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James Robert Lay:

Yeah.

Jeffery Kendall:

Because I'd have to address everybody's needs. But if I focused on people who want to go off-roading, I can start making more focused products, I can start thinking about designing a Jeep, something that's going to look very specific and have a value proposition. Banks are the exact same way.

James Robert Lay:

Greetings, and hello. I am James Robert Lay, and welcome to the 71st episode of the Banking on Digital Growth podcast. Today's episode is part of the Exponential Insight series, and I'm excited to welcome Jeffery Kendall to the show. Jeffery is the CEO of NYMBUS, and he is on a mission to help financial brands delight members and customers with best in class digital banking solutions. Welcome to the show, Jeffery.

Jeffery Kendall:

Thanks James Robert, it's great to be here. I'm a longtime listener and fan of the show, so it's a special privilege for me to be here talking with you today.

James Robert Lay:

Well, I look forward to learning from you as well because you're doing such great work right now, a lot of great thinking. And as we start this conversation, looking ahead, looking ahead into the future, because the future is typically where I live. I had a family member the other day ask me, "So, what is it that you do?" I was like, "I bring the future into the present moment to help people see what the opportunities are, so it's just not so scary." And he was like, "That was deep." So, as we-

Jeffery Kendall:

I think that's a great tagline. I hope to be able to share that some day. That's a great way to describe it.

James Robert Lay:

Yeah. And on your perspective, bringing the future, if you will, into the present moment, what are you most excited about right now? What do you see?

Jeffery Kendall:

Well look, I think the way that I view the world is I want to solve hard problems. I tell my team this all the time, I've listed this, I think for the past, probably 10, 15 years of my career, which is the market rewards people who figure out how to solve hard problems, not easy problems. And what that does for us is it's basically trying to give people the courage to think about hey, I know that that sounds really impossible, and I know that that sounds like a huge challenge, but what if it was possible? What if it was possible to go solve it? What would be the opportunity in the

market? And the hard problem that I'm really focused on solving right now is I have a belief that the banking industry is about to ...

Jeffery Kendall:

We all talk about it in platitudes, and everything's being disrupted, and everything's changing, and that's true. But the next click-down is what's the consequence of that? What's going to happen? And one of the problems that I see right now is the community and regional banks are struggling, and are facing somewhat of a challenge looking into the future. Now, they're being squeezed for growth in two sides, which is number one by the big money center banks who have unlimited budgets, and unlimited resources, and unlimited talent to just go and capture big market opportunity. And then on the flip side you have the fintech's, and the emerging challenger banks, and neo banks, and whatever tag you want to apply to it. Those are squeezing from the other side. And the reality is, is that the attrition from customer's deposits, and business, is going elsewhere.

Jeffery Kendall:

And I think that leaves community banks, and regional banks, in a precarious situation. And we've seen this coming for years, so it's nothing new. That's not a revolutionary thought. But now I think the technology, and the ability to do something about it has finally arrived. And that's where I'm interested in doing, is saying, "How do we take technology, how do we take business processes and help give regional and community banks a fighting chance at survival?" It's really simple.

James Robert Lay:

Yeah, I like that perspective. Give them a fighting chance, to not just survive, but I even think thrive in this new world. I like your perspective about solving hard problems. I can't just help but think, JFK's in the back of my mind saying, "We choose to go to the moon. We choose to go to the moon and do other things, not because they are easy, but because they are hard." And if it were easy, everyone would be doing it. But to your point, the market rewards, those that solve the tough problems, and I even think the tough problems ... First principles [inaudible 00:05:27] or principle first thinking really drives a lot of my perspective at looking, not at what's the limitations, but if this is a zero sum game and we're starting over, what can we do? What value can we create?

James Robert Lay:

And it really all comes down to the people. The people problem. The money problem that people are experiencing, the financial stress, and the opportunity for those community and regional institutions to create massive value for people in the communities that they serve. But, to your point, JP Morgan Chase, I mean, they dropped 2.5 billion dollars in marketing. Just marketing, in 2019. And that's huge. So, it's about, I think, not necessarily working harder, but working smarter, and digital is a multiplier that can help us really leap forward and move beyond the present moment, right?

