

James Robert Lay:

It's easy to think about the verb of SNB banking is nothing more than just loans and deposits dollars and cents, if you will. And when you add in the modern day principles like digital and data, you might think that you're just simply adding in a bunch of zeros and ones into the operational mix. But we must remember that behind every data point behind every dollar is DNA. That's why in this age of AI, where change is happening at an exponential pace, change that makes it even more confusing and complex to start to run to grow an SMB. There are in fact exponential growth opportunities for Community Financial brands who commit to put SMB owners and entrepreneurs at the heart of their thinking at the heart of their doing. But how, how can you do this? It's your financial brand. How can you do this at your credit union? Well, let's find out together on today's episode of banking on digital growth.

Greetings and Hello, I'm James Robert Leigh and I'd like to welcome you to another episode of the banking on digital growth podcast. Today's episode is part of the heart of growth series brought to you by Nimbus and I'm excited to welcome John Janclaes to the show. John is the president of Nimbus Kusile, where he leads an organization that empowers its credit and owners and partners to quickly establish ditch digital banking to expand reach, deepen community connections, and create new revenue streams. And in our conversation today, John and I are gonna dive into the heart of growth to explore some of the biggest growth opportunities for financial brands for credit unions that commit to put people in this particular case today SMB owners and entrepreneurs at the heart of their thinking and doing. But first, I'd like to invite you to hit the subscribe button if you're watching this podcast on YouTube. Or if you're tuned in listening on one of the many podcast players, this podcast streams on throughout the world, because when you hit that subscribe button, you instantly become part of an ever growing community of financial brand leaders who are committed to learning, learning how they can maximize their future growth potential, by committing to guide people beyond financial stress of the communities that they serve to a bigger, better and brighter future. Now, let's learn how you can maximize your future growth at your Community Financial brand or your credit union, by caring by caring and putting SMBs at the heart of your thinking at the heart of your doing. Welcome to the show. John, it is good to share time with you today, buddy.

John Janclaes:

Hey, James. Robert, it's good to be back with you. And to continue our conversations around SMB. This is an ongoing dialogue between you and I've got some great updates today.

James Robert Lay:

You know, before we dive into this, and I'm looking forward to hearing what is happening now in the present moment, because it is an ever evolving environment. Change is happening at an exponential pace. I always like to start off on something good what is positive in your world right now personally or professionally your pick to get started?

John Janclaes:

Well, you know what a probably a year long journey of some deep thought for a book called The Partnership advantage because we don't make things happen in this world anymore by ourselves. And I have a book coming out in the middle of August called the partnership advantage. So it's about ready to hit the finish line.

James Robert Lay:

You writing a book, I understand it's a big lift. It's a big commitment. But it's also it does take a partnership, it does require collaboration. And I think when it comes to caring for SMB owners and entrepreneurs in a world full of change, exponential change that can feel very complex and confusing to not just start and run but really grow in SMB. There's opportunities for collaboration for partnership with community financial brands, and specifically with credit unions even what are some of the big growth opportunities that you're seeing right now based upon the work that you're doing? And the miscue.

John Janclaes:

So James Roberts, I think just starting at the, you know, the very top a house here, which is kind of the landscape and thinking about it, you know, so small business banking 32 million businesses that are out there, you know, they make up 44% of our economy, the lending opportunity alone is about 800 billion with a B, you know, for service. So, you know, if we're looking for growth, when you just think about that total addressable market, I mean, is a massive market. And the other thing about that is right now they're not being served very well. So there there is an opening for those who do want to put the member at the center of the business problem and really think deeply about how to solve that. There's, there's opportunity there.

James Robert Lay:

I want to I want to pause right there. They're not being served very well. Why is that?

John Janclaes:

Well, you know what I think part of it is let's think about who is serving them today. So maybe the big money centers, you know that they represent 49% of that market is being served by the big money centers. What they really rather do is work at the higher in the medium to large size. And they're not really a great service for the very small person, small business, medium sized business, let's say something from one person, an entrepreneur, all the way up to a couple 100 employees, that right there is not being served very well.

James Robert Lay:

And I want to pause on that point, I think it's important to define what an SMB is today, because there might not be a lot of clarity around that specific term, you think small, mid size, it means different things to different people. Can you roll that back into what that market opportunity looks like?

