

James Robert Lay:

Hey guys, it's James Robert. Thanks for joining me for episode number 61 for the Banking on Digital Growth podcast. Today, we're going to go inside digital growth and continue the fireside chat conversation that was hosted by the financial brand Joe Welu, CEO of Total Expert, and I started in episode in number 59.

James Robert Lay:

However, this time, we are joined by Sam Kilmer, who's the senior director at Cornerstone Advisors. And Sam asked Joe and I some very good questions that I know will provide you with a tremendous amount of insight and clarity and to some of the biggest digital growth opportunities available for you and your financial brand to capture, because we're going to discuss solutions to very common obstacles that we see, along with sharing best practices from industry leaders to help you build a foundation for future success. Enjoy the show.

Sam:

Let's make this thing up. Let's have a little bit of fun. I'm just going to open this up. We're never short of a good provocative opinion or worldview, even if you want to disagree with it, maybe even violently to make the conversation more fun. I'll just open it up with an opening salvo that there's certain types of sales and marketing out there that just hang on for dear life. The way I would describe it is sometimes you've seen some of the books on it, the Rainmaker Selling, and what not and we've seen stereotypes of it out in the industry with many of you that remember the movie Glengarry, Glen Ross, with the "Always be closing. Coffee's for closers."

Joe Welu:

That's a classic.

Sam:

You remember the coffee's for closers? Anybody?

Joe Welu:

Yeah, of course.

James Robert Lay:

Smile and dial.

Sam:

Smile and dial. Another one of a more recent vintage, Leonardo DiCaprio in The Wolf of Wall Street said, I'll see if I can get this right. "Sell me this pen." And it was all about the charismatic in-person, or over the sweatshop phone call heavy of selling you something whether you needed it or not. And it just seems to me like over the last several years, we've moved to an environment, where not just millennials but all of us have moved towards self-buying and learning for ourselves, first.

Sam:

It seems like COVID has actually sealed the deal on this for a lot of us. I don't know if you guys have any thoughts on the state of that traditional rainmaker relationship selling. I don't know. Joe, anything you've seen during COVID?

Joe Welu:

Yeah, number one, we've just seen everything accelerate in the direction we're talking about, which is that it's not just about... You can't just think about how do I close more business? How do I do more loans? How do I open more accounts? It's ultimately, how can I create value and a partnership and build a relationship with my customer that not only do we find valuable as an organization, because they're our customer, but ultimately, that they find value in.

Joe Welu:

Then it's the way that you're able to communicate those products, services, the way you're able to educate the consumer. Their expectation for being educated before they make any decisions, is only increasing and James Robert, I know you have a tremendous amount of experience and perspective on this topic, as well.

James Robert Lay:

Yeah, so what it boils down to is really two things. The empowered and the educated consumer and all of that has been brought on by this rise in digital, by the rise in the internet. If you have a question, where's the very first place you go? You go to Google. You ask Google, and then Google will help provide you that answer, that responds to that guidance.

James Robert Lay:

That's really the opportunity that we see for financial brands. I'll never forget, it was only just a couple of years ago, the CEO of a financial brand told me, one of their goals was to push product down people's throat. And so the opportunity was to help the unaware become aware of what the opportunities are to help first and really sell second. And be that helpful guide on these consumers' journeys, because even with COVID, I think what we're seeing is there's still a lot of confusion. There's a lot of chaos and people are looking for two things: they're looking for help and they're looking for hope. And hope often has to come before help.

Sam:

That's a good point.

Joe Welu:

No question. We saw many of the organizations that we've all been fortunate to work with and some of which I haven't been able to have been fortunate to work with, but I've admired how they have, through this environment, this last six months, they really ultimately became financial first responders for the communities that they serve.

Joe Welu:

To see that start happening, to see organizations actually moving with the intention of helping, that was really cool from our seat. And you've seen the industry as a whole and some of the changes that have happened with digital over the last few years, you've seen this new perspective this year from, "Hey, I need to help these customers in a very different environment than we've ever seen."

Joe Welu:

So it's just really changed. Changed the dynamics a lot.

James Robert Lay:

One of the best ways to do that is with an acronym that we use. It's, Going All In. It's three things. It's first and foremost, it's just asking. What's keeping you up at night? What's bothering you? Listening, number two, to those responses and then learning and then using that as a way to craft solutions and really cures to those people's pain points. By just having that open ear, that empathetic ear, it allows others to guide that conversation for you so you're not having to wonder, "Well, what should we do next? How do we help people?" People will tell you how they want to be helped.

Sam:

You know James Robert, as you mention that, it occurred to me... At Cornerstone, we're in and out of several hundred financial institutions a year. Obviously, some are way more exceptional than others at any number of things. Marketing has always been, I think we could all agree, one of the weaker points in banking. Not because of anything sinister or anybody that's done anything wrong, it's not been the focus area. It wasn't on the agenda of strategic planning for many, many years. Just like technology wasn't for many, many years, but it sure is now.