Jeffery Kendall:

Absolutely. And I think it's a mix. One of the things, I had a presentation with a credit union board a couple years ago, and they asked me, they said, "What does going digital really mean?" And the premise was everything's really digital now. Is it really something different? And they said, "Well, what do we need to be successful when we have digital banking, when we think

about that?" And part of it was there's not just one single, isolated category to think about as you're thinking about digital transformation. And to one of the points that you and I have talked about in the past, which is how are you leveraging data? How are you leveraging engagement? How are you leveraging understanding what the problem is with the customer, and the ... That you're trying to serve? And it's really, you have to think across those different categories versus focusing on one or the other.

Jeffery Kendall:

Part of the challenge is right now is that everybody comes at it from a one siloed approach, and if you ask somebody who works at an AI company, or machine learning company, they're going to say, "It's all about the data." And then if you ask somebody who works in a digital banking front-end company, they're going to say, "It's all about the experience." And the answer is somewhere across the spectrum, and I think that's where a lot of the good work is being done right now in the brands, and things like that, is thinking cross, how do we use all these things together versus one individual silo.

James Robert Lay:

Well, that's why we developed the banker strategy circle to begin with, in the first place, because it's about aligning all of these different internal perspectives, and areas of expertise, from marketing to sales, from sales to service, and really all three of those spectrums being supported by operations, by digital, by IT. And at the heart of the banker's strategy circle, it comes back to it's people. When you can step out of the silo, and you start solving problems for people and not just that particular part of the silo, I think that's where the conversations become much easier because the problem comes bigger than ourselves. Which is the pain points of other people. And we're looking at ourselves in a whole new light of people have these problems, these pain points, these questions, these concerns, and they're looking for someone that they can trust to guide them.

James Robert Lay:

Now we have the solution, the prescription, the cures to ease those pain points.

Jeffery Kendall:

Absolutely. And it's interesting, because as the CEO of a software tech company we naturally gravitate towards the tech. We naturally want to talk about how wonderful our features, and architectures, and scalability, and cloud, blah-blah-blah-blah-blah. And that's all great, and that has to be there. And I would sound company incredulous as a software company leader if I didn't say, "Yes, we need that." But where we've unlocked our growth is that we stopped talking about our technology. And it's really funny, because what we start with is what do your customers want? What are you really trying to do? And do it in a way that is authentic, and not just leading them down the conclusion of well, therefore you need to buy our software, that's because that's where we asked the right questions to get you there.

Jeffery Kendall:

But it's really saying, "Hey, we've got a platform that could do lots of things, but it won't make sense at the end of the day in the engagement unless we're thinking about your customer, and what's the particular area where you're trying to grow, or that you're interested in capturing more market share?" So, starting the conversation there, and honestly focusing the majority of what we do on that problem, the other things follow. But you have to have that conversation and be

part of it, or you'll never be successful. It's funny, we recently moved to Colorado. And I took my kids out for their first snowboarding lessons. And I'm watching them go down the hill, and they've got an instructor, it's fantastic. But they keep navigating towards the things that they don't want to hit.

Jeffery Kendall:

And I reminded them, I said, "There's this principle called target fixation, which means that you go where you're looking." And if you took driver's ed, or if you've ever been on a motorcycle, or anything like that, you know that when ... The biggest thing that people make the mistake of is if they think they're going to crash into something, it's because they're looking at it. So, you have to look to where you want to go, and then everything else will just naturally follow. And that's my belief in leading digital banking, and talking about that with customers, which is we'll figure out the technology solution on the backend, but let's look where we're going. Let's make sure that we have a very clear picture of what it is that we're trying to get as the outcome, not just in terms of the project but in terms of the growth.

Jeffery Kendall:

And if you focus on that, everything else follows.

James Robert Lay:

Target fixation. Look where you want to go. And it's that idea of bringing, literally, bringing the future back into the present moment to connect some dots there. This is going to be a big part of the next book, which is called *Banking On Change*. And it uses a methodology that I call Act, because if we're wanting growth to happen it all boils down to doing one thing. And that is just acting. Or taking the time to act. Because we could talk a good game, but if you don't act then you're going to be in the same exact place you are today that you were yesterday and the day before that. So, what is that acronym? It's really about ascending the apex of awareness. You're in Colorado, going up the mountain, looking at where you've been, looking at where you're at down the mountain, and then focus. The horizon line. Getting some clarity into what I call the territory of transformation, because between the apex of awareness, and then the territory of transformation, we have what I call the seven C's.