John Janclaes:

Sure, I mean, that market opportunity begins with maybe some of your retail customers who now have a side hustle, matter of fact, 30, somewhere between James or 39 to 41% of people now have a side hustle to make, you know, their household work. So it's as simple as somebody who's doing that to a single entrepreneur to that small business, that's 510 1520 employees. That is a huge number in that group of small business banking.

James Robert Lay:

Yes. And when you think about this idea of, you know, the side hustles, the the gig economy, if you will, a lot of this can be traced back over the past 30 years. We're coming up right on the 30th anniversary of

when the internet reached the mass consciousness of humanity in 1994. And you You now have, I mean, just for context, and I've been asking a lot of leaders have this question to get them to think. And it's a personal question. How old were you in 1994? If you can, can think off the top of your head? I, I was 13 12 13 years old. And I'm asking for a specific reason. But But what about you?

John Janclaes:

So what was I 29? Something like that. Okay.

James Robert Lay:

So this is an important point to pause on just a bit when we're thinking about SMBs today. Because what happened in 94, when the internet reached the mass consciousness of humanity, we were all at different life stages, you're 2930, I was 1213, you were seeing things different, you were already off doing things within a career, I was still, you know, at home, probably in junior high seventh or eighth grade. So I grew up with the internet, different experience, the new one was not better than the other. But now here we are in 2024 2023. Moving into 2024 30 years later, the internet has exponentially multiplied opportunities to start to run to grow a business. And now we're almost here again, at a tipping point, with the age of AI. With the launch of chat GPT, November 30 2022, there are going to be new opportunities that we can't even perceive today in the SMB marketplace. And I think we need to be as financial brand leaders and as crediting leaders be aware of some of these opportunities, because it is, as Peter Diamandis wrote in his book, The future is faster than you think. Exactly. So what what are some of the, I would say the challenges that Community Financial brands like credit unions should be paying attention to, when it comes to caring about the ever evolving needs of SMBs in this new world?

John Janclaes:

Yeah, I'm glad that you reach back to our history, right, like prior, you know, to the right when the internet came, and prior to that, I'll share with the audience that I was a general contractor at one time, and just how different business was then I carried around triplicate paperwork that I wrote up the estimate, we had paper checks going back and forth to pay for things, you know, move forward now. And that same contractor who's in the field is probably running, if you can even get one to get to your house to do a job because they're so busy now four or five or six jobs at one time. And what they need now is to move off of you know, the old paper and to be able to anytime, anywhere have a pulse of what's happening with their business. Not only that how each job is going right to baby be watching how payrolls moving back and forth, to be able to improve expenses to work seamlessly from my desktop out into the field to a smart you know, iPad or my iPhone. That's how different the shift has been. But there is an expectation because in every part of our life, James, Robert, we we have these new tools. So when we think in the context of our business, I expect those tools to be there for me, and for a lot of them there's a disappointment They don't exist, but they know they should exist. So there's this gap between what they know is possible and what they're actually experiencing. And that gap is a huge opportunity for credit unions.

James Robert Lay:

Absolutely. And it's a matter of continuously being at the pulse in keeping a pulse of what is going on in the marketplace, not just in financial services, but through the lens through the eyes of these SMB owners and entrepreneurs, what is the best way to do that to continuously come back to putting their questions, their concerns, their hopes, their dreams, at the heart of our growth as a as a Community Financial brand, or a credit union?

John Janclaes:

You know, as we've always talked about, between you and I, it is putting that member at the center, and this is what credit unions are so good at, right, we've always put the member at the center. And we've done that traditionally through retail bank, things like what are what are the needs you have as a household? Now, if we just flip that a little bit, and some of us are doing this, what is the needed now in the business context that you're working at? So if you put that first and you think about the jobs to be done for those business owners, man, okay, now becomes pretty clear to look at that, you know, and it was about a year and a half ago that you did some Fireside Chats for us a series of three of those, where we talk to technologist, we talk to credit union leaders, we talk to community bankers, about what are they hearing, when we start to really listen to what those thorny problems are for small business people. And that really helped to sharpen and set and prioritize our roadmap here at Nimbus. You know, part of that journey included going and getting small business banking technologist on our team. About three years ago, we brought on some from the biggest brands that are out there doing that, right. So we know what good tech likes that together with really listening to what credit union members need in terms of small business has really helped to drive the development of our platform over the last 18 months. And it's stellar. I mean, it is ready for primetime for credit unions now to compete. So what you thought maybe was a barrier, that there wasn't a platform that is affordable, that can be brought to market in a decent timeframe. those assumptions revisit because there's, there's real options. Now,