Sam:

As I think about that, I'd love to get your take on this. It strikes me that there's an internal, like what you were just saying makes perfect sense, and what Joe just said makes perfect sense, but somewhere between us all knowing that and then when they translate that into their marketing content and their delivery, it just comes across oftentimes as everybody saying the same corporate squawk. That thing that we know, that we should help people, instinctively, it gets converted into, "We've got the best rate, check it out." And it doesn't translate for some reason.

Joe Welu:

Empathy is lost in the translation, right?

Sam:

Yeah. And it also seems, Joe, this is something that you and I have talked about before too, is when you get inside the financial institution, when you say marketing, it immediately conjures a department, a bureaucracy, an organization. It doesn't conjure a discipline or a center of excellence or a way of doing things.

Sam:

It seems like we've kind of had some organizational funk that James Robert is, folks like you and I have been kind of getting into these shops and we start asking about marketing, we're not asking about a department, we're asking about how you go about doing certain things to help people.

Sam:

I don't know if either one of you guys had a thought on that, but I know that you had a nice view on this that showed the challenge, James Robert, of you've got three different areas that might be organized differently in a bank, might be 13, not even three. But you still have this need there in the middle of the expertise in how you translate that into help.

Joe Welu:

Yes. We've moved beyond a product economy. One that has been commoditized. And when we see historically and we talk and we think about marketing, maybe why marketing hasn't been viewed as a

strategic part of a financial brand is because marketing, up to this point, a cost or an expense center, whether that be TV, direct mail, radio, print, billboards. It's very hard to quantify that.

Joe Welu:

So all you would get is one message to many people, and it was the same commoditized corporate speak, but now as we move beyond a product economy, we're moving through an experience economy. One that is built around systems, and processes.

Joe Welu:

But to me, I'm looking towards the future. The next level up is going to be what I'm calling the knowledge economy or the expertise economy, where the knowledge that we retain, and not only retain that, share that and communicate it out into the marketplace but also to our current account holders, to our current stakeholders, it's our expertise which will become our competitive advantage, whether that be through marketing, whether that we through the sales line, or the service line. Expertise is essential.

James Robert Lay:

And one of the big questions then is ultimately, and this is such an awesome slide and I think it's so on point that is, how do you enable the delivery of this expertise? And ultimately, how do you orchestrate the different functional areas of the business? How do you orchestrate the marketing and the messaging to align with the sales in the service organization, the human beings that are taking care of the customers?

James Robert Lay:

The consumers maybe they're reading something that's helpful, that's educational, maybe it's about small business banking, maybe it's about wealth planning, whatever it might be that they might be reading, how do you arm and enable the rest of the organization so that when that consumer comes in the door and asks a question, they're ultimately have a very on point message that's consistent.

James Robert Lay:

So it's ultimately the big question that we see organizations and you guys obviously have a front row seat to this is, how do you appropriately orchestrate these things to work together, and how then do you enable the delivery of that expertise? And being able to differentiate on expertise and high quality advice as a financial institution? It is so critical in the future and I know you guys agree with me on that.

Joe Welu:

I think the other thing that we forget, so obviously, I think the three of us are all in violent agreement here that there's so much upside potential of getting this right. I think the thing that we oftentimes forget is, we've tended to think in banking that a bad credit portfolio will kill a bank. True.

Joe Welu:

We've tended that a bad acquisition can kill a bank. Also true. But also, if we don't get this digital growth stuff right, it's maybe the third rail that takes us off the rails as a bank, and I think we're not giving it what it needs to know. And I think the main thing I tend to look at is just during COVID, my colleague, our research director, Ron [Chevelin 00:12:11], just recently concluded a study on this where he asked hundreds and hundreds of consumers a representative sample nationwide, where they most recently opened up their primary financial account relationship.

Joe Welu:

And if you take a look at the results here, that green bar there on the far right of each one of these categories is in the last few months, during the COVID and the digital transformation that none of us really asked for immediately, but we all got it thrown in our lap, didn't we?

James Robert Lay:

The great acceleration, right?

Joe Welu:

Yeah.

James Robert Lay:

[crosstalk 00:12:42] it's really accelerated.

Joe Welu:

No doubt. If you look at this, what's happened is, is that mega banks and digital banks like Chime and [Vero 00:12:52] and [Ally 00:12:52], have picked up more than their fair share of new business, and it has directly been at the expense of predominantly community banks. And also, to a lesser degree, but still impacted, would be credit unions.

Joe Welu:

You have to ask yourself the question because what we see is the mega banks, there's one thing this scale of marketing and technology and digital and call center and these things, this is one thing the mega banks and many of the digital banks, they've gotten this right. This is a real threat Don't you think so, guys?

