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James Robert Lay:

Greetings and hello. I am James Robert Lay, and welcome to episode 202 of the Banking on Digital Growth podcast. Today's episode is part of the Exponential Insight Series, and I'm excited to welcome Bo McDonald to the show. Bo is the president and CEO of Your Marketing Co., who found his creative voice literally behind the mic as a radio DJ in Upstate New York. Bo then used his unique view on the financial services world to create the go-to firm for community financial brands looking to venture outside of their comfort zones. And through a process of trial and error, Bo founded Your Marketing Co. just over a decade ago and has enjoyed continued growth ever since then. Welcome to the show, Bo. It is so good to share time with you today, buddy.

Bo McDonald:

Finally. We've been talking about this forever and, of course, our schedule, both of us, are just crazy, so it's great to be here.

James Robert Lay:

It really is. The last time that I think we sat down and had a really good conversation was in real life. It was early 2019, and you took me to dinner somewhere. I can't remember, it was a great place.

Bo McDonald:

We were in Greenville, South Carolina.

James Robert Lay:

That's right.

Bo McDonald:

I think we're there for a NAFTAI Conference, and I took you to one of the greatest restaurants in the city, Soby's.

James Robert Lay:

That's right. It was great, man. We had good food. We had good wine. We had good conversation. For the dear listener, you can't see Bo right now, but he has this beautiful wine library, wine lockers, whiskey lockers behind him. It's a beautiful view, so definitely looking forward to doing that again with you soon. Before we get into our conversation, and really, I would say, more importantly, your thinking, what's good for you right now, Bo? Personally, professionally, it is always your pick to get started.

Bo McDonald:

Joy.

James Robert Lay:

Joy.

Bo McDonald:

Every year, we pick a word for our team professionally, what word are we going to live by this year. And every year, that word builds on what we've done in the past, but I do that for myself personally as well. This is the second time I've used that word. In 2019, there was a book I read that totally turned my life upside down. It's called A Life Through Letters. The author is Ash Davis. He's actually the brother of a credit union board member that we do some work with. The book was letters that his dying father wrote to people, both alive, not alive, to things as he was dying, thoughts that he had about things he wished he would've said. It really turned my life around to figure out, "I need to focus on joy. We're not here for a long time, so personally and professionally, how do we just get rid of the garbage in our head and enjoy this ride?"

James Robert Lay:

You're in my wheelhouse of what I've been reading since about 2019, and I'm curious how much of this is serendipitous. Because I don't believe anymore things happen by random chance, it's all getting mixed together for a greater narrative that a lot of times we just can't see in the present moment. But you're speaking into some stoic wisdom and a Latin phrase, memento mori, means remember your death. You mentioned reading books. I'm a big reader. We're actually going to be starting up another episode here on the podcast with Audrey called Behind The Cover, because we do read a lot of books here. I know you read a lot of books and your team reads a lot of books. What have you been reading as of late?

Bo McDonald:

You talk about stoicism, I get that email every day.

James Robert Lay:

The Daily Stoic.

Bo McDonald:

Ryan Holiday, I'm sure you're familiar with him, Ego Is the Enemy is another book that really changed my leadership outlook and the way we were doing things, finding joy in our team. I've done a lot of work on myself personally to loosen up, not take things so seriously, the world is not ending, and transfer that to my team. How can I encourage them to understand that not everything is a 911? And how do we transfer that to our clients too so that our team can enjoy a better life and maybe they can as well and stop the urgency in everything?

James Robert Lay:

You're right, there's such a tremendous opportunity to calm the chaos, and a lot of that begins by calming our mind. I'm writing about this in Banking on Change because it's so easy. I think we're going to see more and more of this. The world is going to get exponentially more confusing. It's going to get exponentially more complex. A lot of it is because we're just seeing exponential change happening at a scale and a pace that almost no one of us we've really ever experienced. COVID was a preview of all of this. We have a choice. All of this is choice. We can either react, and when we react, we're in a not so good place, or we can respond proactively.

