



**BUSINESS
AT THE
INTERSECTION
OF CULTURE
AND DIGITAL
TRANSFORMATION**

An Interview Series:

**THE BANKING
ISSUE**

VOL. 6

YOUR CULTURE IS YOUR MOST UNDER-LEVERAGED ASSET

Thank you for downloading the 6th ebook in a continuing series on Culture & Digital Transformation.

This particular volume deals exclusively with the Financial Services industry featuring amazing organizations from both sides of the Atlantic and across the category spectrum from large national players to member-owned credit unions and fierce new entrants. It has been a treat to interview each of them.

Few categories have felt more pressure to transform than Financial Services. From rapidly evolving customer needs to explosive entrants like crypto and Bitcoin, the sector is under relentless siege. Equally, many in Financial Services point to a litany of well-documented constraints – legacy IT infrastructure, deep regulatory oversight and sprawling

networks of staff and branches – as a rationale for the hard-won but painfully slow progress they've made. The leaders and organizations you'll meet in this volume have taken those constraints in stride, pushed forward unperturbed and seen success that has made them the envy of their peers and lighthouses of inspiration.

Their secret? An unwavering commitment to start their transformation with their culture, rather than technology. To see the answer in People, not Pixels.







You'll meet a bank that has always been digital but that hasn't saved them from the same pressures to perform and adapt in this digital world. A plucky US bank whose chutzpah made them billionaire Mark Cuban's favourite bankers and a community saviour during COVID. A British consultancy that's almost single-handedly transforming banks and bankers on every continent. A member-owned community bank from Canada's Prairies whose impact on local start-ups and entrepreneurs is almost as enormous as the wheatfields their region is known for. Finally, a fast-growing New York operation that has seen the catalytic power of embedding values inside every aspect of the organization.

You're in for treat with these unique stories. If you're in Financial Services, then I hope these examples highlight that, of all the assets you manage, your culture is perhaps the one with the highest possible return...if you're willing to completely invest in it.

Onwards,
Hilton
Toronto, February 2021



CONTENTS

 <i>Gaurav Singh</i>	1
(Tangerine)	
 <i>Patrick Sells</i>	7
(Quontic)	
 <i>Eric Dillon</i>	13
(Conexus Credit Union)	
 <i>Jill Castilla</i>	21
(Citizens Bank of Edmond)	
 <i>David Brear</i>	29
(FinTech 11:FS)	
 <i>Popular Culture Posts from Hilton</i>	37



How TANGERINE, Canada's Favourite Digital Bank, uses their Culture to Innovate & Evolve

It is somewhat ironic to talk Digital Transformation with an organization that has been digital since its inception. However, as the Executives at Canada's Tangerine bank are quick to point out, the digital arena keeps evolving - as do the financial needs of their customers - so they need to constantly remain ahead of that curve. I had the pleasure of chatting with Chief Strategy Officer Gaurav Singh to discuss evolving Digital within a Digital organization, how the power of simplicity can be disruptive, and how the unique Tangerine Culture has made them the envy of Canada's financial sector.

HB: Gaurav, this is a real treat, talking digital with an organization which has always been digital. For those who aren't familiar with Tangerine, can you give us a quick history lesson?

GS: Absolutely. This year Tangerine is celebrating 21 years. Today, we serve over two million clients, have the highest Net Promoter Score in the industry, and we are consistently recognized by JD Power and Ipsos for our customer experience.

Originally, we started as a niche savings bank, and today have a suite of everyday banking products to help serve Canadians better. Tangerine is a purpose driven brand and our focus over the last 21 years has always been, and continues to be, helping Canadians live better lives.

HB: Digital Transformation is often at the center of these interviews as it's the largest challenge that most organizations are facing. Seems a little bizarre to be talking Digital Transformation with an organization that has been digital from the jump. How do you look at the Digital Transformation discussion here at Tangerine? Does it keep you awake as it does other Executives?

GS: Certainly, the word Transformation is a little strange in our context, but responding to the expectations that our clients have of us is our top priority. We've been relentlessly focused on being the absolute best digital bank in this country. We continue to evolve as digital trends and customer trends evolve so we can

build win-win relationships with our clients and Tangerine.

What helps us move fast is what we refer to as the “Single view of the Client”. Because we are fully digital, we have all of the interaction data with our clients.

We are privileged to have our data easily accessible versus having to spend time figuring out how different legacy systems can connect with one another. We focus our time instead figuring out where we’re delivering a seamless banking experience and where we need to improve.

I cannot underscore enough how important of an advantage this is for us.

We’re obsessed with where we can drive a better digital



experience, and have no shortage of ideas we want to implement. And that’s what I lose sleep over. Which are the best ideas with the best returns on investment

to create those win-win relationships with our clients and Tangerine? Which ideas should we deploy next and which good ideas will have to wait a bit longer? A big part of being strategic is saying ‘not yet’ more often than saying ‘yes’.

HB: That is an incredible advantage for your bank. Talk to me about how you turn that advantage into a positioning that attracts customers to Tangerine? After all, Canadians do have numerous other banking options in this country.

GS: Our promise to the market is Forward Banking, which sets up both what we do and, importantly, the manner in which we do it.

Forward speaks to our desire to be progressive, faster, and reduce the complexity of banking to make it simpler. Let’s be honest, a simpler, seamless, fast solution is really something that a digital bank should be able to uniquely offer. With respect to Banking, there was a segment of the market that didn’t equate us with Banking. We wanted to be crystal clear about that.

Most people look at their banking as a chore, so our task has always been to simplify the experience. No one wakes up in the morning looking forward to paying bills or getting a new bank account. So for us, we need to make their experience seamless, fast, and intuitive. If you want to pause your credit card because you can’t find it, or want to make an extra payment towards your mortgage, all you have to do is go online or on your mobile phone to make it happen. There is no need to speak to someone to do these things. We aim to create a “one and done” digital experience. This is how we add value to our clients on a daily basis – it’s through these micro moments. And we are seeing our clients reward us by choosing Tangerine for more and more of their banking needs.

HB: Phrases like Progressive, Simpler, Reduce Complexity are great sounding words. Particularly from a bank. Talk to me about how those commitments are driven by the Culture and the people here at Tangerine.

GS: (Laughs). I was wondering when we'd talk People and Culture - but you're right, those commitments that we make to our clients require a very special type of team that is motivated and driven.

Over my 16 years at the company, the topics of People, Culture, and Leadership have been something we've spent tremendous time on because, as you say, it is just that critical to our success. I think there are a couple of key themes that help showcase why and how our culture helps us drive forward.

First, our Values - which we call Promises here at Tangerine - and that word choice is very deliberate. Our Promises - which we define as "We Share", "We Care", "We Dare", and "We Deliver" - convey a level of personal commitment that's very important. And Promises, rather than Values, denotes that very well.

Second, at Tangerine, I think our people are definitely motivated to achieve results. And there are a few elements people look for in an organization to see if they can or cannot achieve results. They want to focus on simplicity, they want to move with velocity, and they want to partner and collaborate with others. These things are hyper important for today's talent, as the best and the brightest want to contribute, they want to learn, and they want a chance to show what they are capable of.

To enable this, we have fostered a culture where people can make a real impact, regardless of their role or seniority. We're very non-hierarchical here at Tangerine and, as you can see from our open plan offices. You will see lots of daily huddles and stand up meetings. Lots of sprint reviews where feedback is being asked for and given. We have tools like SPARK, which is an open-source "ideas" platform where anyone can submit ideas to the organization. All of this is a means of promoting this insight-driven behaviour and curiosity.





We also place real premiums on accessibility – be that direct access to our CEO or access to information on how the business is performing – and transparency. People motivated by power – or a need to be the sole owner of an idea or solution – seldom are successful in our environment.

HB: There’s certainly a quiet confidence – but also an air of humility and humbleness – I’ve detected in my various conversations here. Is that a Tangerine “thing” or am I projecting a bit? Where does that come from?

GS: (Laughs) It’s certainly not something deliberate per se but comes from a number of leadership competencies which are a combination of hard and soft skills, we place particular attention to nurture here at Tangerine. We consider them leadership competencies because whether you’re in a team or working alone you’re leading. Either leading yourself, or leading and contributing with colleagues.

People join Tangerine because it’s a purpose-driven organization with a challenger mindset. We’re not selling accounts. We’re helping Canadians. With just around 1,000 employees, over 2.1 million customers have trusted us with almost \$40 billion of their hard earned money to save or invest. We have done this together as Team Tangerine. We’re not worried about where the great ideas come from. And the only super heroes in our story are our clients. We really try to focus on the “how we deliver” and that really is where our leading client experience comes from.

HB: The history books are littered with M&A’s where the “little guy” culture is subsumed by the “big guy” culture and all that good stuff is lost. Where buying capabilities or access to markets has been more important than how well the Cultures will gel. How has the experience been since the Scotiabank acquisition? Have you lost any of your Culture magic?

GS: I get asked this question frequently, particularly because we’re incredibly proud of the Culture we’ve nurtured here at Tangerine. From my vantage point, we’ve gained a lot by being a part of the Scotiabank



family. For example, Tangerine will be the official bank of the Toronto Raptors, and that's not something we could have negotiated alone. We have the opportunity to leverage assets, like the SCENE Entertain Rewards program and the deep expertise in functional areas like Risk, Legal, and Fraud. We have access to Scotiabank's Global Digital Council, which consists of some of the brightest digital minds in the world. To me, I think we've gained a lot of good stuff over the past six years.

Has there been change? Yes, and this is something every company goes through, whether they are acquired, or if they are in growth mode. Otherwise you risk being stagnant. Through it all, our focus remains the same – Our Clients. It's the HOW we do it that differentiates us and where the magic happens. We have a unique HOW here at Tangerine and we're very proud of it.

HB: Let's talk about those HOW's for a minute. Can you describe them for me?

GS: Sure. The interesting thing is that I believe if you went back 20 years in a time machine, you'd find these

really haven't changed very much since our inception.

As I mentioned before, we're a purpose-driven organization and we never take for granted the trust that our customers place in us. We very much know that we have the ability to help them realize their dreams but, at the core, we need to earn their trust with each and every interaction.

The other is this Challenger mindset that we had from the beginning, we always thought about banking differently in a world where, at the time, banking was about physical branches, bricks and mortar. I think Tangerine has helped shape what consumers can expect from digital banks.

That Challenger attitude runs deep in the way we think of innovation.

For us, simplicity is an obsession because that's how we want our customer interactions to be with us. Banking is complicated enough as it is, why would anyone – particularly a digital bank – chose to make it any more complicated?

We work with our Clients to ensure we are providing them with the innovations they need, and making sure that everything can be done with a few easy clicks or swipes.

That being said, we're also looking at how we can help our clients make smarter decisions with their money. We're providing our customers intuitive digital tools so they can better manage how they are spending their money. We automatically categorize their transactions for them which gives them insight on how much they are spending on fast-food or Uber, for example. Giving clients insights on their spending and saving behaviours is giving them power. It's going to be game changing for our clients, especially as we leverage machine learning and AI.

HB: I always ask my interviewees what advice you'd give others struggling through their own Digital

SIMPLIFY



Transformation. Considering your unique digital-only posture, what gems can you share with your peers?

GS: Listen, being a digital bank, we don't have the same challenges that some organizations have to deal with. But I think there are some practical things that everyone should do, regardless of where they are on their journey.

The first thing would be to insist that your Customers be your GPS. At Tangerine, we co-create with our clients, this means letting them guide you to places that you might not have originally intended to explore. They're the reason you're in business but, importantly, they can help keep your inventiveness honest. Listen to them and let them guide you.

The other thing is getting into the habit of learning fast. Perhaps a better way to say it is be more concerned about what you're learning than how you've tried and failed. This is the magic of digital. Set up a system where you can outline your learning objectives, go and build it with your customers, and then quickly identify what's working and what's not working. You

have to make sure you have the right people and right tools to be able to do that. This is not easy and we're also looking at ourselves to see how we can do this better as well.

HB: Wow. That was fantastic Gaurav. Thank you for your time. Any final tidbits for those going through a big transformation?

GS: Yes, perhaps one.

I understand the necessity of "bet the farm" transformations for some organizations.

I would just say that you shouldn't underestimate the power of simplification. Of course, I would say that because doing things in a phased approach is in our DNA, but being prudent or, better yet, being surgical in what you set out to do and achieve can reap significant rewards. Put some real thought in how to move forward incrementally and surgically.





