

Maurice:

As long you are saying top down, I would like to deliver a digital bank. I would like to cut the cost to serve. We should drop off 20% of branches. And the people are not following you. Guys, you are just putting money in technology, because nobody's enabling from the ground to make this kind of transformation.

James:

Greetings and hello, I am James Robert Lay, and welcome to episode 270 of the Banking on Digital Growth podcast. Today's episode is part of the digital growth journey series, and I'm excited to welcome Maurice Lisi to the show. Maurice has spent the last 15 years taking care of the transformation of customer facing bank channels for both the Italian and International market. And today, Maurice is the Head of Direct Channels for BPER Banca, and he believes that digital transformation is not just about introducing new technology, it's about people and cultural transformation. And that's exactly what we are going to talk about today, to guide you along your own journey of transformative growth at your bank, at your credit union, or at your FinTech. Welcome to the show Maurice. It is good to share time with you today, buddy.

Maurice:

Yeah, thanks James, and thanks for the invitation.

James:

You and I have had so many wonderful conversations over the years that I wish that we could have captured all of them, because there are always things that I'm learning, things that you're learning that we could share with others. So I'm happy that we're getting this documented today because it's going to go out to help so many bank leaders, credit union leaders, FinTech leaders, literally around the world. And before we get into human transformation, alongside digital transformation, I always like to start off on a positive note. What is good for you right now, personally or professionally? What is positive for Maurice right now?

Maurice:

What is positive? Oh, good question. It's positive how customer are reacting on innovation. I like it. And I like how customer is taking care to see how banks are really taking care on delivering them some amazing customer experience. So I like really how customer is following this kind of transformation.

James:

Well when you put people and you put the customer at the center of innovation, innovation becomes that much easier, because we're innovating to create value for the customer, to solve customer problems, to guide customers beyond the pain of the present moment, to get them to a bigger, better, brighter future. But that's more than just technology. It comes down to... We need to have a conversation on how we must transform internally first to transform the individual, to transform the self, to transform the team, to transform the organization. And it's more than just technology here. What are you seeing through the work that you're doing as Head of Direct Channels when it comes to this narrative going beyond just technology? Because I think before we hit record, you were sharing of a recent conversation where you were having a discussion and you saw some fear in people's eyes and you said, "we don't have to fear this, we just need to rethink about this." Yeah?

Maurice:

I was joining this organization just six months ago, and I was spending every part of my life around the Europe in the bank, and can say what I see is a common ground across all the banks that for majority of organization making digitalization is just buying technology. There were people that, "oh, I bought a chatbot." I said, "okay, great, how you're using it?" I don't know. Oh they bought the best CRM platform in the network or they bought, I don't know, the work management platform. They were just buying technology. Nobody was thinking on the real purposes. "I'm going to use in my service model, I'm going to use technology on the service model." And I was just sharing with the part of my team what I was reading over the weekend that there was a national newspaper here, where the banks like JP Morgan Chase, Wells Fargo... In Goldman Sachs, they have been invested more than \$3 billion making their digital banks. But nowadays are not so successful case that can be recorded. But even in Europe, if you're looking at, most of the traditional banks, what they try in the past, it's even to spin off and to deliver their digital bank. There is zero today banks that can say that they are profitable or really are creating value to the customer. Zero. And you know why? So I was thinking... And most of the time I'm thinking what customer are doing with the banks. And if I'm asking you James, I'm saying I'm pretty sure that the majority of the people around us are just saying, "okay, I'm making payments. Yes." If you're asking me, it's simple to make a digitization of payments. Yes, James, extremely simple to. And nobody can still believe that we have a customer that are going in a branch with the cash and make a money transfer. Forget this. There is something but it's time to override this experience in to thinking something different. But unfortunately banks is not only like this. And to be honest, all of these things that I'm calling low business value, because you're making payments, making withdrawal, working in cash, if you're looking for long time, you're going on the free fee pressure. So it's a more or less zero fee business. Where we are making money, Vietnam, we are making money, you're making payments. It's a scale business, you should do it. You're doing because it's part of something more complex. When customer going in the branch, they're going for something complex... At least I would call complex, but let me put in different... Something available for customer. I'm going because I would like to get a mortgage. I would like because I should open a saving plan for my kids. I'm going to go because I would like to make my pension plan and so on. And when you are doing these things, I'm not using with a chatbot. I'm doing with human. So banks what they forgot that the most powerful technology in the most profitable business are in the bank are the people. And they should start to redesign the distribution model using starting from people that are making innovation towards technology. Not technology and later on I'm going, "let me understand, I'm using this kind of technology all towards the people". So when we are saying and thinking on the banks, really I'm invite all the people to think what complexity banks are doing, how banks is even regulated, because we are forgetting that banks environment, it's 10 times more regulated, is a normal IT company. So we should not mixing. Banks is not an IT company that is delivering financial services. Banks is a financial services that towards technology must, or at least should, deliver financial services.