James Robert Lay:

We don't want everything to always be a 911. We don't want everything to be an emergency. You recently wrote an article about some of the challenges why marketing isn't working for financial brands. And one of the points that you made is we are in a reactive state. Financial brands don't "mind the gap"

especially for those who are making these knee-jerk reactions when it comes to marketing. What are you seeing on this front when marketing or the powers that be who inform marketing, what they need to do that are always in a state of chaos?

Bo McDonald:

There is one rule I always have. Before we embark on any project, before we throw ideas around, my rule is ask a freaking question. For example, if we hear from a client, "We need to grow loans. We're negative loan growth. Go." Well, we could just get with our creative team, come up with a great idea, and launch it, or we could go back to the client and say, "Let's pause for a moment. Why aren't we growing loans? What is the problem we're trying to solve?"

Bo McDonald:

It goes back to another book I was reading, and it talks about the dog food company. You may have heard this story. They launch, their sales are good, and then they go down. They fire the marketing people. New marketing people come in, they redo the packaging. Sales go up for a little bit and then they go down. They fire that marketing team, bring it a bigger, more expensive marketing team. They say, "No, no, no, you need to have organic dog food." So they start calling it Chunks of Love, and it's this new brand, and the sales spike and then they go back down.

Bo McDonald:

One office worker who has a dog had been buying it and stopped buying it, and raised her hand and said, "Sir, the problem isn't the marketing or the packaging. The dogs don't like the taste of our food." I always replicate that to credit unions and anyone we're working with and say, "What is the actual problem we're trying to solve before we even talk about marketing? Why aren't you growing loans? Why aren't you growing members? Why do you have negative net income? Let's look at that actual problem before we turn the marketing faucet on and make your problem even bigger. Solve that, and then let's go market the hell out of it."

James Robert Lay:

Yeah, it's, "What's the problem behind the problem?" I think when people are in a reactive state, they are feeling some sense of pain, they are feeling some sense of urgency, and they're wanting to resolve that as quickly as possible. That's understandable. But at the same time, are we really getting to the root cause, or are we just working on the surface level, putting a bandaid on a gaping wound that eventually is going to cause us to bleed out?

James Robert Lay:

You mentioned marketing teams getting turned over. The average CMO tenure is around 2.2 years, give or take, more or less. And that creates a lot of fear too, fear within a marketing team, fear within the organization. In your recent article around why financial brands struggle with marketing, you also noted fear and really financial brands being paralyzed by fear. What do you mean by this? I actually see four fears, and we're going to circle back to these four fears and dive a little bit deeper, but I want to get your take on this.

Bo McDonald:

I'm interested to hear that because I was just about to say there's different levels of it. The CEO fears the board. "I'm two or three years out from retirement, I don't want to rock the boat. These new ideas, we'll let the next guy handle that. I just need to get through the next two or three years so that I can retire comfortably. If I make this bold decision and it goes wrong, am I going to lose my job? Am I going to lose

my retirement?" There's the fear on the marketing end of, "If I push back on my CEO, what's going to happen? If I'm that person that raises their hand to the CEO and says, 'Sir, the dogs don't like the taste of our food,' am I going to get fired for speaking the truth?"

Bo McDonald:

We were in an onboarding session with a client a few years ago, and this is an example of that, getting rid of the fear and really dealing with a problem. They said, "We want to see 10% loan growth next year." "Cool. Let's dive into your lending numbers right now. Oh, you approved 180 loan applications last month, but you funded 82 of them. There's almost 100 loans that you approved, you didn't fund. That's a red flag. That's a problem." "Well, it's taken us three or four days to give an answer on these loans, by then, people are gone, they've gotten a loan somewhere else's as fast as things happened today." And that's one of those things that no one in there was willing to talk about the actual problem. They wanted to bring in us from a marketing standpoint to bring the more loan applications which is the wrong solution because we would just be making their problems even worse if we did our job.

James Robert Lay:

Multiplying the pain once again-

Bo McDonald:

Yes.