Using Culture to Drive Identity & Innovation at US Bank Quontic

In this series of interviews on the impact of Culture on Digital Transformation, I've had occasion to interview a broad cross-section of organizations in the Financial Services sector. That shouldn't come as a surprise as the industry - from Schedule A banks to Insurers to feisty FinTech innovators - is under increasing market and consumer pressure to accelerate their digital utility and reduce the bureaucracy and complexity that has plagued Financial Services for decades. This pressure is giving rise to a new kind of bank - and a new kind of banker - as the opportunity to re-frame how customers are served rapidly unfolds. Quontic, the adaptive digital bank, is an excellent example of this new breed of a digital, community bank. I caught up with Quontic's Chief Innovation Officer Patrick Sells who, despite telling me he was a late-comer to the world of Finance and Banking, has already managed to snag the prestigious "Digital Banker of the Year Award" from American Banker.

HB: Patrick, always good to chat with you. I was looking at the Quontic website ahead of this call and was immediately struck by the phrase "break the system for financial empowerment" which is a really ballsy point-of-view for a bank. Can you give me some more context around that?

PS: <Laughs> Absolutely Hilton. I've been at Quontic for about 18 months, but I had worked with the organization and the CEO Steve (Schnall) previously when I was running my own digital marketing consultancy. At one stage Quontic was facing a real crossroads and having to determine whether to expand into creating more physical branches or double-down and become a truly digital bank. Steve and I spent an intense weekend working through all of the possible permutations before deciding that becoming a truly digital bank was where we both saw a real gap in the market.

Importantly neither of us were content with being "just another digital bank" and we wanted something more aspirational and more provocative which led us to that mission which, if you read off our website, is really quite unique.

Quontic's mission to break the system for financial empowerment stands in the face of big banks and proves there is a better and more equitable way to put the customer first.

The bank focuses on truly understanding and serving the underdogs, entrepreneurs, gig-economy workers, immigrants, and more with a curated banking experience as opposed to a one-size-fits-all banking approach.

Right out of the gate, we wanted to have a very strong perspective of who we were going to be and who we were going to serve.

HB: Well there's certainly no ambiguity in that statement. Why has it been so important for Quontic to be so direct, maybe even provocative?



PS: As we looked across the (US) banking system we were struck by how little innovation had really happened to the core banking proposition in the last 50 years. Banking remains, by-and-large, a one-size-fits-all service delivery. Now that may be okay for some, but we felt that increasingly there were large groups of people who were being inadequately serviced – or even just plain ignored – by the current system. We saw that as an opportunity. An opportunity to service those ignored groups but also to attract a group of employees who saw what a community bank could, and should, be and wanted to be part of that journey with us. Our mission needed to be bold enough to attract those (ignored) customers, but also folks who may not have traditionally considered a bank as a place for them.

Banks used to play an absolutely vibrant role in the development of American communities and society. It was prestigious and banks genuinely helped businesses come to life in this country. They helped communities to be formed and we asked ourselves, “what’s happened to all of that?” That vibrancy, that impact, has been lost over the last few decades to where no young person graduates college and goes, “I’m going to go work at a community bank.” Young people don’t think of a bank as really that vibrant, exciting or enabling anymore. So at Quontic we’re trying to come back to what working at a community bank used to mean. How do you go back to what banks were originally and become that vibrant place again?

HB: Are you talking about Purpose, that term coined by Simon Sinek, here or something else?

PS: I wouldn’t use the word Purpose.

It’s about having a clear sense of your identity, what makes you truly unique and different. Then being crystal clear with each and every person you employ about how you’re going to deliver that at each and every opportunity.

For Quontic, that means three things. The first one is innovative deposits. Essentially these are a set of products you won't find anywhere else in the Banking world. We're currently exploring some truly unique programs that, for example, could reward you in Bitcoin or one that helps you reduce your carbon footprint to zero. Back to the mission - if it's not breaking the system or empowering you then we're not going to create it. The second anchor is maximum leverage which equates to ensuring that we get the very best out of every asset we have, be that our technology, to make us more automated and better wherever possible, or our people, who we want to empower and enrich to bring their best ideas to the Bank every day. The third, and this has caused waves for us, is adaptive lending where we deliberately look to a space where other banks don't go or wouldn't look to build a book of business in. Simple example is our mortgage products which lend to low income immigrants, gig economy workers and people who wouldn't ordinarily be able to secure a mortgage. Again, back to breaking the system and financial empowering the underdogs. That's part of our identity and everything we do needs to authentically reflect that.

HB: So, talk to me about how this idea of identity plays into your relentless ambition to innovate inside banking and, in particular, how is that borne out in the Quontic culture?

PS: This is something that (CEO) Steven Schnall and I have discussed time and time again.

I think the innovation word has been dangerously misused and for many it has become synonymous with technology, which is a miss. Innovation is either at the heart of what makes you unique or it's not.

Innovation quite simply is doing things differently and that, like what we're trying to create at Quontic, comes down to what it is that needs to be different - in our case how Banks, Bankers and Banking operate in the US

today - and how you're going to do that successfully and over a sustained period of time.

That idea always brought me back to trying to define the identity of Quontic, what makes us different (or why we want to be different) and how our people make that a reality versus just something we talk about. For a while I've struggled with this idea that seems quite prevalent in business circles that business exists only to pump profit for shareholders and Executives. That is so one-dimensional and flawed. It's like saying that you Hilton, as a human being, merely exist to pump blood. That's your sole reason for existing and sole activity to focus on.



Quontic Bank CEO Steve Schnall and Chief Innovation Officer Patrick Sells

Of course, that's complete insanity. You're more than a "pumper of blood" and businesses, especially Banks, need to be more than a "pumper of profit". Firstly, because there's so much more to business than that and secondly because no-one wakes up in the morning and rushes into a place just to help "pump profits". And if they do, they're probably not the type of people we want helping us build Quontic.

HB: Okay I get the idea that having this different, unique identity can set you apart in what you build and who you serve. Talk to me about the culture piece and how your people factor into this idea.

PS: The people part is absolutely critical. That may sound like a cliché, but a vital part of me joining Quontic is the recognition that our identity, and our ability to succeed only happens if it's authentically part of everything we do. For an organization as young as we are, we have this fantastic opportunity to get the culture part right from the very beginning. And that's what we set out to do.

We deliberately took a very grassroots non-scientific approach. We asked our colleagues!

We got together in small groups very organically and asked ourselves a series of quite basic, but very important questions.

“What behaviours do we think people will need to have to help Quontic succeed in its mission?”

“Which of our colleagues do we most adore and wish we could work with more often?” and “What is it about those people we like that we wish you could replicate and amplify?”

Quite basic questions but it drove some very illuminating and interesting conversations. And it made for an interesting list of people from across the company that, based on job function or title, you might have scratched your head. However, it did crystallize a number of our core values which, interestingly, came through time and again when we dove into why our colleagues had chosen the people they did.

Progress Not Perfection quickly rose to the top. That's become an important one for making decisions but also when we evaluate projects that didn't go as well as we'd wanted. Failure remains one of the hardest things for a company to get comfortable with but it's entirely unreasonable to expect zero misses – especially when you're trying to break the system. The next one is the idea of Try It On. We want to be quick to embrace and

try things and get feedback as to what is actually working. Just as important, we don't want to spend endless hours in meetings mindlessly debating things. Internally we use this basic analogy. If you were at a department store and you're looking at a shirt, you're not going to get your phone out and make a “pros and cons” list for 20 minutes before trying it on. Here's a real example I face all the time and probably accelerated by the Digital Banker of the Year Award. Senior executives from other FI's will call to discuss all their plans for the “digital millennial banking customer” and they stop short when I tell them the average age of my customers is 58. While they're likely having endless meetings about designing the perfect product for the perfect customer and worrying about Amazon or Google becoming a Bank, Quontic is out there “trying it on” and discovering all sorts of great and unexpected things. That value creates a real impetus for action which is why we're fond of it.

The third value is Say Cheese which really comes from that very human insight that when somebody pulls out a camera and says, “say cheese” most people light up, put on a smile and generally change their mood. This value is a recognition that we're doing tough and difficult things and that there are going to be many stressful and crappy days. But, if we can operate with a mentality of “say cheese” when we're in those stressful moments with colleagues or, especially with clients, then we can go a long way to diffusing the stress and focus on tackling the problem. The last one is Know the Goal. Again, for a relatively young company, this is crucial. There are so many things we could do it's really a case of knowing and remembering what we must do.

That's important because it focuses our energies and our creativity on the stuff that matters right now. Having that clear mission statement is so important because whenever we get into a debate we can look at that and say, “is this breaking the system?” and is this “financially empowering?”

That's why a value like knowing the goal is so important to rally behind.

Honestly there are very few meetings where a team member doesn't speak up and echo one of the core values. Often that's me. It's a way of reinforcing the values and reminding each other how we've chosen to act and make decisions here. <Laughs> Truthfully there have been times I've considered changing my title to CRO or Chief Reminder Officer.

HB: That's great context – and a great new title for Culture Officers I think. Do you think you have an advantage because you're so young as an organization? The “founders” of Quontic are still walking the halls where other banks are over 100 years old and that connection to the identity of the bank has been lost in the archives. Does that give you a cultural advantage?

PS: I love this question. Not to sound like a broken record but it really goes back to the idea of genuinely finding the identity of your business. The identity of a business cannot – or shouldn't – ever be solely reliant on the founder because we know when it's the founder, it doesn't tend to last very long beyond the founder's presence in the building, right. There are millions of case studies that point to needing to imbue something that can last beyond the influence of the founder. That's when you've really captured the magic. The analogy where I found help in thinking about this was the notion of religion. How do religions live on for centuries and centuries? It's because they've codified a means by which they live and operate. There's a means by which decisions are analyzed, there's a set of understood values and a common language that they've created which bring people together.

So whether your company is a one year old start up, 10 years old with the founder actively involved, or 150 years old and needs to rediscover your culture, you need to take a long hard look at the people that are there and ask, “Are we still aligned to the goal and how we're going to get there?” For us when we created the mission and associated values we very quickly saw that 80% or so of our people were all in. The 20% who were

on the fence or not aligned quickly saw that we were totally committed to our mission, our identity and those set of values. Some changed but, more importantly, some left – and that was okay for us and for them. They were quickly replaced by 20%, who absolutely ate, breathed and slept this way of living and this way of thinking. Unfortunately, when you're a bigger company, you may find that there's only 60% of your staff that are all in. But the same rules apply. What's your identity, what and how are you going to get there, and do you have the courage to get rid of those who are muddying the water or just aren't bought in? In our experience if you're crystal clear, as we've attempted to be in everything we've shared about our ambitions and our values, then making these decisions become way easier for both parties. It's when you're unclear or indecisive that the problems begin.

HB: Skeptics reading this will nod and say this stuff is easy to say but harder to do. Is there a time in Quontic's history that you've had to double-down on this way of thinking?

PS: Absolutely and in hindsight it was the first really significant moment around the value of progress not perfection.

In classic digital bank fashion when we first started Quontic we were obsessed with creating a brilliantly slick mobile application. We vetted several companies and started down the path. Two years of incredibly hard work and countless hours and dollars invested, we had a moment where we looked at the project and said this just isn't getting us where we need to go. Back to that value of “know the goal” and being able to say it's just not working. That was an incredibly hard conversation to have internally because the team had really put their heart into it, but it wasn't getting us to where we needed to. This was an idea that I personally had championed and now I was pulling the plug and resetting our expectations. But we could do it with way less agony and circular discussions because of those values we discussed earlier. And we ended up promoting and giving the Team Leader a bonus even though we shut the project down. For us, that reflected our commitment



to “progress not perfection” and promoting the Team Leader was 100% the right decision against that core value.

Here’s the thing, for all the academic debates about culture, it really comes down to the ability to make faster and better decisions. And having values you commit to 100% removes so much stress, animosity and confusion from the day-to-day work. Who wouldn’t want that?

If you don’t see these as significant advantages in running any business, then I don’t know what will convince you.

HB: An eloquent point passionately made mate. I always ask my interviewees for any advice they’d give their peers – in Banking or beyond – that are facing the same culture or innovation challenges you are. What would you tell them?

PS: Absolutely and some are very much driven by the reality of working in the Banking sector. Firstly, embrace the restrictions. Banking has tons of rules and regulations and if you’d asked my friends and family if they thought I’d be able to thrive creatively in that environment they’d say you were nuts. Reality is those restrictions, and every single business has them in some way or another, can be the most liberating and creative part

of your role. Finding opportunity in, or despite of, those restrictions can be some of the most rewarding things you can create as a leader. So, embrace the restrictions.