James:

So within an organization, within a bank, we have human beings, we have people. Those people have knowledge and expertise that can provide clarity to very complex problems, issues. We know money is inherently complex. Money has a very high natural cognitive load for a lot of people. Now with technology, a people first, a human first approach to transformation, technology just becomes a tool to solve these people's pains. You wrote: "Digital transformation is not about introducing new technology." Back to your point, you can go out and get a chatbot, you can go out and get the best in class CRM, but if the people within the organization aren't open to transforming their own behaviors, their own beliefs, that technology is just going to sit on the shelf. You said, quote: "It's about people, it's about cultural transformation." Let's dive into this here... And I want to start off on: where have we struggled around people and cultural transformation in a quote-on-quote "digital world"? What are some of the big

challenges that are holding individuals, teams and organizations back from this people, cultural transformation that you're writing of here?

Maurice:

I have a clear vision at least on my side for where better banks made a mistake, whether they find the meets and travel. Have a look, James. For a long time banks, they married their digital division or the innovation center separate. Like it was. A traditional organization that's, honestly, the people that still were making money. And they were like a club of digital, but separated, and [inaudible 00:10:19] organization was not enabling them really to get in contact to exchange, to make this kind of good contamination between digital people using a more traditional distribution model. So the big trouble was keeping this two part of the organization like separate things, passing through one important message. Digitalization sooner will override the traditional bank. If you was coming in the bank, in modern tradition incumbent banks, a couple of years ago, digital people were there just to prove a right, sooner or later the traditional banking. But nobody was thinking that this kind of a step was unreachable. You cannot re-write a traditional bank... Because as I was saying, that's CR where they're making money. It's a [inaudible 00:11:15]. So was like an internal competition and that's why most of the organization, most of the incumbent banks decide, "okay, let's spin off and starting from the scratch". It's even true that if I'm looking at the traditional part of incumbent banks, they got to make their banking services, without looking forward, how customer were changing their consumer behavior. They were still expecting you not to see customer in the branch, to meet physical the customer. And it's not just the people in distribution model, but think on compliance or anti-money laundering. All the rules in the bank were more designed to collect a paper and write signature, rather than to say, "okay, we can make in a different way". So now that kind of approach is changing completely. And the first things that for sure incumbent banks should and must bring: digital leaders. They have to. And there is no other way, as long you would like to remain banks that is delivering financial service. So you should bring the digital leaders. But do not put these digital leaders in the separate box in making their thinking. Separate box in thinking how the future will be. Put together. Put together with compliance, with anti-money laundering, with the people that every day are still meeting customer in the branch. Because if you're not putting and pushing the organization... Traditional organization still can help digital leaders to understand who our customer and what means to do complex banking services. And digital leaders can explain that to others among the traditional area, how they can deliver this kind of services over the technology. That is the contamination that we should look forward.

James:

So to roll this back just a bit for you, the dear listener, I hear two things... Historically, we have separated traditional and digital. Going forward, Maurice, the path you see is no longer separate but integrated: innovation through collaboration, not competition. And it's the collaboration through the integration of the digital and the traditional, the digital and the physical, the best of both worlds, that is where we're going to gain the greatest breakthroughs and overcome some of the biggest roadblocks. Because I think when you're working in a silo still, we will have competition. But competition is not going to get us past where we need to go going forward. Particularly when there is exponential change happening all around us. I mean, I think we look at the acceleration of digital technologies, and now with AI reaching say the mass consciousness of humanity, it's almost like 1994 all over again where the internet began to reach the mass consciousness of humanity. Now with open AI and chat GPT reaching all of the headlines, things that were kind of bubbling up underneath the surface, now people are gaining a more sense of awareness of "wow, there's a lot of possibility here". What's your take on digital and traditional leaders learning, collaborating, growing together? How can this be practically applied for someone who is listening that maybe they are more of the traditional incumbent or maybe they are more of the digital leader to bring the best of both worlds together, not from competition, but for collaboration?

