. FinTechs who have traditionally up to this point from their view have been competing and working to displace and disrupt the incumbents. Because this idea of competition is something that I've talked about many times before. It is a strategy rooted in scarcity because there will never be enough. But instead of competition rooted in scarcity, the opportunity for FinTechs is to transform that competition to collaboration that is fueled by a future of abundance, where there is more than enough opportunity to go around. More than enough opportunity just waiting to be created or capture.

Continuing to compete with incumbents will really be a challenge for FinTech in a post COVID world. Chris Skinner recently wrote, quote, "Banks don't die. They may be zombies, failed, broken, wrong, stupid dumb, or whatever words you want to use, but you can't kill them". In fact, both incumbents and FinTech have something the other wants now more than ever before, in this post COVID world. FinTechs have the capabilities, the technologies, the operational mindsets that incumbents need to bridge the consumer experience, expectation, and communication gaps that COVID has exposed. On the other side of the coin, incumbents have the audience and the access to communities, both digital communities, as well as physical communities, much more so than FinTech. And it's the access to the audience, to the communities that FinTechs require for scale. So instead of trying to disrupt and kill off the incumbents, the traditional banks and the credit unions, the biggest opportunity I see for FinTechs and incumbents is to approach the future with shared abundance.

You see Peter Diamandis once wrote, the future is better than you think. And that's where there's an opportunity to collaborate together and commit to transform banking for good. We've talked about why it's important to address the capability and communication gap COVID has exposed for traditional banks


and credit unions. We've also have explored what the incumbents can do to bridge these gaps through FinTech collaboration opportunities. And now I'd like to wrap up and share with you how COVID provides a peek into the future for your financial brand, as well as for your FinTech. Because I look at COVID and I see it really as a preview of all the exponential changes that we will experience as an individual personally, as a team, and as an organization over the next five to 10 years in the age of AI. This is why I predict both as an individual, as well as a team, and an organization, mindset will be far more of a strategic asset. Mindset will be more of a competitive advantage than technology alone to maximize your future digital growth potential in a post COVID world.

There are in fact, two mindsets that you must consider and choose from for which you will create and build your future around. The first is a fixed mindset, which looks out at the world and says, gloomily my best days are behind me. And the fixed mindset gets stuck dwelling on the days of old pinning for the physical world of brick and mortar, the good old days. As for digital, people with fixed mindsets, tell themselves they're never going to make it in this brave new world because well, we just don't have the capabilities that the other guys have. Now, of course we know this is not true because once again, there are tremendous opportunities for incumbent financial brands for traditional banks, credit unions to quickly gain new capabilities with collaboration through FinTechs. This complaint though, if it's not challenged of longing for the good old days, or we just don't have the capabilities, it will become a self-fulfilling prophecy. Because this complaint, it's just an easy way to avoid conflict. To avoid the challenges that in the end, you must commit to confronting with courage and confidence.

Because as we've seen from the hundreds of other legacy brands, retail brands that have fallen victim to the retail apocalypse, it was their leaders with fixed mindsets, fixed mindsets that kept them trapped in their caves of complacency. Because they feared facing any type of criticism. The feared failure, they fear change. So they gave up, they quit, and they died. Alternatively, and this is the mindset that I hope you choose, your team chooses, your organization chooses, and it must be an organizational commitment. The second mindset is that of a growth mindset. And a growth mindset looks out at the world with gleaming eyes full of hope and says our best days have yet to come. Our best days are ahead of us. The future is bigger. The future will be better. The future will be brighter for all of us. Leaders with growth mindsets are excited and energized about the future that they have the power to shape. They have the power to create.

Looking ahead to the future, I truly predict that your AQ and your EQ, your adaptability quotient and your emotional intelligence will be far greater, will be far more important than your IQ in the age of AI. So what do you do? Put bluntly, you must get comfortable being uncomfortable in a post COVID world. The best way to start this exercise is today. Take a cold shower and then tomorrow take another cold shower. And then the next day take another cold shower and you will train your mind to get comfortable being uncomfortable to environmental changes. Simple exercise, massive payoff. Little bit of pain in the short term for long-term gain going forward. In addition to getting comfortable being uncomfortable, you must also be empathetic to others who might not be transforming their thinking, their behaviors, their actions, as quickly as you are on your own digital growth journey from good to great. Because digital growth is in fact, a journey. It is a journey that begins in the mind. It is a journey of transformation.

And there are four transformations that have to happen for you to maximize your financial brands, post COVID digital growth potential. And it all starts with the self. It starts with you. Only then can you move from the individual to transform the team and to expand that transformation from the team to the



entire organization. Because then, and only then can you transform the lives of people in the communities that you serve to guide them beyond their financial stress, towards a bigger, better, and brighter future. And yes, I truly do believe that even during what feels like the dark cold days of a COVID winter, the future is bright. And I want to thank you for giving me an opportunity to light your path this year and guide you, guide your team, guide your financial brand, as you have continued to move forward and make progress along your own digital growth journey.

As we continue to look ahead, I want you to think about where you must commit to go next on your own journey of growth. What does that future look like for you? What is the future that you must commit to create as you transform marketing and sell strategies beyond the physical world of brick and mortar branches and broadcast marketing? As you think about what that looks like and what you must do, maybe you have a question that you'd like me to answer. If you do, now's the time to text me. Text me what you've been thinking about that you'd like to get an answer to on a future podcast episode. Text me your question to (832) 549-5792. Once again, that's (832) 549-5792. And remember the only bad question is the question that goes unasked. Until next time and as always be well, do good, and wash your hands.