



# Innovate or DIE

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**Embracing the Future of Financial Technologies**

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Chief Innovation Officer, FNBB

***SERVICE BEYOND COMPARISON***

## Can you see the future?

- Did you predict:
  - the change from taxis to Uber?
  - from retail to Amazon?
- What similar shift is coming to banking?
- If you knew exactly who your customers would be in 10 years, what would you change?



# Innovate or ... ... keep the Status Quo?



*SERVICE BEYOND COMPARISON*

# Innovate or face ...

**D**eclining Customer Base

**I**neffective acquisition of younger customers

**E**ventual Irrelevance



# WHY INNOVATE?

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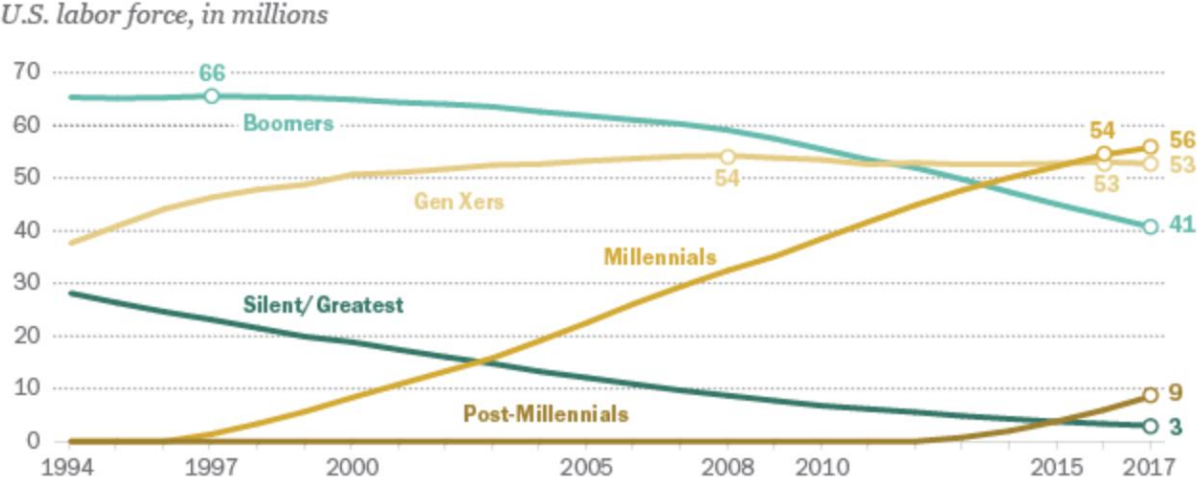
**Your customers and their behaviors  
are changing!**

***SERVICE BEYOND COMPARISON***

# Generational Impact

- M's (millennials) passed Gen X as largest demographic of labor force in 2016
- Boomers are falling...fast!
- Gen Z's are growing at 9%

**Millennials became the largest generation in the labor force in 2016**



Note: Labor force includes those ages 16 and older who are working or looking for work. Annual averages shown. Source: Pew Research Center analysis of monthly 1994-2017 Current Population Survey (IPUMS).

PEW RESEARCH CENTER



# Need Change of Focus

- Move to customer focused, not core focused technology
- Increase attention to Young M's / Gen Z customer experience (CX)
- Move away from transactions and enhance engagement
- Ramp up paternalistic use of data to enhance service and make contextual / relevant recommendations





# INNOVATION MESSAGE TO FINTECHS

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**Your need to step up your game...**

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# Technology for Future Customers