James Robert Lay:

... because they go from 180, let's say you double that, now that's 360, but then their pull through, their fulfillment rate would still be less than 50%. Let's fix that problem. You don't really have to do anything "at the top of the funnel". And your life is going to be exponentially better. And then once we fix that problem, then we can turn the faucet on and then wow, watch out.

James Robert Lay:

I mentioned the four fears before, and I like your perspective of it's the internal fears, CEO fears the board, marketing fears the CEO. We don't want to rock the boat kind of a thing. And I frame this around really what I call the four fears, number one, fear of the unknown, number two, fear of change, that then leads to fear of failure. And then there's this little wild card out there, if we can work through all three of those fears, then there's the fear of success like, "Oh my goodness, what happens if this actually works? Can we sustain this type of pace?"

James Robert Lay:

Each one of these fears can be addressed with certain prescriptions. Fear of the unknown is typically what we really try to dig into here through our work, and that's training, that's education, that's to help provide clarity and awareness so that the future doesn't seem so scary and you start to calm the mind down and you flip fear into opportunity. Once again, a lot of stoic wisdom, probably, percolating out of my head. When it comes to fear, what are you seeing as opportunities to help leadership teams, to help marketing teams, to help boards of directors tamper and calm the fear? Because we can't do anything, can't move forward until we do that right.

Bo McDonald:

Gain perspective. Whenever we're in strategic planning or presenting a new idea and there's resistance, it's usually just because there's not enough information to process that. And without the information,

you can't make a good decision. One of my VPs came to me and said, "Hey, we've been all remote now for almost a year. I think we need to bring all of our team together in one place." I started doing what my clients do, and I said, "No, no, that's too expensive." I had to pause for a minute and I said, "Wait a minute, you haven't given me any numbers yet, how do I know this is too expensive? I don't have any good data to make a decision on. Go back, do your homework, tell me how much this is going to cost, and then I can tell you if it's too expensive or not."

Bo McDonald:

And I see things like that all the time where you just make a snap judgment or you say, "We could never do that." Well, why could we never do that? There's a book that we read as a team called Limitless by Jim Kwik, and it talks about how you are the problem. In fact, I've got a couple sessions coming up with the Maryland D.C. League and the New Mexico Credit Union Association, and that's really what it is. Put a mirror up in front of yourself and see how you and your thoughts are limiting your organization. One person saying no can really hold an organization back.

James Robert Lay:

And it is that one person that we see if we can help provide them with clarity, if we can help provide them with awareness, we release the breaks in their mind, and then they begin to move forward as a team, as an organization. Looking out towards the future, and I would say first and foremost, looking back over the last 20 years as a digital anthropologist studying the intersection of marketing and sales technology, and human behavior, the trends, the pattern, something just in my gut tells me that we're in for a rocky couple years coming up. I don't know if it's this year. I don't know if it's next year. And if we study the past, when things get tough, one of the very first things that gets cut is marketing, followed very closely by training.

James Robert Lay:

When we cut those two areas of the organization in tough times, we're literally cutting the future growth potential right out from underneath us. Why is this? Because you recently wrote an article titled Save Your Credit Union From Death By a Thousand Cuts addressing some of these challenges here. You mentioned even in your own mind the roadblock of, "Well, we can't do this." Or, "We got to cut this here." But then it's like, "No, no, no. Let's calm the mind, let's pause, and let's really think through this critically."

Bo McDonald:

There was an article, gosh, it was about two or three years ago, actually right at the beginning of COVID where I said, "If you cut your marketing right now for this thing that seems horrible, but it's going to be temporary... At some point, there's going to be an end to this, I believe. If you go back 100 years and you follow the Kellogg versus Post cereal story... And that's one example of it. There's example after example of this. Post was the big deal in the breakfast cereal category 100 years ago. During an issue much like COVID, they cut their marketing and said, "Oh, we better cut back. We got to tighten the belt." Kellogg went all in and started spending more on marketing than Post.

