

Blair Gatchel:

It's not how we're going to sell more stuff. It's how we're going to better meet their needs. And are we? You can literally quantify that.

James Robert Lay:

Greetings and hello, I am James Robert Lay. And welcome to the 181st episode of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight series, and I'm excited to welcome Blair Gatchel to the show. Blair is the VP of sales and growth at BOND.AI, a human centered AI platform for financial brands powered by its proprietary empathy engine, which drives financial wellness. Welcome to the show Blair. It is so good to share time with you today, man.

Blair Gatchel:

Thanks a lot. I'm thrilled to be here. Really looking forward to this.

James Robert Lay:

Well, before we talk AI for banking, AI for good, what is good for you? What is going well personally or professionally? It is always your pick to get started here on the show.

Blair Gatchel:

Well, spring has sprung in Atlanta, and beautiful day here. This is my favorite season. Things start to bloom and it's just, it ends up being beautiful. And I'm hopeful that we are heading towards normalcy here.

James Robert Lay:

I think it's that idea of hope that really inspires me. I know it inspires the work that y'all are doing over at BOND.AI. Let's talk about that. Let's talk about AI for banking, AI for good, because on the note of AI for good, I want to start off by doing some good, by putting maybe the hearts and minds of others, of some who might be listening or maybe it's their peers, their colleagues, especially those working on the frontline, because I know when some people hear AI, they think is a robot going to take my job? So what's your take here? How can we do some good to begin with?

Blair Gatchel:

All right. So I got to get nerdy with this discussion here.

James Robert Lay:

Let's do it.

Blair Gatchel:

Yeah. There's two visions of AI. And the first one is How 2000, the robot that's going to take over the world. And I don't think that's what it's. I think it's the J.A.R.V.I.S suit and Iron Man. So it's augmented intelligence as opposed to necessarily artificial intelligence. [crosstalk 00:03:02] without the suit, Tony Stark's just a really smart, rich guy. We got lots of those. But that you put the suit on him, the technology, and all of a sudden he is a superhero. So I don't think the bots are coming to take the jobs, I think the bots are going to coming to tech, make a superhero.

James Robert Lay:

I like that analogy. It's the elevation of what I call the human potential. It's allowing us to do even more than what we were previously capable of. It's going to be a tool to... And I'm going to pull from the

founder of Four Seasons to really automate the predictable, so that we can humanize the exceptional. What's your take on that?

Blair Gatchel:

That's fantastic. But that's exactly the promise of these types of technologies. Let's spend our time on the stuff that's really impactful or really difficult. I'm sure we're going to talk about human-centered design as we go through this conversation. That is the critical element of all of this and the bot can't do that. Right. You still need Tony Stark be able to add that human element to the technology.

James Robert Lay:

Well, that's where I'm thinking about this through the lens of what I call the four exponential growth environments that I'm really framing my second book around banking on change. We can be spending time learning, we can be thinking, we can be doing, or we can be reviewing, and where I see a lot of us get stuck is in that doing quadrant. But that's where I think we're going to be able to elevate some of the activity, particularly the repeatable and the mundane to automation to AI. And that's going to empower us to review, to learn, to think, to do even better.

James Robert Lay:

And we're going to come back to human-center design here in a bit, because I think to your point, it's about doing importantful, meaningful work that creates value and has an impact. I want to talk about financial stress because financial stress it's taking a toll on our society. I'm calling it really the next epidemic. It's the silent epidemic, and we know that 85% of Americans fill some sort of financial stress, that stress actually goes globally. And that stress, what's it's doing is, taking a toll on people's health relationships wellbeing. Where is the opportunity here to maybe remove some of the stress and the anxiety inherently tied to money?

Blair Gatchel:

So I think you nailed it. I saw a statistic just randomly, two thirds of Americans right now are living paycheck to paycheck. In particular coming out of this pandemic kills productivity, I mean, there's definitely a work component there. But what I think is interesting and honestly kind of problematic, in particular in financial services, the financial services has the opportunity to really provide that help, but quite frankly, they're not.

