

Jonathan Taylor:

What is every credit union dying for these days? It's loyalty. Loyalty, right? If you help somebody like this who's in this horrendous situation, the loyalty that that creates is lifetime.

James Robert Lay:

Greetings and hello. I am James Robert Lay. Welcome to episode 257 of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight series and I'm excited to welcome Jonathan Taylor to the show. Jonathan is the CEO of CU Sol, who is focused on bringing together collaborative partners to develop and enhance solutions that are relevant for credit unions and the members that they serve. It's that idea of collaboration, really innovation through collaboration that Jonathan and I will be digging in together today to empower you, the dear listener, to level up your future growth potential at your bank, at your credit union, at your FinTech. Welcome to the show, Jonathan. It is good to share time with you today.

Jonathan Taylor:

Thank you very much. Thanks for having me on. Always good to see you, man.

James Robert Lay:

Always good to share time with you. Before we get into talking about innovation and collaboration, particularly through the lens of solving common people problems that cause common people pain, what's been good for you? What's been going well for you on a personal, professional note?

Jonathan Taylor:


I have really dove in on the passion side, been in the movement now for 15 years, and it's funny because I fell into this at the US' oldest CUSO, but they hadn't come up with that acronym yet, right? The Maine Credit Union League Insurance Trust. I've really been in this space now for 15 years, and man, is it exciting to see how far the CUSO movement has come and how interwoven it now is with digital growth, with the FinTech space, and you got the circle collectives, and my buddy Jim Ryan over there. You've got just some incredible stuff. You look at all of the events that are going on surrounding this topic that you've been talking about for a long time. It's a really exciting time to be in this space.

James Robert Lay:

For the dear listener, CUSO, because we have a global community for the podcast, CUSO stands for credit union service organization. It's a lot about collaboration, it's a lot about innovation collectively. I know at CU Sol, you are all about inviting forward-thinking professionals and industry veterans to share their ideas, to share their thoughts for innovations, for products, for services, for CUSOs, for credit union service organizations that bring together credit unions, and even community banks, or other financial brands, FinTechs. What type of innovations are you looking for most?

Jonathan Taylor:

Well, being a hockey player, the great Wayne Gretzky would always say, "Don't go to where the puck is. Go to where the puck is going to go." The easiest way that I've ever found to explain what a CUSO is to somebody is I say, "It's a side hustle. It's a side hustle for credit union is to be able to have their cake and eat, too." What's better than pumping gas at a gas station is pumping gas at a gas station that you get a discount on the gas and you own a part of the gas station if it does well. That's really the function of CUSOs.



There's some tremendously excellent large CUSOs that are out there now doing a myriad of different products and services for the credit union space. But what CU Sol's job is to find those spaces where you have underserved products and services where there aren't a lot of options, underserved credit unions that are either too small for a lot of these organizations to care about, or be able to cost-justify, or there's just not a lot of service at all, and products that serve the underserved, the underserved membership that's out there in the marketplace.

For us, when you're talking about how do we tie in the technology, our tagline at CU Sol is solutions with soul, and so what we're trying to do is do well while doing good. The crown jewel in that is our initiative called CU Safe, which is a survivor advocacy for financial empowerment program. It's a domestic violence survivors program that connects survivors from domestic violence resource centers and the like over to credit unions to be able to snip that one thread of control that is the financial thread, whether it's needing a new checking account, needing a loan for getting out, for getting a new place, whatever the money ask is, and then also financial wellness, and credit counseling. A lot of times the credit is attacked right along with the person.

What's been so incredible about this initiative is that that is a pandemic unto itself, and during the pandemic, it is incredible how much domestic violence went up. Let's be honest. It was hard to be kind when we were all trapped and stuck with each other and they were hard times. Everybody that I talked to about this initiative, they're either a survivor themselves, or they love somebody who is, so what we've done is we've figured out how to inject technology and empathy together in what I call "tempathy."