Bo McDonald:

Fast forward over 100 years, and that decision cost them being the market leader where Kellogg took over just about five years after that from investing in a time when all of their competition started pulling back. We see the same thing for our credit unions, those that over the last two years didn't pull back, they may not have increased, but they at least kept the course, they're coming out of this as big winners right now.

James Robert Lay:

And I can attest to that personally, because in May of 2020... it was actually April of 2020, Banking on Digital Growth was scheduled to be published. We hit the pause button on that. We published in May of 2020, and then all the speaking opportunities and events, they just disappeared literally overnight. I was like, "You know what? When life gives you lemons, you don't make lemonade, you make a lemon martini. It's a little bit easier to drink and a lot more fun." That's why we're doing this podcast today. I mean, we're 202 episodes in, and we're doing it because of an opportunity that probably would not have presented itself otherwise. I was like, "We're going to plant the flag in the ground. And we're not doing one episode a week. No, we're going to do two."

James Robert Lay:

I was actually going to go for three, and then I had someone walk me off the ledge and said, "Do you know what you're getting yourself into?" I said, "Absolutely not." They're like, "Just do two." I said, "Okay, we'll do two." And it's been a consistent habit of commitment, continuous commitment, to get to 202 episodes with you. And I'm so grateful to share the time with you.

James Robert Lay:

And that idea of commitment. If I think about Banking on Change now, book number two, I have a formulaic approach for growth and really exponential growth where individuals, teams, organizations are growing both personally and professionally at the same exact time. That's exponential growth. And I think exponential growth is required to achieve digital growth or to achieve digital transformation, however, you want to frame that. But if we look at courage and we look at commitment, awareness comes first, the A, plus commitment, that leads to transformational growth on the other side. What does it take for an organization to continuously and courageously commit with courage, confidence to keep marketing in tough times? What does it take?

Bo McDonald:

I'm going to be a politician. I'm not running for office, but I'm going to answer a different question and then come back. There's one thing I want to point out. You kept using the word commitment instead of passion. I hear a lot of people talk about their passion for something, but if you don't have the commitment with it, you don't see any action. You could love the credit union industry, you could say, "I'm passionate about what I do," and still not get any results. I see a lot of passionate people but because of fear, they're not committed to that.

Bo McDonald:

I think what really drives that is, to answer your original question, if I were to look at our top five best performing credit unions, it's their decision making. They have a board who will embrace failure. They're okay to fail. They will try something new, and the CEO is not afraid to go back to that board meeting and say, "This didn't work out." Fail fast, fail cheap, figure it out, move on. I think it all goes back to the board, and I can say this sitting as the chair of the board at my credit union coming in and being the young whipper snapper and serving with people much, much older than me, getting them comfortable with change and being okay with failure and realizing, "It didn't really cost us anything. We had to try something new. What's the big deal? Let's just do it."

James Robert Lay:

Yeah. Yeah. I want to look ahead towards the future just a bit with you. What are you seeing from your perspective, from your vantage point, of big opportunities, opportunities that you can either create something new, capture something that you already have but might not realize it, or capitalize on

something that you're doing really, really well, double down on that and do it even better? What are the maybe one or two big opportunities that you're seeing through your work for the dear listener, once again, to kind of maybe just put on their radar, bring some awareness to?

Bo McDonald:

It's the best of times, it's the worst of times. I say that saying, gosh, YMC is almost 15 years old. And as I look at some of the things we do, I'm always questioning, "Are we behind the times in this? Are we just doing this because it's comfortable, it's the way we've always done it? Is what the client is asking for, is it really what they need? Or do we need to look forward and say, "We're going to stop doing this because it just doesn't make sense anymore and replace it with something else."