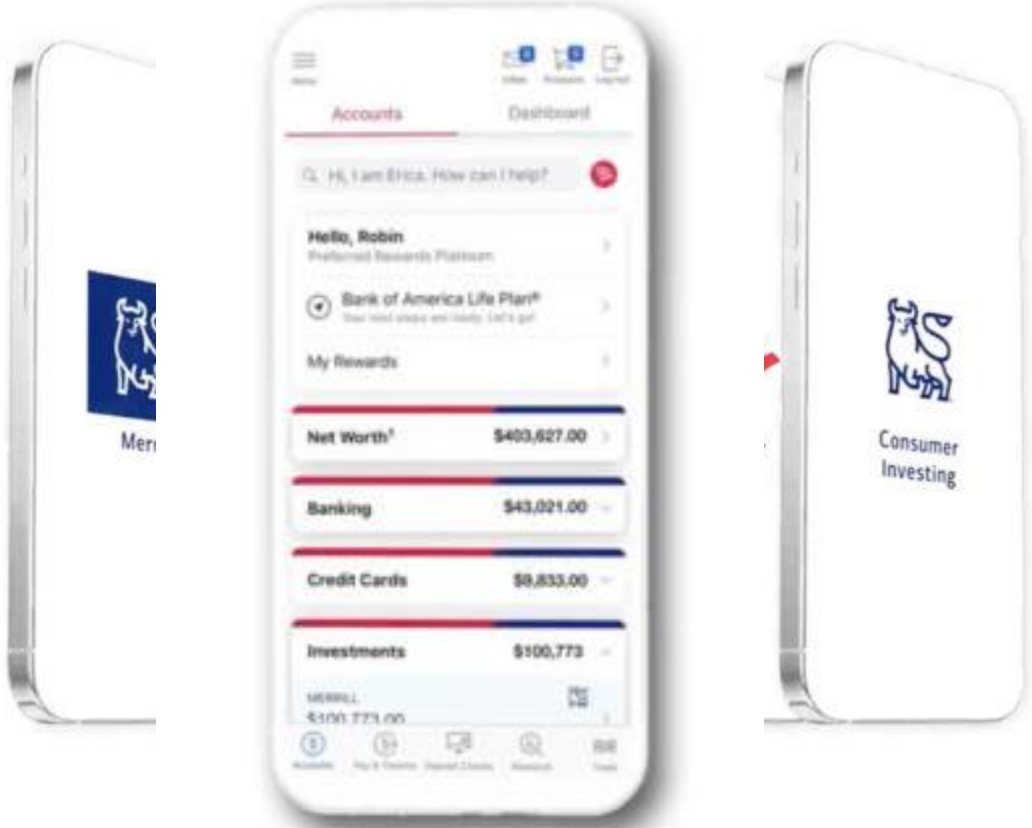
- Pay attention to usability
- Incorporate AI for contextual chat and next best product recommendation
- Change CX (Customer Experience) to Gamification
- VR option for all banking activities



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# Big FIs Are Upping Their Digital Game

- BofA revealed a revamped mobile app
  - 4 years and 400,000 lines of code
  - 5 apps combined into 1
  - Systemic view of all accounts and relationships
  - Fintechs serving financial services needs to pay attention



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# INNOVATION MESSAGE TO BANKERS

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**Your need to demand better...**