Maurice:

There are two things, James, that I believe that's extremely important. For long time, the part that was dedicated for the traditional business was just a skirt to not lose part of their business, to keep the ownership of the customer relationship, to keep the owner. They say: "customer is my portfolio, do not campaign this customer a mobile". Because they were scared how to lose potential any kind of relation with the customer. On the other side, when there were people thinking just on the digitalization and thinking that they can have a variety, the more traditional, they were looking at how to gathering this kind of customer to move. Customer that are not visiting the branch, put them on the mobile.

And that was working to be honest, but what was missing was missing the consensus. There is no consensus on the long view, on the long strategy. So the first things in your organization, in incumbent, in the large bank, the first question is: which kind of bank we would like to be three years from now? And who should answer should not be digital leaders or traditional leaders. Should be both. And they should find the consensus to say: "We, not I, we would like to be a bank in three years like this". Because as long you are saying top down, "I would like to deliver a digital bank. I would like to cut the cost to serve you. We should drop off 20% of branches" and the people are not following you. Guys, you are just putting money in technology, because nobody's enabling from the ground to make this kind of transformation. So James, what is extremely important, and the effort, that in these six months... I mean, this organization, very traditional. 2000 branches is more than 5 million of customer. What I'm trying to do and the majority of the effort that I'm spending, not to share what is my idea of digitalization. I'm spending the time to sitting alongside the colleagues that every day are still taking care of the traditional business model and designing together with them which kind of bank would you like to be in 2025. And who is making this answer is not Maurice. But together you should do this. And of course is exactly the bank you would like to be? No. No, James. But who cares? That is my idea. And as long this remain as my idea, I cannot succeed. I'm going just to collapse in a certain time. So you should find the right compromise, because there are things that are extremely important for those that are day-by-day managing the relations, still in the physical way, on the tradition with the customer. And on the same time for me, extremely important to push up the digitalization. Because you should combine it, two things

James:

As you're talking through this, I think the key takeaway is: it is not one or the other, it's "we". It's not "I". It's "we" gaining a consensus together into what the future can look like and leaping ahead to that three year vision. And looking back to today, what needs to happen between now until then for us to feel good to create that future reality? Not as individuals but together, not as traditional, not as digital, but together. And I liked what you said... This is not about Maurice's vision... I think the deeper perspective here: it's facilitation, it's asking questions. It's helping people to gain an understanding, not by telling them what to do... I heard something very recently about... When you make a definitive statement about X, Y or Z, the conscious mind will most likely miss it. But when you ask a question to someone, the subconscious mind can't help but think about that question. And they might not answer it immediately, but it's going to stay with them. When you think about the work you're doing to facilitate, to ask questions, to work alongside both sides of the organization here, how important is education? And I want to start first and foremost for you, as an individual, as Maurice, because if you think back of the work that you've been doing over 15 years, how much has transformed? How important is education and knowledge and learning and being a lifelong student for you Maurice, the individual? And to continue to manage all of this change and transformation just for yourself?

Maurice:

I'm spending a majority of the time in one important things. I'm looking beyond what I can see every day. Because I can go in the loop of auto-celebration. I can go in the loop and say, "oh, I made a great experience in anger, now I have a digital bank". But if I'm losing the challenge, my personal challenge, to say, "okay, I made the great things in this organization, but what about my neighbors? What other banks? What in other market? What is happening in Asia? What is happening in emerging market?" And understanding what potential opportunity... Even take and to bring in my current experience... I can be complete useless in this organization in a couple of years. So if you're not investing, and say, "what is happening around the world?" And even like having this chat with you, getting an inspiration by you, making this kind of contamination, looking what is happening? Why WeBank is succeeding in China? What is happening in Paytm in India? Or looking why my neighbors in the neighbors company in French, what neighbor is doing. That is extremely important. Later on, can I use something? Who knows? I don't know. But it's important to invest and not just on reading, but even to look ahead and say, "okay, how market is moving, how consumer behavior is moving." Without this, in a couple of years, I cannot deliver any kind of incremental data into your organization. It's just going in the loop in this kind of auto celebration mode.

