

James Robert Lay:

Collaboration opens up exponential growth opportunities, especially now more than ever in the age of AI. But what is it that holds financial brands back and their teams from collaborating together with fintechs to co create an even bigger, better and brighter future? And what can you do with your financial brand to capture new growth opportunities through collaboration? Well, let's find out together on today's episode of the banking on digital growth Podcast.

Greetings and Hello, I'm James Robert Lay, and I'd like to welcome you to another episode of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insights series. And I'm excited to welcome Kyle Ray to the show. Kyle is the co founder and CEO at Advintro Banking, where they help FinTech and financial brands scale by leveraging deep network and expertise. And today, Kyle and I are going to explore the biggest growth opportunities for fintechs and financial brands, rooted at the heart of collaboration. Welcome to the show. Kyle, it is so good to share time with you today, buddy.

Kyle Ray:

Yeah, no, I appreciate being on looking forward to a good conversation with you.

James Robert Lay:

Absolutely. And before we get into talking about collaborations for fintechs and financial brands, because I know you spend a lot of time thinking about that. What is good in your world right now personally, professionally?

Kyle Ray:

Yeah, man. Yeah, I got a I gotta say my daughter, my she's 15 sophomore in high school playing volleyball at a really really high level. Only sophomore playing varsity starting as a DS right now. So I rock my best guy, my daughter knows t shirt to her games, we got a big game tonight, we went out, we can have four games left, we went out with the win conference back to back. So pretty excited to see that go on in her life. And the recruiting process is already started. It's insane. Man, I'll tell you, it's completely different from the 90s when I was going through and getting ready to go off to college and play football.

James Robert Lay:

That's right. And you know, when I think about, you know, your daughter, and my wife and I, we have four kids, all runners track cross country, it's so good to see their continued growth. And I think that's, you know, a good way to think about today's conversation. There's a lot of variables at play right now, the environment is different back to your point about when you're getting recruited in the 90s. To how recruitment is working today. I think about financial brands, I think about fintechs, you're you're at the intersection of that. And it is a different time period. It's different than what it was to start this decade and 2020. Economically, and when you think about the growth potential for collaborations between fintechs and financial brands. Why are collaborations important? Why are they a key element for future growth for both sides of the coin?

Kyle Ray:

Yeah, I think two things come to mind, as I think about both sides of the coin, but but really what it boils down to is a good partnership. And what does that look like? banks and credit unions or honestly,

fintechs are all the same as well, right? We all come to a point where we need to grow and how do we grow? Generally, it's gonna be through technology and different technology stacks. But do we? Do we build it ourselves? Do we buy? Do we partner with best in breed? And when I say buy, like, do we go and acquire somebody and make it ours? Right? Do we go partner with them? Or do we do nothing? Oftentimes, you see do nothing as your biggest competitor in the market, especially as you get down market, you know, in the sub 10 billion space. But But what really can set in Tech's apart is their ability to actually truly partner with the financial institution. And what I mean by that is, it's not just the, hey, here's my software, sign this three five year contract, and I'll call you before renewal and you're gonna have an increase and pricing and invest a lot, right? It's somebody who a partner who's in the trenches with you who understand your problems and your pain points, who's offering a solution to that specific pain point and maybe others and you know, longtail down the road that you can grow into, but not not the ones that are just, hey, we got our money, and we walked away, right? So it doesn't help anybody. It doesn't help the financial institutions tackle what they need to tackle. But also, it doesn't help the FinTech actually grow their own product set like you get some money in, but then you're not innovating. You don't listen to your customers, and pretty soon you're not going to have any more right so something I prided myself and my days at in Siena was really making sure that I was there with my customers, I would go on tours and you know, every week I'd visit a couple of different customers and between prospects, listen to them, see how their projects are going understand their problems, and battle with them. Right. And I go back internally, and I would take that feedback back internally and say, Hey, here's what the market is saying. Here's what the customers need. Here's where we need to look at going and then inviting them into our prod Like roadmap sessions and strategy sessions, and we did it a little bit uniquely where community regional and enterprise, they, you know, there was kind of community, regional and then enterprise. But they all need the same same stuff, right? It's just that scale. And so, you know what, when I'm talking with fintax, and talking with banks and credit unions, that's really what I'm helping them to uncover and understand is, what does a real partnership look like? And how can you make the best use of it? And it goes to what I just said,