The others really come back to my deeply held conviction around identity. You have to be authentic and be intentional with yourself and with your people. Inauthentic and uncommitted leaders are easy to spot a mile away and you’re fooling no one if you’re one of those. That means having some reverence for what you’re trying to create and taking that responsibility, for other people, their careers, their families, their futures very, very seriously. Lastly, stop waiting for that perfect situation to get started on this stuff. There is no perfect timing, certainly not right now in the world, but you have to start somewhere and you have to start sometime. Why not right now? What are you waiting for?

HB: Brilliant. Some fantastic advice mate. Always appreciate your time and your passion for this topic.

PS: My pleasure. Take care, Hilton and we’ll chat soon.





Building a Culture of Agility & Resilience at Community Bank Conexus

Within Canada's ecosystem of financial services organizations, co-operative banks and credit unions hold a special place. While most people are familiar with Canada's "Big 5" banks, as they all have an international presence, there are over 700 credit unions and co-operatives operating in Canada today. Uniquely, the principal difference is that the members of these financial institutions actually own the bank and aren't shareholders like the publicly traded "Big 5". I had the opportunity to chat with Eric Dillon, CEO of Saskatchewan-based Conexus Credit Union and discuss how the unique structure - and culture - of community credit unions gives them significant advantages over their larger public competitors. We also get into the critical need for CEO's to put on their mask first and how a culture transformation can, and should, feel like a 61-hour drive. It was a fun and fascinating chat from start to finish.

HB: Morning Eric. Appreciate you getting up early for this chat. I deeply admire anyone from Regina Saskatchewan in the middle of a Canadian winter because I imagine it's always -40.

ED: It's not -40 all the time, we got up to -20 the other day. <Laughs> No denying we're a hardy bunch out here in the Prairies.

HB: No offense but I think I'll postpone my visit until July. Getting started can you tell me a little bit about yourself and a little about CONEXUS for folks that might not be familiar with the business?

ED: Sure. In the simplest terms, and the way I talk with my team, is I'm head coach and chief cheerleader. That that's really how I see my job and my role. Beneath that I'm the CEO meaning I'm ultimately accountable for how the organization shows up, how it behaves and the results we deliver to our customers and members. We were talking football before the call (Go Bills!!) but the classic, perhaps over-used metaphor, is I'm like a quarterback; when things go well, we get too much credit. And when things go poorly, we get much of the criticism. The reality I'm just the one face of a thousand people that are working their asses off every day to do interesting things.

Since leaving University I've worked in the cooperative banking industry. I've been in this role for almost a decade at Conexus and prior to that at another Credit Union called Servus.

HB: I'd love to flesh out co-operative banking, particularly against the backdrop of other financial services institutions. What makes the sector different and in particular, what makes Conexus different even within the cooperative banking group?

ED: Happy to. The easiest way is to describe cooperative banking vis-a-vis others in the sector. So versus the publicly traded or very large banks, there is a point in my mind at which the interest of a financial consumer and the interest of a shareholder diverge. The beauty of cooperative banking is the owners of the bank are also the customers. So, it's much easier for me, as the CEO of a cooperative bank, to build the organization in alignment with the needs of the consumer and the shareholder. Cause they're the same person. I think the challenge for the CEOs of publicly traded banks is there comes a point at which those two audiences



diverge, and we know, in that model, the shareholder is often the one meant to win.

One of the other significant advantages for co-operatives is the capital is much more patient. There's no quarterly earnings call that we need to meet. We've got people who were invested in the institution who really want us to build generationally for the next generation of member owners.

That's a real luxury for us as leaders that you've got this kind of patient long-term view of how to build the organization. One of the other areas we've got clear alignment with our board is to really root ourselves in purpose and redefine, what does it mean, in 2021 and beyond, to be a community credit union. And what role should we play as a catalyst for economic activity.

HB: I appreciate you must breathe a sigh of relief not being tethered to a 90-day analyst call but that doesn't mean there isn't real pressure to perform and grow at Conexus. Some people, mistakenly, think of Credit Unions as these slow and lumbering organizations which couldn't be further from the truth. Talk to me about those drivers and where you see growth coming from.

ED: I think that (mis)perception does exist. However, the subtle but important difference is that our race is not around quarterly earnings. Our race is around relevancy and to make sure that the organization really delivers on what it means to help people with money, not to see consumers as a source of profit, but to see an opportunity to actually help people be more healthy financially.

Conexus has completely stepped into this different view of what does it mean for somebody to succeed financially and to ask our members "what's your definition of financial wellbeing?" Interestingly, in



some intensive research we commissioned, what's more important to people is a kind of emotional connection with money as money enables them to live the life they want to lead. Not their Net Income. And the realization that the life you want to lead will be different from mine and will be different from others.

At Conexus that's 150,000 different people with 150,000 different lives. That's the basis on which we guide the company, not seeing people as a source of the next credit card sale, or a mortgage sale, but rather to see the family, you know; Susie and Jim and their kids, and here's their picture today and how can we help them be more successful financially? Or particularly in times like this, perhaps more resilient financially, which we believe is a really important.

HB: I adore that orientation that goes deeper than seeing your members as more than a walking product up-sell. Putting my bias on the table, I'm going to say that deliberate strategy inherently has got a culture that supports it. So, Eric, I'd love to understand what does culture mean to you as a business driver and how have you, as the CEO of Conexus, seen it as something

that allows you to deliver your strategy?

ED: Well, as you and I talked earlier, we've been very deliberate and conscious about the strategy and the culture we need to enable the strategy we have. But I think it's vitally important to ground any culture effort against what's happening in the market – and where is the market evolving – so you can build a culture with that resilience and adaptability. While it might be a cliché to talk about the VUCA-world we're living in (Volatility, Uncertainty, Complexity and Ambiguity) I think there's an unbelievably big competitive advantage for institutions, cooperative institutions of our size, who are really close to the customer to be able to quickly meet what the market expects and to do that in a way with direct customer feedback and direct engagement as a member owner. For the enormous financial institutions that agility is harder, if not impossible, to pull off.

So, if you accept that hypothesis, I think it's a natural kind of extension to say what's the culture that the organization needs to act like?

Even though we are a 90-year old company, we must act like a startup that's nimble and agile, that's close to the consumer, is naturally curious about what they need and how we must orient ourselves to deliver on that.

We set out 10 years ago to radically change the way the organization behaves to try to capitalize on that strategic opportunity of quick and close to the consumer. I think we've made some progress for sure, but we have a long way to go.

HB: It's absolutely a journey changing an organization, refining or modifying a culture. Talk to me about some of the explicit things you've done to move your people and culture along that journey?

ED: Couldn't agree more and, to your point, we had to be intentional and explicit about it. The first thing we put our thumb on was organizations don't change, key people inside organizations change. So, if we're going to be markedly different in terms of the culture that we wanted, we knew we needed different kinds of people or

different skills in the people that we had. We made no bones about that and used unambiguous language like "leaders will change or leaders will change." And I have to hold myself to that ethos and attitude too. As you and I talked about previously, my biggest personal fear is not evolving myself quick enough to keep up with what the organization will need in this VUCA world.

Case in point, I was doing interviews last week for an executive level role, and I was really poking at the candidate to show me a time where they've done something completely different, something unique to the industry where they were sophisticated enough to figure out the risks or the consequences and took that idea over the finish line to production in the market. You'll be shocked at how few people with a legacy in banking can actually articulate those things. It's remarkably few and far between to be honest.

HB: I love the notion of leaders will change or leaders will change. There's something deliciously unambiguous about that. Coming into this role where you're sandwiched between the Board, your employees looking for direction and reinforcement and your members looking for service and returns, how do you drive that thinking into the culture?



ED: My observation is that the natural inclination of many leaders is to go in quickly, steal or borrow content from others, and then try to adapt it to their new role. Fair enough, maybe things aren't that strategically differentiated in some categories. However, I would say on things that matter greatly to strategy, where you need people who are actually going to create things and try things that have never been done before, you've got to be more deliberate, more conscious and definitely more patient.

Bizarrely we found when we started our journey that there was not a universally accepted definition of financial wellbeing in the history of banking. A category that is 350 years old. So, this tiny little bank from Saskatchewan Canada went out and built one. It took us four or five years to get our heads around it, but we built it from scratch. And, today, that "purpose" is the absolute rallying cry for the entire organization. And it's not just some glossy picture hung up, you know, in offices across our province. If you were to call any of our employees and say, what do we stand for? It would be the first four words out of their mouth. There is absolutely no question about that.

And what's interesting is, from a talent attraction perspective, the people we've brought into the organization recently cited helping advance that purpose as a key reason for applying.

That purpose absolutely connects us internally. So, it has become a magnet for people who feel similarly about the opportunity and what we're trying to create at Conexus.

HB: That's remarkable. I congratulate you Eric, because it is substantively different to numerous organizations who pontificate, but sadly don't have the proof or evidence beneath the pontification. So congratulations, mate, congratulations.

ED: Thank you Hilton. If I had a nickel for every time, I pulled down a strategic plan, read it and thought my

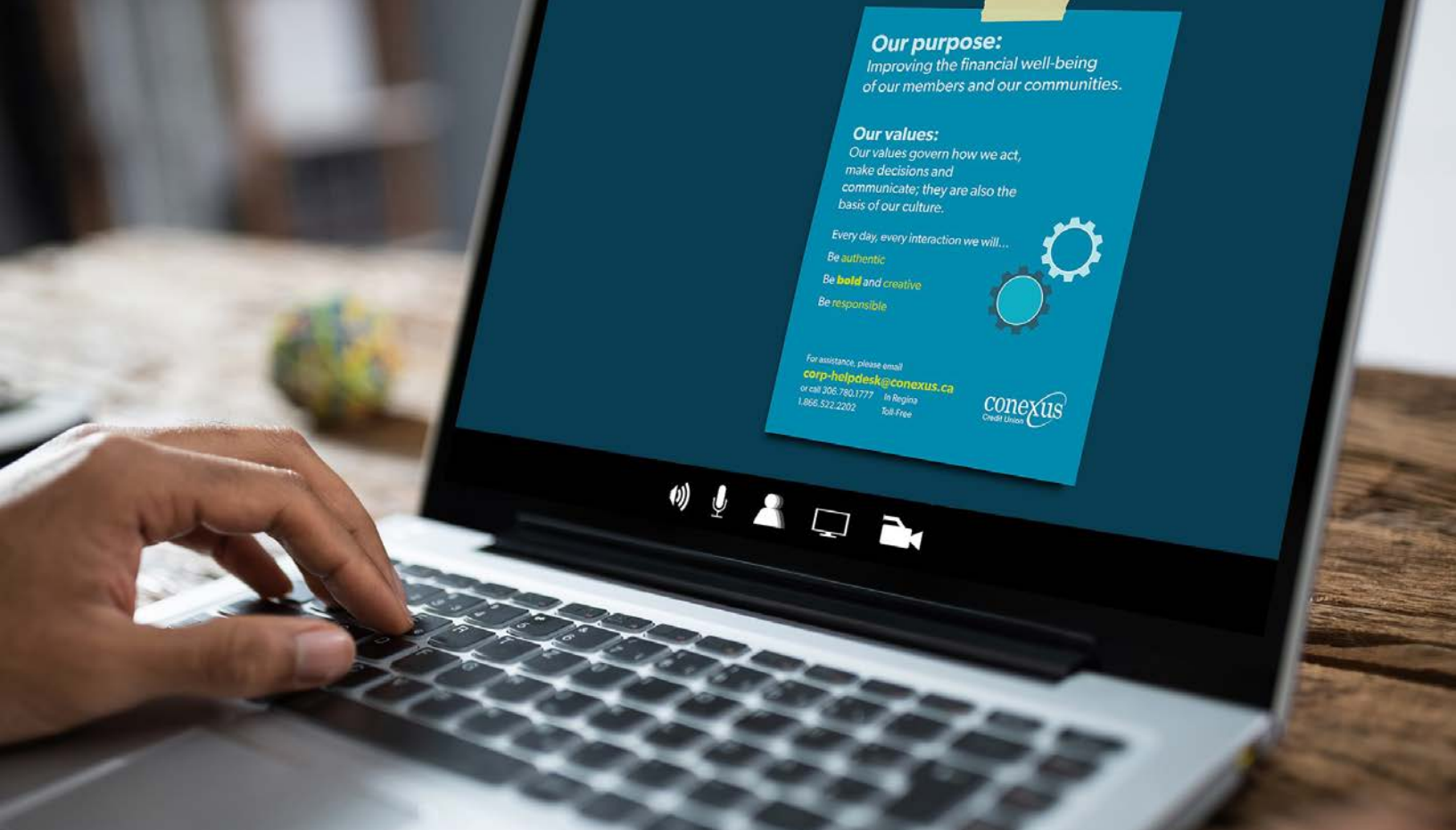
God, that sounds fantastic. <Laughs> I talk openly to our team that people can think strategically, but strategically doing, you know, that's what separates the average from the great in my mind. We've certainly had our own struggles figuring out a way to deliver on this beast but, I would say, that's what differentiates the great organizations from the average. It's the difference between saying, and the much harder task of actually finding ways to build that in to how they deliver to the customer.