James Robert Lay:

You're going to have to cross the seven C's. Now, it's going to take time, and it can be really good. It can be clarity, it could be courage, it could be commitment, and so forth, and so on. Or it can be the antithesis of that, the seven C's could be very dangerous and deadly. It could be confusion, it could be conflict, it could be chaos, so forth, and so on. So, I think it's about gaining that awareness, first and foremost, into what the opportunities are, and then coming back to your point with technology. Technology is just the vehicle that we'll hop in, the boat, to cross those seven C's. But it's getting really clear of what that future could look like, not just for the financial brand, but also for the people that that financial brand serves.

James Robert Lay:

And I want to, to that point, come back to getting clear of who we're serving, who we're creating value for. You've done a lot of thinking and writing on the subject, I think it's important. Niche. Niche, getting real clear about who the niche ... The few that we can create the greatest value for. Can you expand on that thinking?

Jeffery Kendall:

Yeah. Absolutely. It's something that I would say has been a recent development in my thinking, and our team's thinking, and how we approach the problem. But one of the things, and especially we're in the business of helping people stand up digital banks, and that's where we're getting our greatest growth, and the market's really excited about what we're doing, and we're grateful for that. But I get a question a lot of times, which is the road of digital banks is littered with dead banks. And people always point to the example of Finn, or maybe even now, Simple-

James Robert Lay:

Simple, yeah.

Jeffery Kendall:

There's more examples than we have time to cover. And the objection is well, I don't want to end up like Fin, and I don't want to end up like Simple. How do I avoid that? And as we did a lot more thinking about what is it that really makes a product successful, forget about banking. You got to think like a product company, which is you have to provide enough compelling value, and a reason for people to come over to your product. And one of the things that we see is a huge mistake in digital banking is just standing up a new digital bank with the same features, and functions, and capabilities, and value proposition as your traditional bank, if you're an existing traditional bank trying to start up one. Or is so generic that your value proposition is just that you're a digital bank. There's no real compelling reason for me to move all my financial relationships over from my traditional bank to the digital bank.

Jeffery Kendall:

And I point to Fin. I'm a Chase customer. When Fin came out, I was really curious about what was going on, I logged in and I was like, "This is exactly what I have that ... In my current relationship with Chase. What's new? Why would I use this? There's nothing different about it." And I see that a lot of these digital banks that just started up, that's just ... It's almost like their value proposition boils down to hey, we're digital. Well, that's not interesting anymore. When Simple started 10 years ago, that was a revolutionary thought. No branches, no ... We don't need any of that. Our collected thinking has evolved, massively since then. It's not about being digital, it's about what are you doing to actually improve my life, or make my financial life easier, or better, or healthier? So forth.

Jeffery Kendall:

And so, the reason that that's hard to do, to get that value proposition right, is that people think too broadly about their market segment. So, if I was trying to design a car that served the needs of 300 million people, I'd end up with a pretty lackluster, uninteresting car, because I'd have to address everybody's needs. But if I focused on people who want to go off-roading, I can start making more focused products, I can start thinking about designing a Jeep, something that's going to look very specific and have a value proposition. Banks are the exact same way. If you think about your customers in this very broad, 300 million population in the U.S., you're not going to have a hook, you're not going to have anything that's going to be compelling for those people to come over.

Jeffery Kendall:

But if I start focusing on a niche of, or a segment of the population, it actually allows me to get to a solution much faster and it can be meaningful to them.

James Robert Lay:

You're echoing the words of Ben Soppitt, who's the founder and CEO of Unifimoney. And they have a specific niche, high income earners, those that make \$150,000 and more, and I think they narrowed their market segment down to about 15 million people, more or less. But they're very clear of who they're going to create value for. And if you fall outside of that, no hard feelings, it's not part of our growth plan. Another one that comes off the top of my head, is Aspiration. I mean, literally on their website they have leave your bank, change the world. There's a good chance your bank is using your money to fund oil projects that destroy the climate. Put your money where your values are, and join Aspiration today. And then they've built their whole positioning, and go-to-market strategy, and even their product design, turn every transaction into a positive action. Plant a climate change fighting tree with every purchase by rounding up to the nearest whole dollar.

