Customer first thinking.

Digital Banking

An Interview with Greg Brown, Vice President,
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Greg Brown :

Greg Brown Lead is responsible for digital sales experiences for BMO North America supporting the Personal, Business Banking and Wealth businesses.

These days few people ever visit their local bank branch anymore. Certainly not to do their everyday banking. They prefer to do it online from the comfort of their home, or using their bank's mobile app. Need to deposit a cheque? Just take a picture of it with your smartphone! Want a quick short-term loan? Presto! The money is automatically deposited in your account.

Banking was not always this convenient. There was a time, not that long ago, when banks made you do business on their terms. Banker's hours, they used to call it. Those were the days when you used a passbook to manage your deposits and withdrawals – when you lined up to see a "teller" who would hand over your cash. And if you needed money on a weekend, you were out of luck. Then along came ATM machines. Debit cards. Telephone banking. Internet banking. One technology innovation after another. Banking became, as they say, something you do, not somewhere you go.

Today the financial services industry is going through the most disruptive period of innovation ever: the unbundling of banking services caused by the rise of fintech companies. The change is so dramatic that it threatens the hegemony of traditional banks whose customers are being lured away by a slew of upstart challengers - neobanks, non-bank lenders, payment specialists - providing frictionless, hassle-free experiences.

The fintech industry, now totaling around 1,200 companies in Canada, has forced the normally cautious incumbent banks to speed up their efforts at digital transformation, anxious to halt or at least slow down the rate of silent attrition amongst their customers. But the big banks are starting that race from behind, weighed down by legacy processes and technologies designed for a service model based on branch visits. Their biggest handicap, however, may be their public image as monolithic, stodgy, and uncaring, especially amongst younger customers who are completely at ease with digital banking.

According to Bain and Company, just 29% of customers say they're loyal to their primary bank. People are simply fed up with being taken for granted. To win back their allegiance, banks must take their cue from the fintechs: help people take greater control of their financial lives though personalized digital tools and apps, relieving them of the stress involved in managing their money. Instead of focusing on maximizing the total number of accounts, banks need to offer their customers greater empowerment, peace of mind and financial wellness. The formula going forward: make banking easy – make it intuitive – make it personalized. Above all, put the customer's interests first.

The banks do have a few advantages as they battle this insurgency. Lots of historical customer data for one thing - information that can be harnessed to offer proactive advice based on a holistic picture of a customer's financial health. Plus, their ability to team up with select fintech partners who can extend their service footprint with Personal Financial Management tools for budgeting, payments, and investments.

One Canadian bank making a determined effort to "digitize" is BMO Financial Services which now claims to be "digital first". Recently Forrester named BMO the overall leader in Canadian mobile banking apps, complimenting it for consistently offering useful features. Now the 8th largest bank in North America, BMO is committed to enhancing the digital experience of customers. Leading those efforts is Greg Brown who's in charge of BMO's sales transformation strategy for the Personal, Business Banking and Wealth sides of the bank.

GB **Greg Brown (GB):** Definitely not. You know, what's interesting is, kind of thinking back and reflecting on really growing up in furniture retail, right, I had two parents that grew up in kind of the heyday of retail, you know, working at Sears in various kind of merchandising capacities over the years. And then, in the late '80s, my father retired from Sears and decided to open up a Leon's Furniture franchise in Orillia, Ontario when interest rates were probably closer to 20%, so maybe not the best time to jump into a furniture retail enterprise.

You know, they ended up running a pretty successful franchise up until 2016, 2017. And growing up in furniture retail and in a family business, you learn a lot, right? You learn how to wear a lot of hats. You know, you learn how to be entrepreneurial, how to solve problems, how to manage finite resources, how to work hard, including every holiday, every Christmas, Boxing Day. And you learn how to build relationships, and you understand kind of, you know, the importance of driving results. And so I think, a lot of ways, when I look back at that time, like, it really taught me just how to wear many hats, how to be disciplined, and how to, like, run something end to end. And so I think that a lot of those skills I reflect on now in my role in terms of kind of where that brought me to.

You know, I also look at the time I spent at goeasy[1], right? I joined goeasy back in 2009 in a merchandising capacity, which makes sense given my furniture retail background. And it was a great opportunity in a high growth organization to really, you know, learn and develop, you know, as a young person and really got tremendous opportunities there in my seven years at goeasy. I remember back in 2011, when I sat down with our CEO, David Ingram at the time, and he could kind of foresee where digital was going and looked at a retail business that was very much brick-and-mortar, focused on driving traffic into the physical locations, over 200 of them

at the time in Canada, about 30 in the U.S. And he said, you know, like, "We need to start thinking about how we're gonna transform this very kind of traditional lease-to-own business into a digital context. Can you do that?" And I said, "Well, I've been on Google before, so I'd probably figure it out." I had no experience, and I didn't know what I was doing, you know, but I knew how to, you know, solve problems. I knew I could figure it out.