James Robert Lay:

I appreciate that idea of getting down in the trenches. Working alongside them being being their guide with them on their journey of growth. I'm curious to get your take on this around mindset mindset on the the perspective of the financial brand, the bank, or the credit union mindset on the perspective of the fintech. How does mindset play into all of this? Because when you think about a good strong collaboration, it is a meeting of the minds to where we're all bringing different perspectives to the table, we're all bringing different experiences. How does mindset play into establishing and even expanding a strong collaboration that CO creates value together?

Kyle Ray:

Yeah, I mean, my mindset is everything. And I would, I would, you know, turn calls away after the, you know, turn turn the the prospects away after the first conversation if they weren't in the right mind. mindset, because it's technology's challenging, it's not easy, right. And it's not meant to be easy, which is why there's experts in the FinTech space, and there's the engineers and the dev and all those brilliant minds that are out there doing the hard lifting, but we need we need people on the other side, to want to grow and want to help and want to share their use cases and their pain points because that they're very similar, but they're also different throughout every single institution. And so, you know, the, the partnership mindset isn't for everybody, some people just, you know, I talked to almost every single bank and credit union over six and a half, seven years now, some of you just like to be status quo, and that's okay. Right, there's, there's room for that, that's, that's just not the customer that like, most fintechs are looking for fintechs really, really need and need to understand, and they want that feedback loop. They

want that openness back to them so that they can innovate and grow their book of business and grow their revenues, while actually truly trying to change and transform the industry. So that's, that's one key area. The other key area that I looked at was, when I was first talking with, you know, first call with with prospects it was, you know, what is your what is your three year vision for this institution? You're hovering \$700 million dollar, right? 700 million in assets, right? What is your goal? What do you guys, where do you want to be at in three, five years, and, you know, if they were like, Oh, we're happy to just say around 700 million, then I probably wasn't going to be much value to them. Because the products and the innovations that we were bringing, we're going to help them accelerate growth into the 2.35 6 billion \$10 billion range, right. But it's a two way street. And you know, there's a lot that goes into user adoption of the platform and executive buy in from the top down to actually implement the change that's coming. Change is hard. People don't like change, right, especially salespeople, we hate it. But it's important to understand that we're in this again together, and I'm going to help you overcome those obstacles. But I also need your help as well. And I need you to be communicating freely with me with the challenges that you're facing and the feedback you're getting, so that I can then take it back to my team and continue that that loop.

James Robert Lay:

I think a lot about the challenges of change, and why human transformation is essential to coincide along side digital transformation, because the technology, that's that the failure point, the tech is, for many times, it's great. And it came created residential value back to your point, but the people that have to deploy that and the change that they have to navigate through within their own mind, is often some of the biggest hurdles that have to overcome. But you're tapping into something that I think is important, and I'm a big believer in I often say that all transformation that leads to future growth starts by telling the truth, the truth about where you've been, where you're at, and where you're looking to grow next, dive deeper. How do you how do you uncover that? How do you go beyond just the surface level, but really get into the goals of not just the organization but also for the key stakeholder of you're having a conversation with because they're, I think they're interconnected?

Kyle Ray:

Yeah, I mean, you hit on something that I'm very passionate about, and that's that's the truth. Right? And I've got one kind of core death couple of rules, but one of my main core rules with my kids and you know, with my employees is never lie, right? Always have your back but just always tell the truth. And when you think about that, in terms of, you know, being on the FinTech side at the banks and credit unions, you've got to manage that relationship for three or five years, why would you ever want to start out with lying to them just to get a sale, right. And something that I really appreciated with the leadership team at Encino was that it wasn't a a culture where if you didn't hit your numbers, you were you were walking out stage left, it was, you know, let's let's figure out ways let's coach let's let's get you into the right rhythms and repetitions. Because what we didn't want to do is incent people to lie, cheat and steal to win a deal, right. And so that's something that that it comes out naturally, when you're when you're, when you take that premise of, I'm here to be very transparent, I'm gonna tell you what the software can do what it can't do. And I'm only going to tell you maybe the next release, maybe the next two releases, but don't don't buy based on that, right. And so ultimately, what happens is when you start your conversations with that with with your prospects, and hopefully you're getting your champions right away, the wall goes down, right, because they've been lied to so many times, and you know, the legacy core systems out there have, you know, over promise and under what delivered so much that these walls are up, and as soon as you lower the wall, now they feel like they can be fully transparent with you as well. And then it comes, the fine tuning piece now comes, don't, don't be the the hungry person at the buffet, right? Don't have big eyes and a small stomach. Let's really hone in on what you