James Robert Lay:

They're not going to be for everyone. Aspiration, that is. And they've gotten really clear, though. So, yeah. Okay, I'm a CEO. I get what you're saying. I got some fears though, because it's like well, I'm turning away all this other opportunity. How are you going to help me overcome those fears, Jeffery?

Jeffery Kendall:

Well, I think one of the things that has changed materially is that even in the past three years the cost, the energy, the time, the focus, everything required a tremendous amount of energy if you wanted to start a digital bank, or a segment, or niche bank. So, let's just rewind to a couple projects that I had experience with in my past life helping banks start digital brands. Well, the challenge was is that if you wanted to start a digital bank three, five years ago, you had your core processor over here, you had to take a modern digital banking front-end over here, and you had to take a bill pay provider, and a card processor, and on, and on, and on.

Jeffery Kendall:

And by the time that you got everything that you needed together to start the digital bank, it was you had 15 to 20 vendors, minimum, involved in this. And there was this tremendous amount of complexity to bring it all together, that by the way the bank was responsible for executing on, not the vendors. The vendors all played their individual role, but they weren't responsible for the whole project coming together and being successful. The bank bore all that risk. And what happened is that price tag turned into something that was 25 to 30 million dollars. Honestly the two digital banks I'm thinking of that I was involved with, it took two, to two and a half years, and it was north of ... Close to 30 million bucks, before they ever had one customer.

James Robert Lay:

Sure.

Jeffery Kendall:

Now the technology is evolving, and now that people are focused on solving this problem you can actually start a niche bank for less than a million bucks. And so, what we've done is we've made the decision much, much smaller, and much ... And we've taken the risk off of the bank to make sure that everybody comes together, and launches the ... Brings all the technology together, and we've taken on that risk from our company perspective. And again, we're not the only ones doing great things out in digital banking. There's lots of great suppliers out there, and

great software companies, and we love that. But today it's easier for a CEO to say, "You know what? Starting a digital bank is not risky anymore. It's not going to cost me 25 million bucks, it's not going to take the 30 people in our call center, de-focus them for six months while they learn a new brand, and offer, and product."

James Robert Lay:

Yeah. Let's practically talk about that, because I mean, to build a physical branch location, traditionally, three, four, five million dollars. Easy, easy. And we're talking just kind of average, run-of-the-mill community branch, going to cost \$500,000 to \$750,000 operationally to keep that thing up and running. And you're talking about being able to do almost the exact same thing for a niche market. Because that's almost like a branch in of ... Is there a potential for an FI to have multiple digital bank brands focused around multiple niche markets?

Jeffery Kendall:

Absolutely. Absolutely. I think where the market has started, sort of had to get it's head around, was one, digital brand. As the cost per digital bank goes down, and the niche gets way more focus, you can imagine somebody having 20 digital banks as part of their banks. And so, now-

James Robert Lay:

It's like a portfolio.

Jeffery Kendall:

Exactly. So, the analogy I always use is look, today's banks are like big box stores. I walk into the warehouse store, and there's lots of products, and I could probably find everything I need, and that's one way of going to market. But there's also another way of going to market, which is to think more like a high-end shopping mall. And so, when I walk into the shopping mall there's a Cartier store. And there's a Forever 21, and a Rolex, and Nordstrom, and all these great brands that are very, very focused on what the value is that they're bringing to that customer, what their product offer is, et cetera. That's where I try to encourage banks to think about where we're going in the future, which is don't think about your one big brand serving everybody, think about how am I going to go create brands that actually reflect the base of the consumer that I want.

James Robert Lay:

I even wrote about-

Jeffery Kendall:

And that's where it'll go.

James Robert Lay:

Yeah, and I even wrote about this on Banking On Digital Growth, this idea of you got the Walmart's of the world, they're competing on price. And that's a very dangerous place to be because price sensitivity, it's always going to be pushing downward. On the opposite end of the spectrum, you have the niche brands. And I think I might've used BMW, to come back to your car example, and it's a higher-end brand but they're able to get more of a premium out of it. Because I think, too, financial brands that focus around a niche, you're creating community, you're creating like minds, and you're creating deep level expertise with whatever that niche market is.