James Robert Lay:

Absolutely. When we look at this idea of scale, that is exactly what digital growth provides. It provides a multiplying effect where two becomes four, four becomes eight, eight becomes 16, so forth and so on. So at first, if I'm a community banker or leader of a credit union or just a legacy financial brand for that matter, an incumbent, I've looked at this point as an expense, because it requires some investment. Whether that be on the technology side, the capability, the content, the talent.

James Robert Lay:

So at first digital will have a hidden dip, but very quickly, we're going to come out of that dip on the other side and digital becomes the accelerant, to use Joe's words-

Joe Welu:

It's a force multiplier.

James Robert Lay:

Exactly.

Sam:

Well Joe, you worked both with community financial institutions and credit unions, but you've also worked with some really big lenders that are really [crosstalk 00:14:24] out there.

Joe Welu:

We've worked with two of the top five banks and then all the way down to much smaller, community financial institutions. So we've definitely had exposure to the whole gamut, for sure.

James Robert Lay:

I want to speak to that point because I think this is very important. I just did some advisory work for a Top 15 European bank, and some of the questions that I was getting from this engagement were the exact same questions that I'd get from a local community bank or credit union here, stateside.

James Robert Lay:

Where I see the opportunity is, a lot of times credit unions and community banks will think to themselves, "Oh, we're just too small for this." Or, "We just don't have the size." It's actually that smaller size that is really a capability because-

Joe Welu:

Speed.

James Robert Lay:

It is. You're able to pivot and turn that ship much faster than the large, giant aircraft carrier. If I think about the dinosaurs, you think about the environmental changes that took out the dinosaurs. COVID's just an environmental change. That environmental change we're seeing with digital, it wasn't that large dinosaurs that survived these environmental changes. The dinosaurs died. It was the smaller, more adaptable, nimble creatures that not only survived, they thrived following the dinosaurs' demise.

Joe Welu:

Yeah, if you're small and nimble right now, you're asking the smartest organizations, those most well run organizations are asking these questions, "How do we use this to our advantage? How do we position ourselves as that guide, as that financial partner to the consumer in these local markets? How do we put our arms around them digitally speaking? How do we take care of them and just be there for them, and make them feel like we understand their needs, what they're going through?"

Joe Welu:

I think a big part of what the financial institutions that have done exceptionally well is they've had a level of empathy and understanding what's helpful for their consumers, the digital banking acceleration and the account openings, I really think that's simply a function of, that trend arguably yes, it's accelerated, but that's already been accelerating in terms of account openings online. You guys agree with that, right? We've seen this trend for a while. That's not surprising.

Sam:

Yeah, no it's not surprising and I would just add that I think when you really peel this back and looking at the session name here, we're talking about digital growth. I can see that there's probably somebody out there in bank land that's saying, "But Sam, our digital banking is strong. We're on Rev Three of our digital banking offering. We have decent account opening that's getting better."

Sam:

One of the things that I always push the pause button on that is to say, "Those are probably the two best areas in terms of the terms of the state of the state right now when we go and peel the onion bank at

Cornerstone, on a typical bank or a credit union right now, I've got this loosely laid out here on this slide but I've adopted the federal government's homeland security color coding methodology here. Hope that's not too big government for you entrepreneurs out there.

Sam:

But the point to make here is that we would say that you're right. Your digital banking systems out there, you put a lot of attention in those. And if you look at your account opening systems, I suspect many of you are pretty critical of them right now, and probably rightfully so. But believe it or not, that's actually not too bad either.

Sam:

It's a little bit of a yellow, it's caution, but it's not too bad. It's the other areas, a couple of the areas that we've been talking about thus far that are really the oranges and red, flashing red beacons that we're finding out there, which is just, "Are you giving people what they need to help them in a way that allows them to buy for themselves?"

Sam:

It's this self-guided help and you mentioned, James Robert, when somebody goes to Google and the knowledge search and really putting this together in automation with your Mar Tech and putting all that content out there. I don't know if either one of you guys have a... When you see this picture, what do you see? What do you see here? Does anything jump out at you?

James Robert Lay:

I think the first-

Joe Welu:

[crosstalk 00:18:32] security colors jump out, for sure.

Sam:

Thank you. We appreciate that, slide ware over consultancy. We're working on that.

Joe Welu:

That's great.

James Robert Lay:

I was actually going to take a different approach. I actually see this is almost like the report that you get whenever you take your car into the mechanic. The mechanic will look at this, but I actually see this and mapped out to almost what I call the digital consumer buying journey. And we've done a great job to your point, Sam, of the service side of the business.