need and what you can absorb and take on today. And then build a roadmap out of what you can take on in the next 12 To 18 to 24 months, and bite this off in chunks. And when you do that, it creates this partnership where you've got their best interest in mind, they've now told you what their next 24 month roadmap looks like, right? So from my side, I'm thinking great, I've got constant repetition in here with this institution, I've got reason now to come back in and talk every week or two weeks or month, or whatever your cadence becomes. And and you're constantly growing that account now, right and the institution, the financial institutions love it, because now they've got a journey that they're on with their partner versus a set it and forget it solution that they're typically used to right. And again, it goes back to their account, execs come back every renewal with big increases, and they're like, I didn't get any value out of it. So you lower the wall, there's transparency, and back and forth, good, bad and ugly, right? It's yeah, I made sure everybody knows, this is not easy. Like, if this was easy, everybody would do it. And instantly, you know, there's trust built inside of the institution. And then when you get into your key stakeholders, executive team, that person has already championed you internally now too. And so now it's, it's more of not necessarily a friendship, but it feels more like it's a natural friendship partnership with with your institutions from the top down,

James Robert Lay:

I'd take it even a step further. It's a collaboration, it's a collaboration rooted in CO creating value together through your own perspectives that are aligned, this is something you know, if we want to go back and apply some ancient wisdom here, Napoleon Hill wrote about the perspective of the mastermind, where when you bring one mind in with another mind and another mind, then you've got an exponential multiplier of value creation from these different perspectives. The telling the truth, and trust, it's built upon two things. It's built upon words and actions back to your point, it's like, I understand why a lot of financial brands feel like they've been burned from their past experiences. But at the same time, I also encourage, don't let those past experiences limit your future growth potential. Because there are good people who are doing good things for a good reason. And I want to flip this around just a little bit. When you think about the pains of the past, what are potential challenges or roadblocks that can quickly derail a collaboration and just throw it off the tracks?

Kyle Ray:

Yeah, you know, I think something right out of the gates is you get into a project and you sold your deal. You told me can do all these cool things. It can sing and dance and park your car in reverse backwards blindfolded. And the first project kickoff and they're sitting with the project team, and they're like, Oh, well, Kyle told me you can do this and the project teams like we've never even heard of that before the product never been intended to act that way. Right? And so boom, right there all credibility can be lost. And then it's PTSD for for the financial institution, because we've been here done that again. Right? So, you know, that's, that's why it's super important to be very upfront, I might, it might cost you a deal. But guess what, like I was okay with that, because I'm going to sleep at night knowing that I didn't lie to you to just to make a deal. And pat my numbers for the year. So that's that's something you know, I think it's super important for anybody looking to be in on the sales side is full transparency, good, bad and ugly, right? Because you need to build that that instant credibility in that instant trust. And it's the opposite of over over promising and under delivering, you're under promising and over delivering now at this point, and you get into a project and everything they're going through the project seems like yep, yep. Yep, that's all good. Boom, that now that now there's trust. There's even more trust solidified now, because the project team has come in and reinforced.

James Robert Lay:

It's expectation setting, but I say it's expectation setting and then resetting the expectation and then resetting the expectation. So that because we know in any relationship, whether it's personal professional, when an expectation goes unmet, or unfulfilled, that's where the friction frustration conflict, chaos begins to seep in. I want to rise up to the macro level, because once again, you do sit at the intersection of FinTech and financial brands, you see a lot you have a lot of conversations. Let's look at both sides of the coin. What are some of the trends that you are hearing seeing about right now in the present moment, from the perspective of financial brands? What's where's the chatter? Where's the conversation today?