James Robert Lay:

Yeah, let's talk about that because, I mean, when you think about the pandemic, I've been talking about the pandemic, or the epidemic of financial stress, and how that's taking a toll on people's physical health and well-being and their mental well-being, but you're diving even deeper into this around domestic violence survivors, not giving them a handout but giving them a hand up. It's about solving problems that cause people pain by combining technology and empathy, back to your point, tempathy. What's the story behind the story here? Because it is about looking for these niche and underserved areas to create value for. That's a key part of innovation. That's a key part of growth here. What's the story behind the story? How did you find this?

Jonathan Taylor:

After the Maine Credit Union League Insurance Trust, while I was there, I had created a CUSO co-created program called CU Certified. I did that for a few years. Right at the beginning of the pandemic, I realized I was gone too much. A good indicator is when Delta starts treating you really well, you know that you're not home enough, and so I decided to come home, did a year with my buddy Jimmy Jackson at Architecture, dove in on the data side, and then I got a call from one of my previous board members who had served on my board at the Maine Credit Union League Insurance Trust, who was the previous CEO here at CU Sol. I thought he was calling me back to start collaborating on some data stuff and he asked me if I'd be open to another opportunity and it turned out it was CEO at CU Sol.

When I dove in on what they were doing at the time, candidly I thought, "The products they have right now, there's just so much competition. You're a koi fish in a bucket of koi fish. With indirect lending, CECL compliance, things like that, there's just so many products and services out there, it's tough to compete." But they had this one piece that they were working on, which was called CU Safe. As soon as I saw that, I

thought, "Wow, there's definitely something here." This is going to resonate with people and this is going to attract not only credit unions, because it literally fits perfectly into the people helping people philosophy that credit unions have, number one.

Number two, what is every credit union dying for these days? It's loyalty. Loyalty, right? If you help somebody like this who's in this horrendous situation, the loyalty that that creates is lifetime. There's no doubt about it. That's how you can do well while doing good, right?

But then the third piece was I'm like, "There are so many FinTechs out there that have one square of the quilt, if you will, that if we can weave these together in a solution that streamlines this experience to move survivors compliantly and quickly through a process so that they can get all of the resources that they need that the credit union world can provide," because of course, they can't provide every resource, but that is going to be attractive for FinTechs because they want a purpose project and they want a beautiful introduction to potential credit union clients who look at their piece of it and go, "Oh, my God, that's awesome. Hey, could we have that for us, too?"

That became my vision with this, and it was so fun coming up with it because my predecessor told me when he was walking out the door, he said, "JT, you have got to find a way to make money, okay? This CU Safe program, I know you. I know what you're going to do. You're going to dive headlong into this. You're never going to figure out a way to make money with CU Safe, so focus on other stuff, make money, and then come back to it later." I just smiled at him and I thought to myself, "Don't tell me what I can't do."

We actually brought him back for our first strategic planning session because nobody knew better. He left on wonderful terms and had some very good personal family reasons to move on and he came back and he saw my business model and what I was doing with CU Safe and he just shook his head and he looked at me and he goes, "You son of a bitch." He goes, "You did it. You figured it out." CU Safe is tying FinTech into a really, really powerful reason to get into the credit union space. What blows me away about it, almost every CEO or C-level person that's involved in the tech space has pulled me aside and said, "JT, I'm a survivor, too." If I can use my tech to help other survivors get out and cut the threads of control and get introduced to credit unions that hopefully will become business partners down the road, that is just the epitome of a win-win-win.

James Robert Lay:

As you're talking through this, I want to roll back something that is so critical for the dear listener to pick up on. You mentioned purpose and how purpose can be the catalyst to see beyond the present moment, to look to identify common people problems causing common people pain. That's where there is innovative growth opportunities. But I think a big challenge many times when it comes to innovation within financial services is a lot of times we innovate for ourselves, for our products. We're not often innovating to solve those common people problems causing common people pain. Why is that? Considering where you've been over the years, why do we focus on ourselves sometimes when we can solve big problems by focusing on the problems of others?