Bo McDonald:

One of the exercises we went through last year was, what if Facebook went away? Not saying we're going to get rid of Facebook, but I feel like that's a crutch for a lot of not just financial institutions, whatever, "Well, we need a Facebook page, and we're just going to post on it." There's no plan of how are we going to curate this content, how are we going to engage with people. It's just, "Facebook is free, and we'll just post on it." That was a great mindset from 10 years ago, it's certainly not the case today. But we haven't changed our mindset on what is Facebook, how do we operate, how do we change how we're using it? Are there other platforms out there? I think that's the biggest thing, whether social media, email, traditional engagement. I think that's the future, is how do we authentically engage with people to bring them into our culture and our brand? And that's really what we're looking at right now. What are we doing? How are we doing it? We call it educate, engage, convert. If we can get you the information in an engaging way, you're going to come to us.

James Robert Lay:

Yep. Yeah. Help first, sell second is one of the methodologies that I wrote to in Banking on Digital Growth. And this idea of education, this idea of training, if we come back into the leadership team, we come into the board level, what's an opportunity there to bring some just continued knowledge, continued education, continued awareness to these good people to help them see what they're not able to see, to provide some perspective, maybe even to provide some clarity and just open the mind up a bit? Where do you see the training and the education piece at that level to help them overcome the fear of the unknown and the fear of change?

Bo McDonald:

First, there's got to be the want to do it. You can lead the horse to water, but if there's not an open mind to hearing it or trying something new, the rest you're going to waste your time and money. When I came into my board meetings, we weren't talking about stuff outside of our credit union. We were looking at the financials, talking about operations, done. We weren't going out saying, "What is happening in the industry? What should we be talking about? What should we be thinking ahead to?"

Bo McDonald:

In an example, I just did a strategic planning this weekend, and we set aside about two hours towards the very end to just talk marketing stuff while we're there with them. There's one board member, this is our fourth year doing it, and I love just messing with him because he does not embrace technology. He understands that the credit union needs to, he's not against it, but when we start showing what are we doing with digital marketing, with social media, how are we utilizing this data, he starts calling it voodoo and, "How are you following people like this?" You got to have an open mind to it, and he does. He doesn't understand it, but I know so many board members who would look at that and say, "Not our

credit union, we're not doing that." And again, it's that one person's mindset holding an entire organization back from success.

James Robert Lay:

Man, I can't tell you how many times I've seen that one person, and that could be at the board level, it could be at the senior leadership level, it could be even within a team, and that's where, what I call, the four transformations, it's almost they have to happen in a specific order. You have to transform the self to then transform the team, transform the team to then transform the organization because orgs are made up of teams, teams are made up of individuals. And when you begin to transform the organization, that's where you continue to transform lives in the communities that a financial brand is serving. We look out towards the future with hope. We look out towards the future with optimism. Once again, mindset, I think is so big here. What are you feeling most hopeful and excited and energized about when you look out at the future of marketing for financial brands?

Bo McDonald:

I look at the number of mergers in credit unions, and it scares me a little bit, but then I look at some of the folks who have contacted us in the last year and a half, CEOs that are new to their role, they're coming up from within the industry too. I don't know if this is a trend or if this is just random, happy luck, two prospects we've spoken with that I've just had really engaging conversations with, they're former board members. They're in their thirties or forties. They were on the board, they're business owners, and the board hired them to become CEO. So they have business knowledge outside of the credit union, the real world experience, but they have that passion for the credit union. And now they're in the CEO role. They can marry those two things together. Just the short time that they've been in that position, the decisions they've made, the direction they're taking, their credit union, that makes me hopeful that there's a lot of young talent out there. And these credit unions that aren't being merged away, that are going about the succession planning a little bit differently with an open mind, those credit unions are really succeeding just in the short time that they've been there.

James Robert Lay:

Yeah. I think that idea of succeeding, there's really four possible paths towards the future. You can be thriving, which is, I think, where we all want to be. You can be growing, which is good, not bad, it's good. You can be surviving and trying just to tread water, keep your head above water to keep from getting sunk. Or you could be dying. A lot of this comes down to bring this full circle back to how we started it. It's choice. It's the choices that we make in the present moment. And how are we making those choices? Are we making those choices in the present moment informed by decisions of the past? Or are we making those choices with a perspective of the future and what the future could be?