James Robert Lay:

I want to come back to the idea of platforms in just a minute, but roll something that you just shared jobs to be done. When I hear that word, I understand what that means. But I want to unpack that a little bit more for someone watching or someone listening because that might be a new terminology. But when it comes to caring for the growth of SMB owners and entrepreneurs jobs to be done is a very practical pathway to do just that. What does that mean?

John Janclaes:

Yeah, so I mean, if we go back to our contractor, a job to be done is he's got three or four jobs that are going on, and he'd liked to know, or she would like to know that where are we at, as far as my expenses, my revenue, what's happening with the invoices that we put against that job? Can you please make that easy for me and put that in one place where I can quickly review how that job is going? That is a job to be done? You know, and if we just give you a bank register, then you're gonna have to think about the cash that's coming in expenses going out? Could you please roll that up into a budget for me? Or do I have to do that right, and saying, No, that's a job to be done. Our platform will do that job for that contractor.

James Robert Lay:

I want to switch the subject just a bit. And, you know, look at community, because when we think about SMBs, and we think about SMBs, small, mid sized business at a local market level. Why is it that credit unions are uniquely positioned to care for these SMBs once again, compared to the larger or the national brands, you touched on this, but I want to come back because I think when you work at a credit union, you you forget sometimes the opportunities that are right, literally at your doorstep. And it's sometimes a matter of let's help people see what is there so that they can capture that by putting people at the center of their thinking coming back to the heart of growth. Once again, we're just community, local

community, even thinking about Community Financial brands being a commerce conduit for some of these SMBs.

John Janclaes:

Right, you know, I mean, you are right at the heart of what credit unions are about is to be hyper focused on a niche or a group of people. And this started out as being a single employer. For example, one of the credits I worked at was Lockheed. And so we care deeply about an understanding what do the Lockheed employees need, you know, it'd be very dialed into that. And then when we move from serving one company to many, they call that a multiple common bond or subgroups that we had to figure out kind of what are the retail banking needs for all these employees. And then as we migrated into serving communities, community grantees, then began to wonder about what are the needs of the community. But it's always focused down on a granular view of looking at an individual and saying, you know, what needs to be done. But now, if we're in charge of part of the ecosystem of making that community work, part of that community now includes small business, not just somebody who's working for an employer. So you can see our systems, our way of thinking our products were geared first, at the retail banking level, but now that we're adopting care for the ecosystem of a community, which includes businesses is an opportunity for us to lean into. So when you think about just that growth curve, that's what we're growing into. And we would have not had very good people process and technology to do that. And so that's the challenge is, is tuning that up and revisiting our mindset about, hey, wait a minute, a lot has changed, you know, on the ground, so we can now address these markets.

James Robert Lay:

We're gonna we're gonna come back to the technology in just a moment. I'm so excited to get to that. But you mentioned a little bit of your own experience here thinking about like Lockheed Martin and caring for people. You've been a lifelong financial brand leader, and I had no idea you came from the contractor space. That was that was new news to me. But there's a lot I think of empathy that you're bringing into this. Talking about SM bees today. Why? Why do you do what you do? If we're talking about caring for people caring for others? Why do you do what you do, John?

John Janclaes:

You know, what I just somewhere in my upbringing and stuff is just the idea that we need to take care of one another. That's so important. I'm from a big family, there's a kids right, so maybe it started there. We're taking care of your your brothers and sisters around you. What

James Robert Lay:

What, what's your birth order? What number are you?

John Janclaes:

I'm smack in the middle, okay, smack in the middle. And, you know, part of that growing up was take care of one another, but there also was too much is given much is required, right, get out into the world and help make this a functioning society for everybody. Absolutely. Credit unions, James Robert, it was like, wow, this is where I can take my talents for finance and leadership, and really have an impact, you know, for people. So that was kind of the genesis and the kind of the why behind what I do.