And that was a really interesting time to be given lots of opportunity to develop and to learn and to, you know, perform, but to fail as well, and to learn through that process. And I really enjoyed my time there and then, you know, transitioned into kind of a similar role, overseeing digital for easyfinancial, which was, of course, their financial services arm and is today as well. And so it was a very, like, I'd say, an iterative process of kind of moving from merchandising from one store to a network of stores, from retail into financial services, and then deciding to join BMO in 2016, which, at that point, I was really attracted to the digital transformation mandate, right?

Like, a lot of banks had been talking about digital transformation for a number of years. It appeared they were getting serious, a lot of buy-in at the top, that this is, like, it's an imperative now. Like, we need to do this. Like, it's coming for us. We need to disrupt and change our ways of working and really reorganize how we build digital experiences for customers and to drive business outcomes. And that was really attractive to me to be at really the early days of that shift. And, yeah, been at BMO ever since.

SS **Stephen Shaw (SS):** So, as you say, it's been a progressive evolution, if you will. However, quite a cultural change from a family-owned business to, you know, really a street-level financial services organization, now to a big bank. Has the cultural changes, you know, been a surprise to you, or were you expecting it when you joined the bank, you know, what to expect?

GB Yeah, it's a good question. I mean, in many ways, I moved from something small to bigger, to something, you know, bigger, right? And so it was maybe the progression of learning how to get things done when it's a small operation, and if you make a decision to make a change or to drive a process improvement, like, you can do it tomorrow or today even. And you'd likely do it yourself because everyone's...

you know, you've gotta manage those finite resources. You moved into a smaller organization where it still felt bigger than, you know, a single retail location, you know, but it also kind of felt okay, it felt big at the time, right, compared to what my frame of comparison was.

And then joining BMO, it wasn't just the size. It was the fact that, you know, this is a highly regulated industry, and I was used to retail and industries that were not as regulated. So that whole experience of understanding how to work within that environment was something that I had to adjust to, and obviously, just the matrix organization, and nature of large banks where there's a lot of different stakeholders to work with and partner with as you get things done. (10.52)

SS So, let's talk about then your current mandate in your role. Could you just give me an overview of what that mandate is? And I guess I'm curious if your responsibility, main responsibility at this point, given where the bank is on its evolutionary path is, simply retrofitting legacy banking processes, in other words, digitizing them, or making that online experience novel and different for customers. So I guess the question is, in your mandate, are you adapting or are you reimagining?

GB The mandate is, you know, vice president, head digital product management for sales and marketing for BMO. So, what does that mean? Fancy title, great. So what it really means is, you know, my team is responsible for driving sales and growth for BMO across personal, business banking, and wealth. So I have a team that runs the marketing and engineering function of the public marketing site, so bmo.com, bmoharris.com in the U.S. And so we kind of own that kind of first experience of the brand in a digital context and, of course, you know, all the tools and support function that the site performs as it relates to supporting customers to self-serve, wherever possible, to reach out to get help when they need it, and also, obviously, it's very much an e-commerce-focused website as well. So we wanna drive sales through that channel as well.

Then all the onboarding experiences. So if you wanna open up a bank account, you wanna open up a credit card, a lending product as a customer or a new bank applicant in the channels, you know, online banking, mobile, and the public site, you would interact with an experience that one of my teams owns and runs and supports the platform and

the journey. And so we have those journeys across self-direct investing, personal banking, business banking in Canada and the U.S.

SS So a pretty broad mandate. And so when you think about that, I mean, a lot of that would be, clearly, I mean, obviously, owning the digital properties, yes, maintaining them, evolving them for sure, but surely the transformation piece has to address areas that remain to be digitized from either a sales and marketing standpoint or a general customer experience standpoint. So, just back to my question for a second, is the emphasis there to simply take an existing process and make it easier from a customer perspective, and effectively, all banking becomes digital banking, or is it starting with first principles and asking yourself the question, do I actually have to even have this process, or can I rethink it, I guess is my question.

GB Yeah, it's a good question, Steve. And I think, like, from my perspective, it's why I hate the word digitization because it feels like you're just taking something that's existing and then creating a digital way to do it. We'd be doing our customers a disservice if we didn't reimagine it at the same time that we thought through that experience. And if I think about, in 2016, when we launched our first deposit account open experience, like, the journey was, how do we make this seven minutes or less? And how do we make it wherever possible, a straight-through experience, so you didn't need to visit a branch for any part of that experience, right?