James Robert Lay:

Take Chewy, for example, the dog company. You could buy your dog products off of Amazon, but you're not going to get the pet level of expertise that Chewy would be able to provide. And Chewy has its own brand affinity, and community, already built into that whole niche market in and of itself. So, I like that. A portfolio of digital banks, targeting niche markets.

Jeffery Kendall:

I'll make it real for you by example. So, we're working with two bank brands right now that we're launching, and these are examples of what we call niches. So, one is a bank that's focused on the customer segment of newlyweds. So, if you think about focusing on people in a specific journey point in their life, when we get married we bring together two different sets of finances, two different sets of accounts, student loan debt consolidation, there's all these things that, as a newlywed, that there's different financial challenges that you have. And so, we came up with this concept, and we're launching that. But then we asked ourselves the question, I said, "Well, that's a point in time. What happens when you're not a newlywed anymore? What happens in a year from now, or two years from now, or three years from now where you're like, 'I don't identify with that group anymore, and it's irrelevant to me where I am now in my life?'"

Jeffery Kendall:

So, then we said, "Well, we need a bank that serves the next need, or stage of their life." And so, we came up with a concept of an intergenerational bank. So, this whole idea of the way that we think about finances with our family, with our children, with our parents, that's all getting more murky. And there's a big market segment, it's like ... As I got older, I had to start helping my parents take care of their finances. And I'm also helping my 25-year-old daughter take care of her finances. So, I need this point of view that it's not just me anymore, I'm actually managing the financials for people who are part of my family. So, we were like, "Well, as the newlyweds start aging and getting more mature in their life journey, then you move them over into this intergenerational bank," and now they're in a place that serves the needs of that stage. And it can be indefinite, the amount of different stages that you go to.

Jeffery Kendall:

But when you start thinking about the customer, and their life journey, those are the answers you get versus well, let's just have one big brand that serves everybody's needs.

James Robert Lay:

Yeah. And I think about the newlywed perspective. My wife and I, we do marriage prep for couples, and if you're going to focus around a niche market segment, then you can go to others that serve that same niche market. For example, there's a brand called Prepare/Enrich that helps marriage prep. Well, then you can have cross alignment with these other brands serving the niche market, to co-create value for said market, and it's a multiplying effect of value creation across the board. So, there's that co-brand affinity opportunity that I see as well. I mean, this is a great practical example.

Jeffery Kendall:

Absolutely. And I think that's another place where bankers need to worry, or have ... Be thinking about the threat coming in, which is you've seen it ... We've seen it for 30 years with airline miles credit cards, right?

James Robert Lay:

Yep.

Jeffery Kendall:

And every hotel chain, and airline has benefited off of creating rewards points in affinity with their brand, and their credit card spending. Well, now it's actually starting to go even deeper into your financial life, and this whole idea of embedded finance is now taking part in other brands. The Apple credit card is the perfect example, which is you have a big brand that recognizes it has a huge base of consumers, a niche, that they can serve, let's go create a financial product, put it in their hands, and grow like crazy. I think we're going to see a lot more of big brands getting creative about how they take parts of people's financial lives and bring it into their institutions. And I don't think we've seen the apex of where that strategy can go. We're still climbing the mountain, but I looked at examples, like Starbucks.

Jeffery Kendall:

Starbucks has two billion dollars plus of deposits in their gift card program. It's now starting to be like wait, that's actually real money that's going through there. And that two and a half billion dollars in Starbucks used to be out in a checking account somewhere. But it's not anymore. I think we're seeing some erosion from brands and tech that are taking it that direction.

James Robert Lay:

I mean, coming back, make this very practical, a niche banking brand for coffee lovers. A niche banking brand for scotch lovers, niche banking brand for pet lovers. Then you can cross partner with Chewy. And I think it's just opening up, going up to the apex of awareness, and getting really clear about what the opportunities are, and then committing to that, committing ... And here's a question for you. When you think about digital banking, what is a common belief that others in the industry might have about the subject, and the idea of digital banking that you just passionately disagree with?