James Robert Lay:

So once someone opens an account, we can conduct and interact with them digitally through mobile apps, et cetera. But as we move up into the buying funnel, that's that area of awareness and really the consideration stage of the buying journey, that's where we're seeing the greatest gaps that can be bridged going forward.

James Robert Lay:

And so that is the greatest opportunity. And to the point of this idea of going to Google, I think we can look at financial services and the complexities of a checking account or really even more so, on the mortgage side or the lending side, the complexities of getting that loan. It's almost like healthcare, right?

James Robert Lay:

You can go and you can Google your symptoms and Google's going to give you a lot of information, but that expertise from the doctor, from the physician to overlay the context of a person's unique situation that's almost what we're seeing with financial services, from that perspective of expertise.

James Robert Lay:

Because you can get some general broad knowledge, but to apply that through the financial brand, that's powerful.

Joe Welu:

The thing is I think it is exceptionally powerful and if you look at the first couple of layers here, digital banking, digital account opening, there's no question there's various phases of should we say, optimization and refinement that is maybe going to happen in those things? But arguably, that's becoming table stakes very quickly from our perspective.

Joe Welu:

What's not becoming table stakes where we see a huge open field opportunity then is, as those people are coming into the organization, how do you number one, engage, interact with them in a way that's going to create tremendous loyalty and advocacy from those customers? How do you provide them value and advice using the data and analytics, so at the center of this, I look at that, "Really, this is a great slide." The center of this says, "How do you use the data in analytics and then action on that and enable the humans that are actually advising and taking care of your customers?"

Joe Welu:

I think it's so awesome to think that we're in a place, as an industry where the data, the technology, all of the things exist to actually have a more positive impact, and a better outcome for a consumer. If you think about a lot of our roots are in the lending side. So how many people have got the wrong type of loan?

Joe Welu:

Well today, you have the opportunity to really distill down and help people make better financial decisions. If you're an organization and I'm looking at a path forward and how do we grow, man if you can get to a place where you're really helping people make better financial decisions, there's a lot of opportunity there from our seat.

James Robert Lay:

Absolutely. And one of the things that you said and I want to build upon that thought, was this idea of the data and analytics. That gives the financial brand an ability to, as the title here says, to target. To target people from a proactive stance. Leaning into other people's pain points because historically speaking, we as financial brands, we've waited for someone to raise their hand. But now with all of the data, we can take a proactive stance, do outreach to meet the person where they're at on their own, individual financial journey.



Joe Welu:

On that lifetime journey, right?

James Robert Lay:

Yes.

Joe Welu:

What milestones? Through data now in many of the organizations that we see, and Sam you guys have an obviously even deeper perspective, but the amount of data and things that your consumers and hopefully you're managing the compliance correctly and you've got all your opt-ins and what not, but assuming all of that's there, the amount of data that you have on your customer can inform how you should be engaging with him, and most likely what is the next big financial milestone that they're going to have at this stage of life?

Joe Welu:

And then, you should be delivering things that are going to help inform that next financial decision. So you're building that trust that James Robert always talks about. If you're delivering things that are more relevant and more helpful, you're going to create a much more trusted relationship and give you the opportunity as an organization, to then help you make recommendations on products and services that will be the rights ones for them at that point.

Sam:

Yeah, it's a good point, Joe. I always, a little bit hesitate here, when I put up the reds and the oranges, because I'm always fearful that you'll have a financial institution... We're always being very mindful of, of course, you don't just go into a bank and say, "Well yeah, your content and your call center sucks."

Sam:

"Of course they are. That's why we're hiring you. Tell us something that we can do about it." I just point to these things because they're obviously challenges, but I think the more important thing is, what can you do about it? How can you prioritize those things? So we laid out a few things that you can think... getting back to James Robert's whole point of help first, is what's the three point plan that you can get to here. A few thoughts, and I'd really like to get you guys going on this and maybe have, Joe, have you maybe dig in on the messaging part of this.

Sam:

But we think that there's three things to be thinking about. First of all, how to optimize your messaging and what are some specific things you can do. You can see that we have those lined out there. Do you use a consultant? Well, sure. Consultant's like me like it when you use consultants. But you can do some of this yourself, too.

Sam:

Then you build out the ecosystem, know what's out there. Be aware of your options in terms of Mar Tech and content systems and then, of course, empower the talent. This isn't just a plug it... what is it we always say? "This is not set it and forget it, Ron Popeil." This is going to take some effort from some heavy lifters and probably some talent that your bank may have not thought about paying that much over the years in doing this.

Sam:

Joe, I know, you put so much work in this first piece of helping people craft messages and calls to action and getting that into their assets that they can then put into place, whether they're federated throughout the bank or whether they have a central marketing, however that works. What are your thoughts on that?

Joe Welu:

Yeah, so number one I think first of all, these steps are all critical and none of this is a one time, let's do this project and then we're finished. These are very iterative things that for all practical purposes, you're on a journey of constant improvement and optimization of these core capabilities and systems.