So that was the goal and the ambition, and so we set kind of those ambitious goals when we're creating these journeys. The context or point of comparison is not, well, what's the legacy process and how do we make it better? It's customer expectations are not defined by the genre or its banking. So, you know, my expectations are different than if it was buying something on Amazon. Like, our goal is to make it as seamless and simple and as intuitive as possible. And so that requires reimagining a lot of the experiences that we build from a process perspective, figuring out how we can simplify them with the goal of making them really simple and easy. (15.16)

SS So we're gonna come back to how you do that a little later on because you've got a lot of internal stakeholders, constituencies, silos, different processes, and so I can't imagine what that must be like trying to reimagine all of

GB that and getting everybody on board for it. So we're gonna come back to that big question. So the other question I had with respect to your role here is, when you agreed to take it on, were there any surprises for you that you encountered as you started doing the work, any challenges that maybe you weren't expecting? Certainly, the scale of change has got to be quite intimidating. Pockets of resistance, inevitable on any change management project for sure. Was there a "What have I got myself into?" moment for you?

GB I think my boss, who's my boss today, who's our chief digital officer[2], was pretty honest, to be honest, about the state of affairs when I joined. So I wouldn't say I was particularly surprised by where we were in the transformation, how much work was in front of us. The really exciting part when I joined was we kind of defined it, right? Like, we defined the operating model. We figured out clear domains that we had to go after, right? Like, you know, we wanted to be a leading digital sales bank. We wanted to drastically improve our digital servicing experience, right? And so we created really clear journeys, right? Opening accounts, paying bills, transferring money, you know, very clear journeys, a very journey approach. And then we figured out, what are the target outcomes that we're looking to achieve, right? So, in the case of sales, like, what is the proportion of sales that we think should be, you know, coming through this channel? What should be our target submission rate for the journey? What should our straight-through process or, you know, ID verification success rate look like? How long should it take a customer to perform this task? You know, there's a series of KPIs and metrics that were related to that journey that would tell us, did we meet or exceed our expectations?

And then it was easier to define what the backlogs look like, what the experience should look and feel like, and then how to make sure that we brought stakeholders along for the ride as we pointed them to the north star of the journey that we're trying to build, and had them co-create changes to our processes to get us there.

SS Let's just move into the state of banking, writ large. And we know there are something like 1,200 fintech companies in Canada now, like, one of the real hubs of FinTech in the world. You mentioned that banks, of course, recognize they had to play some catch-up here. How much of a disruptive force are these fintech companies? I'm curious, are they threats to you, or are they really frenemies?

GB Yeah, we have very much, like, a partner mentality when it comes to fintechs. I mean, at the end of the day, we're trying to serve customers. And in our case, you know, we've got a strong perspective on helping customers make real financial progress, and we should be looking at the full set of tools and the ecosystem that we can create, some of which we'll build ourselves, and some of which we'll create through partnership that can deliver on that promise. And so, like, we're very excited about, you know, the upcoming changes with open banking[3] and really partnering very closely to help create those standards so that we can really start to tap into opportunities for customers and for the bank and really, you know, explore those pockets of value.

We think there's lots of opportunity with open banking. We think it can be a lot more secure than screen scraping, which has existed for a number of years in Canada and other markets. So for us, it's about, how do we make sure that the customer has the control? How do we make sure that privacy is paramount, that security is paramount, and that the exchange of data is done in the right way? So, yeah, we're very excited about it, and we're working with other banks to build out the framework. (19.46)

SS Fair enough. I guess my other question here is, when you sit down and map out your roadmaps, there's a few moving parts, obviously. There's what other banks are doing. There's what the fintech companies are doing and will continue to do. There's the threat from, potentially, non-banks. When you look at all of those factors, is the decision here to lead or to follow fast in order to not lose out to whatever that competitive force may look like - how do you measure progress and benchmark yourselves and make some decisions to lead or to follow on what respective areas? Those are tough strategic decisions.

GB Yeah. I think the partnerships need to be in service of our strategy, right? So, we're not RBC, right? RBC has, you know, ventures. They've got a very different approach to how they create their ecosystem of fintechs and experiences. And our approach is, like, we need to partner for value, but it needs to be in service of our strategy. So, if there are strategic partnerships that make sense that we have already, we should explore how we can kind of build those out in a more expansive way. But we're not chasing kind of partnerships just for the sake of it. They really need to

be in service of our strategy. And so, we've got really strong partnerships, and we'll continue to build up more of those over the course of time. But it's very much, like, a connected decision that we make.