Jeffery Kendall:

I think it's probably less the disagree with, but I would say that we need to evolve our thinking about the value of digital banking. And the way that I see the journey that we're on, I think about digital banking in .0 stages, because I'm in software, and I'm trained to think that way. But digital 1.0 is basically providing access to tools through either online banking, or let's say mobile banking, when that started taking off. It was all about being able to check your balance, make a payment, see where your money is, et cetera. So, it's really about just information. Then they started moving towards just transactional self-service, which is where digital 2.0, I think, took over. And people recognize that hey, the first version of digital that we had was kind of clunky, the user experience might not be great.

Jeffery Kendall:

It was the first version out, no one knew what they were doing. So, then everybody, probably five or six years ago, got really, super focused around the user experience, the user end-face. Making sure that it was this great experience, like Netflix, or some other great digital brand. But it was still the features, and what you could do with digital banking was still all around self-service. There was nothing that I could do to actually really ... It wasn't focused around opening new accounts, or having access to new products, or thinking about growth. And now I think digital 3.0 is aligned with where your thesis is, for the works that you've published, and the

themes that you talk about, which is now it's not just enough to have a great hi-fidelity looking app. CEOs and banks are going, "Wait a minute. I'm investing millions of dollars into my digital stuff. How is it actually helping me grow?"

Jeffery Kendall:

And when I say grow, I don't mean taking call center calls away. I mean adding new deposits, adding new loans, making things grow in that regard.

James Robert Lay:

Acquisition.

Jeffery Kendall:

Yeah. And that's not been part of the theme yet. And so, I think that as an industry, as software providers and as tech providers, we are behind the times in serving the banks where they need to be. And that's my biggest frustration with legacy tech providers is that we have an obligation to keep pace, and push our banks, and be there for them when they need growth, and we're not doing that.

James Robert Lay:

I want to touch on that. I mean, you wrote a very strong perspective piece on LinkedIn, and these were your words. And you literally just said it. You said, "I'm frustrated by the legacy big tech providers. Their posts, their videos, their webinars, admonishing banks for falling behind and not investing in digital fast enough. It's like the captor telling the captive they should do a better job at escaping. FI's know they need to find new ways to attract and retain customers. Our responsibility as tech partners is to remove obstacles to growth instead of moving the technology goal post, and then telling them that they're behind. They're behind because of you."

James Robert Lay:

And that post received ... I mean, it struck a nerve. It received over 317 reactions, 33 comments. Can you expand on this? Because I'm in 100% agreement with you, as I know many of our dear listeners are as well.

Jeffery Kendall:

Yeah. No, it's funny. Sometimes you have to be naïve or ignorant about an industry before you can kind of see where the flaws are, and I'm not a banker by background. I started my career in healthcare. And I was a software engineer, and for 15 years I was focused on solving problems in healthcare IT and in patient experience. And so, when I started getting interested in fintech and banking, I had an outsider's view. It was sort of like, well, that's stupid. Why are we doing that? Or why haven't you switched your core? And you heard this constant conversation in the market, which I don't think surprises anyone, which is if you ask bank executives and say, "Hey, how do you feel about your relationship with your core banking provider?" It's generally not positive. And in fact, the majority of the time it's probably more antagonistic than that.

Jeffery Kendall:

But people feel trapped, and they feel trapped because the core providers are the ones that they're dependent on to introduce new digital banking technologies. But they're five to six years behind the technology curve of what other things we're used to in our consumer lives. So,

they're just not keeping up with where customers want the banks to be. And it was funny, the behind-the-scenes of that post was I saw an ad from a traditional legacy provider, and it said, "You should ..." It was something about digital transformation, and the need for banks to continue to invest in digital transformation. And I was like, "I can name 15 CEOs that use you as a company right now, and they would fire you in a heartbeat if they could, because you've prevented them, and you haven't given them the digital tools that they've been begging for, for five years." And that, to me, is the frustration.

Jeffery Kendall:

And I also think that some of the business practices that are common in the industry are ... At very least, they're bad for competition and the economy. And borderline unethical. That won't make me really popular with companies that start with the letter F. But I believe that having exclusive contracts is a horrible thing for customers.