Jonathan Taylor:

Part of it I think is we just don't know what we don't know until we're told by someone who's experienced it, so I think that's one piece. The other thing is that I think that a lot of folks, and this is human nature, we think about, "Okay, well, how can this help me? How can this help?" Based on my

experience, I always say this, in marketing, it's like, get out of your own head on how you like to be marketed to. Just because that's how you like to be marketed to, that doesn't mean that that's how everybody likes to be marketed to.

We were having a playful debate about this at the Serbian Group CUSO conference where we were talking about halo marketing, geofencing. Everybody in the room was going, "Oh, my God. That's so creepy. That's so creepy." I go, "Well, in a way, to some it is. But you've got a whole generation that have been programmed by this, that they're almost expecting the spoon feed now. If they don't say something out loud, 'I'm looking for a new air mattress,' and then an air mattress doesn't pop up on their Facebook feed, they're almost disappointed." I'm like, "I agree. There's a subsection that thinks that that's creepy. But I also think that there's a subsection that you got to lean in on." I think that's part of it, too, is that we put too much of ourselves into an experience.

I'll give you a perfect example of this. Recently we've partnered with BOND.AI, which you and I were talking before the beginning, you were partially responsible for that when we were doing our FinTech meetup, and I was telling you about CU Safe. You said, "Oh, my God, you got to talk to this company, BOND.AI." When I did and I looked at their Empathy Engine and I looked at their conversational AI and I looked at their account opening software, it was all these squares of the quilt that I knew I needed to put together with CU Safe because we needed a way for survivors to... Domestic violence doesn't work on 8:00 to 5:00 but these people at the Domestic Violence Resource Centers do, so it was like, how do we create something with technology that survivors can reach out at any time? They're not going to get a voicemail, they're going to get an immediate response. We know that AI is not the answer, we want to get them to a human as quickly as possible, but it's better than a busy signal. It's better than leaving a message.

James Robert Lay:

It's a bridge.

Jonathan Taylor:

It's a bridge.

James Robert Lay:

It's a bridge.

Jonathan Taylor:

We looked at that. We looked at that, so we've been in the back and forth with creating the flow. My goal is that I want this to sound like this person is texting someone at the Domestic Violence Resource Center, even better, a survivor themselves, so there's that empathy with the technology. We're going back and forth and I'm going, "Well, the Domestic Violence Resource Centers get bottlenecked so bad because they're the definition of underpaid and overworked." If there's only three people that are managing 18,000 cases annually, then that makes it really hard when you've got more people leaving messages. I mean, there was a point where it was days if not weeks, where folks weren't hearing back. I'm like, "Oh, my God. That's like being on the edge of a bridge, calling the suicide hotline, and getting a busy signal. We've got to do better. We've got to help the domestic violence resource centers on bottleneck."

The point I was making was that I said, "Well, how about we just ask them if they're working with a DVRC, and if they are, who the name is, and then good enough, and we'll move them to the credit union." Shout-out to Hiroko at the DVRC, she's phenomenal. She said, "JT, the problem with that is that there's a lot of fraud in this, and you have a lot of abusers that are very, very, very smart. They will send in a survivor of domestic violence in order to try to get funds for them. They will pretend to be a survivor themselves knowing that the first one in is the one that the DVRC has to help. They'll move to another city. They're very shrewd. They're very, very smart."

She said, "If you just believe somebody in a text, what is going to happen is you're going to lend OMM," other members' money, "you're going to lend other members' money to the wrong party. You have to continue to keep a DVRC engaged. You can't completely eliminate that bottleneck." I thought, "Wow, that is something I never freaking thought about, that people go to that level."

James Robert Lay:

Wow.

Jonathan Taylor:

She's like, "We see it all the time. We actually have a database of blacklists." I'm like, "Okay, so you have a database of blacklists?" "Yeah." "That's just for Albuquerque?" "Yeah." "Does Santa Fe have one?" "Yeah." "Do all the DVRCs have one?" "Yeah."