SS But I am intrigued about who you view as your direct competition here, because you have the existing banks and all trying to do what you're trying to do, transform, recognizing what consumers want, where they're going. There's a whole slew of these companies popping up seemingly every day that are trying to grab a piece of the action. So it's like, who are you in the ring against? Like, who are you boxing at this point? And I guess my other question would be, when all banking is digital, basically, when digital life is really life, what becomes the differentiators?

In the old days, the branch was, your personal relationship with the bank manager was, and still is. I go into the local branch here. And the guy here, Michael, is, you know, a wonderful guy, nice to see him, but I'm not in there a whole lot. And increasingly, that's the case, right? Fewer and fewer people are lining up to see them. So if the distribution channel the banks have relied on so long is going away, what then becomes a differentiator? Products all look alike; the digital experience looks alike. Where do you differentiate yourselves at that point?

GB God, you're painting the end of banking for me here, Steve. No. You know, and this is not, I'd say, a unique comment to BMO. I'm sure you would read this, what I'm about to say, in many annual reports. But I do believe, like, I think we all fundamentally believe, because our data suggests this is the case, that real impactful conversations can happen in-person, and that type of advice, we wanna make more time for that, right? And how do we make more time for that? There's still far too much that may start in digital that ends up landing in branch.

And so when we look at the digital experiences we've created, both on the sales and service side, we've got a job to do there. Because if we could just straight-through process more of those experiences to really give the branches more time, the contact center, more time to have those really engaging, advice-based conversations, we know that's a point of differentiation, we know that will lead to higher NPS, we know that will lead to better loyalty with our customers. But we've got more work to do there. Like, it's still very

much, we're expecting the branches to do a lot still, and we're still landing a lot that may start outside of the channel there because we haven't finished the play on some of these journeys that we've started, and it's part of the transformation, that's part of the evolution, and we'll get there.

And I would also say, certainly, on the digital side, we are getting way better at delivering digital advice, and customers are more interested in seeing us play in that area. And we see that in how customers engage with us, with our BMO Insights platform, which, if you are a BMO customer, Steve, I hope you are, if you go into the BMO app, you would see our insights, which are, I mean, best described as in-context ways of showing you how you're spending, how you're saving, forecasting kind of where your cash flow will be, and really giving you, like, bite-sized information about your finances, where you can decide, and hopefully, not just the information but also solutions that tie into that insight so you can take action, and so arming customers with that. (25.09)

So I think we're doing a better job of advice delivery. I think that's the frontier of where competition is gonna happen, how AI obviously plays in that over time, right, where we can really make those insights a lot more rich. So, you know, we're focused heavily on insights and financial advice, both in digital and physical context, and how we can protect more of that in-person capacity for those richer, more complex discussions that, quite frankly, digital is not there yet. We're not there yet from a digital standpoint to really do that in an effective way.

SS So, I'm not gonna divulge my bank. We might end the call.

GB Just read me your debit card number and CVC.

SS We might end this interview, But that aside, I did work for a bank at one point, so I do have some inside knowledge of how banks work. But, I mean, the history of banking in Canada is solidity, security. You know, people don't switch banks because there's no real reason to switch over and go through all that pain and dislocation. So there is, you know, a static customer base, not necessarily a loyal customer base, but certainly a static one, and it's generational. So this is the other thing I want to ask you about is, are you building your digital experiences for the next generation, certainly, millennials, but Gen Z as well, Gen Z, however you wanna phrase it, that have a completely different comfort level and perspective and, I guess, freedom choosing different

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suppliers to meet their financial needs, but they're also at a different financial life stage. What are your thoughts on that? Are you building for the next generation, or my generation, which sits on a pot full of investment savings?

GB Yeah. I mean, certainly, if you look at where the pockets of where customers are in flow, right, where the opportunities are, the new-to-Canada segment is a huge one, right? We've got record levels of immigration coming into Canada, so there's gonna be a very much, you know, high competition for those customers, which in many cases come with, you know, large amounts of assets. So that's gonna be a competitive ground for sure. And the other one is, as you said, the younger generation who I think are certainly gonna feel like they've gotta take more accountability for their finances in the further future. And so I think that's a piece of it. I also think about just their relative lack of financial literacy, which is not a new problem, but it's not an improving problem either. And so, you know, I think about where we can position ourselves in that area to really give people tools and the understanding of how to manage their financial life at a really young age and how BMO can participate there too.