James Robert Lay:

Why is that?

Blair Gatchel:

If I can be opinioned-

James Robert Lay:

Yeah. That's what we're here for. We're here for good dialogue, discussion and discourse, because all transformation that leads the future growth starts by telling the truth.

Blair Gatchel:

Amen. I am strong of opinion and sometimes, or even accurate. So I think the industry's doing wrong. I think the industry is right, thinking in terms of personalization and even hyper personalization to drive kind of technology and interactions. But consumers don't want more efficient transactions. That's a table stake. Right. I mean, you've got to be able to transact quickly or they're just going to move on to something else. What they really want is help with their money.

Blair Gatchel:

I saw a survey, it was a couple of years ago now, December of 2020, two thirds of Americans basically said that they don't see benefit from their relationship with their primary financial institution. And the rise that the neobanks is the proof point of that. And what they really want is that... And frankly, let's be honest, if you have a lot of money, there's a lot of people out there to help you get your money, but the rest of the world needs help too. And here's the thing, I'm going to talk about being well and doing good too. If you help those people with their finances, they'll return the favor, they'll help you with yours.

James Robert Lay:

Well, because finances is at the heart of everything. I always believe if you could transform a person's wallet and the relationship that they have with money. You can transform their life, their physical wellbeing, their mental wellbeing. And I think we're seeing a lot of... We just need to be aware of what's coming down the pipe. I saw Bryan Clagett posted today about this whole buy now, pay later trend. He said in 2022 buy now pay later is projected to grow by 66.5% to reach 82 billion in transactions annually. But he shares a different perspective. Maybe what we need is a save now buy later approach to help manage debt, not accumulate debt. And I think that right there, it really flips the entire script on its head, because it's about empowerment.

Blair Gatchel:

I mean, absolutely. I'm going to have to look that post up, I didn't see it. But buy now pay later is a huge topic of conversation these days. And sometimes it was a good for consumer, is it bad for consumers? Well, consumers are going to be offered buy now pay later. I mean, it really is flipping that script of, "All right, what is the best way for a consumer, like a new refrigerator." If you need a new refrigerator the one you have is gone on the blink and it's done, you need a new one. So, and this is a great use of AI and technology, "Hey Bond, how should I pay for this new refrigerator?" And the data's there, we can see cash flows. We can see data that's coming in.

Blair Gatchel:

We call our AI engine, the empathy engine. We can see the financial health and the financial situation of that particular customer and then figure out, "All right, this is the best way to pay for that refrigerator." And maybe it is for payments of \$200. Here's, the thing, but then the engine can also see and help adjust the budget, can remind when the payments do, so you don't fall into the trap. Right. So to me, it's almost, buy now pay later is out there, it's not going away. Now, it's a question of, how do we make this good for consumers and good for institutions? I think we can.

James Robert Lay:

It's a tool that when used appropriately can create a lot of positive benefit, only if we have the education and the guidance behind it, because otherwise I think that's where people fall into that trap, and it would be just a negative cycle that compounds upon itself. You mentioned the empathy engine. This is something that I'm very intrigued about. And before we get to the empathy engine. What's the opportunity to really, what I would say is to inject empathy into the overall experience, where have financial brands maybe have fallen short when it comes to this idea of empathy?

Blair Gatchel:

So again, another place I'm strong of opinions. It's called financial services, right, emphasis on service. A service is a helpful act. And kind of going back to my point about where the industry's getting it wrong. The industry is rightfully pursuing personalization, but then it's to sell. And that's not what people want. They definitely don't want, nobody wants to be sold anything. They really don't want to be sold by the

institution that's holding their money. And what they want is help. And that's what a service is. It's a helpful act.