Joe Welu:

You have to understand, I always think you guys say this a lot, which is the reason we're huge fans of the work both of you guys do is, you meet organizations where they're at, wherever that is. So if your step one is, in many cases, looking at your customer journey that you have for your different personas and then understanding, what is the communication that is going out and that means messaging in many cases?

Joe Welu:

That might be emails, it might be social posts, it might be direct mail, but how are you communicating with that customer? All relationships, the quality of every relationship in anything boils down to the quality of the communication. And if you don't have that nailed, then it's really hard to get to the next thing.

Joe Welu:

So I think as step one, that's a critically important component and the first thing that we would advise, whether somebody's working with us or not, we have a lot of conversations where, "Hey, if we can be helpful and give some free advice, we love doing that."

Joe Welu:

So that would always be a logical first step is, audit your customer journey, look at how you're communicating with your existing customers and then identify the quick wins from that list, that review that you just did. Then I think in terms of how can we create progress in 60, 90 days? That step one addresses that.

Joe Welu:

Then, of course, building the ecosystem. We've invested 10s of millions of dollars and continue to invest 10s of millions of dollars in building an open platform because the word "ecosystem" is so important. Whatever technology that you have, has to be compatible and flexible and API first, so that you can integrate data sources and tools because there may be new marketing technology and some solution that will solve one specific problem really well.

Joe Welu:

Is your organization have a foundation that can spin that up quickly and get it deployed? That's getting that ecosystem right, so that's critical. Then, of course, empowering your talent. This is, and James Robert, I'd love your feedback on this, but ultimately I think this is one where we see organizations

struggle here a little bit. In some ways, it's because they want to try to take the roles of the people that they have today and force them into these new roles that they really need.

Joe Welu:

In some cases it works, but in some cases, you've got to hire a different skillset which is uncomfortable for a lot of, particularly the smaller organizations.

James Robert Lay:

I've been thinking a lot about this, writing a lot about this, speaking a lot about this over the last six to eight months and what this boils down to is, at the heart of it, is transformation. We are looking at developing and gaining new capabilities, creating some new capacities on the talent side. And when we try to move someone from the past into the future, if they don't have clarity of what that future even looks like, it's very easy to want to stay in what I call the "cave of complacency" where it's safe, it's comfortable, but my call to action for financial brand marketing sales and leadership teams is to come out of the cave of complacency.

James Robert Lay:

Come out with courage. Come out with confidence, but a lot of this is going to begin by gaining insight into what the opportunities are. So when I look at this idea of transformation, training. Training is really at the heart of transformation. It's like this whole system that you've laid out here. It's not a one and done event. Training will continuously happen as the digital space evolves at an exponential pace within the years to come.

Sam:

Yeah, I like the comfort cave analogy. I mean, "Hashtag, come out of the cave." I think the other thing is maybe "Hashtag, drive people out of the cave." It's no longer comfortable. I think the one thing I think is really discomfoting is senior bank executives. They're used to thinking about lenders and branch managers as revenue producers. But when they think about somebody who's a data scientist or a digital content person, they still think about a cost line.

Joe Welu:

It's an expense. It's on the P&L, they look at it as an expense, right?

Sam:

Yeah. This is a financial accounting industry. We look at the P&L, but this is something where we have to breakthrough with a management accounting mindset that says, "The P&L is not going to serve us here. We have to look at this a new way."

James Robert Lay:

I want to address that. I like driving them out of the cave with a stick. We might not even have to drive them out of the cave. We can just ask them to look around at all the skeletons and the corpses that are in the cave, from those that failed to have the courage to transform their mindset.

James Robert Lay:

I think mindset is so critical with this, because when we traditionally think about marketing and sales. And to your point, when we think about sales, it's the branch manager, it's the lender. It's not just sales doing this alone, and it's not just marketing from the old world sense of promotion and placing ads and

billboards. It's marketing and sales aligning around a new perspective. Something that we call the Growth Team.

James Robert Lay:

So it's unification, because marketing has typically been driven by a certain perspective. Sales has been driven by a certain perspective, but when you can unify both around a common purpose, that's a transformational experience.

Joe Welu:

No question.

Sam:

I think I've heard you talk a little bit about this in terms of the human element of this, and trying to tie it all together. I wonder if you could take us through the... Joe, I would like to get your take on this too, is I know James Robert, you've kind of got this whole laid out into a framework that you've written about as an author. Could you take us through this a little bit?