James:

Yeah, well it's confirmation bias at that point. It's almost like you're confirming what you already know and that makes you feel good. But like you said, it doesn't create value over a much longer period of time. I think another key point that you just shared... It's more than just reading. It's more than just reading publications and books, but going out, observing, experiencing what is going on in the real world, and maybe not just only in banking, but like you said, consumer behavioral. To me, this is why I think, as a digital anthropologist myself, studying the world from a lens of marketing and sales, technology, but most important, human behavior. Because it's that human behavior element, it's the most complex, I think, of it all. Because people are complex, but at the same time you can begin to identify common patterns of people, and begin to make observations and hypothesis to that. But I think what you said: it's experiencing and it's seeing. Because when you begin to see different, you begin to think different. But just because one thinks differently does not mean that they are going to do different. And I've asked this question thousands of times to financial brand leaders. Complete the sentence: When I see different, I think different; when I think different, therefore what? People will respond: I'm going to do different, I'm going to be different, I'm going to act different. I say, no. To bridge the gap between the thought and the action, it's feeling an emotion. Because you can know something, but you're not going to act on it. So there's this whole behavior change thing here. When you think about cultural transformation, where does this play in, this idea of feeling and emotion? And I know in banking it's a very touchy subject, human feelings, human emotions, that we always don't necessarily talk about or even want to talk about... But I find that if we can address that right there, that is where transformation begins to happen. Particularly, human transformation. And that's where coaching, I think, comes back into play. What you're doing, facilitation. Guiding, advising, walking alongside others so that they're not having to do it alone or at least feel like they're having to do it alone. What are you experiencing this when you go beyond just Maurice now seeing things differently but then taking that knowledge back inside the organization?

Maurice:

It's one of the most important ingredient because looking different things and try to map, can you use this in my current experience? I'm going to create a value in my current experience. Which kind of business or new business opportunity, or how can fix the business that currently you're still managing more in a traditional way? So that's one of the most important part of my job. But on the same time, we should not forget that there are people in the organization, in Campbell organization, that are doing this job a long time, for too much long time. And they do not have the same patience.

Let me give you an example, James. When I have to push someone that is in the network and say, "Guys, do not spend time for quick loan, we will do online". Say, "Why Maurice? Super profitable. I'm making money, I'm getting the budget. I'm getting my MBO. Why we should change?" So what is important is to give them the reason of why to change. Because if there is no reason on change, you are just again delivering them a task. And if they're not believe on this task, they will never support you. So having this kind of experience, looking ahead, looking what to other marketing doing, when I'm approaching colleagues and working alongside, and say, "guys, the quick loan we can do on mobile, but that is giving to you, not to Maurice, an opportunity to spare your time and to use your time for more complex product and to make an incremental profitability off this bank". And give them a reason of why to change. And not just going today and say, "guys, let's change because the world has changed". They said, "okay, who cares? Seriously, who cares? We are profitable banks. We are still making money. I'm getting my budget. I'm reaching my MBO. Maurice, why you're knocking my door?" So give them the reason, and knowing what market is doing, knowing how consumer behavior is doing, and helping them on thinking, "guys, we can do the same job but we can do this. Let's say we can put on the direct channels on your mobile banking. In the time that you're taking spare, we are going to use to reach customer in a different way, to offering them something that is more available for us, but more available for customer". Because for quick loan, James, reality is that customer does not need any kind of advisor.

James:

Nope.

Maurice:

Do you agree with me?

James:

Transaction.

Maurice:

So I know that would you like to try? It's €5,000 euro, give me five times a year. I'm going to have to repay maturity in, I don't know, five years. That is my installments deals closed. I don't need any kind of advisor. So why I should spend 20 minutes or 30 minutes of my advisor in the branch on offering alone... That's why it's important to show them, guys market is going in different direction, but I'm not replacing or overriding your job, but I'm giving you the opportunity to make much more... I will not say... Much more powerful, much more convenient to task in another product that it's available for you and for the bank and for the customer.

James:

It's a great point about the example of a quick loan. It's very transactional. But when you free up capacity, when you free up time to put the transformation of people through advisory, through guidance, over the commoditized transaction, I think there's a lot of value to be created, which the value that comes back into the why. The other thing too is time. I've been thinking a lot about this writing my second book, Banking on Change. And it's an acronym. Make sure that you... And I know you're in Italy, and there's a lot of coffee over there, but make sure that you have your morning tea. And tea is an acronym: time, energy, and attention. And we can look at this through the lens of financial services. How are you investing your time? Where are you spending your energy? And what are you paying attention to? And if we take the idea of time as an investment, particularly because of the exponentiality of digital, it's... If I invest an hour today, how can I multiply that going forward into the future? So these are more

of the philosophical things that I'm thinking about because there are technologies like AI that become that exponential time multiplier there.