When you start to think about here's our strategy, the next question naturally is, what's the culture required to deliver on that strategy? And then the most difficult question is, okay, how do we actually move the entire organization? Now you're talking about recruitment, performance management compensation system and rewards systems, the way the organization communicates, how leaders show up to formal and informal events. The list goes on. It's really easy as a leader to go, "Oh my God, that sounds hard to have to reinvent all these things".

The goal is not to blow them all up. The goal is to take them and consciously be moving all of them towards some desired future culture that's never done. Don't let the fact that it's so daunting get in the way.

Rather, be really clear about the culture that the organization aspires to have, and then just take small, but deliberate and meaningful steps towards that constantly and making that clear to the organization.

At Conexus, we talk openly about our strategy journey being like a trip from Regina to St John's Newfoundland. (That's a 61-hour drive or 5,375 kilometers Dear Reader) Metaphorically, we're not sure if we're going to fly walk, drive, take some time to hike, or camp out for a few days. We're not sure. All we know is that the



direction is East. And we all need to be going East together. And, from time to time, we'll decide together if we need a rest or we need a plane or we need a truck or whatever it is we need to get there. It's inevitably going to change, but we're constantly taking those meaningful steps towards Newfoundland and our final destination. It's been a useful metaphor for us.

HB: That's a brilliant metaphor. Purposeful but it does take the pressure to get the culture and transformation piece right straight out the box. Switching gears, one of the common refrains I hear about innovation or agility in the banking industry is how hampered organizations are by the wall of regulations they face. Is that a fair observation?

ED: There's no denying we face regulations and regulators in this industry. And we should, we're entrusted with other people's money and their futures. However, I'll give you an analogy that I use when I speak to our team about this. When my Conexus colleagues say the regulator is not going to permit this or that, my answer back is that we sound like (with the greatest respect) taxi cab drivers arguing about Uber.

My unwavering perspective is that our customer's expectations are going to drive the evolution of our business, not the regulator. And our job is to find smart and savvy ways to deliver on those consumer expectations while obviously maintaining trust and integrity of the systems. That's our responsibility.

A recent example inside Conexus would be venture capital and running it inside a community bank. It has never been done before in Canada. And of course, the first conversation we had with the regulator, they had questions about how we were going to manage this business. Did they just come out and say, here's your blanket approval go forth? Of course not, but we found sophisticated ways to demonstrate to them that we understood the businesses. We could manage the risks. It was consistent with our purpose, we'd hired the expertise to do it well. We've just had our first venture exit and had a hundred percent return in 130 days, that's a very successful start to that business.

To my mind it's just lazy and convenient to accept that "no" from the regulator and stop pushing. That's not the culture we're building here at Conexus because

our customers and members in Saskatchewan are demanding more from us. Particularly around venture capital and nurturing home-grown start-ups. I can proudly say that the burgeoning start-up community in this Province could stack up against anything in Toronto, Montreal or Vancouver and we (Conexus) want to be a central part of that economic growth and that financial wellbeing.

HB: That's an excellent example Eric. For readers outside of Canada who might not be familiar with Western Canada, particularly the Prairies, there's a real can-do attitude that seems to personify the West. Is that just a romantic illusion? What role does that play in creating can-do cultures?

ED: Well, it certainly takes a certain resilience to face our winters – and our black flies. <Laughs> One of the really interesting things that came out of our research was that some of the best incubators and ecosystems in the world are located near farming communities. There's an entrepreneurial reality about working in agriculture that isn't immediately obvious but it's definitely there. Farmers know all about facing left turns, whether that's the weather or that's prices or that's international trade. So, I think to your last point, it's definitely a bit of a roll up your sleeves, get done, kind of mentality here on the Prairies. So, in the people we hire, the people we attract, the customers and entrepreneurs we serve, it's certainly part of our fabric.

HB: Love it. I always ask my interviewees what advice they have for their CEO peers staring down the barrel of the same challenges you do on a Monday morning?

ED: Sure. Maybe let me start with a bit about kind of current state, because it's a very challenging time to lead companies. First and foremost, you need to kind of put your own mask on first in terms of wellness. You can't set up for the organization and coach it through a very challenging business environment if you don't find personal time to get fresh air, find time to think, find time to disconnect. This "working from home" thing has propagated a very dangerous "always on" mentality and that doesn't lead to high performance.

As CEO you must find time to rest relax, rejuvenate, and most importantly think.

I think the second thing is just be gracious. Always. Recognize that we've never operated in times like this. I'm going to make mistakes and I've made lots over the last 12 months of leading through a pandemic. My colleagues have made mistakes, but you just need to be gracious where, you know, everyone is genuinely trying their best. Anything we do that doesn't look perfect, it's not because of bad intent. It's just because we've never seen, experienced, or lived through something like this before.

The last thing I would say though is, if as CEO, you think you've done all your learning and growth and development, it's the contrary, it's now that you need to be your most voracious learner reader, grower, developer of yourself, your knowledge. Again, my biggest fear as CEO is that I'm not going to reinvent myself as quickly as the organization demands and needs. It's taxing as a leader to, you know, run the business and then reinvent yourself and you've got to still learn, read, explore.

Just like you've got to put your mask on first to be, you also got to put your mask on first to show the organization that this constant reinvention (of yourself) is now the new normal. I don't think there's any way around it if you want to genuinely lead your people.

HB: What a brilliantly pragmatic Prairie's answer Ed. This has been a thorough delight. Appreciate your time mate. Stay safe and stay warm out there.

ED: Thanks Hilton. That was lots of fun. Appreciate you giving me an opportunity to tell the Conexus story.







The Culture & Leadership Turnaround at Citizens Bank of Edmond

I'm always fascinated by the incredible organizations that this interview series has introduced me to. Organizations achieving incredible things, often under the most pressing and difficult circumstances, and finding novel ways to push through with resilience and humility. I'm even more impressed when I see the subsequent impact they're able to have on the customers and communities they serve. Time and again, the organizations that have placed an emphasis on building a cohesive culture are able to turn that energy into a true customer-centric operation. In recent weeks I've been introduced to some fantastic community banking leaders who intuitively understand the relationship between a community, the banks that serves them and the possibility to thrive together. Jill Castilla, President and CEO of Citizens Bank of Edmond, is one of those leaders. During her tenure, Jill has been able to turn a community bank in Oklahoma into a cornerstone of

Oklahoma City, build a relationship with one of America's most energetic billionaires and, in the midst of COVID, create a product and service that has literally impacted millions of Americans. It was a delight to chat with one of the most passionate and humble leaders in community banking to discuss culture, leadership transformation and how Mark Cuban became one of her biggest advocates.

HB: Jill, always a delight chatting with you. Particularly with so much on your plate at the moment, thanks for taking the time.

JC: My pleasure Hilton. There is certainly a lot going on here at Citizens and at community banks across the country. This pandemic has really created a moment for many of us to re-evaluate how we can best serve the communities we're in and deepen that unique connection we have. The pandemic may be global, but I firmly believe that we're going to get through this local community by local community. That's certainly where we're focusing our energy.

HB: I can absolutely see that "local focus" in many of the businesses and leaders I speak with. Take a moment and give me your background and your role at Citizens?

JC: I've been at Citizens Bank of Edmond for just over 11 years and am currently the President and CEO, a role I've held for the past five years. Citizens is almost a 120-year-old bank and we have been at this very same intersection for that entire time, which I think is a great testimony to how much we're part of this community. I joined Citizens after serving at a bank in Northern Minnesota for several years. Prior to that I spent almost a decade with the Federal Reserve Bank in Kansas City. I'm proud to say that I come from an Army family and both my husband and I are Army veterans. He's just retired after 26 years in the Army and Army Reserves, and our children are currently serving in one branch of the military or another and we have one still at home. I'm also incredibly honored to serve as the Civilian Aide to the Secretary of the Army and in several board roles that are focused on generating opportunities for the people and businesses here in Oklahoma.

HB: You're a passionately outspoken advocate for community banking and how, unlike the large national retail banks, community banks like Citizens have got to think, lead and operate differently. Can you talk about that through your experiences at Citizens?



JC: Absolutely. Case in point, Citizens Bank is a single location, \$320 million asset bank that has been part of this community for nearly 120 years. We are naturally operating with a different set of realities to the national banks, but that's where I believe our ingenuity and resilience comes from.

I think of us as the “MacGyvers of Banking” because we have to be creative in how we use technology, where we dedicate resources, the opportunities we double-down on, and the manner in which we operate as a team. All of those elements come into sharp focus when you're the size we are but have the responsibility to the community we have.

For example, the deep relationships we've built in the FinTech community, and with other progressive Financial Service leaders, is because we see those partners as a force multiplier for what we're trying to unlock for our customers, and it definitely allows us to punch above our weight. We're a group of 55 team members at Citizens Bank of Edmond, but I'm regularly amazed at what our group has been able to achieve because of our courageous and adaptable mindset.

HB: I adore the “MacGyvers of Banking” metaphor which brilliantly sums up what so many leaders want from their teams and their partners which is ingenuity and passion. That is the stuff of legendary cultures so how have you built that into the Citizens Bank environment?

JC: Thank you <Laughs> but it has been a journey since I first joined the bank. A journey for the culture I inherited but also a journey for my own leadership style. Fortunately, I come from one of the best leadership training environments in the world – the US Army – where you learn first-hand some great lessons about how to build world-class teams and you learn a lot about your own leadership abilities and opportunities.



When I first joined Citizens, the bank was not in great shape at all. By many of the ratios and indexes that banks are measured on, we had significant issues that needed to be addressed immediately. Regulators had written us off, but I wasn't willing to accept that we couldn't turn this bank around. I really did come at this with a "failure is not an option" mindset, but I wasn't naïve enough to think that we didn't have to drastically change how we conducted ourselves internally and how we were going to operate as a team. A critical aspect of our structure is that the employees of Citizens are the largest shareholders through the employee stock ownership program, and I wasn't prepared to let them down and see all that hard work and commitment evaporate. It's also hard to describe the tremendous sense of responsibility and accountability that comes with running the oldest bank in this community. So much legacy, history and community impact are tied up in this bank and none of us were prepared to let that go.

The hard truth was that the bank, its staff, its culture and the way we operated needed a critical re-set. And,

as the lead at the bank, I felt responsible to execute that re-set. I put in significant more rules, restrictions and a real no-nonsense fiduciary approach to turning the bank around. Eighteen months later we'd executed the fastest turn around in national banking history without adding any further capital, but it had taken a toll. I tell this story to emphasize just how woven a community bank is into the fabric of the town or city they operate in. I was getting my hair cut across the road from the bank and the stylist asked me where I worked, and I replied "Citizens". She stopped and said, "be careful I hear there's a really terrible lady over there running the place." I said, "I'm that terrible lady" to which she replied, "No way, you seem so lovely." When you're executing a culture and business transformation in a community bank, there really is no place to hide because your decisions and leadership style are genuinely out in the open. That took some getting used to, but it was an important lesson for me as a leader.

Community Impact - The annual "Heard on Hurd" Street Festival initiated by Citizen's Bank of Edmond is

credited with bringing \$30 million into the downtown core.

We were absolutely committed to ensuring Citizens was going to be around for another hundred years and that required some very direct, even dictatorial, leadership at the outset. Of course, once we were out of the woods that leadership needed to evolve so we could develop a more collaborative environment and culture. I tell you, turning around a bank is hard. But transforming a culture...that takes a lot of energy, time and commitment. Give me a bank turnaround any day <Laughs>

HB: Kudos on the turnaround, that's amazing. Also, on the recognition that your leadership style needed to evolve as the environment within the bank was changing and evolving too. Talk to me about the culture and leadership lessons you picked up on this transformation?

JC: Sure. Much is written about how a culture is defined by the attitudes and behaviours of the leaders, and I think there's a lot of truth in that.

For me, one critical aspect of culture transformation is about setting clear expectations between the people you work with and developing the resulting expectations the team has of each other.

I inherited a culture where some of the expectations that we held team members to were incongruous with running a successful and disciplined business.