James Robert Lay:

Yes. It's an act of service and it's really leading from a servant heart. I'm curious because this word empathy, it's one that I would say creates a little, you start to see some people shift around when you bring up empathy and leadership conversation and board conversations. When you think about the word empathy, especially in banking, what might others believe about empathy that you would disagree with them on?

Blair Gatchel:

Sometimes I think people are Googling the definition after I leave. But I think sometimes there's a big financial inclusion component of what we do. We want to include more people into the top tier of financial services and I think that's good for everybody. Right. And that's definitely, there's an empathetic component to that, right. But it's not just that. It really is knowing your customers and your market better, so that you can serve them better. And that's true across any market segment from a pure business terms, but there is a human side to it as well. And kind of back to that human-center design component, that human element has to be considered into how the customer journey is going, on the how the engagement is mapped out and processes. And that's a component of it too.

James Robert Lay:

Empathy is the ability to understand and share the feelings of another. And I think that's that idea of human-centered design or what I would frame as even human-centered growth. What are the opportunities there to add more empathy into the overall experience? I often talk and write and coach around, for example, marketing teams becoming experience engineers, but through this conversation, I'm even seeing an opportunity for entire teams, entire organizations to become empathy engineers, and maybe a path forward is through human-center design or human-centered growth. What is the opportunity there to inject empathy into this overall experience?

Blair Gatchel:

I love empathy engineers, by the way, that's fantastic. So let's, I mean, I can go at this from the top down and I can go with this and talk about this, I think from the bottom up. And I think I'll start at the top down. And nobody has more data about their customers than a financial institution does, and candidly, no one does less with that data than a financial institution does. So let's start with actually knowing who your customers or members are. And I'm amazed at how many institutions get it wrong.

James Robert Lay:

Why do they get it wrong?

Blair Gatchel:

It really is, I think it's some incorrect assumptions. I think it's lacking that human-centered analysis of the data and then understanding. So how people use financial products matters. It matters to the institution and it matters to the person. And kind of maybe a little more bottom up here, understanding how and why they use the product is as important as just the fact that they're using the product. Right. And maybe using it efficiently for themselves and for the institution, and they may not. There may be better ways for that person to interact and transact with the institution and with others, maybe not. And I think there ends up being, "This is who we want to be." But there's a difference between who they actually are. And honestly, I think what people miss more often than not is that there's struggles, that there's people that are really struggling in customer bases and member bases, and that's getting up.

James Robert Lay:

I want to get into the empathy engine here, because I think knowing who your customer is, knowing who your member is, we talk a lot about personas and I think personas create some conflict because projection biases get intermixed with that. So if we can remove some of that and look at the data, I think personas down to the individual level, where might there be opportunities to use data, to inform persona development so that we can then make the appropriate recommendations based on the individual without assumptions, fogging some of that up?

Blair Gatchel:

So I tell you that I think maybe the biggest issue in how products are used is anxiety. And there's a lot of anxiety with money. And people don't always understand money, don't always understand even... Well, highly educated people don't understand the financial system and how payments work and credit works and stuff, and things like that. And so understanding, and kind of breaking through that anxiety is the way to kind of connect with those people. And when we talk about customers and members, that's exactly what they are, right, they're people. So, and I think that's probably might be the biggest human-centered design component, is figuring out how do we break through the anxiety and kind of get people connect with people the way they want to be connected with, and communicate with them, the way they want to be communicated with and help them.

Blair Gatchel:

There's a lot of... I'm a big fan and a big believer in financial literacy. But if you're in a financial hole, you don't necessarily need a class, you need a step ladder. I called the GPS experience these days, it's a "Hey, do this." And little baby steps. I think it was Confucius, the journey of a thousand miles begins with a single step. Well, the path to financial wellness, the path the generational wealth, whatever it is, begins with a single dollar, and a little baby step and it's progress. And then there's positive feedback about that. Today do this, tomorrow do this and you'll save \$20. The next day do get, pay off your high interest credit card with debt consolidation loan, you'll save \$900. I mean, all of a sudden these things start adding up and it breaks through that anxiety.