James Robert Lay:

Absolutely. I think a lot of times in this digital world, we all talk about this idea of technology. Technology is just a tool that connects and brings people together, but what we're really focused on is two sides of this equation. We have the digital experience, and the digital experience, once again, is about systems and processes and we can break the digital experience up into three subset experiences: you have the lead experience; you have the customer experience, which is really big in the conversational space today; and then you have another untapped opportunity, which is the referral experience, or activating what we would traditionally call our net promoters to go out and refer their friends and family. Turn that insight into action.

James Robert Lay:

On the other side though, we have the human experience. This is what I mentioned before. The human experience is really two things: it's help and it's hope. And that's multiplied through empathy. When you can bring both sides of those equations, typically delivered through the digital channels, that's the exponential multiplier that we're looking for, for financial brands.

Joe Welu:

Yeah, we discussed the topic, really operationalizing empathy. How do you get empathy into the organization? It's really the huge advantage that so many of the organizations that we all work with have, is they have really incredible people. And so if you think about digital transformation, historically a lot of the people in these organizations, they get nervous about becoming obsolete. Well, you're bringing in automation to get rid of things. Certainly there are efficiencies that can be had by technology, but really where the magic is, the exponential things. The force multiplier things are, when you can enhance the ability for the people in your organization to connect and serve more intelligently, with more empathy.

Joe Welu:

If you can empower that through technology and drive it, that's really an exciting thing to witness happen in the transformations of some of these best run organizations that we see are, that are doing that. It's just very rewarding for them as an organization. And when people have the ability to connect

and serve customers better, you're bringing out the best in them and you're creating a better outcome for the consumer, it's a win/win all the way around.

James Robert Lay:

I like what you said about operationalizing empathy. I think that complements what I think a lot about, which is operationalizing expertise. And both empathy and expertise can be delivered through experiences. I think it's important to note what is an experience? An experience is just a bunch of systems and processes that have been, number one, well-defined and thought out. Number two, applied. And here's the secret. Number three, these experiences must be optimized over a period of time because they will result in one of two things: either A, a positive emotion; or B, a negative emotion.

James Robert Lay:

A lot of this comes back to what Sam was mentioning before, this is about making deposits into what I call a "consumer's trust fund" that sits between their brains and it could take months, years, to deposit enough trust to where they take action to make that commitment or-

Joe Welu:

With your financial brand, or a split second to destroy it, right?

Sam:

Yeah.

Joe Welu:

If you send them a message that's out of context. You send them an email that looks like you don't know who the hell they are, or you give them an offer that's not in alignment with where they're at in the financial journey, you can just destroy any of that trust that you built up.

James Robert Lay:

I was seeing that coming out of COVID with a lot of email communication ramping up. Email, I think, is still the workhorse of what we call the "digital growth engine", because that is where we have all these different channels, but everything typically comes back to email. I'm looking at email as about to experience it's second iteration within the next couple of years. Almost another golden age, because we can get much smarter with email communication through data, through analytics, through insights and [crosstalk 00:36:01].

Joe Welu:

Absolutely. Through watching what's happening with your messaging. If you have systems and you have an ecosystem and a tech stack in place that can give you the view of what's actually happening in how are your customers opening your content? Are they engaging with it? What's happening next?

Joe Welu:

I want to back up just one moment, because you said something that was really powerful and in terms of the expertise and the empathy and the expertise component, I think about the fact that consumers don't really care about your expertise unless you have shown them some empathy. Unless they know you understand them and care about them. So you have to have both.

Joe Welu:

You have to have context about where your customer is so that you can appropriately demonstrate empathy before they're going to listen to your expertise. We see a lot of organizations get that context piece wrong, which allows them to, or prevents them, I should say, from not displaying empathy. Then it doesn't matter how great the advice is, if you burn that, they're not going to give you that second chance.

Sam:

Yeah, if I take a step back and I come back from the consumer, I come back inside the bank, Joe. I know something you and I have talked about is the differences in banks where they don't have a chief sales officer, typically. Some of them have moved to a chief banking officer, but more often than not, revenue leadership's federated throughout the bank. And it occurred to me, so much of our marketing in community banks and credit unions has been, if we can be candid, it's been very deposit oriented. Nothing wrong with that, but it's been very deposit... Of course, in COVID, most banks are sitting around. Credit unions are flush with deposits right now, but interestingly, the chief sales officer of most banks and credit unions is probably the chief lending officer would be the closest one to that.

Sam:

So you kind of have a little bit of a dis-connect with... You have these strong entrepreneurial, hard charging mortgage and commercial leaders over here that just are looking for deals. And then you've got marketing expertise over here on the other side that's largely been around basically getting checking accounts. It's interesting. It's almost like there needs to be a "We Are The World," moment where everybody gets together and shares at the conference room table, if we're allowed to do that again. And just be honest about what we don't know about one another's competencies.