There was no expectation set about questioning decisions or directives from management. No-one wanted to be the bad guy or the person who said no to a customer and that caused many of the debt problems

the Bank was suffering from. Re-establishing an environment – and a subsequent set of expectations amongst the team – became a cornerstone of our efforts. The hard part for some was the perception that we were changing the “nice and warm” culture at Citizens into something more direct and more confrontational. That required numerous discussions to highlight we weren't, but we had to change the expectations internally. Expectations around discipline, around diligence and around how we could still create opportunities for our clients and customers but do it in a more responsible and sustainable way.

HB: That's a fantastic story and, from all I've read, very similar to the Netflix attitude to culture and performance. Netflix have famously said they don't want a “family” culture because, and I'm paraphrasing here, we let some bad behaviours slide with our family. They emphasize team and performance in their culture. That sounds similar to your perspective Jill.

JC: I would wholeheartedly agree. As recently as this morning, we had a team member meeting and talked about that.

We want to have a talent-based culture, a strong performance focus, but it really is about this expectation for incremental improvement and how we all get better every single day.

That requires that we all have radical candour, a candour that allows each of us to tell each other when we're doing great and where we're not.

For us it's critical that attitude permeates through the entire bank, no matter what your level.



Business Impact - Vault is a co-working space created by Citizen's Bank to help their small business owners.

I do want to make a little bit of correction. We have not arrived yet when it comes to the culture that we want to achieve for Citizens. And that's the one thing I've learned as a leader. It's very humbling for me as a leader, and the culture that you strive to have, that you're always working to be better and to be more relevant, to increase the expectations of yourself and your team. Culture, I've come to find, is an every single day effort of setting those expectations for yourself and your team.

HB: I adore that perspective and the acknowledgement that culture is not a "one and done" effort. Can you point to any milestones where you began to sense the culture transformation, and your leadership transformation, was taking root?

JC: Sure. A few stick out but there was a moment in 2012, around the time that Gangnam-style video was so popular, that stands out. I had this moment when I decided we were going to do a Gangnam-style parody video at the bank and that it would be a whole fun team exercise. Remember this was around the time local hair stylists were hearing about the terrible lady over at Citizens. <Laughs> And so, the fact that I was orches-

trating this, the Citizens team probably thought it was some weird Jill-style initiation, like getting voted off the island. I love looking at that video because I can see us really starting to trust each other and a renewed feeling that we're going to have fun. The team may not have fully trusted me yet, but there's this moment when you can sense new bonds, new sense of camaraderie forming. That moment is one where there was a culture jumpstart and a new chapter starting. I can't get through that video without shedding a tear, and I'm not a crier.

More recently was this remarkable moment when we got involved with Mark Cuban and got took part in this remarkable initiative that has gone on to help so many people across the country. It was a real moment when the whole leadership team had to get in a room and make a high-risk decision in a matter of hours. I was floored by how our team rose to the occasion and, unlike times in the past where I'd have been making the decisions single-handedly, this was an amazing moment of collaboration and courage. I was so proud of the team, how they stepped into this, and ultimately what we were able to achieve. It was another great milestone for us.

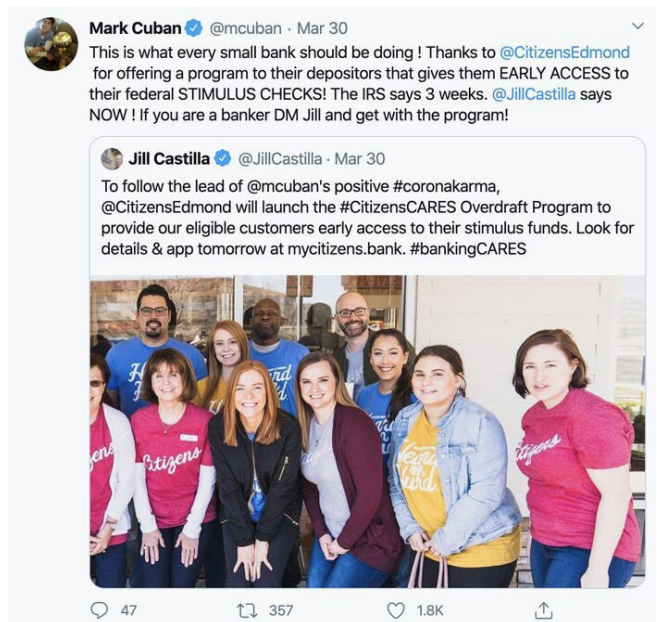
HB: Mark Cuban? Dallas Mavericks owner and Shark Tank host Mark Cuban? You gotta tell me more about that?

JC: Yup, that Mark Cuban. First, I have to give a shout out to Bryan Clagett who had seen a tweet Mark Cuban had put out looking for a community bank that was FDIC insured and Bryan immediately called to say, “Jill, you and Citizens should get involved in this initiative.” In short, this was related to the government stimulus checks that were being sent out at the start of COVID and the problem being how long it was taking to get those stimulus checks to the people who desperately needed them. Mark Cuban was looking for partners in the banking community to accelerate that process. I must admit I was overwhelmed by the number of colleagues in the banking community who reached out and said, like Bryan, that Citizens was exactly the type of bank to get involved with Mark and make this happen.



From that moment, things moved incredibly quickly. There was a series of calls with Mark – it really felt like “Shark Tank” on steroids but I was glad I’d watched the show so had some sense of his style – where we were pitching each other a series of ideas. Somewhere between a Friday morning and the following Monday afternoon, we’d hammered out this unique overdraft program that was going to provide real relief for so many people relying on those stimulus checks. Mark Cuban was this incredibly generous partner who never stopped calling out Citizens and connecting us with other banks across the country – over 400 in the end – and telling everyone “connect with Jill, connect with Citizens, they’ve got this solved.” It really was an amazing fairy tale moment where we really saw our bank and our team shine.

For me it was particularly poignant to watch how our



team jumped into this opportunity. There was this moment when we were looking at the opportunity and the complexity and speed with which we needed to act, and I saw our entire team exhibit this remarkable confidence in each other. A confidence that we could do this in the time and that, no matter how complex it was, we’d find a way. To me that was another watershed culture moment. A moment when those expectations and belief in each other was crystal clear for everyone.

From that initial interaction with Mark, things really began to snowball. Pretty soon I found that we (Citizens) were playing matchmaker between small businesses and progressive banks across the USA particularly around the PVP rules and forgiveness which were initially these super complex application forms that were impossible to make sense of. Again, Citizens was thrown into this situation where we were creating this amazing online application with a number of ODU students to simplify the entire process. In a matter of days we’d built this application, found a way to meet all the regulatory requirements, and entirely streamlined the forgiveness application for thousands of small businesses nationwide. It was one of the most exhilarating experiences of my life. The opportunity to be able to help so many people at such a critical time was an amazing reminder and recognition of the role that community banks can have.

Importantly, it highlighted a really important culture and leadership lesson for me. We were able to achieve so much, as a bank and as a team, because we didn't set a ceiling for ourselves.

There wasn't a moment that I think any of us said "we can't do this, we're just this small bank in Edmond."

I think too often we set ceilings for our organizations and for ourselves when, without those unnecessary ceilings, you'd be able to achieve so much more.

This entire experience has reinforced that for me.

HB: That's a fantastic perspective. From all our conversations I've gotten a real sense that you're looking to create a different perspective around banking, and bankers, in the way you operate Citizens. Is that accurate?

JC: There's definitely a Renegade streak that we're trying to instill inside Citizens because, back to that MacGyver reference earlier, there are things we're able to get done here that the enormous national banks would not be able to achieve. Strangely there's something liberating about having capital and resource constraints. One thing that I don't feel constrained by is the talent we have here, the culture we're building, and from these recent initiatives the reputation and recognition we're getting. A growing confidence in what we're able to deliver and how we perform as a team that is quite remarkable when you consider the journey and transformation we've been on.

There's genuinely a unique attitude that community banks and community bankers have. We have excelled historically when we have had the feel, the heartbeat, of our community because we're walking beside them. How do you then become the 2020 version of that sentiment? Where you're walking beside them all the

time, then accelerating the innovation needed to deliver that in modern and relevant ways?

HB: We spoke briefly about your time in the military and I have to imagine some of your perspectives about leadership and team building come from that experience. Could you comment on that background and how it's helped with your time at Citizens?

JC: It's inevitable that what I've experienced and learned in the military has helped me with this journey at Citizens. You learn how to assess various high-pressure situations and determine the leadership styles and methods needed to navigate those. Some situations require strict command-and-control styles but, the military shows you, that when you've got a well-functioning team that understands their roles, the team expectations and what the goals and outcomes are, more decentralized leadership is the best way forward. I'm eternally grateful to the leadership experiences I've gained from the military because they gave me a richer set of tools to draw on.

At the core of all the leadership lessons I've learned, none is more crucial than building an environment of trust across a team. Trust in each other and often trust in themselves individually to know they have the skills and competencies to tackle any situation.

I've also been inspired by another pretty unusual leadership mantra. That of Anna in the Disney movie "Frozen 2" which I watched a fair few times through COVID. There's a moment in the movie where she's confronted by a moment where she could stop and give up or she could power through and, as she sings in the movie, focus on "the next right thing". It's like that classic metaphor "how do eat an enormous elephant? One bite at a time" which is often what leadership requires. Taking one step at a time, doing the next right thing. That's how you lead, and I think that's how you

build great teams and great cultures.

HB: C'mon now, the US Army and Anna from Frozen in one reference. That's fantastic. I always ask interviewees for some tips or advice for the folks reading this. What advice do you have Jill?

JC: Inspiration can come from anywhere Hilton. <Laughs> The number one thing that I would say is to create a network that is entirely different from you. Go out and seek friends that, whatever your political affiliations, your social affiliations, your geographic affiliations are, find folks that are completely different from you, so your perspective is constantly stretched.

That means you're able to look at problems from many different perspectives and have empathy that you wouldn't have had without those interactions. It doesn't mean you have to agree with everybody but expose yourself to everyone and create authentic networks.

Sure, social media has so many biases about it, but there's so many blessings from it too. Let's be honest,

there's no way the CEO of a single bank in Oklahoma could have connected with Mark Cuban, but for social media.

The other thing I earnestly believe is that if you are blessed beyond measure, if your bank is running and humming and doing great, go out and support those people that are facing some type of crisis or challenge. If your buddy down the street has been your rival, your entire career and their bank is in trouble, send a little note and say, "Hey, we're thinking of you. I'm lifting you up. I'm praying for you" Whatever it is that you can do, then send some good vibes out. We should really all be lifting one another up. Particularly right now. We have this incredible opportunity to raise all boats by making genuine and authentic connections and helping each other wherever and whenever we can.

HB: Jill, I can't think of a more eloquent "community" attitude from a community banker. What a great uplifting attitude. Appreciate the time you've spent today, and I wish you and your renegade MacGyvers every success.

JC: Thank you Hilton. It was fun chatting.





How Feisty FinTech 11:FS puts Culture at the Centre of Banking Transformation

Several interviews in my series have been the result of following organizations who have a well-documented history of being culture-first. Some have been a serendipitous “accident” where an organization or leader flashes across my social feed and their passion for people and culture is palpable. David Brear, CEO of London-based Fintech consultancy 11:FS, was one of those. Amidst a slew of typical business updates, there was a slew of profoundly passionate culture-centric comments from David. Comments that begged further exploration. What I uncovered was a remarkable organization operating in one of the toughest sectors attempting Transformation – Financial Services – that has culture at the core. One that is seeing an enviable level of global business growth and expansion from taking that approach. I caught up with David from his UK home office delightfully festooned with Imperial Stormtrooper and Darth Vader helmets.

HB: David, always a delight mate. Another busy week for 11:FS so thanks for taking the time. I always start by asking for some company background so Readers can get a flavour for you and your organization.

DB: Yeah, sure. 11:FS is a young company, only four years old. As a company we do all sorts of things from helping large financial organizations build out brand new greenfield services and products to building out our own products too. I guess the story of the company is very similar to the story of the founders. We’ve all worked in all the different angles of financial services and actually that frustration stimulated a desire to really do business in a completely different way. Case in point was the documentary we did about the Financial Crash of 2008 which sprang from wanting to bring thinking and opinion to our banking community in unique ways. It meant telling a story that hadn’t been told before. The reality is that when you stand back from what’s happened over the last 11 years since then, the flourishing of the fintech and financial services ecosystems that have sprung up globally, without the actions of three or four people from 2008 to 2010, none of this fintech stuff would actually exist.

HB: Perfect segue to a frequent conversation about Financial Services and their ability to genuinely transform. Is it unfair to label most Financial Services

as slow and lumbering? In the work you do, what role does culture play inside transforming these behemoth organizations?