James Robert Lay:

It's what I call the incremental step leads to the exponential growth. It's what James Clear writes about in 'Atomic Habits' about being 1% better every single day. It creates a compounding effect day after day, week after week, month after month, year after year. I'm curious to get your take on this, coming back to the definition of empathy, the ability to understand and share feelings with another. Because I see that there might even be an opportunity to take some of this thinking internally within an organization, because I'm starting to question and ponder imposter syndrome, "I work at a financial brand, but yet I'm struggling financially. And there's no one to be put at fault. It's not about blame it is what it is." And I honestly think if we could have more honest, transparent conversations, and I've seen this, and I've heard this. There was a VP of marketing who has been developing a community, not around financial education or financial literacy, because back to your point, I think what people need is the step ladder or the guide, the coach to walk beside them.

James Robert Lay:

They were hosting a pretty much a round table discussion about money. And they were getting a hard time, getting people to open up. And you know what she did? She told her own story of her own financial struggles. And she's the VP of marketing at a billion dollar institution. And guess what? It transformed the... They started hosting these things monthly, and it almost became a group therapy session. But I think there might be opportunities to look inwards as well. I know SunTrust did this when

they launched their onUp program. They brought that internally. So what's your take on this? Because, there's... Empathy could cut both ways. Empathy could be externally, but maybe we also need to be empathetic internally, because a positive employee experience will lead to a positive human experience that can be multiplied through a positive digital experience.

Blair Gatchel:

Absolutely. I spent some time as an army officer, used to use the term, you got to eat your own dog food. And maybe not as pleasant of an analogy, but financial wellness is starting to be a trend, not just in banking, but in employers benefit, and it should be. Financial anxiety's number one anxiety. It's a huge distractor from work and lest we can connect this directly to financial services somebody even-

James Robert Lay:

I want to hop in. I don't have the numbers off the top of my head, but I want to say from research that we've done, the average cost that financial stress or financial anxiety puts on an employer is around \$5,000 per year per employee. Now multiply that out by the number of employees, and now we actually have a really good use case here. I'm sorry to interrupt, but I just wanted to actually put a dollar amount so that we could get some context on the toll and the cost that this creates at the organizational level.

Blair Gatchel:

Absolutely. And so a kind of illustrative story. Somebody that's young, has a really thin credit file goes to apply for a car loan, right. They get turned down because they don't have any credit. But in order to have a job, you need a car, in order to have a car, you need a loan, in order to have a loan, you need a job. So they go to the one of the buy here, pay here lots, and they pay 20% interest instead of six. And now they don't have the cashflow for the repairs [crosstalk 00:23:15] Or pop a tire or whatever it is. And so they miss work, and they don't get paid and the employer has to fill in whatever it is, right. Time and a half, fill in, this is cost to everybody.

Blair Gatchel:

So we find a way to say yes, more often. And there are ways to do that. Technology and data can help. More inclusive credit decisioning, that person gets involved in the top tier of financial services. This is an asset for the institution, which is a good thing, profitable, then everybody wins except for maybe the exploited lenders out there. This is a good thing. Right. And it does have an impact on the employer as well. It should be more than just a transactional paycheck. And loyalty goes both ways, empathy goes both ways. And it is starting to be a big trend in benefits, but certainly financial services should lead the way there in taking care of their own.

James Robert Lay:

Yeah. You lead by example. And I also think too, that we'll build stronger cultures. We'll build stronger teams. We'll build stronger organizations by maybe leaning in and having some of the difficult conversations. Look, I've started talking about on the podcasts. In 2012, I took this organization through a transformational experience. I took on personally six figures worth of debt. It was not a pleasant experience, but I think a lot of what I felt through, kind of the shadow of the valley of death, the dark night of the soul was... Man, I know what it feels like to have extreme financial anxiety, and even going into therapy and talking through, and realizing where this anxiety was rooted in. It was family of origin. It was my upbringing. It was my environment. And I'm like, "You know what? It doesn't have to be this way. There's a better way forward."