Joe Welu:

I think that's great perspective, and you ultimately, you definitely see that clearly different worlds and almost it's like different universe in some cases, to where you've got the marketing organization and the sales and lending organizations, the people taking care of the consumers. And marketing is treated as sales support or for a lot of the lending organizations, and I agree, from an institution's standpoint, it's in many cases, geared towards deposits and things like that.

Joe Welu:

What it hasn't been geared towards is how do we enable the whole customer lifecycle to be optimized, right?

James Robert Lay:

Mm-hmm (affirmative).

Joe Welu:

And it's the orchestration of the communication, messaging and things that come out of marketing along with the people, that really deliver those special experiences. And if you think about why does every organization, if you talk to all the executives out there, why is it that customer experience is still at the number one top of their priority list?

Joe Welu:

And ultimately, it's because the experience is what's going to drive loyalty or lack of loyalty. It's that loyalty, that ability to have a longterm relationship with that consumer is where all the profit and growth comes from longterm. So you have to look at things different today, certainly, than what people in the industry did 20 years ago.

James Robert Lay:

I say, you bring up a really good point. Where traditionally marketing has been a support role for sales, marketing in this digital space is really it's a demand generator. They can create the demand for the sales team and if we can define those roles, more practically speaking. What is marketing? Two things. It's controlling the brand or the experience and it's to generate leads.

James Robert Lay:

Then sales can pick up those leads, nurture those leads and then convert those leads over a period of time. You have to have both sides of the equation, once again, the digital experience and the human experience, working together. I think that's why we're so big on this idea of being and aligning around a purpose, really beyond promoting just products and putting the transformation of people over transactions, because people are confused about money. People are confused about their financial situation and they're looking for someone to guide them beyond that to a bigger, better, brighter future.

Sam:

Yeah, I'll just point out one key gap that we see a lot of times, guys. And as we all look at in the way we work with some of these brands is ultimately, you want to try to identify gaps where they can have some quick wins and make big progress. So one of the key things and, James Robert, I think traditionally this comes from... Marketing does generate leads. You send out an email blast, a batch and blast maybe, which is sort of the traditional methodology for marketing. A lot of organizations, they fire an email campaign out, somebody raises their hand, it gets kicked over to somebody who then is going to engage with that consumer.

Sam:

But where we see the ball dropped is then what happens to that consumer or that lead or that opportunity if they don't transact or decide to move forward right away? That's where it falls apart, right?

James Robert Lay:

I want to speak very practically to this, because this is one of the biggest pain points that we see as well through some of the studies that we conduct. When you compare community financial brand whether that be a community bank or a credit union and you're looking and you're secret shopping say, the mortgage experience, or even the checking experience, and someone starts the application and they fall off, or they abandon it, or someone raises their hand and they have a question. And it takes sometimes three to five days for sales to the followup with that person.

James Robert Lay:

But then you compare that with say, a FinTECH, who's following up within the first 24 hours and it just doesn't stop there. Then it will continue on for sometimes three to six months through an automated workflow. Coming back to your point earlier, providing the right content with the context based upon their own unique buying situation.

Joe Welu:

Yeah, you have to be-

Sam:

It's almost like on the wheel here, that you put together here, James Robert, of in purchase and onboard, there should be a little off ramp here that says, "This is where it goes off the rails in so many institutions." Somewhere between purchase and onboard, but before advocacy. [crosstalk 00:43:00] actually take hold. You really lose the mojo of [crosstalk 00:43:05] you were trying to do.

Sam:

Sorry, Joe. I wasn't trying to interrupt you, there.

Joe Welu:

No, same topic and theme that I was going to talk about is ultimately, there's places along the way that there are clear gaps where the ball is dropped. The good news is for many organizations, there's some pretty simple things that they can put in place from a process and a technology standpoint, to incrementally improve in that area pretty quickly, because a lot of organizations have a very distinct transition when somebody inquires on something. If they don't move through the funnel and become a customer right away, many times they get forgotten about.

Joe Welu:

The vast majority, and depending on the business line, but the vast majority of those consumers will end up transacting with a different institution.

James Robert Lay:

Yeah. One of the best examples that I've heard comes from Four Seasons around this point, "Automate the predictable, humanize the exceptional." And I hear branch managers lamenting the fact of, "You know what? I've got all of these leads in my pipe, I just don't have time to followup with them." That's where automation can come in, help to rank and prioritize who is what and where in that buying journey so that now, as a human being, I can reach out to those who are really at the time to get that human context, that human touch point.

Sam:

Really interesting.

Joe Welu:

Well said.

Sam:

I know James Robert, we've got a lot of models here to think through, to help tell the story or the journey of progress. I wonder if you could take us through this strategy circle here, that I know that you've put a lot of work into?

James Robert Lay:

So it's how do we make the intangible tangible? That's where the models... How do we simplify the complexity of all of this. That's where the models come in. And banker is an acronym, to where we're



looking at six distinct areas of operational efficiency to communicate empathy, to share expertise and the very first step in all of this is to build an audience with data.