James Robert Lay:

Well, thinking about that, that that that idea of, of leadership, you've, you've led so many people over the years, you've cared for so many people, as a leader, as a servant leader, what would you say have been maybe the greatest lessons that you have learned along the way, who could help a leader who is watching or listening to this conversation right now, avoid some some traps on their own journeys of growth.

John Janclaes:

You know, I just it's a human experience. So leadership is a very human experience for you to partake in, and realize that everybody has dreams. And if you can understand what their dreams are, then you can have real service to make something happen not transactional. And there's nothing like it when somebody knows I'm pulling to make your dream come true. And when I was the CEO at Disney's credit union, it was a quarter million people thinking about their dreams, you know, yeah, they could dream for heavy, reliable transportation to get to work, you know, or it could be something higher, I want to be able to retire at age 65. And to be a part of just trying to orchestrate and make all those dreams come true. There's nothing like it is it's it's the greatest adult playground you could be at to do that kind of good. So those, that's some of the why behind it,

James Robert Lay:

I, I really connect with what you said about the transaction. And I want to pause on this point, because when I think about once again, my opening statement around SMB banking, or just the verb of banking for that that matter, a lot of we think dollars and cents transactional. But when we think about the heart of growth and growing people, there's an opportunity to put the transformation of people over what has become the commoditized transaction of dollars and cents. And I know that this idea of caring and putting people at the heart of everything you do, it might come off to some as a bit touchy feely. I get that and I'm very respectful and mindful of that. What would your recommendation be? For those who who might feel at this moment in time based upon their once again, the human experience based upon their experience? They might feel more comfortable just sticking to thinking about dollars and cents. How might they be able to remember that behind every dollar behind the tech stack the data points, even though tech stack is DNA.

John Janclaes:

Yeah, you know. So transactions are important. And the ledger does need to balance. But now we know with great leadership and great care for one another, that there's another phenomenon that happens that's even more important than the ledger. And that's that if we take care of one another, and people really feel that you're really in it for them, that that accrues an economic benefit. There's a book called time, talent, energy. It's a 10 year longitudinal study by Bain and Company, a big consulting firm. And basically, here's what the book says, if you take care of people their human needs, including your employees, as well as your customers, your team can take off Thursday at noon, and create the mission results you want. The folks who do not do that, their teams have to work till Saturday till noon, to get the same business outcomes. So caring is knowing the right thing to do is a smart thing to do.

James Robert Lay:

Yes. And when you think about caring about the growth in this conversation of SMBs, it's not just an opportunity for Community Financial brands and credit unions, but also technology platforms and partners as well, which is where the the opportunity for collaboration sits. But when it comes to

choosing, and who should we partner with, I'm going to play the role of a credit union leader, I see the opportunity. But what should I be considering? When it comes to collaborating with a technology partner, who also cares about helping SMB owners and entrepreneurs? Let's frame

John Janclaes:

it back to where our conversation was just at the ledger in a business relationship with a technology company might sound like on time on schedule, uptime of you know, three nines or something like that, that's very transactional. The relationship part with sound like, are we getting the outcomes that we wanted for that business owner, we were supposed to be saving them time, you're supposed to be able to empower them, we're supposed to be delighted that they can now turn and take care of their customers, because we've taken care of their business jobs to be done. So you'll see a partner who's really curious about those things are getting those things right with you, in addition to their necessary on time on schedule on budget.

James Robert Lay:

Yes. And that's where, you know, I, I want to make a distinction here, between it because there's a lot of choice. And I think about the paradox of choice. When it comes to technology platforms and partners. What's the difference between, say, adopting a one size fits all solution that might at first appear easier, versus a more tailored, personalized platform that is customized around a specific niche? What are the differences that we should be thinking about? Maybe dangers or opportunities, however you want to frame this?