James Robert Lay:

Well, it's a horrible thing for customers, and it's a horrible thing for innovation because here's the thing. It's the Microsoft model. And to your point, all progress, all growth, all transformation starts by telling the truth. And I think the more that we have these honest conversations, the more that we'll elevate this entire industry together. And that's the thing, this is about a mindset of what I call abundance, to where there's enough opportunity to go around for all of us to create together. Where on the flip side of this, it's scarcity, and we're always going to be competing, and fighting, and when that happens no one wins. It's a zero sum game. And I'm really hoping to elevate this conversation to a much more positive stance to ... Like the one we've had today.

Jeffery Kendall:

Yeah. I totally agree. I feel bad for a lot of the banks and the credit unions because they want to grow, they want to be awesome at digital. They want to have all these tools, and the problem is, is that they just don't feel ... They can't get those from the legacy providers at the rate that they needed. It was funny, there was another ... I chuckle, and I won't call him out fully by name, but there was an advertisement I saw up on a legacy tech provider, and the headline was, "We've simplified contracts. We've made it easier. We're not locking you into a longterm contract. We're allowing you to pay month-to-month." And I thought, "How funny is it that your lead message to the market about why you're great, is that we're not going to screw you anymore?" And I thought, "That's some rich marketing and messaging going on there, when it's like, well, you shouldn't have been doing that to begin with. Why is that now a ..."

Jeffery Kendall:

It's a positive message that we're not going to abuse you any longer. But I think that's the thinking of legacy providers. And look, they want growth, they need growth, just like everybody else in the market so they're searching. But they're doing themselves a disservice by looking for growth in contract terms, and not in innovating and building new product.

James Robert Lay:

Well, I mean, it's the innovator's dilemma, being played out before our very eyes. And I think the neat thing with what you're doing, and really your perspective, your background, coming from healthcare is there's so much opportunity. If you can fix someone's wallet, you can help them improve their physical wellbeing. If you can fix someone's wallet, you can improve their mental wellbeing, because they're so interconnected. And I think that's the biggest opportunities that I'm

looking at when it comes to just this idea of digital growth, and you mentioned this before, let's stop thinking of ourselves as bankers, but elevate our ... The value that we can bring to the world, and to the communities that we serve. When we wrap up, and this has been such a great conversation, Jeffery, I appreciate the knowledge and the insights that you've transferred today.

James Robert Lay:

One recommendation, if there's one recommendation that you could make to bankers, and financial brand leaders, credit union leaders, what would that one recommendation be that they could commit to over the next year?

Jeffery Kendall:

That's a great question. I would say it's a pretty simple one, and it's think about your customers holistically versus just their banking relationship. And what I mean by that is before somebody ever opens up their mobile banking app on their phone in the morning, or during the day, they've opened up 15 other apps. They've done 15 other things. Think about what your product does in the context of their broader life versus just thinking about the particular transaction that you're trying to do with them. And that will lead you to understand your niche markets, and how to serve and create longer term, more deep relationships with your customers than what we're doing today. So, think about it, it's like what happens when I go to Starbucks and I made a payment, and now I've gone onto a different app, and now I'm in my banking app. Think about ways that you could bring all that together, and fit in, in a contextual way in people's lives versus just well, I'm their banker and this is what I do.

Jeffery Kendall:

And I think there'll be growth if you can figure out, and truly understand the customer.

James Robert Lay:

If I could bring that back, put people at the center of all of your thinking, all of your doing, and really commit to putting the transformation of people over what I would just call the commoditized transaction of dollars and cents.

Jeffery Kendall:

100%.

Jeffery Kendall:

It doesn't cost you a dollar to think about it.

James Robert Lay:

No, it doesn't. And if someone wants to continue this conversation with you, what's the best way for them to reach out, connect with you, and say hello?

Jeffery Kendall:

Yeah. LinkedIn, NYUMBUS.com, my email address is JKendall@NYMBUS.com. I love hearing from people, so glad to connect and trade more thoughts with anybody in the industry.

James Robert Lay:

All right, Jeffery. Thank you so much for joining me on another episode of Banking on Digital Growth.

Jeffery Kendall:

James Robert, it's been a true pleasure. Love talking with you, love hearing your ideas, so keep up the great work. Really appreciate it.

James Robert Lay:

As always, and until next time, be well, do good, and wash your hands.