James Robert Lay:

The whole goal of this is to drive traffic to what must become the most profitable source of growth, source of revenue, which is a website that sells. Not just a glorified online brochure, but a website that sells and is focused on lead gen and lead acquisition. So what do we do next?

James Robert Lay:

Now that we're driving traffic, marketing can then attract MQL's or Marketing Qualified Lead with personalized offers based upon someone's either: A, digital exhaust or digital behavior; or B, their transactional behavior and the transactional data. The third point, as we attract these marketing qualified leads, every lead is going to be in a different stage.

James Robert Lay:

This is where we can begin to nurture those leads with automation and context and content come into play because we have to make those micro deposits in the consumer's trust bank to increase that trust over time, because from that point now sales can begin to convert those leads for loans and deposits, and then to the point of what we were talking about before, the journey's really only beginning because we spent so much time, effort and energy as financial brands to go and drag these leads in and convert these leads, but then we have to give them a positive onboarding experience to expand those relationships.

James Robert Lay:

The way that we do that, is by delighting accounts. We have to make them continue to feel good, to affirm, to reinforce their decision to do business with us, because then and only then, do we have permission to ask them to refer their friends, to rate us on Google, or to review us, that experience and then that referral repeats the entire cycle all over again.

James Robert Lay:

So marketing attracts-

Joe Welu:

[crosstalk 00:47:08] a flywheel.

James Robert Lay:

Yeah, marketing attracts, sales engages and service delights.

Sam:

What do you see here Joe? What jumps out at you?

Joe Welu:

You know, ultimately this is such a great slide, I'm looking at it here on my laptop with a little more detail. But I think it's just so well done in the way it lays it out and I think the part about the magic that can happen in step five and six, where you're expanding relationships by delighting accounts and then repeat with ratings, reviews and referrals.

Joe Welu:

Those two steps can drive so much growth and value for an organization, yet so many don't ever have the opportunity to get to that point, because they dropped the ball somewhere. Through that initial parts of the journey, maybe they do a certain step wrong, but the way they're connecting everything together and orchestrating things, there's a gap somewhere, a lot of times, that prevents them from getting to that point.

Joe Welu:

And sometimes it's just really driving the workflow to create that next action to have that human touch inserted somewhere. Maybe it's a text message saying, "Hey, thanks for checking in with us and inquiring about whichever product." People are still going into branches obviously, somebody stops by, having a message go out that feels very personalized. Those are the types of things that can really, in an instant, elevate the experience a consumer has to a place of, "Wow, that was personal. They actually cared about me as a human versus just I want to open another account. I want to do another loan and rifle you through the assembly line, so to speak."

James Robert Lay:

Yeah, the whole goal of the banker strategy circle is to provide a framework for what I call digital consumer journey mapping, because when we look at, historically speaking, journey mapping it's typically just focusing on one of these elements. But it's all of these elements working together as a whole. The sum is greater than its parts. And I think Joe, when you're unpacking those insights, there's three things to consider when it comes to digital consumer journey mapping. Three key questions, because journey mapping is an exercise in empathy.

James Robert Lay:

The first question to just ask and consider is, from the lens of the consumer, where do you want me to go, number one? Number two, how will you help me get there? And then number three, how will that make me feel? If we can keep those three questions at the top of our mind when mapping out these experiences in empathy, these experiences in expertise, we will continue down towards a path of digital growth.

Sam:

Oh, if nothing else, if you're a banker out there and you think that credit is science, and operations of a bank is science, but sales and marketing is somehow another, a guru thing or a Svengali thing. What you're looking at here is the engineering of the mashup of sales and marketing into a process. And every single one of these things is measurable, just like loan loss. Just like any other aspect of the banking process.

Sam:

So I would encourage bankers to peel this apart and look for things that you can measure here. What is your speed to authenticate a new account? All the way down to an active debit card. How many leads are you converting into applications?

Sam:

Most bankers know how many applications convert into closed loans because they have to know that for compliance reasons. But usually if you ask about how many leads they get that don't get qualified, it's humina, humina. It's a black hole. So I would encourage people-



Joe Welu:

Or a field of opportunity, however you look at it.

Sam:

How about that? Let's close on a positive note. And you guys, this has been... this has really been a lot of fun.

James Robert Lay:

Yes, this was such a fun conversation. And I really appreciated the good questions, Sam asked Joe and I. So do you have a question? A digital marketing, a digital sales question that you'd like answers to on a future podcast episode? Now is the time to get out your phone, text me that question to 415-579-3004. That's 415-579-3004. Text me your digital marketing, your digital sales question and remember the only bad question is the question that goes unasked.

James Robert Lay:

Until next time, and as always, be well, do good and wash your hands.