James Robert Lay:

And it's through these conversations that I'm facilitating, I'm hoping that we can all make the world a billion times better, by getting a billion people beyond financial stress towards a bigger better brighter future. I'm curious because we're talking empathy internally, empathy externally. These are habits. These are behaviors, empathy, EQ, emotional intelligence is like a muscle. It can be trained. It can be strengthened. What's the opportunity there to build this up?

Blair Gatchel:

So I think I'm going to go kind of more top of that institution, when I think about this. In a little bit of who your customer member really is, the data's there, right. If you look in that transaction stream, you can see where your products meet your customer's needs and where it doesn't, and where they go to competitors. And then you can see where they have needs with... This is where artificial intelligence is going to come in here, but you can see where they have needs that aren't being met, that they don't even know about yet. Right.

Blair Gatchel:

And then start, kind of mapping out that journey, how those people are going to interact with your institution, and how are we going to tailor our products to best meet their needs. But that concept of needs is what's really important. It's not how we're going to sell more stuff. It's how we're going to better meet their needs. And are we? You can literally quantify that. So just what I just said right there, where you have customers, that's easy and the value of that. You can look at those competitive relationships, do some averages, good at good value of that. And then look at those unmet needs, some averages and get a value of that. That's how big in numerical value the opportunity really is, and there's real money there. People talk about wallet share and how big can the wallet really be that that's how big can retail line of business be? How big can the small line business be? [crosstalk 00:27:47]

James Robert Lay:

And that's where I'm even looking at this as more like a platform to platform opportunity. Because if you break this down, there's three levels. There's product. Products have the potential to be commoditized though. Package the product up though, uniquely wrapped around people's specific pain points, and you begin to build programs. And programs when combined and unified, that really is the platform of the organization. It's the higher purpose that the organization is working towards. So I see that there's maybe even potential to do platform and platform collaborations that we've never even really considered in financial services, so for example, financial health-physical health, financial health-mental health. I mean, you got apps like Calm, for example. You could build that into the mobile digital banking experience, tie that with an AI engine, it's like, "Oh, you need to like."

James Robert Lay:

And I'm literally wearing a Garmin watch right now, that tells me when I need to slow down. And it's cool, man. I got like, I see my heart rate. I got my stress level and because we're doing this right now, my stress level's pretty high because, I'm super stoked and excited. But then I have, what's called my body battery. And my body battery will tell me how much energy I have left in the reserves. Like, "Do I have enough to go run? Should I just go lift weights?" So I'm even using some of this to like... And it's made a huge difference of taking my own personal health data. I don't know. I'm just going down like a little blue sky exercise in my mind with this right now. But that would be fascinating to see.

Blair Gatchel:



I think you may have just sold Garmin a new watch, but that sounds awesome. I mean that's exactly, I think where all of this can go. It's not just about financial wellness, it's about wellness in general. Right. [crosstalk 00:29:40].

James Robert Lay:

We need to get a niche bank for runners, little side right there, but it comes back to financial wellness. Continue.

Blair Gatchel:

Yeah. Where you got to finance the shoes every 90 days anyway.

James Robert Lay:

Yeah. You're running through the treads on that, absolutely.

Blair Gatchel:

But yes it is about overall wellness and you start somewhere and we have big plans about expanding beyond just finance and financial wellness then a logical... I mean, there's kind of two tracks there. You can connect into environmental wellness and sustainability and then a logical next step is mental wellness and emotional wellness. Again, number one, stressor money, and how to just keep people in the process of behavioral change. Right. I often say that saving money and losing weight, just simple math, right, but it's not.

Blair Gatchel:

And the behavioral change that kind of needs to happen to kind of make better financial decisions or that start saving money and into kind of, I call it again... Getting nerdy here and video game terms, leveling up. Right. We want to help people grow from living paycheck to paycheck, to being savers, to being investors, to being kind of wealthy. We want to help them level up there. People that are struggling financially, don't just need to make better budgeting decisions, they're usually really good at budgeting. It's just the least bad decision that that they have to choose. But at the same time, helping people make better decisions just like in weight loss. Right.