I went back to BOND.AI and I said, "What if we could take all these databases and get them all talking together?" That's not now, that's a run, that's not a crawl walk, so now, this thing has grown to be this centralized place where folks nationwide are going to be able to text in, get an immediate response, and not only are we going to help move them to a credit union, we're going to help them get to a Domestic Violence Resource Center or the like, because there's a lot of other things they need help with beyond money. They need shelter, they need food, they need transportation, they need a job, there's all this other stuff, so it's been so cool.

The more technology, BOND.AI's been huge. Members Mobile is a new soon-to-be CUSO so that's coming in that said, "Hey, would you agree that abusers control the phone?" I said, "Oh, my God. Yeah, it's a constant problem." We send these folks over to the credit unions, the credit unions turn around and try to call these folks at the stated time and they either don't connect with them, or they do connect with them and then they hang up real quick, or they don't call back, and a lot of it... But then they'll walk into a Domestic Violence Resource Center and have the Domestic Violence Resource Center call the credit union because the phone is under surveillance by the abuser.

James Robert Lay:

Sure.

Jonathan Taylor:

The text, the phone calls. They don't want to get found out that they're starting to make these-

James Robert Lay:

Moves.

Jonathan Taylor:

... these steps towards getting out and escaping. It's an escape plan as much as anything else. They said, "What if we donated a SIM card that you could pop the SIM card out of the phone, there's no signal sent to the abuser, put another SIM card in, and now it's a new phone? Now, they literally can make the calls, make the texts that they need to. The credit union could perhaps finance a year of the phone plan at a significant discount. Would that be something that would be of interest?" I brought it back to my board and they said, "Holy crap. That would be massive." It's just taking those different FinTech ideas that are out there and putting them all together so that we can provide the solutions that these members need to get out.

James Robert Lay:

See, this right here, the way that you're sharing how this came to be, there's a lot of lessons to be learned for the dear listener when thinking about number one, innovation, and number two, collaboration. It all starts back to your point of empathy. Empathy is, really, I would say it's seeing things differently, different than your own worldview. I've always said empathy is a key strategic advantage in a digital world. But then technology, back to your point of the BOND.AI example, that has been a capability multiplier because you found these gaps in people getting in touch with people. We're going to create a stopgap or a bridge, a connection. What's a commonly held belief about innovation? 'Cause I don't think innovation is something that we can do alone anymore. It's innovation with collaboration. What's a commonly held belief that would others might have that you would disagree with here?

Jonathan Taylor:

In this space that I operate in, which is the credit union space, it is very time-consuming innovation in that there are as many failures, if not more failures than successes in innovation, which I always try to remind people, I learn a lot more from my mistakes than I do from my victories.

James Robert Lay:

Of course.

Jonathan Taylor:

So many innovative needs are thought up every single day in these credit unions, either by the employees, or by the members, but so many of them go on the "Wouldn't it be nice?" list because the thought thread is "It would take too much time, it would be too difficult, and we would make too many mistakes along the way. We'll just wait until somebody else comes up with it."

But I'll say this, that is changing because of the CUSO space, the credit union service organization space because the side hustlers, which really, I mean, there's a lot of entrepreneurs in the credit union space, but that's where entrepreneurship in the credit union space thrives, one-to-five person, lean organizations, that small ship turns quick, and they're looking for those FinTech solutions that credit unions are investing in.

I mean, my God, one of the funds, during the pandemic, they raised \$252 million from credit unions to invest in FinTechs. What does that tell you? Is that the credit unions have finally realized that if we don't buy or build them, we're going to lose. If we don't partner with them, we're going to lose. Death by a thousand paper cuts is a thing. The lending trees and a lot of these others have really proven, they were laughed out of the room back in the day, just like Netflix was, right, by Blockbuster.

James Robert Lay:

Yep.

Jonathan Taylor:

Now, now you're seeing, "No, no, no, this is a thing." I think that that is changing. I think it's getting better, but I still think that it's very much there. What's going to be interesting in this downturn in the economy is whether or not credit unions are going to lean over their skis on continuing to invest in FinTech and innovation, knowing that that's their salvation, or are they going to pull back and go into their turtle shell, which is the more conservative and the more common thing?