John Janclaes:

Yeah, so I think one size fits all, sometimes that is the exact tool or utility that you want to solve something, right? Yeah. Other times, it's not, if you're really focused on that small business owner, there has to be some kind of customization, there has to be some kind of adapting and seeing me what my real needs are, and listening to me. So for example, in our platform, if a contractor said back to the example, I have four or five jobs to be done, and I'd like to organize all my expenses in revenue, and my invoices all in one place, it's customizable. So you can have 34567 jobs going at one time, and organize your work world around that. Yes, that is using technology in a customizable way to saying we understand it, see your jobs to be done. And here's the tool set to help you customize your world.

James Robert Lay:

What I'm hearing from you, I've never had this thought before. But customization, and personalization is a pathway to care. It really, you know, if we think about the idea of trust being the sum of what we say and what we do, our words and our actions. When we customize when we personalize we are showing through our actions that we really do care. And now it's an opportunity for collaboration, not just between financial brand and SMB but between technology platform financial brand, SMB all working together to co create value. I know you're very passionate. I mean, you mentioned the book on partnership to begin the subject of collaboration. And you've had a transformative and powerful alliance of collaboration with MSFC, Ms. MSU, FCU. Emma, say that three times fast MSU FCU, you've had a very good relationship with them with which embodies what a lot we've been talking about here. what's at the heart of the story of growth.

John Janclaes:

That's a wonderful example. That partnership is three big initiatives that we're doing. But each one of those we were to break that each separate initiative, it is great care that that credit union that says there's a group of our members that we're not doing a good enough job for yet, we've not tended to their needs, yet. We want to build something that is bespoke something that's just centered on hate, we see you, we get you, and we're going to respond. So no, that's what each one of those three brands that we're doing for them are. And one of them includes small business banking, because they know they've been trying to do it off old legacy technology, and they're just not there yet to meet the expectations. So we're gonna help them close the gap on those expectations?

James Robert Lay:

Well, as we start to wrap up, I want to help those who are watching and listening, close the gap within their own world right now. Because, you know, they might be thinking, Oh, I see some of the opportunities here that you're talking about, they're very clear. I just don't know what I need to do next, to move forward and make progress to to either create or capture some of these opportunities. I want to get real practical with a small step, a recommendation, a commitment, that someone who is watching or listening can take today or tomorrow. So that they can take a step forward of caring for SMBs by putting them at the heart of their thinking at the heart of their doing, what's one thing that they can commit to do next?


John Janclaes:

Well, you know, I think it's just come back and revisit what you think, are the options for serving your small business banking folks in your community, you will be surprised that what is available now as far as options, I have this formula in my head that I use situation times options equals better outcomes. Come back and think about we've got more options on the table now, and specific to Nimbus, I'm making six weeks period of time, we can walk you through looking at those new options, how they can address specifically your members. And then at the end of that come up with a solution including implementation budget, what we think the outcomes are going to be. So think about that you can rethink your beliefs and assumptions about how well you can serve small businesses inside of six weeks, we can have a game plan for you whether or not you implement it or not that one thing is let's revisit this.

James Robert Lay:

This is why I'm so passionate about unlocking and really inspiring human transformation within Community Financial brands like credit unions, there are four distinct steps that I see for for any type of transformation to become a reality, whether that be digital transformation, brand transformation, cultural transformation, all comes back to human transformation. And the first step in human transformation, is to simply see things from a different perspective. So back to your point, going through a process like like this with with you and your team would help them to see different, it's going to help them see different and think different, and then feel different. And it's the feeling that I find to really be the greatest opportunity, which is coming back to care, it's coming back to the heart of growth. Because at the end of the day behind once again, every every dollar every loan, every data point, it is DNA. And this has been such a fantastic conversation. Thank you for sharing your knowledge, your expertise, your experience, your human experience with us on this podcast, if someone wants to continue the conversation that we've started here, what is the best way for them to reach out and say hello to you?

John Janclaes:



Oh, boy, nimbus.com you can find our whole leadership team there, our team there, in particular, you can find me there, and I would welcome an opportunity for helping you, you know, lean into and maybe see things different,

James Robert Lay:

see different things different, feel different, to feel different. I really want that. And then together, we can continue to do different and guide these SMBs in our communities to a bigger, better and brighter future connect with John, learn with John grow with John. John, thank you so much for joining me for another episode of the banking on digital growth podcast.

John Janclaes:

Thank you bye for now.

James Robert Lay:

Until next time, be well. Do good. Be the light