So, I think there's a couple of opportunities there where we need to spend more time creating digital experiences, and we're doing that. We just launched a new-to-Canada pre-arrival onboarding experience a couple of weeks ago, which you may have read about, where we're really trying to make it easy for new Canadians before they even arrive in Canada to get started, to get that account open, to get it funded, and to just really help them with the stress of doing a big family move to another country and how can we help them through that process. So there's a lot of places that we're spending time, but those are two, I'd say, in particular, as it relates to just some of the dynamics you were talking about around the relative stability of customers and not switching banks and where we play.

SS So you're describing a sort of a demographic, if you will, strategy. You have traditional strategies around life stage, clearly, and the other one we talked about is generational, which may be related to life stage, but there's also a different orientation with as I was alluding to earlier, millennials. So it makes it a complex matrix, doesn't it? Because you talked about journey mapping, guiding your priorities, but it also needs to follow life stage strategy. It needs to follow, as you're describing, particular needs with respect to a certain demographic group. It's a complex matrix for you to look at and determine what those priorities should be.

GB Yeah. We didn't even touch on the wealth transfer that's coming as well, right, in terms of generational wealth moving and, you know, how are people gonna manage through that. So, yeah, there's really interesting, I'd say, macro trends that are informing kind of, you know, where we're headed. But yeah, it's not easy. It's not easy managing competing priorities and adjusting to challenges that happen, many of which you don't anticipate, for sure. (30.10)

SS So, and I'm gonna, again, swing back to some of the logistics around that in a bit. I do wanna touch on a couple of other things. So just with respect to your comments about the battleground being the ability to offer increasingly personalized advice and recommendations potentially through digital channels, I presume help with money management. But ultimately, is the end game here, I'm gonna use this term, contextual banking, that is, banking in real-time, in the moment, with respect to a need at a point in time? "Siri, pay this guy the money I owe him," or whatever that requirement is. Ultimately, is that where you need to go, is just, you know, being able to recognize a need at a specific point in time and delivering against that as part of the experience?

GB I think you nailed it. I think you nailed it, because apart from, you know, us, bankers, most people don't wanna think about banking on a regular basis nor do they wanna think about and talk about their finances. And that's where I think, you know, you said context, and we use, you know, a similar terminology, right? It's about in context, in the moment, "Tell me what I need to know," right? "Don't ask me to do something or tell me to, you know, let's just... I'm busy, I'm living a busy life. If I need to take action or do something, guide me and tell me what I can do now about it." Because that's the environment people are living in, right? Busy lives, managing multiple priorities. We're not gonna create the Google of banking where, you know, people are...this is gonna be their new landing zone where they start, you know, every thought, right? We're not gonna be that initial landing spot. We've got a critical role to play though in supporting customers when it comes to their finances though. And so, how do we do that in a way that's more in context and in the moment, and to your point, personalized, that recognizes their unique situation and treats them accordingly?

SS And can leverage the immense amount of data and intelligence that you have and put it to good use, which is helping a person at that point in time, as you say. Is that where ultimately AI will pay off in supporting that requirement?

GB Yep. I think it will because if you think about customer expectations on a continuum, delivering the basics is, you know, a customer would say, "Know me," right? Know who I am. Show me you know me by what information you provide, right? Like, you know all this information about me, prefill my information, make it easy, or you already know where I'm spending my money on my credit card, give me an offer that's relevant to me based on where I spend. And so I think it's really about, you know, that's what customers are expecting right now is, "Show that the information I provide in my spending habits, you're actually thinking about that in a really useful way and you're helping me."

The next part of that continuum is anticipate my needs, right? And we're somewhere in between know me and anticipate my needs, right, where most banks are in terms of delivering on that part of the experience. And so the more we can leverage AI, the more we can leverage data to help customers see what's around the corner and help them take steps to adjust if needed. That's where I think the real opportunity is related to AI and we're doing a lot of experimentation in that space right now to really push us in that direction.

SS Yeah. If the banks have, certainly going forward, one major competitive advantage, it is that data that you've managed to collect over many years for customers.

GB Yeah, 100%.

SS Yep. So...

GB And we have the trust, right? We have the data and the trust. We have the trust.

SS I was gonna say that earlier, yeah, because the one thing is people, yeah, like, they want to be able or they need to be able to trust their banking institution, and I suppose that's part of the legacy of Canadian banks is that trust factor, especially when you think back to 2008 and the meltdown or even more recently with the Silicon Bank. Let me ask you about... So you've established a track record here because you recently developed a mobile app, which won, kudos, as the best mobile app amongst all the banks, won some recognition

there. What are some of the other signature experiences you've been able to actually deliver in your time in your current role? (35.28)

GB Well, I won't take credit for the mobile app because my colleague, Peter Poon, runs the digital service part of the portfolio, and his team deserves a ton of credit there. But certainly, as a combined kind of digital team, there's a lot of accolades across just kind of being number one in the app store or driving leading digital sales in Canada and a number of market-firsts that we've launched along the way, which just show that when we're thinking about innovation, we're really pushing that innovation agenda as well. So I think there's a lot to be proud of. The outcomes really speak for themselves in terms of what we've driven, you know, a lot of which I can't really share, but really, really strong results. And that's a reflection of the amazing cross-functional team we have across design, digital, technology, and the really strong partnerships we have with marketing and product and our analytics groups, along with a lot of our, you know, corporate service areas like compliance, legal, and risk, all the different groups.