James Robert Lay:

Well, I think that's where once again these platform collaborations. You got weight watchers doing one thing on one side, maybe there's a collaboration opportunity there. I'm also thinking of Joyce Marter, who's been a previous guest. She wrote a book called the 'Financial Mindset Fix', a mental fitness program for an abundant life. She's a psychotherapist, and she identified patterns in her practice, because there's so much behavioral economics now. We can tie up into this, which is why I recommend, leaders, financial brands of fintechs read the works of BJ Fogg, read 'Atomic Habits' by James Clear, because it really is about these micro improvements, not this massive transformation that happens all at once. It's something that you create these sustainable habits going forward.

James Robert Lay:

And speaking about habits and starting small, as we start to wrap up the conversation today, and it's been a lot of fun, and I appreciate just going down a couple of rabbit holes with you of the possibilities, because that's where all growth begins. It's just doing some exploring in the mind, what would you recommend for the dear listener at their financial brand or at their fintech, their bank, their credit union, due to inject empathy into the experience or to become what we've said today is coined it as empathy engineers. What's something small, something simple that they could just take that first step?



Blair Gatchel:

I think it was a breast cancer support and there's people walking, and I saw it, military guys walking in pink high heels. Let's walk a mile in somebody else's shoes and think in terms of how specifically different people interact with your brand. And how do they transact and look at it from the other perspective. I mentioned before I started my working career as an army officer, they do a fantastic job of teaching tactical thinking and planning, in business we call it strategic. But one of them is to see the battlefield through the enemy's eyes.

Blair Gatchel:

Well, in any business, you have to see the journey through your customer, your buyer's eyes. And it's a bit of a mental kind of process, but it's very valuable. And think about that, right? How and why do people transact with us? What is our value proposition? Why? And you got to be really critical there and challenge yourself, what do we offer? Why do people choose us? Why do they stay? Just because they're too lazy to leave. Why did they choose us? And I think that perspective is a good way to start. That doesn't involve technology, it doesn't involve big capital expenses, just trying to change your own mental perspective.

James Robert Lay:

Yeah. It really is. Because I think here's the thing, when you begin to see things differently, that's when you begin to think differently. But just because you think differently doesn't mean that you're going to do differently. The bridge, the gap between the thinking and the doing it's the feeling, it's the emotion, it's the empathy. So for me, transformation has four steps. See different, think different, feel different and then do different as a result. Because I think a lot of times it's, we make decisions based upon feelings and emotions, just because I can philosophically hold a thought in my mind, but that doesn't always translate into action on the other side, unless there's some type of an emotion spark energy, which what is energy. Energy is emotion, energy and emotion right there. So to me it's that idea of see, think, feel, and then do, which comes back to this idea of human-centered growth, human-centered design. Blair, this has been a lot of fun. If someone wants to continue the conversation we started, what's the best way for them to do that.

Blair Gatchel:

Bond.Ai on the web, you can look us up. I'm on LinkedIn. I think I'm the only Blair Gatchel out there. Aren't many Gatchel's and certainly aren't many Blair's either. And Blair@bond.ai. If you want to send me an email. I would love to continue this conversation.

James Robert Lay:

It's an important one. It's one that I'm hoping that we can have more discussions around at a macro level to help people see different, to help people think differently to then feel differently and ultimately do differently, because together we can make the world a billion times better by guiding a billion people beyond financial stress towards a bigger, better brighter future. Blair, thank you so much for joining me for another episode of Banking on Digital Growth.

Blair Gatchel:

Thank you, James. It's been a real pleasure and I have enjoyed this. Hopefully we can do it again sometimes soon.

James Robert Lay:

Let's do it. As always and until next time be well, do good and make your bed.