DB: There's definitely some truth in that but it's also an over-simplification too. Sure, there's a lot of talk about legacy technology or, you know, the regulator won't allow me to do this and that. But fundamentally everything all big organizations face is cultural change. Some of that's historical. Banks are a very heavily regulated industry and the risk aversion that comes from that. But actually, I think it's 300 years of success that's the real issue when it comes to some of these organizations. They've really sort of calcified around the things that made them successful at this point. It's more about the people who always believe the thing that made them successful in the first place will make them successful forever. And I think banks have definitely suffered from this.

HB: Can you expand on that in terms of that wonderful phrase "Digital Transformation"?

DB: <Laughs> Absolutely. You know, we've sort of gone from this analog world where banks completely understood the rules of the game to this new(ish) digital world. A world where everything is facilitated

through the Internet. And unfortunately, with that, the rules of the game, the value chains or even the supposed barriers of entry that stopped others from coming into the market fundamentally changed. And the banks are definitely scrambling to keep up with it. Just as fundamental, digital is now a small team sport. It's not how many people you have or how much money or how big your tech stack is. It's actually how good you are at doing these (digital) things. And this is really what fintech has done most. It's not about shiny apps or freezing credit cards remotely or whatever. It's about the fact that they can do things in seconds that would have taken people months to do. And actually, usually for fractions of the cost. So, you look at any industry where this type of rapid change has happened, it takes major scale, cultural transformation to really make it happen. And this is really the major problem every bank on the planet is facing.

HB: So, for an organization like 11:FS, is the reality you face mean going into a client scenario where perhaps slow and lumbering is the order of their day, and you're advocating and practising fast, agile and nimble?

DB: Yeah, it's a challenge for the banks themselves, you're talking about a hundred-thousand person organization, right? So, cultural transformation is not





something, you can issue a memo on the intranet and ask everybody to do better.

In my experience, culture is this weird paradigm of being something that is both the most important thing in an organization, but fundamentally the very least understood.

I think when you say culture to a bank, they think free lunches and beanbags in the corner to relax in. Culture is a really big deal, but the reality of actually how you make culture or you change culture is something that most people just really, really struggle with. Not surprisingly, when you're so focused on shareholder value or revenue, the culture comes second to those things. And if culture comes second to those things, then actually there isn't a culture there at all, or not the culture that you need to remain sustainable.

In my mind, if you look at the organizations that are heralded for moving forward and having a great culture it requires a commitment from all people in that

organization, and actually they do it from the ground up – this isn't a CEO-mandated kind of thing. Here at 11:FS our stated vision is to change the fabric of financial services. But our mission, the fundamental mission of 11:FS is to unleash talent. And the way in which we do that is by having a culture that will allow people to do the very best work they've ever done in their life. Not because we're just, you know, nice people. Although we are. <Laughs> But because it's just great business sense – you hire really, really smart people, give them the frameworks, the environment and the decision making rights, like pushing power to the edges rather than the center, then actually it's just better return on investment for you as an employee, as an employer. This is what many leaders don't seem to really understand. It's like hiring the beautiful Ferrari and driving them at five miles an hour. It just doesn't make any sense.

HB: Excellent point about leadership and unleashing talented people. So where did your personal passion for culture spring from?

DB: I often get asked that question. Was it some place you've worked where you're like "this is the archetype

11:FS Our Values and Attributes.

Team

Success is a team sport.

Great teams at 11:FS are:

- Inclusive**
We collaborate proactively and effectively with diverse groups of people to achieve the best results. We value our differences.
- Selfless**
We're driven by the greater good of 11:FS and not self-interest. We make time to help those around us.
- Empathetic**
We always look to understand people better. We use this to shape our actions and inform our solutions having the greatest impact as an individual and as a team.

Communication

We all own our narrative.

Great communication at 11:FS is:

- Confident**
We communicate with certainty. We are confident in our ability to succeed from being prepared and being experts at what we do. We don't blag it.
- Clear**
We distill down to the critical information. We know what matters and focus on that. Our communication is clear and memorable.
- Transparent**
We believe in being open and honest with others and ourselves. We share our workings and explain our actions. We talk to people not about people. We are not afraid to have difficult conversations.

Attitude

We embrace our weird.

Our particular blend of weird is:

- Passionate**
We continually inspire others with our drive for excellence and our belief in the vision and mission of 11:FS.
- Positive**
We believe we can change the world for the better. We are credibly optimistic and tenacious. We are constructive in our thinking and with our actions.
- Authentic**
We truly believe in who we are, what we do and how we do it. We back our words up with actions. We are willing to be vulnerable to be true to our beliefs.

Impact

We punch above our weight.

The 3 attributes of our impact:

- Astute**
We accurately assess situations. We use insight & expertise to consistently make the right decision to deliver measurable business value and create an advantage for 11:FS.
- Delivery**
We are obsessively driven to deliver the best results for 11:FS & it's customers. We take accountability for quality & velocity. We think strategy and tactics.
- Restless**
We are pioneering, continually looking to move 11:FS towards excellence in what we do and what we could do. We take the initiative, our bias is to action with impact. We are not afraid to fail but we learn from and own those failures.

business”. And actually, if I’m honest with you, I have probably learned more from places where things weren’t great than the places where it was. It’s way easier to identify when a culture or a leader is exhibiting behaviors that you wouldn’t want to emulate, like inconsistency, anger, ungratefulness, all of these things. What I actually go back to though is sports, the mentality within team sports and the core idea that it is all about the team. In successful sports teams it is about really understanding the performance, thinking about what you can do better next time so you’re actually improving these things. And that actually it’s as much about psychology as it is physiology – you need to make sure that people feel right, and actually this is a big part that’s often missed off with this stuff. Things like mental health are put down as a fluffy thing, but honestly, you can have the fastest, best football player in the world and if their head’s in the wrong place, all that skill is totally irrelevant.

HB: Hard to argue that with a passionate South African rugby fan like myself David. So what’s the culture you’ve built within 11:FS? What’s your underlying philosophies?

DB: The culture piece has always been central to building 11:FS and, across the founders, we really do have some strong opinions on it. One thing we honestly all believe is if you create the right culture, then leaders are just not that important. I think it’s a missing idea in many companies.

If you really create a sustainable culture where every node within that team is self-cleansing or self-regulates that for me is utopia. Because at that stage then the values or communication methods or rituals of the company have been continually reinforced and now are second nature.

As an example, shockingly from the sports world, I’ve got a lot of admiration for Barcelona football club for the way in which they went about the establishment of how to play on that team. It all started with just simple ways to allow people to understand how to behave, right? If you lose the ball, you do this. If you can’t get



the ball back, you do this. And it actually was nothing more complicated than two or three very simple, very basic rules that the entire team understood deeply.

I often feel that people try and overthink these things. Often the problem is trying to emulate the signs of success rather than the things that truly made those organizations successful. You get people saying stuff like it's about bean bags, Post-It notes and free lunches for people; and not really understanding that actually most of what culture is just giving your people meaning and purpose.

THEN if you follow through on the actions, the rituals, you consistently communicate the purpose of the organization and ensure people align to it...you can make people superhuman.

HB: There's a belief that founders, or companies where founders are visible and very active, have an advantage because the beliefs, the history, the culture is literally walking the halls. 11:FS has just opened across the pond in New York, how have you been able to translate the culture to a new city, a new country?

DB: Yeah 11:FS is certainly growing quickly. Probably my only real objective at this stage is for the company to be kind of a self-fulfilling nature where I actually could be out of the organization for three months and it does not matter. I think that's a fundamental difference when people are in an organization where they're trying to build an empire that sustains them, rather than one that can outlive them.

As an organization 11:FS has many great leaders across it, but actually the people who are the sort of cultural pillars of the organization are not the most senior people within the organization. And actually, that's the point where the whole model is what I call self-cleansing. Where people across the organization, not just the leaders, are continually reinforcing the values, the attributes, the rituals, the things that matter most to us.



I genuinely feel that's why we have so much momentum right now because it has become this thing where everybody buys into where we're going. And that moves us forward.

You know, we're not really one company. We're a combination of five or six different companies. We purposefully operate in this distributed way where centrally we're highly aligned and loosely coupled in terms of structure but we've pushed decision-making much more to the edges, empowering people to do what they think is the best thing, knowing that sometimes it won't be the best outcome but actually when we do that, when we give people the opportunity to learn and move forwards that actually has allowed us to take on more and more without losing quality or speed.

Regarding the US office, we're now four years into our journey but we've already been doing work in Australia, South Africa, China, Singapore, South America, all over the place. The problems are mostly the same. I think the way in which you have to communicate to people is slightly different. The unique cultural nuances. But the problems are the same. The major thing for us, in terms

of our people and even our clients, is about generating trust and authenticity. Can you create trust with your people? If you can deliver authenticity and actually show people that you're passionate and positive about the subject matter you're communicating about, then actually, you know, people are just people.

Finally, it's also about nurturing a group of kindred spirits or people that aligned from a values and a purpose perspective. If you look at my management team, I'd say we've been auditioning each other for the last 10 years and we sort of just knew at some point we were going to end up working together. In building out that group, I think people often mistakenly try to define a job then try to find a person to fit it. Actually, from a culture and business building perspective, it's better if you find a person that really aligns to the direction, then define a role around that. In my experience, that works a lot better because nobody really ever lives up to a hundred percent of the job description anyway. People talk about a square peg in a round hole being a problem, but I actually think it's more dangerous to have a round peg in a square hole because actually if you don't know where people's edges are, then actually you can put them into circumstances that they don't feel comfortable with or feel out of their and that is never good. For them or for the company.

HB: Adore the "find the edges" comment. Can you give me a flavour of some of the ways you work inside 11:FS to reinforce these things?

DB: Sure. The irony is they're a combination of small, little things. But they're our small, little things. Small things like we always prefer face to face communication. So it doesn't have to be literally face to face, but we very rarely make phone calls because if you really want to show empathy to people or you really want to have a conversation with somebody, then Google Hangouts or zoom or whatever, actually allow you to show yourself and communicate with people in a completely different way. From a ritual perspective, the whole company comes together on a Friday but every day everybody in the company at 11:FS posts on our SLACK channel the most important thing that they



have to do that day. That's something that we've done since we were 5 people, now we're 180, we still do it every day. That particular ritual is important because it forces us to really focus. Across the whole company, we each reflect a little bit on what is the most important thing that I achieve, write it down, share it and focus on it. It's a very powerful catalyst for us.

We've recently done a lot of work to really establish our values and the attributes that really sort of matter most to us. An exercise of expanding out when we lived by three main rules. Which was our core belief that digital banking is only 1% finished. The key policy sentiment was "don't be a dick" and even that was purposeful because it was quite deliberate. For us, when you give people the decision making or the authority to think for themselves, actually most are very responsible and assess their decisions on a personal level and actually bring more of themselves to work than just adhering to

a bunch of written rules and guidelines.

HB: I'm hearing a lot of autonomy and distributed decision-making. Treating adults like adults. Any other key aspects of the 11:FS culture?

DB: Sure. Always, always be falling forwards. That's been in my Twitter bio for four or five years but it's how I live life. I'd rather fail trying to do something than miss an opportunity. That idea is probably wired into our company's sort of restlessness and our constant focus on making an impact. And in some strange way I think it speaks a lot to the problems that are actually within financial services right now. Because of the technology, because of the operational processes, everything takes a long time and costs a lot of money and that creates a rigidity, a fear to try new things because so much is at stake. Whereas if you look at the best organizations in fintech or Silicon Valley or China

with the operational capability that they've built, you know, they've mastered failing small in a way that doesn't mean that you're betting the house every time. The problem is if you're forced to make big bets, everything is scary and everything is high risk. For us at 11:FS it's about keep polishing, embellishing, moving. Honestly, build, test, learn. But also just communicate. I mean the best way to find out if something is a good idea or not is to discuss it with somebody else who's smart. And if you can do that and then rule things in, or out, quickly things get momentum really fast. That's what we've seen is possible when you're failing forward and not betting the farm.

HB: Great answer. For readers of this interview, wanting to create some of what you have here at 11:FS, what advice would you give them from what you've learned?

DB: Sure. There's probably three or four but, for me, I'd say always start with the why. When you're trying to inspire people to do something rather than tell them what to do, giving them the why is always the best way forward. If you give people the opportunity to think about something themselves, you'll find that they take much more responsibility and ownership for things.

The second one I would say is if you don't constantly reinforce your culture, then you don't actually have a culture at all.