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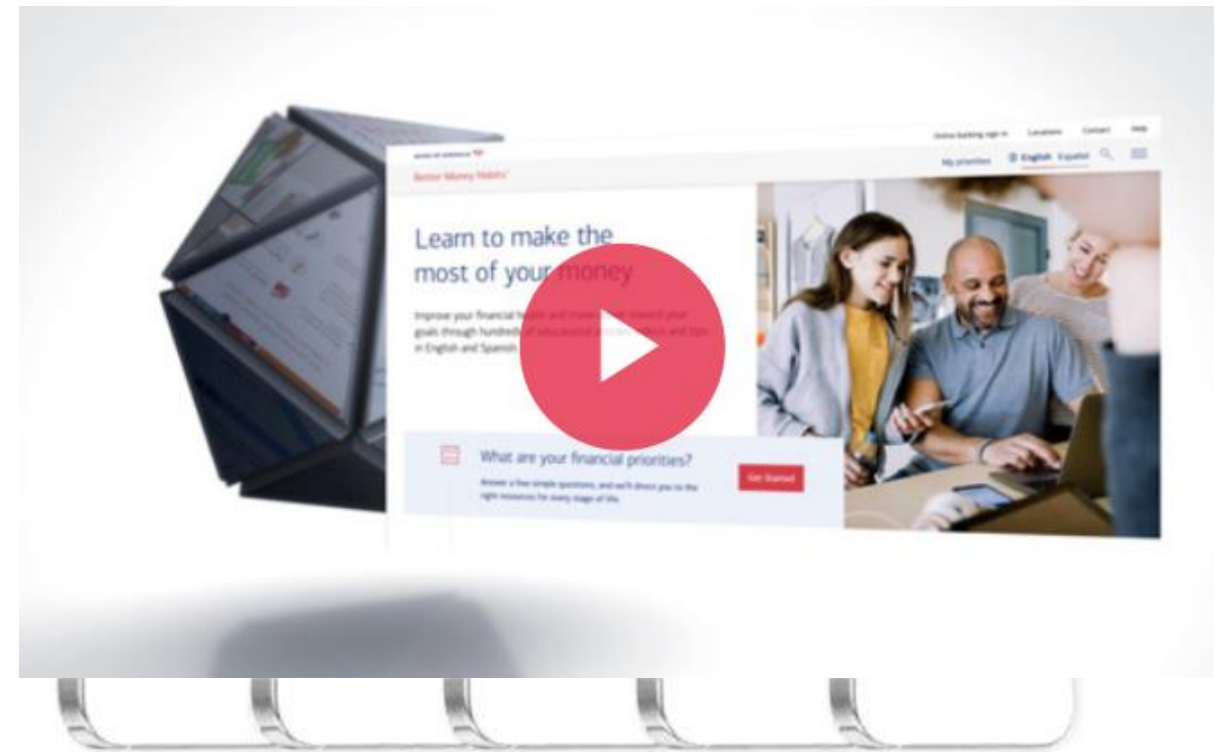
# Vendor Engagement

- Stop settling for lowest cost / minimum feature technology
- Move from transaction focus to engagement focus
- Ask vendors for roadmap of engagement banking features
- Engage user groups to bring bigger voice to vendors



# Bankers, Pay Attention

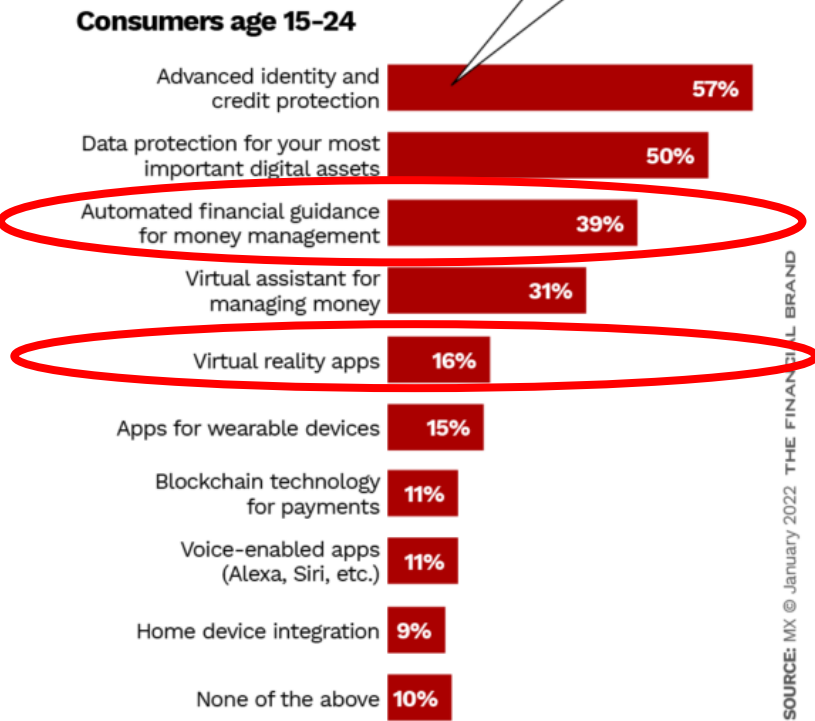
- You need to pay attention to what BofA, Wells, Citi, Chase and CapitalOne are doing re: digital platforms
- Even if they don't have a branch in your market, your customers see their ads



# The Future is Already Here...

- Young M’s and Gen Z thirsty for financial literacy...
- ...and are looking for engaging customer experience
- How can you marry these two elements to deploy a killer banking app?