There are 17 groups out there, I think. I think it's 17 groups. So there's a lot of groups that can feel, they can see themselves in the work that we've produced. But there's no secret here. It's years of work, right? Like, you know, we started with this small collection of teams in a couple of really, like urgent domains that needed attention. And it's like, the hard work of putting really good people in place that understand how to really build digital experiences and just going after it in, like, you know, intelligent, methodical, but pretty diligent way. Because a lot of times, what we put out there, like, it gets it maybe 60% right, and then we've gotta get it the rest of the way. And that might take...sometimes we're lucky it takes weeks or months. Sometimes it takes longer than that.

And so really the secret of our results, I believe anyway, is, one, we've got a really strong results orientation, and so when we put a dollar in market, we know what it's gonna produce in terms of value for customers and for the business. When we're gonna build something, we're very specific about what we're building and the value we intend to deliver against that, and we understand the trade-offs and why we selected that feature over something else. But we're also, like,

pretty disciplined about continuing through the work, and we've had some teams that have been in place since 2016. And we've had turnover on those teams, and we've had new people in, but they understand the goal. They understand the domain they operate in and what success looks like.

So it really is just continuing to go after it, because digital experiences never end. There's no end to the roadmap. The roadmap continuously evolves. And so it's just the, you know, persistence, I would say, of just keeping, moving us forward and transforming and evolving and delivering on that next frontier of expectation and just doing it over and over again. And we've got a lot of support at the top levels of this bank because of that. Because our group has shown time and time again, we can produce and we can deliver.

SS Well, your CEO calls BMO a digital-first bank, so I'm assuming he's endorsing this transformation effort. So I wanna get into nuts and bolts a little bit, because I mentioned a little earlier in our conversation about the fact that you would have so many priorities for development. First of all, are you guided by a central sort of CX digital-first vision and strategy? Does that exist? Does that sort of help you at least start to establish some priorities?

GB Yeah, I would say, like, we've got an experience framework, right? Simple, intuitive, personalized, right? We've got guiding principles around the type of experience that when you look at it, you should say, "This is uniquely a BMO experience." And regardless of whether it's sending money overseas, you know, or opening a bank account, the experience should feel the same. It should feel very much like BMO. And so that's certainly part of it.

We've got design standards that guide us as well in terms of, you know, the look and feel and the experience and the tone of what we're trying to...you know, the experience that we're trying to create. And so that's certainly there. And if we're getting it right, if you're doing that in the U.S. or you're doing that in a wealth context or a business banking context or a personal banking context, it should feel the same. And so I think, you know, that's certainly something we focus on. And a big part of, you know, the experiences we deliver are tied to customer feedback and research, right? And that involves talking to customers, getting feedback early and often through the process, prototyping, design-thinking, workshops that we do often, right, where we get customer

and stakeholder feedback as we're trying to redesign or redefine experience. So really being led by the customer, being customer-focused and digital-first. Like, there's some principles there that just transcend whatever we're trying to build or trying to work through or what problem we're trying to solve. (40.57)

SS Help me understand a little bit, under your purview, under your direction, authority, what are the disciplines that report up to you that you can manage and control? And then secondary to that, who are the main stakeholder groups that are participating in setting priorities and direction? You mentioned research, for example. How important is journey analytics and qualitative research and some of the quantitative research guiding those priorities, how important is it for different stakeholder groups or product groups even coming to the table with requests or demands? How do you adjudicate across those? And is that sort of an annual effort where you're sort of, "Okay, here's our roadmap for this year. These are the priority projects we're taking on. Here's the funding we need?" And that's my other question, who holds the purse strings? Give me a little bit of an overview on that.