James Robert Lay:

Because I think a lot of times when we think about success, it's a great thing, but when we look at the financial services landscape, what got us to where we are today doesn't guarantee our success going forward to tomorrow. And so, I want to get real practical as we wrap up our conversation, Bo. Just like before, man, this has been a lot of fun. I appreciate the thinking and the knowledge that you've shared and imparted with the dear listener. But want to get real practical because all future growth, all transformational growth, starts with one simple step. I call it 1% growth. Because if we could just be 1% better than what we were yesterday, we are making steps in the right direction. So what would be that one small, simple step that you'd make for the dear listener? Maybe they're on the leadership team, maybe they're on a marketing team, maybe they're at a fintech working with a leadership team, but

what is one small, simple step recommendation that you would recommend for the dear listener to empower them to maximize their future growth through strategic marketing?

Bo McDonald:

As you asked that, I have a hundred words going through my mind, and I wanted to say accountability first, but I'm going to go with confidence. Meaning, if you are leading your credit union, your organization, whatever it happens to be that you are leading, you've got to have confidence knowing that you are the right person to do it, you're there for a reason. And then you've got to take that confidence and go to your board and say, "I'm here because you trust me. If that's the case, I need you to give me some leash, some rope to go do some different things." And that's where, I think, you as a leader are going to find, "Am I in the right place, or am I not in the right place?" Because if you have the ability to grow and you're being held back, you probably need to go somewhere else.

Bo McDonald:

But it's tough conversations because it's really all about trust. Does your board trust you? If not, that's another conversation. But having the confidence really to understand where I can take this organization and how I'm going to get there, and do I have the ability to do it?

James Robert Lay:

One of my very first early episodes of the podcast, episode number four, is titled How To Move Forward With Confidence In A Post COVID-19 World. Because confidence, as I spoke over two years ago now, confidence, like this virus, is contagious. I think a lot of times people are looking for one to bring that level of confidence because it gives them hope, it gives them some excitement, some energy for them. Their confidence will continue to grow as well, and it really does sometimes just take some internal work to make that a reality. And you mentioned trust, and I want to get your take on this here because before you talked about telling the truth. I say that the three Ts for transformative growth, they start with, number one, telling the truth about where we've been, about where we're at, where we could go next. Number two, training to help provide clarity, to help the unaware become aware of opportunity. Then number three, thinking. Just simply taking time to think. Because I think it's so easy, to bring this full circle once again, to react instead of respond.

Bo McDonald:

To me, it comes down to root system. Moving into the chair position on my board, you saw a CEO who had been there for 30 years where the board was pretty much running the credit union and the CEO was just managing the day to day. And when she retires, we have a new CEO. She was our CFO, so she was in the culture for about 10 years. Now she's the CEO, and she's really qualified to be a CEO and make these decisions, but there's that trust thing between the board and the CEO of, "But we've always made the decisions. How do we let this go? How do we change our decision-making process? How do we change how and who is leading us? What does that look like?" I think it comes down to the root system, what we know, what we're comfortable with, what our experiences have been in understanding us first and really trusting us first before we can trust someone else.

James Robert Lay:

Yeah. You got to trust yourself too, and it all starts from within. Bo, this has been a fantastic conversation. Always great to connect, dialogue, discuss discourse with you. What is the best way for someone else to do the same? How can they connect and continue the discussion that we started here?

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Bo McDonald:

I love it. I love these conversations. Everyone, forget business development, I love just talking this kind of stuff with other leaders. Bo@yourmarketingco.com is my email. I'm on Twitter, @ymcBO. Even a virtual happy hour. If I'm not going to be in your town, let's connect over one of these things here behind me, even though you can't see it, and just, and just talk.

James Robert Lay:

Yeah. Connect with Bo, learn from Bo, grab a drink with Bo, even if it's digitally, digital happy hour, and most importantly, continue to grow with Bo. Until next time and as always, be well, do good, and make your bed.