Maurice:

Yeah. Let me give you an example, since you're touching AI. Today when we have this kind of big meeting with the network, I was sharing with them one important number. Close to 1 million customer in 2022, they've been updated, their ID documented, the branch. You would say stupid task, right?

James:

Yeah.

Maurice:

James, did you agree with me? To update my ID document-

James:

Yeah.

Maurice:

... because ID expired. And to update in our system, documenting is taking more or less 25 minutes, 30 minutes, because you should take ID, scan, put in our system, check and updating information, address and everything. Okay. I say, "guys, what about if I'm pushing customer to do by themselves in mobile and using Azure technology, how to recognize and putting directly in the system. And your 30 minutes are going to be spent for a complete different task." So that's where technology, AI and other things, could pass. Doing things that are not convenient for relationship manager in focus, the best technology, human on doing very profitable task.

James:

The founder of the Four Seasons Hotel, Issy Sharp, is well known saying, when it comes to experience... And I think experience is both... At least for the last decade, 2010 to 2020, it was all about CX: customer experience. But through what we're talking about today, is really more of where I'm seeing this decade going, 2020 to 2030, which is EX: employee experience, internal experience through the context of digital transformation and digital growth. Issy Sharp looked for ways to automate the predictable, or systematize the predictable, so that we can then humanize the exceptional. And you're right. So as we start to wrap up here, Maurice, and I thank you for you sharing your experience, because that's how we all learn, that's how we all grow, that's how we all get better together, because it helps us see, think, feel, and ultimately, do different... I always like to wrap up with a very practical takeaway for the dear listener that they can apply going forward. And since our conversation has been focused around internal transformation, cultural transformation... What is one recommendation that you would make for another financial brand leader listening around the world that they could do next? Something small, something simple, something easy, so that they can continue to move forward on their own journey of growth.

Maurice:

First things, ask yourself: is my vision sure in the organization? That's the important things. Is my vision sure in the organization? Our transformation program, James, it's called Future With You. No, it's in English, You. And I was saying, "guys, let's think there is one you in each of our branches. One you here. One you in the south of Italy, one in the north, one in the center. But all of these "you" has the same

vision, they're going to be a "we". And when we are moving on the same direction, we can say that we are one. One vision in reality." So please, before starting a transformation program, ask yourself is this vision sure? And I will not say approve, but at least sure, and get the consensus of all the organization, not just of the CEO and the CTO and the Head of Digital. Because that is simple. That's all the people that are discussing exactly the same language, have most of the same academic background. To step a bit higher, go alongside your organization and check if this kind of vision, it's really sure.

James:

As you mentioned one vision, coming from a rock and roll band background that I used to have, I used to have a punk rock band... There was a song in 1986 by Queen titled "One Vision". And I think about... There's a couple of organizations that I've worked with over the years that have gone through our Digital Growth University together at a very high level, but then they've also have invited people, maybe their mid-level, maybe they're frontline. What they do is they're gaining a common language, they're gaining an understanding... Most importantly, not of what I am teaching, but I would say even more deeper or more importantly is they're gaining an understanding of each other.

They're gaining an understanding of where they have alignment. They're gaining an understanding of where they have clarity. But they're also gaining an understanding of where there's some confusion, where there's some complexity, where there's some conflict, where there's some chaos. And then they're able to talk through that going forward. You we're going to say something?

Maurice:

Completely agree with you. We should avoid to make this kind of private club of digital thinkers. The organization does not need any kind of club. And they should resolve the complex if this misunderstanding, so avoid to make this kind of... Because most of the time we see there is this kind of digital clubs and just people can stay there. If you're not digital speaker, you cannot stay in the club. That doesn't work. You already failed.

James:

That gets into a much larger conversation around open strategy, which is a great book by that title, Open Strategy. I highly recommend. Maurice, thank you so much for sharing your knowledge, your experience, on this podcast today to help others. If there's someone who's listening and they just want to connect with you, what's the best way for them to reach out, to say hello?

Maurice:

Yeah, they can reach me over LinkedIn, so they can find my name, Maurice Lisi. Maurice.Lisi at bper.it. I'm really sure anytime is needed, my opinion, my thoughts, so it's more than welcome.

James:


And then your website as well, mauricelisi.me.

Maurice:

Mauricelisi.me. It's my personal website. Yes.

James:

That's right.



Maurice:

Thanks, James.

James:

Connect with Maurice. Learn with Maurice. Grow with Maurice.

Maurice, thanks again for joining me for another episode of Banking on Digital Growth.

Maurice:

Thanks for the invitation. Thanks a lot, James.

James:

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