GB Well, you couldn't be hitting me with this question at a more perfect time because we're literally in the annual process right now, and I can tell you it's painful. Yeah, and it's absolutely an annual planning process. It is a lot early anyway. You know, when you've got portfolios of teams that already operate in very specific domains, naturally, they've got a backlog for which to start planning. But then there's just a whole integration and alignment process, right, where you're trying to say, "Are there big business priorities that we're not aware of or we are aware of or new priorities that we need to support and enable?" And so a bit of like a kind of interlocked process where we're trying to get aligned on what are the key, you know, three to four things a team's gonna work on for the next year, and then there's all the business casing and management of that to help justify why we would invest in these things. And also if it comes to trade-off discussions, it's helpful to have a view of value. So that's kind of like the big process. And then, obviously, if there are really big plays that we're gonna make that require, you know, kind of more sizable investment levels, right, then they require a little bit of a different approach to get buy-in for those.

With respect to your question on research, I really think it, I hate using the term, it depends, but it really does, because we don't wanna apply the same standard to everything. If we're gonna build something that's a bit more greenfield where there aren't really good examples of it in the market locally or globally where we feel like there's a lot more risk because of that and we need more points of data, varying points of data to help reinforce that we're taking the right approach or action, we'll do a much more robust kind of deep dive. And if we're running something that's in the market, that's in production, and you know, that's where some of the journey analytics and some of more of the ongoing kind of reporting discipline comes in place because, you know, we've got teams that aren't just building things, they're operating journeys, right, so they need to be looking at their journeys to say, "Oh, we've got this new point of friction here. How are we gonna solve that? Let's get in a room and figure it out. Let's use the data that's available to help inform the direction that we'll take it."

So, like, I describe our teams as kind of build and run teams because they're supporting platforms, they're accountable for their journeys, but they're also building, you know, future experiences at the same time we're running the business. And so it really is this combination of being able to kind of go deep and run the detail but then, you know, bring yourself up and start forward planning so that we can kind of keep us moving forward with momentum too. (44.57)

SS Wow. Is there a steering committee of some kind populated by senior decision-makers that, in the end, adjudicate, argue, debate, and settle on what the priority list looks like? Not to simplify it too much, but there must be some mechanism for you there.

GB Yeah. Like, we've had to kind of rethink some of our models to align them more to agile ways of working, right? So we try to do a lot of these things at, like, a portfolio level, right, so that we can look at trade-offs across a number of teams in a number of domains, instead of, like, creating... You know, we have, like on my team, we've got 38 pods, so 38 teams that operate in all these different domains. You can imagine if I had to be the decision-maker for 38 teams, I'd be in 38 steering committees. So that's obviously not effective, right? So we have very much a decentralized model of decision-making where I have direct reports that run portfolios that

have similar stakeholders that they have to engage with, and they've got to work through, you know, the alignment, and in case of reprioritization, they go through that process. But we've had to...you know, a lot of why we do this upfront annual planning is, upfront, these are the domains, these are the big investments we wanna make, the big areas we wanna go after.

The whole purpose of getting that alignment up front is so that the teams don't have to continually align going forward. And, you know, we still wanna allow for flexibility on the teams to move things in and out, but at least we've tackled the majority of the direction upfront so that teams can be enabled to take action, move forward, move with pace, and not be kind of bogged down with a lot of this unnecessary overhead when it comes to kind of maybe traditional management of waterfall processes. It's not to say we still don't have all of them. We do have all the checks and balances, but we've had to adjust them for an agile context,

SS You must have some guidelines just with respect to prioritization, customer impact, cost, degree of effort. And then, does that get put through a process, a business casing, ultimately, that you have to go back and say, "We expect incremental revenue or cost savings here?" And then you go and get funding from some...I don't presume you have a big giant pool of funds here, but presuming some of the stakeholders are anteing up to pay for improvements in their own respective areas - how does that work exactly?

GB Yeah. So it's very much business casing to justify what we're asking to build. And then there's a process, like any business, where you would report on the benefits that you signed up for, right? So there's the initial, "Put in the ask, demonstrate the benefits that you want, and we'll give you the money," but then there needs to be transparency in tracking on, you know, "Have you delivered against the benefits that you said? Whether they're revenue, efficiency, loyalty, whatever the lever was, can you point to the benefits that you've been able to deliver?"

So, yeah. And to your point, Steve, I mean, it really depends, right? Like sometimes, like, obviously, there's a process around kind of tech investment that happens not just even within the digital area, our area, but across the bank. And there are different mechanisms to, you know, fund things, whether that's through co-funding or otherwise. So, yeah, I think you did a good job of describing the process.

SS What are the factors that are holding you back? You know, you had a wish list and wanted to say, "Well, I didn't have to deal with that." So I think of a lot of things. I mean, there's the whole compliance area, first of all, then there's privacy regulations coming. You talked about open banking and the requirements there. I think of regulatory hurdles, technology silos, resource contention. I mean, I could go on. Like, which ones keep you awake at night, the things that you wish I could solve tomorrow?