Kyle Ray:

You know, a lot of them. A lot of the financial institutions I talked to Dave, it's kind of a few things, right. There's a I don't know if you want to call it a looming recession if we've been in a recession. But there's something happening, right. You just saw the student loan staycation just call it but that's called a staycation that just expired. Right, so now we've got all this student loan debt that needs to start being repaid again, right? What's that going to do that's going to deplete? You know, capital in the banks even more, because people are now paying their loans back. Right. So there's a lot of chatter around that the credit is tightening even more now. But also from 2019. To 2021. Specifically, more so right in the COVID era. These institutions way overspent on technology, they had to write they're in a bind branches are closing everywhere, they need to have a digital presence. There's all these Fly By Night companies that spun up and started creating some interesting software to help. But now they're just sitting on this stuff. It's on the shelf, some of its not being used. It's three, five year contracts stuff. And so so there's a lot of financial institutions that are looking at their technology stack looking at their contracts, when do they come to what does this even do for us? Can we utilize it? Or should we just ride this out, to have it as a sunk cost and move on. And so we're in this really interesting period of time right now where the banks just are incredibly the budgeted. But they're very cautiously moving into the next project. Because it because they've got this, this tech stack that they're just not really fully sure of yet. And, you know, when I talked to those institutions, what I like to do is get in there and really help them evaluate like, What are you What do you have? Does this even fit where you want to go now? Right? Maybe it didn't 2020 But we're almost 2024 Now is this something more your your institution is even going? And if not just just write it off now, right and move on?

James Robert Lay:

Yeah. And I think that overbuying overspending in that 2020 2021 period, now we're seeing the inverse of that, because the rules of the game, if you will have changed coming back to your point of recruiting, the game has changed. And if we flip this around, what what is the perspective now from the fintechs selling into the space? Where is the where are the patterns of their conversation now today in the present?

Kyle Ray:

Yeah, I think you know, in, in conversations I'm having because I kind of do both sides, right? And I'm helping FinTech scale. So the conversations I'm having is more around getting into their budget cycle for their next project. It's not something that's going to be an immediate sale today. But it's opening the door so that hey, here's, here's what's out there, here's where you said you're going. Here's things to help you on that journey. Let's work together over the course of the next quarter, four or five months ish to work into this project, knowing that you're going to need it and that seems to be doing doing okay, so far, right? Because there's they're still in need and some of it is even replacing, maybe whew, I'm in touch are humans doing the work with something, there's still a cost to that, right and helping them

understand what that cost is. Or it could even be, you know, replacing a really expensive software with a software that's less expensive, that's actually does more for you easier to implement. And so you're just replacing costs at that point in lowering costs. But that those are the conversations that folks should be having. You're seeing a lot of fintechs that are scaling back on their headcount. You know, the other thing that that I think is, is to be noted, as you know, sales cycles are taking so much longer now than it used to be six, eight months for a mature FinTech, you know, the down market sudden at 5 billion space, anywhere from 12 to 18 months in the mid market, and then 18 Plus we'll ship all of that six to 12 months now, just given what we went through this year. And so those are the those that's the angle when I'm talking with institutions. I'm not I don't need the immediate sale, yes, we all want the immediate sale, it's not the right thing to do the right thing to do is make sure that we're in your on your roadmap, and what does that roadmap look like? Let's talk about collaborate about it together, right? Let's, let's have this partnership. So that when when three, six months from now, when that roadmap item comes up, I'm already positioned you're already budgeted into now we have the sale.

James Robert Lay:

Yeah. And I think that it's a change, you have expectations, once again, to the to the new reality, resetting the expectation. And we're seeing the same thing in you know, I think that's where if we rethink what the opportunities are, it might not be the immediate sell. But it's something that I wrote about in banking on digital growth, it's about playing the role of the helpful and empathetic guide. So if you're a FinTech selling into the space, there's still an opportunity to create value to guide your key stakeholders that you're working with internally within a financial brand, by providing them not just the quote unquote, product or the technology, but perhaps the expertise, that they need to facilitate the conversations internally with other key stakeholders. What's your take on that?