James Robert Lay:

Let's talk about that because, well, first I want to go back to the idea of innovation and failure. I think you're hitting into a really good point there. Failure is the fertile seeds from which new growth springs anew.

Jonathan Taylor:

Amen.

James Robert Lay:

We can use these as lessons to be learned. I think the other key takeaway from your thinking is something that I've talked about many times on this podcast was a lesson that I learned from Dan Sullivan at Strategic Coach, we must train the mind to think who before how, because anytime that we come up with an innovative idea, the thought process historically is to think, "Well, how are we going to do that?" The minute that you start thinking how, you're probably going to talk yourself out of it, but if you could train to mind to think, "Who do I need to know, or who do I need to collaborate with to be the how?", then it's much easier to start connecting with others in an exponential world of being who.

Now, back to the idea of economic challenges and uncertain economic times, expansion versus contraction. I'm encouraging, and a lot of this comes back to mindset, to continuously commit with courage to expand externally, to not contract, to not retreat back into the cave of complacency. What's your recommendation to prevent that retreat back into the cave of complacency, back into the turtle shell?

Jonathan Taylor:

I think with anything, you've got to look back at your roots. This is part of why I love being involved with America's Credit Union Museum as much as I am the podcast I do with Stephanie and just the work that I've done with them. I tell this to everybody, the museum is the keeper of the why, and it is literally the mecca of the movement, and everyone needs to get there at some point. If you haven't been, James, you got to go. It's such an amazing place.

I love going in because I walk in and I float out because I remember that this entire movement, which has over 5,000 financial institutions, started because a group of mostly women and children from Canada that were immigrants that couldn't speak the language here were refused banking services and they had to keep cash in a jar in their room. This one man who was a treasurer of a church said, "That's not right," and he started a branch in his house, and that became the first credit union in the United States. It all came from the needs of immigrants coming into this country trying to live the American

dream. It's about people helping people. That's what every credit union has over their doorframe, "People helping people." It's the mantra.

I go, "Okay, in tough economic times, is that not the time to shine? Is that not the time where you go, 'You know what? Times are tough, but it's the credit unions.'" This has been proven, this was certainly proven in '08, this was proven in the '80s that all of a lot of the larger financial institutions turtle shell up, they stop doing car loans, they stop doing different stuff, and it's the credit unions that are there because of their conservative nature, they don't do a lot of the risky mistakes that others have that are there.

But the challenge this time is that a lot of credits have gotten much, much bigger than they were before because of acquisition and because of good work as well, and so I'm confident that the credit unions will do the right thing and they will remember that people are not just a credit score and that bad things happen to good people and that they'll be there. But the credit unions that remember that people helping people mantra, those are the ones that are going to lean in and are going to lean forward, and the ones that understand that the best way to serve their members today is to provide as many digital services as possible. Those are the ones that are going to be here for the long haul and those are the ones that are going to help the most people during this downturn.

James Robert Lay:

When it comes to people helping people, there is an exponential growth opportunity to apply that through a digital lens to use technology because people helping people, it's a great mantra. I believe in it. I mean, it's coming back to a purpose that is far greater than the present moment. But when you apply a digital layer, a data layer on top of that, you're able to identify opportunities and even make recommendations to people that they might not even be aware of looking ahead into the future.

As we wrap up, I always want to send the dear listener off with something very practical that they can apply, as all transformation that leads to future growth starts with a very small and simple step forward. With that in mind, what is one small simple thing that the dear listener can do today to bring innovation framed around solving common people problems that cause common people pain to create value going forward during tough economic times? What's one small thing that they can commit to do now so that they can continue to create value in the future?