It's similar to that idea that if there aren't any ramifications for not adhering to the rules, then there really aren't any rules to begin with. So if you're going to set a way of doing things inside your culture, then you really have to relentlessly reinforce it. If not you lose the ability to defend the territory, to defend the culture that you're really trying to establish.

Probably the last one with what we'd done here around culture is that nothing is ever done.

You know, it's not like building a house, it's like creating a garden. You're constantly pruning, watering, weeding, watching. It's not a one and done thing for sure.

You will put things in place that work when you're 20 people that break when you're 35 and then break again when you're at 50 or 150 or 190. Things break and change all the time but I think as a CEO of a company of any size you've got to embrace change and embrace the fact that everything is continually evolving. Taking this full circle to the start of our chat, I think the organizations that fail are those that believe the way they have done things historically is the way they should always do things. It's those organizations who have calcified around their processes, their rituals, their structures that are the ones that ultimately ended up failing. That's why, for us, that constant evaluation, review and restlessness is so important.

HB: It's been a pleasure mate. Thank you for taking the time and all the very best with New York.

DB: Thanks Hilton.



POPULAR CULTURE POSTS FROM HILTON

[linkedin.com/in/hiltonbarbour/](https://www.linkedin.com/in/hiltonbarbour/)



YOU'RE NOT NETFLIX - AND THAT'S OKAY

Over a 25+ year marketing career if I had a dollar for every time I'd heard "I wanna Just Do It" or a "Where's my Think Different?" or "Did you see that brilliant Sick Kids VS spot?" I'd be writing this from my private island in the Maldives.

The Monday after the Super Bowl was often the most stressful. That day where every cloud-managed cybersecurity service, vegan muesli bar start-up or global feminine hygiene brand asked, with deep frustration, why their advertising didn't feature a lonely overweight kid on a rural highway or a jaw-dropping 3d black and white animation of a product so delicious viewers wanted to lick the screen.

That same idolatry (and deep frustration) is equally prevalent in culture and leadership circles too.

Southwest Airlines, Patagonia, Zappos, Virgin, Netflix.... the much-admired icons and frequently-referenced idols abound. The same degree of deep fascination and oft-repeated folklore.

When Sheryl Sandberg says that the Netflix Freedom & Responsibility presentation was the most downloaded (and important) document in Silicon Valley history, that's not faint praise. That's just the "over 200 million views on Slideshare" non-debatable truth. It's a brilliant document and, if it were legal, I'd require any leader wanting to run a high-performance organization have parts of it tattooed on their body.

Here's the stark reality.

Culture, like advertising,
can't be copied.

At best it can be mimicked.

Typically, poorly.

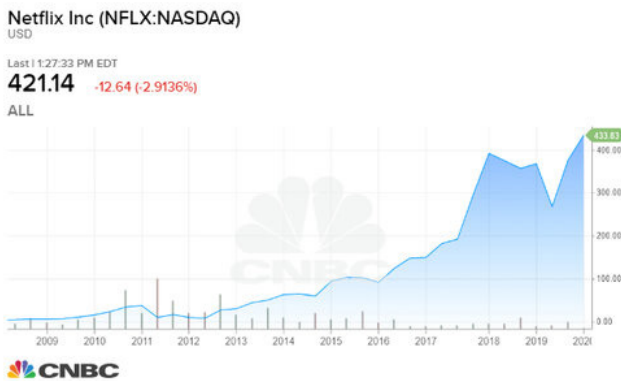
Look I get it. Who wouldn't want to be Reed Hastings, CEO of Netflix?

The January 19th article from The Information lists some milestones that any CEO would salivate over.

- Over 200 million global subscribers
- No longer requiring the issuing of debt to fund growth
- The ability to pay back a \$500MM bond loan from cash reserves.

And then there's this observation from CNBC in December 2019:

A \$1 million bet on Netflix's stock placed on Jan. 1, 2010, would be worth close to \$43 million today. The 4,181% return beats all current members of the S&P 500, which Netflix joined in December 2010. By comparison, the index as a whole is up 189% over the past 10 years.



Here are some inconvenient truths why copying Netflix's culture – or ingesting and deploying the latest fantastic book on the Netflix culture - isn't necessarily going to ensure a 4,000% bump in your share price.

You Don't Have Their Business

I'm not just talking about a global original content rich streaming service and robust recommendation engine. Disney and Apple have one of those.

I'm talking about the core fundamentals of the type of business they operate in – and the distinct requirements that has on the culture required to succeed. If you're running a nuclear power plant, heavy manufacturing operation or a hospital, you shouldn't be taking culture advice from a hybrid content creation and technology engineering firm. That's sheer lunacy.

The reality too often missed is that your culture exists to accelerate, or impede, the delivery of your unique business strategy. It's not an exercise in happiness and bean bags it's an exercise in business performance and business success.

Do you know how to align your business strategy with your required (not desired) culture?

You Don't Have Their Legacy

I'm not talking about beating the Blockbuster of your category although who wouldn't want a good ol' "David & Goliath" campfire story for new recruits?

I'm talking about over a decade of good, bad, brilliant and dumb decisions and actions taken by Netflix that have molded, refined and solidified their culture. That's how culture is born and honed. As culture experts like Ed Schein and Stan Slap remind us, there are moments in the trajectory of any organization where the culture sees great success (or significant upheaval and failure) and internalizes and codifies that moment. Those culture breadcrumbs - "When we did X, Y occurred...", "Remember that time when Engineering tried that...and then the C-Suite did the following?" – you don't have that same legacy. Your organization hasn't gotten the same scars from the same set of scrapes.

Do you know when – and what – your organization has internalized as culture milestones? Does everyone in the culture have the same memory of those milestones?

You Don't Have Their Leadership

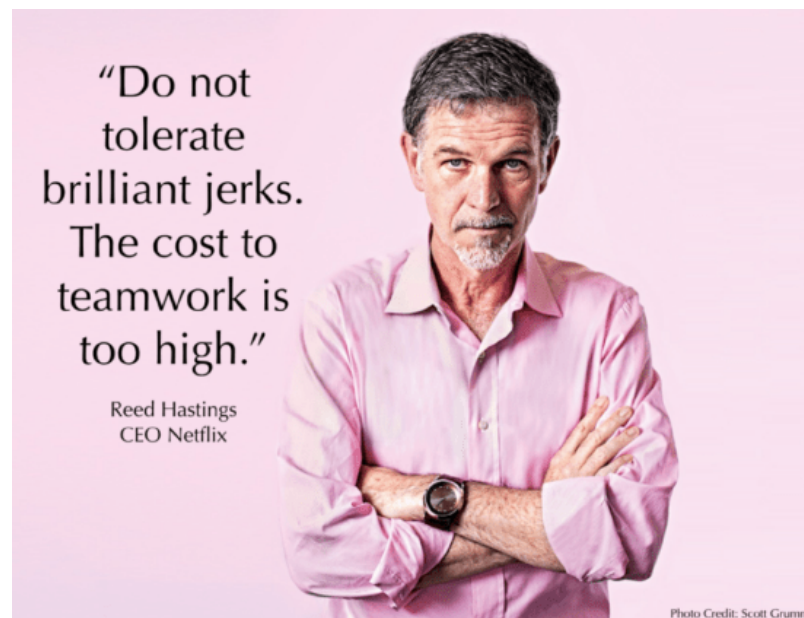
I'm prone to dropping this Reed Hastings meme at least once every fortnight. Maybe it's the pink shirt or the unambiguous arms-crossed body language. More likely it's the brilliant lesson that is (sadly) followed by so few organizations.

The one unequivocal reality of culture is, while we're dropping memes, is that it is best defined by the worst behaviour tolerated by management. I've no doubt that your leaders have some things that are tolerated, or they turn a blind eye to, that wouldn't get in the front door at Netflix. Equally there will probably be leadership behaviours that Reed Hastings could take from your organization and your current crop of C-Suite executives. In truth, there's one or two anecdotes in "No Rules" where I was left thinking that Reed Hastings can be a bit of a d**k – but that doesn't matter, he's not my boss and he aint setting the tone for my organization.

Do you know what your leaders currently tolerate in the behaviour of their people and themselves? And do you know exactly how that builds and nurtures the culture you have or the culture you need?

But it's not all bad news.

There is some respite and some areas you can aspire to.



You Can Define Your Talent Density

I'm a sucker for a poignant and pithy phrase. I adore the Netflix term TALENT DENSITY like my daughter adores Rocky Road ice-cream. Such a brilliantly evocative phrase about how Netflix attempts to get more passionate, deeply skilled operators – talent – per square foot than any other organization in their category. Equally they choose to pay them over the market rate because that talent density is a proven disproportionate multiplier of their success.

Do you know what talent density looks like in your organization? How will the people (not the roles or titles!!) the brilliant humans take you from zero to hero? Who are they? What makes them unique? Why and where do you need them in your organization? How do you attract them? And, how in a global fight for kick-ass talent, do you keep them and keep them performing?

That you CAN do.

You Can Make Accountability & “Fully Formed Adults” A Priority

Netflix makes no bones about it. Their culture and organization is not for everyone. Their “Keepers Test” is a topic of much furious debate in business and HR circles. However, the part that many organizations could borrow enthusiastically is the notion of only hiring “fully-formed adults” and holding them relentlessly accountable. From Reed Hastings all the way down to the newest, freshest junior recruit. No places to hide because what’s expected of you – and the manner in which you deliver against those expectations – is clear, concise and codified. Netflix are immovable on this – and their talent of fully-formed adults rise to that expectation with gusto. Or they don’t and they leave. Either way holding your people accountable – and holding yourself to that same measure – is entirely within your remit and responsibility.

Do you hold your people and yourself accountable to the type of behaviours and actions that build a high-performing culture? Have you stripped away ambiguity – or a two-tier system that has one set of rules for some and another set for others – from your organization?

That you CAN do.

In closing, I readily admit I’m a Netflix fanboy – of their product, of their success and certainly of their high-performance culture. It’s hard not to be inspired by their stories and awed by their stock market returns. But I’m hesitant, even loath, to suggest that a Reed Hastings “Rinse & Repeat” is what your organization needs.

You’re NOT Netflix.

But, there’s no reason, you can’t be a high-performing kick-ass culture in your own right. If you take full and unambiguous accountability for building and nurturing your own culture and relentlessly committing to it in the way that Netflix does.

And, if you don’t, well that’s NOT okay!

For the record, here’s the one ad that I still idolize and covet and wish that I had done. A boy can dream!!





CAN BANKING CULTURE ADAPT TO TODAY'S BUSINESS TRANSFORMATION?

“What business are you really in? Are you in the railroad business or transportation business?”

Harvard Business School professor Theodore Levitt's classic line from “Marketing Myopia” is as profound today as it was in the late 1950's when he first published it. His question elegantly forces business leaders to think more broadly about exactly who are the customers they serve, what are the services needed to earn and retain those customers and what type of organizational competency is required to succeed. All three responses would obviously be manifestly different if you answered “railroads” or “transportation”

Levitt's missive takes on a new dimension when asked against the backdrop of today's hyper-competitive business environment. Technology has created the perception (or illusion) that the critical choice today is not “railroad or transportation” but rather “analog or digital”

And while the “analog or digital” question may be somewhat rhetorical in 2017, the implications for large mature categories could not be more profound.

What happens to Insurance when we “share” rather than “own” goods?

What happens to Automotive when humans no longer drive?

What happens to Banking when the very definition of “money” is evolving with bitcoin and blockchain?

These are meaty and critical questions to tackle.

And, of course, leaders in all these mature categories are furiously constructing new big, bold strategies to ensure they remain relevant in this new world.

New strategies that are fluid, agile, lean, responsive, frictionless, customer-centric, service-design constructed and digitally-centered.

New strategies that inevitably run headlong into established Cultures that are seldom any of those things.

In fact, if you subscribe to Drucker's often quoted opinion that “Culture Eats Strategy For Breakfast”, then you could argue that Culture is potentially the largest

Achilles Heel in any transformation exercise.

Celebrated culture academic Edgar Schein eloquently argues that Culture is more than just “how we do things around here” but rather a set of shared values and behaviours that become codified and reinforced by an organization’s success. Stands to reason. If your organization acts and behaves in a way that loses business, you adapt it or you die. Conversely, if your organization acts and behaves in a way that causes that business to thrive, then you reinforce and reward the behaviours that drove the success. Over time, those reinforced and shared behaviours become your Culture.

Few could argue that banks here in Canada (my homeland) haven’t a proud history of success. By almost any yardstick, they have been incredibly successful.