Kyle Ray:

Yeah, I mean, you're spot on. Right? I think that's, that's super important. You know, resetting the expectation is a perfect way to say it, because before expectations were such, but we've shifted, given the economic cycle we're in. So the one thing I like to do is, is make my internal champion look like the hero, right, and you can't do that unless expectations are set. And then that, again, that it goes back to that internal champions going to make you look like, you know, an amazing, so a account exec wants to their leadership, and boom, your partnership is really solid at that point.

James Robert Lay:

So yes, and when when you think about where we're at, but also where we're going, say over the next 1224 36 months, I know that can feel like an eternity, particularly 36 months, based upon what we've experienced over the last 36 months. But when you look ahead towards the future, what are you feeling most hopeful and excited about through this lens of collaboration here?

Kyle Ray:

You know, I see a lot of generational shift in in the institutions, right, and you're starting to see the next generation kind of come in to to their positions of leadership. And it's, I'm very bullish on on that because they are the generation that is open to the change and looking at the next kind of innovative thing to take them to that next level. And so I think, you know, and then on top of that, too, we're coming into an election year, which is always fun for financial institutions and fintechs. Right, so, yeah, I'm very, very optimistic of what's to come, I think you're gonna see this, this AI game really take shape. So you know, the, the companies that are already adapting to it, they're not taking their time to get



there. You talk about crypto crypto, I think is here to stay whether people like it or not, and you're gonna see a lot of, you know, bad projects leave, but you're gonna be left with some good stuff. And so those are the types of cool technologies coming that when you look back to the early 90s. And you think about, you know, this, this internet was like this fad, right, and it's never gonna last and now look at where we're at. Right. And I think that's what we're starting to see and think I've been in this since 2006. And we couldn't take checks, pictures of checks to deposit back that and now look at how we can move money around pretty easily. We're still behind though as an industry and I think this this next 36 months, even until like really the next decade is going to be really transformative. And the folks coming into these positions of power are the right the Right generation, I feel like to really accelerate that, and really benefit all sides. And I think that's where fintechs really start to set themselves apart now, right is, do you have a solution that the industry needs? And are you a good partner that's going to collaborate to make this thing better?

James Robert Lay:

It's interesting that you bring up the 90s in the internet. That's something that I've been working with a lot of boards and executive teams within financial brands. And I asked the question, well, how old were you in 1994? And I want you to write that down on a sheet of paper, and I want you to hold it up. And everyone kind of gets a little squeamish. You know, no one wants to talk about their age and whatnot. But I'm like, No, this is important, because how old you were in 1994 is directly influencing your thinking today, because so for example, I was, I was 13, and 94. So right, in middle school, right, as the internet was about to take off, you know, I grew up with this thing. And if seeing the evolution, then sometimes in the room, you have someone who is maybe 2025. So they were college starting their career in 94. So they didn't have that same type of contextual experience. And they obviously they learned along the way, but it was from a different perspective. Then you had someone who was maybe 3035, further along in their career and 94. Then you also have people in leadership, who are maybe five and 94. And maybe they weren't even born yet, and they've had a completely different experience than even myself. And I think because this is important, because you mentioned AI. So right now, everyone is abuzz about this AI thing. And people back in the 90s thought the internet was a quote unquote, fad. And there's film, there's video that that shows this, and I've done a podcast episode on this. I don't, I don't think the vast majority of people have any clue as to the exponential reality of what is coming through AI, it's going to take what has transpired over the last 30 years, compressed that down into maybe three 510 years. And the output, or the result is going to be 10 times bigger than that. And the human mind is a linear mind where the technology is exponential, and it's creating this gap. And I think too, that's also there's a lot of fatigue around this not not quote unquote, decision fatigue, but just change fatigue, there was the COVID and experience. And then there was the financial crisis. And then there's this whole AI thing, and it's just people from from talking to CEOs and leaders and their teams, I'm starting to find a lot of them are starting to feel very, very tired right now, with what they have experienced. What would your recommendation be? Because once again, you you kind of grew up in some of this, and you've experienced changes and downturns as well. What would your recommendation be for those who are watching or listening who might be feeling a little bit tired? might be feeling a little bit burned out to navigate these coming years?