Jonathan Taylor:

I would say that everybody has a, I call them "million-dollar ideas." It may not be worth a million dollars, but what I mean by that is everybody has an innovative idea that can help the greater good. Either they're afraid that others won't think that it's good, or they have too many ideas, and they don't know which one to start with. That's my problem, by the way, and so it's just pick one and go. But pick up the phone and call somebody that you think you can confide in or that could do something with this and tell them your idea. Everything starts with a phone call. Everything starts with an outreach where you're sharing your idea with somebody else. I'm here to tell you, having done multiple startups, having worked with multiple CUSOs, that it starts there. I mean, my CU Certified program, that started with, I'm going to say eight Rum and Cokes out on the ice ice-fishing in Northern Maine with a buddy.

James Robert Lay:

I love it.

Jonathan Taylor:

You come up with those great ideas, right? It was like, "You know what we should do?" We started talking it out. Probably in the first time in my life, I called him the next day, I said, "Do you remember what we were talking about last night?" He goes, "Yeah." I said, "Do you actually want to maybe try to do that?" He said, "I'll make some calls," and literally, that started the ball rolling, and now, that is a program that helps a lot of credit unions out there. That's not to say it's a brag, but it starts with a phone call. You know you have an idea, you know you do. Call somebody today and share it with somebody else and see what happens.

James Robert Lay:

That right there is such a practical takeaway because odds are, you're probably listening to this on a mobile device. Hit the pause button.

Jonathan Taylor:

Yes.

James Robert Lay:

You have an idea and if you've been thinking about it. Call someone. You know what? Why don't-

Jonathan Taylor:

You know. You know who to call. You know who to call. You're thinking about them right now.

James Robert Lay:

... Let's make this real. You can call me. My number's (415) 579-3002. Give me a call. I'm going to expand upon this idea in just a bit. Jonathan, can they call you?

Jonathan Taylor:

Absolutely. Absolutely.

James Robert Lay:

What's a good number for them to call you at? Because I think sometimes they're like, "I don't know who to call."

Jonathan Taylor:

Right, right. Well, it's funny because our website is set up this way. My cell phone is on there and there's an ideas tab. It's like, "Hey, tell me your idea. Chances are I know somebody." But it's (207) 653-8559. If you go to cusol.org, scroll to the bottom, that's my cell phone.

James Robert Lay:

There you go. I think that right there, you have someone to call, either Jonathan or myself, and we'll listen. I think this goes back full circle. You and I connected, you shared with me what you were thinking about, I said, "You need to go connect with BOND.AI." That's brought that collaboration forward. This is this whole point of, even in a digital world, it's still about people, it's still about empathy. It's still about solving common problems that cause common people pain.

The idea of innovation, too, take that to the next level. Create a space, create a day, an innovation day to where you bring your team together and there are no bad ideas. It's just you're talking it out, you're communicating, and then pick the biggest three that you think have the potential to create the greatest value, and then back to your point, Jonathan, make some calls. Make some calls, make some connections. Speaking of making connections, this has been just a wonderful conversation today with you.

Jonathan Taylor:

Hell yeah, for sure.

James Robert Lay:

What is the best way for someone to reach out, say hello, connect with you to continue the conversation that we started here? Obviously, they have your number. Any other good ways to connect with you?

Jonathan Taylor:

Yeah, I would say cusol.org. Also, I am the co-host of the Banking on Experience podcast, which is sponsored by CRMNEXT, and also part of the Herstory podcast with Stephanie Smith from America's Credit Union Museum, so if you want to hear me talk more, those are two other ways. But yeah, feel free to reach out to me. I'm an ideas guy, I'm a collaboration guy, and it's the digital world and the tech world that is going to save credit unions. I'm convinced of it.

James Robert Lay:

Connect with Jonathan, learn with Jonathan, grow with Jonathan. Tune into his podcast as well. A lot of helpful insights to guide you forward on your own journey of growth. Jonathan, thank you so much as always for joining me for another episode of Banking on Digital Growth.

Jonathan Taylor:

Thank you, James.

James Robert Lay:

This has been a lot of fun today.

Jonathan Taylor:

Absolutely. Thank you for having me.

James Robert Lay:

As always, and until next time, be well, do good, and make your bed.