Canadian banks are a significant contributor to our economy, they are also one of the largest employers across the country too (employing over 350,000 Canadians in 2015) and, internationally, our rather conservative regulatory banking environment is routinely lauded as one of the soundest globally. In

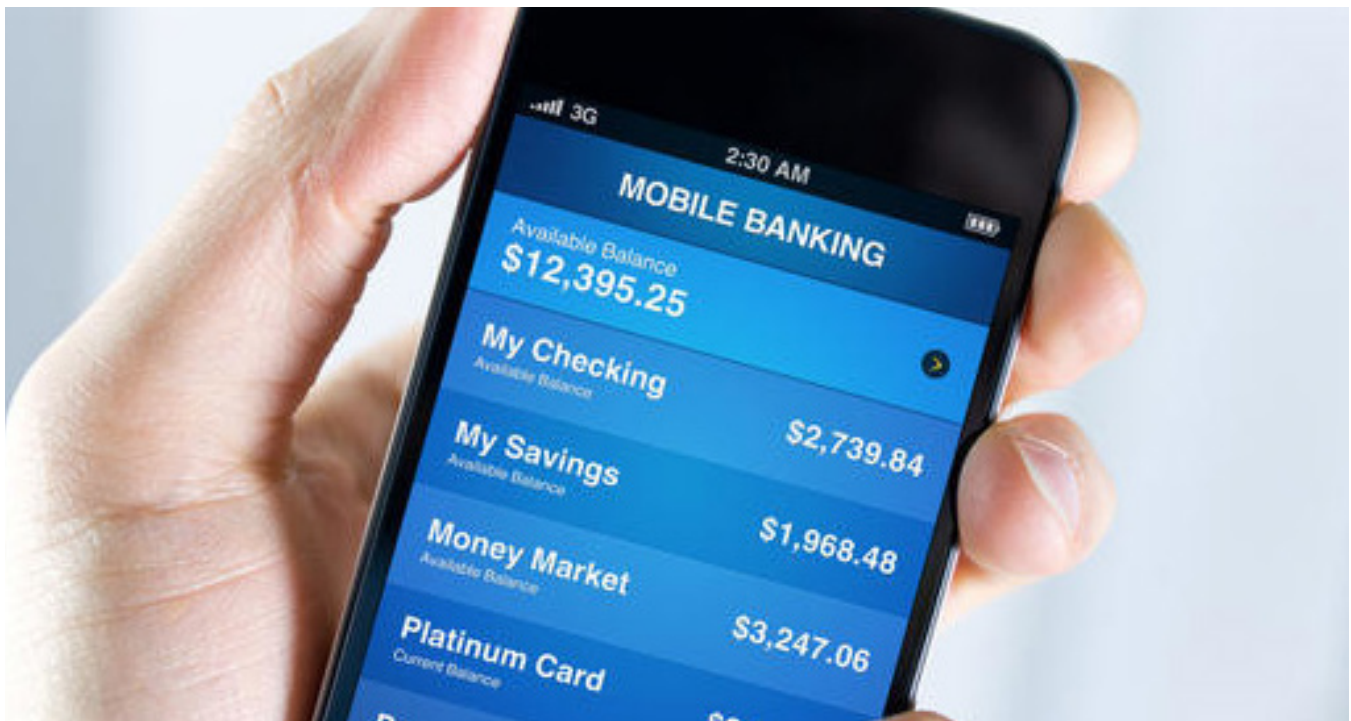
fact, despite being so tied to the US economy, the impact of the 2008 crash was less significant on most Canadians because of our sound banking regulations.

And it is these historical successes that have built and nurtured Canadian banking culture today. And the associated values that underpin them.

Values like trust, teamwork and collaboration, accountability, customer relationships, integrity are all listed on the various Canadian banking websites. But you might argue these are category values – I would hardly trust my money and my mortgage to a bank that didn’t exhibit these. TD Bank is the one organization whose values seem to be more dynamic, more purposeful and, importantly, articulated in a way that could directly drive employee behaviour. (Disclosure – I am a client of both TD and CIBC)

So how will business transformation impact these cultures? How might these values need to be refined?

And where are the inevitable pressure points between Strategy and Culture?





Open versus Proprietary

Bank structures and systems are still (largely?) proprietary in nature. An imposing artifact of safety, security and strength as thick and foreboding as a vault door. And entirely appropriate when you wanted to build and project a system where you built, owned and managed everything for your clients. It was your systems, your know-how, your way. That's not how customers and clients operate today. They want to seamlessly switch and move between their portfolio of financial services and providers – not your portfolio exclusively. They aren't looking to be shoehorned into one provider, rather they want to use a variety of best-in-class solutions. When your clients expect open API's and the ability to move seamlessly, your people can't be operating with a rigid adherence to your process. Nor can your people continue to be rewarded for upselling and cross-selling inferior services just because you want to own the "whole" customer. Look at the hot water Wells Fargo got into when cross-selling was embedded in their culture.

Uncertain versus Certain

Perhaps a generational observation but a long and lucrative career in Banking was historically something coveted and something that Banks actively promoted or dangled in their recruitment efforts. Many banking cultures grew out of the certainty of a long and fruitful career. Being considered a "lifer" was an accolade. That certainty no longer exists. Since 2008 Banks have been reducing headcount at an increasing rate and if you read this sobering tale about life after Wall Street those reductions in headcount have gone deeper and deeper.

People versus Pixels

Banks used to be people-first, now they're pixel-first. Well-staffed branches with rows of smiling and attentive staff have been systematically replaced by apps, robo-calls and online banking. And why wouldn't they be? What exactly is a "branch" these days and why do we need them? What purpose does it serve and to which customers (remember my earlier Levitt?). If the

services of my bank branch are conveniently located on the device in my pocket, why do I ever need to go into a physical location? And, as CEO of a publicly traded company with hungry shareholders, why do I need expensive physical real estate and warm human beings to staff them?

What about beyond the branch? What impact will automation, AI and machine learning have on a slew of other banking roles currently delivered by well-paid and bonused employees? Do I need brokers, financial advisors and wealth managers when risk tolerances and investment recommendations can be crunched via big data and delivered with an algorithm? If these transformation changes are inevitable (and profitable) how does your culture continue to motivate and reward the employees currently in those roles? Roles that actively being seized up for redundancies and obsolescence.

In my eyes the most significant cultural impact may be in the internal perception of Power.

Banking institutions have centuries of power bred into their cultures. Powerful organizations breed poise, surety and confidence in their people. And that naturally becomes embedded in their cultures. Of course, in the extreme, that can lead to arrogance and impunity too. But power and confidence are typically a self-perpetuating reality.

On the other hand, organizations in transition or in moments of great change can quickly lose any sense of confidence. The three horseman of an organizational apocalypse – Fear, Uncertainty and Doubt – can quickly gallop through an organization and decimate a once-powerful company. If confidence underpins their culture, what happens when that confidence is shaken?

The leadership task for a bank's C-suite then is increasingly how to model and project a confidence to their employees – not just their customers, clients, regulators and shareholders – that their culture is as responsive as their strategy.

That is no small feat.

This employee quote from 2015 makes my point more eloquently:

“It feels like a different culture,” said one of them. “The bank has described the culture in the past as a caring performance culture and people are a little worried on the caring part because it seems to be a little more businesslike.”

We all know that public trust in institutions is diminishing. Could there be anything more dangerous for your culture than when trust in your institution diminishes amongst your employees?

What say you Dear Reader?

Am I overstating the cultural impact on Banking transformation? Are Banks already addressing these cultural changes head-on? Which ones and how?

While there is certainly no shortage of incubators and start-up style initiatives by Canadian banks, as an observer, these feel like skunkworks outside the larger organization. I'm intrigued because I genuinely believe this will be one of the most intriguing challenges business leaders will face in the years ahead.





CULTURE IS STRATEGY, JUST ASK AMAZON

As a career strategy guy, my fascination with culture stems from several pivotal experiences.

Running the Enron business at Ogilvy in the late 90's.

Safe to say they were some of my most driven, ambitious and explicitly “winner takes all” clients. Pesky rules and accounting principles weren't going to stand in their way.

Discussing the launch of the iPhone with Nokia engineers in 2007.

They were largely unimpressed and, as history has shown, the impact that apathy had on the relative fortunes of both companies.

With all deference and abject respect to Peter Drucker, I think he might have mis-stepped on the “Culture eats Strategy” comment we've all seen a thousand times.

Culture IS Strategy and its definitely not about which one eats the other.

For many - myself included - there is a growing frustration and anger at the way many organizations still operate. The misguided or malignant treatment of our employees in pursuit of profit and maximizing shareholder value galls many who believe that our fellow humans deserve better.

And, ironically, research and empirical evidence shows that when we treat our colleagues like high-functioning, well-intentioned adults who just want to do a great job, they typically will deliver unprecedented innovation, unparalleled customer service and better business results.

BUT IT'S A SLIPPERY SLOPE.

Treating your colleagues like high-functioning adults and creating a culture where that happens, shouldn't be conflated with creating an environment where smiles are a plenty and stress has been banished.

The role of Culture is to accelerate or advance the Strategy of the organization. Period. End of sentence. Culture, as the folks at Gaping Void eloquently state it, is the operating system of an organization.

Culture, and passionate culture advocates like myself, do a disservice to the advancement (and credibility) of the topic if we don't make that link.

Worse, without showing that Culture is an accelerant of business Strategy, we play directly into the hands of those who flippantly dismiss Culture as the domain of foosball tables and feel good BS.

Perhaps the most binary example of this premise is the most valuable company in the history of the world.

AMAZON.

Heaven knows Amazon regularly makes headlines for the abhorrent conditions warehouse workers are forced to operate under. Parking ambulances outside packing warehouses is deemed more efficient than dialling up the air conditioning. Having the Federal Government cover the short fall in workers' salaries with food stamps is considered another efficiency. Ironically the same consumers delighted by Amazon's low prices are actually subsidizing those food stamps as taxpayers.

Recently a colleague cheekily asked me how I could admire Amazon when their employer practises, and therefore their Culture, was so demonstrably exploitive (his words, not mine).

IN TRUTH, THERE ARE TWO ANSWERS TO THAT QUESTION.

One, by the premise that Culture IS Strategy, Amazon is a remarkably pure example of the symbiosis between the two.

Here's a hypothesis - Amazon's strategy, in many but not all verticals, is to remove any friction between a customer and their purchases. 1-Click, Prime's free shipping, GO, Fresh and any number of their innovations are about removing that friction. Heaven knows, you could argue that Alexa (when it works) removes the friction of typing. Extending that thought, its easy to argue that human beings are actually the biggest point of friction in delivering on that strategy. We're irrational, we get tired, we make mistakes, we demand vacations. In short, we add friction.

Overly simplistic? Sure but there's a case to be made.

Remove the friction, achieve your stated strategy.

Two, as this excellent article suggests, Amazon has never proudly proclaimed a noble mission to change the world.

Instead, Amazon has steadfastly stuck to the business of their business and hasn't gotten caught flat-footed like many organizations who have said one thing... and then acted in exactly the opposite way.

If there's one thing more galling than organizations and leaders who exploit or undermine their people, it's organizations who use Purpose as a wafer-thin veil to obfuscate and deceive their customers and their employees.

Mark Zuckerberg, Sheryl Sandberg and Facebook are perhaps the most glaring example. The noble pursuit of "connecting the world" has descended into one damning episode after another. While the ghosts of Cambridge Analytic haven't yet been put to bed, a recent CNBC article highlights that Facebook has created a culture that borders on cult-like behaviour. The culture is so stacked against dissent, speaking up and speaking out that we shouldn't wonder how decisions like the Cambridge Analytica one were made.



And if you're looking for examples where bold Purpose statements belied the actual Culture of an organization, you sadly needn't look very far. Detractors are quick to point to Google's "Do No Evil" mantra and juxtapose that to the \$90 million settlement to the co-founder of Android while he was being investigated for sexual harassment.

Ultimately, a Culture is at its most powerful when it brings clarity to how employees behave and make decisions within an organization.

The type of clarity that accelerates collaboration and reduces conflict.

The type of clarity that reduces ambiguity and indecision and says "we're going this way and here's how"

The type of clarity that allows all employees to explicitly understand what their contribution is and why that contribution matters.

The type of clarity that accelerates delivering on your Strategy.

The type of clarity that Amazon seems to have in spades.



Dear Reader,

If you'd like to share your thoughts on this important topic, please reach out.

You can find me on *LinkedIn* or on *Twitter* @**ZimHilton**

Of course, if you're interested in being interviewed for this series, then send me an email.

hilton@hiltonbarbour.com

[linkedin.com/in/hiltonbarbour/](https://www.linkedin.com/in/hiltonbarbour/)

Released February 2021