What Gen Z is looking for in a banking provider

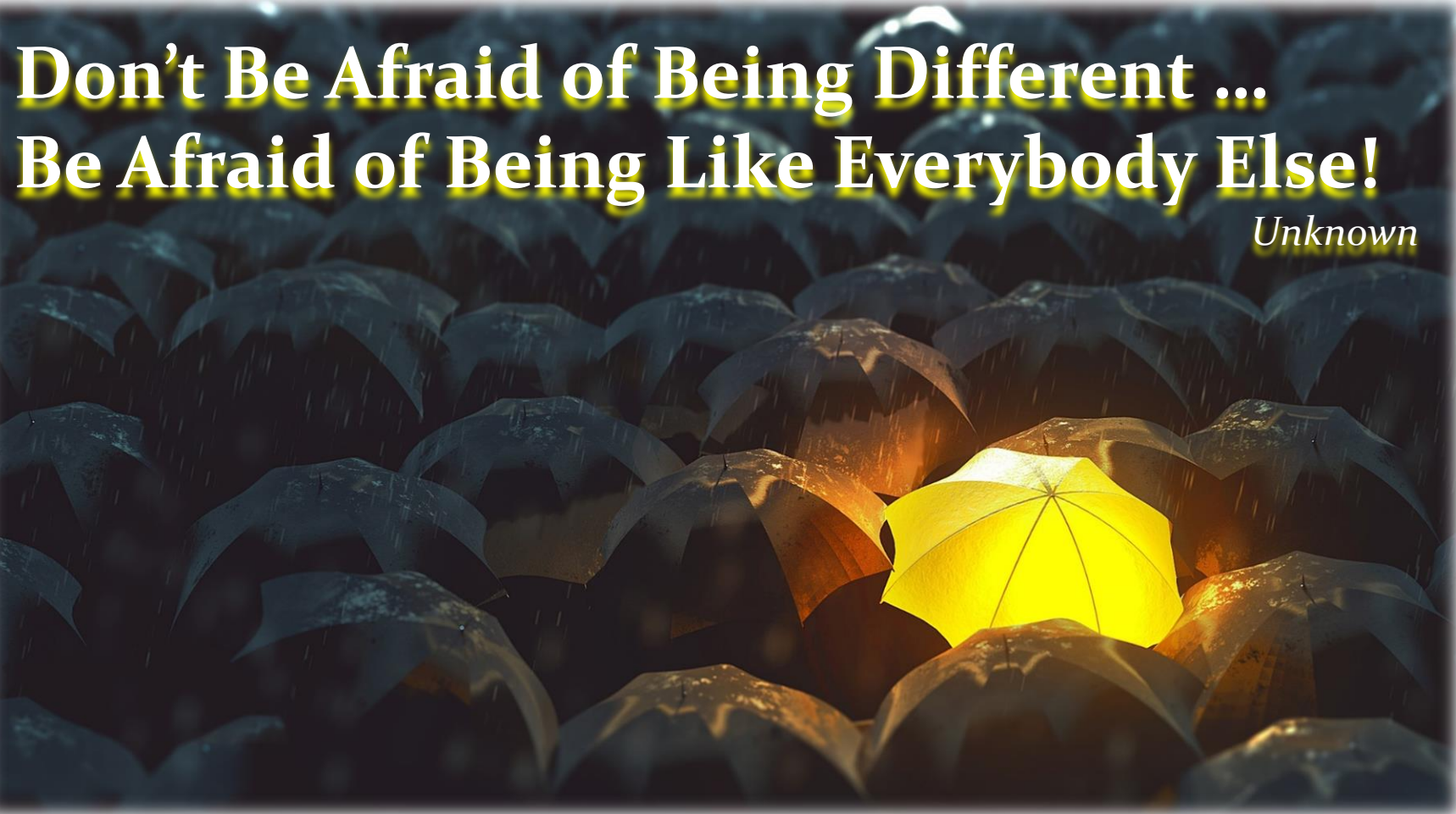


SOURCE: MX © January 2022 THE FINANCIAL BRAND



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**Don't Be Afraid of Being Different ...  
Be Afraid of Being Like Everybody Else!**

*Unknown*

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