Kyle Ray:

Yeah, I think you know, something that's super important. I just had this kind of conversation with the \$350 million bank down in Kentucky last week where, you know, their generational family owned institution, right, and they've got this technology board now. But it's all internal people. And I think, you know, the, it's great to have that. But I think you need to have fresh eyes on this. Because there's, there's a lot to know and you're running an institution, you don't have the bandwidth, you're tired, right? You're

exhausted from all this change. But if you don't have to be the smartest person in the room, you just have to surround yourself with the smart people that come back and tell you and report to you. And you have to trust those people. Right. And so I think it's important for folks who have you know, been doing this for a long time and they've seen all the change, it's okay to be tired, that's that's normal, right? Arm yourself with the people find yourself a good maybe technology board as a subset even of your board that that can do this heavy lifting for you and then come give you the CliffsNotes but you don't need to be the expert in this now right you're you made it through your throughout your career, you're on top of the world, right? You're the CEO, whatever. That shouldn't be what your main concern is, right? Your main concern should be understanding how we're going to grow the bank navigate through these tough times a credit crunch all that stuff. While I have people that I trust that are going to come back to me and tell me you know, the technologies in in the industry that are there to help us achieve those goals. Right.

James Robert Lay:

That's a fantastic point because if you think about health care, you you You can Google things now and self diagnose, and odds are, you're going to be dying in a week with yourself or your misdiagnosis. But the same is true with technology, within FinServ, you can go out and you can do a lot of googling. But because of the exponential nature, and the number of new logos coming on, it can feel extremely overwhelming. But that's where when we come back to health care, we're working with a specialist who has deep level knowledge, deep level expertise around the cardiac system, or the pulmonary system or the urinary system. That's why there's that deep level of expertise, so that you don't have to be it's impossible to be the expert within all of these different fields of study. So I really appreciate that perspective, as we wrap up here, I always like to send those who are watching or listening off with something small that they can apply today so that they can begin to get momentum and progress on their journey of growth, what would be the one thing that you would recommend something small that they could do to either establish or begin to explore potential future collaborations going forward into the future?

Kyle Ray:

Yeah, I think, you know, the, the key is to ask for help, right? There's a ton of help out there. There's a lot of smart folks out there smarter than I just, we're out here, we're here to help. We're an ear bounce stuff off your, your ideas off our heads. Let us help you in your journey. And quite honestly, you know, I talked to a lot of banks, and I don't I don't Bill banks, right, because I'm passionate about this industry and transforming it, that I just like to know what's going on and help them understand what other things are there and make those connections. And so, you know, the any takeaway that I would give is, call us reach out to us on LinkedIn, ask us for our opinion, there's no there's enough of us in this world that you know, we're all here to help. And ultimately build start building those friendships. So that you have a solid year to talk to you when you need it.

James Robert Lay:

That's that's a great point. You don't have to go that you mentioned journey before and the hero's journey. You don't have to take this hero's journey alone. There are plenty of those who are ready, willing, and want to help they have a servant's heart. They care about elevating this industry, because this is such a important industry. This is an industry that has the ability to truly transform the lives of people in the communities that these banks and credit unions are serving. So I really appreciate that thinking, Kyle, if someone wants to continue the conversation that we've started here today, what's the best way for them to reach out and say hello to you?





Kyle Ray:

Yeah, you can go out to my LinkedIn I think I'm the Kyle re because there's actually another Kyle rate and banking ironically. So LinkedIn, the Kyle re th e Kyl e ra y. My phone number 630-636-1071. Call me anytime. Maybe not too late at night, or email as well. So Kyle, edit venntro AB vi n tr o.com. I'm here for you. I've been doing a lot of things seen a lot of things. And I'll give you an honest opinion on what I think.

James Robert Lay:

Connect with Kyle learn with Kyle grow with Kyle. Kyle, thank you so much for joining me for another conversation on the banking on digital growth podcast. It's been a lot of fun today, buddy.

Kyle Ray:

Yeah, appreciate it. Have a good one. And hopefully we'll do this again soon.

James Robert Lay:

As always, and until next time, be well, do good and be the light