GB You've hit on a lot of, you know, the challenges, right, to getting work done. To be honest, I don't lose sleep over those obstacles. I care more about; how do we continue to push the envelope on modernizing this place? How do we continue to hold really ambitious goals around, you know, the value that we're trying to generate and feel urgency behind all of that? Like, that's what I think about. And it's why, in many cases, when I'm looking at, you know, comparing our results and thinking about where we wanna go, I'm not looking locally, I'm looking globally. I'm looking for global upper-quartile leaders that are doing this better than we are. And that's what success looks like for me. And, you know, in many cases, you know, whether it's adoption of open banking or customer adoption of mobile, there's a variety of reasons why those banks, global banks, are further along than we are. (50.25)

SS So, who would you put in that category of being further along?

GB I mean, there's a number of banks in the UK and Scotland that are both full-service banks but also neobanks. I think there's, you know, not naming names, but there's some really big, I'd say, good banks that I look at for inspiration.

SS And financial? And financial? Would that be...?

GB Yeah. Yeah. I mean, Starling's one that I look at more from a neobank perspective, but, like, Bank of Scotland, like, there's a number of global banks that I look at for varying reasons, for inspiration in terms of where they're going. You know, I also look at just, you know, you talked about earlier about just the... So I think about the digital transformation of where we are. Like, I hate to say this, you know, in the sense that it makes it seem like we've done the easy part. It wasn't easy at the time, but if you compare it to the next tranche of transformation, we did the easy part, right? We transformed the ways of working.

From a tech stack perspective, I like to talk about it as, like, we've transformed the UI or the glass, right? We've gone, like, maybe just below the skin, right? We're not at the real core yet of where the transformation gets really difficult, where you start touching those, you know, legacy platforms that have been around for decades and how you transform those and how do you build for speed and efficiency and automation, and how do you do that in the context of, you know, all banks that are trying to move to the cloud. And so that's the stuff that I worry about, I think about a lot is, like, that's where we need to go, and how do we get everyone organized around getting us there? Because that, to me, is the burning platform. That's where we need to go.

And as I said, we're not gonna get there through, like, you know, I would say small iteration. Like, they need to be really bold moves for the bank. We need to take a pretty aggressive approach to getting us there and doing that in a thoughtful way. And It's hard because we, like a lot of organizations, are figuring it as we go. Migration to the cloud is not easy. And so, yeah, those are kind of some of the problems I'm thinking about, but that's also the fun part too, right, is how do we get there.

SS It's interesting you have that expression of move at the speed of customers, and certainly, consumer trends are pulling banks forward into the future by necessity. But there's also, this other expression is move at the speed of machines, which is automation. I think banks carrying a lot of ballast these days with respect to those legacy systems and those mainframe systems that you refer to, and that's where the neobanks are at an advantage, right? They start with a fairly light load there. They're already in the cloud. So it's an interesting transition. At least the banks have the pockets, deep pockets for now anyway, that can help with that.

Let me ask you in the minutes we have remaining here though, and this is a good point to perhaps discuss this, if you look at China today and their massive adoption of mobile payments, their seamless integration of those transactions in everyday life today, they are really revolutionizing banking. Is the future of banking what's going on there, which is mobile-first, cashless, cardless, embedded in everybody's life, nobody's thinking about it, that it's just a need that's serviced in the moment? You don't go to a bank, you know. Really, it's

what you do as opposed to...well, that's the expression, right? Banking is no longer about where you go, it's about what you do. Is China the model here for you?

GB I'd say there, certainly, if I think about payments, in particular, they're definitely, you know, at the front there. You look at India as well as another market where there's a lot of innovation as it relates to payments. Embedded finance, which I think is really what you're describing, Steve, in some ways is certainly the future. And, like, you can just, if, you know, anyone's just spent two minutes paying with Apple Pay, you can just see where that's going, right? Like, you can just see moving away from passwords, moving away from having to verify yourself in a million different channels, moving away from having to, you know, enter your credit card details every time you wanna pay something, that's all friction, right? It's all friction. And if it could be removed and avoided, you would just create a much better experience, and it still would be a very secure experience, right? It's not like you're trading off security for friction in that case or any of those cases, right? So I think it really is about there's still friction and redundancy built into financial services, right, and where payments are going, and embedded finance, you know, is taking us in that direction. So I like the future you've described. It sounds pretty cool. (55.55)

SS Well, but that's China today practically, isn't it? I mean, right? So, well, let's end with this question then. If that's the future today in China, we're playing catch-up here, it's no longer the future, it's here, what is the future? And I mean, there's lots of other technologies that ultimately need to be integrated, whether it's voice, AI, as we talked about, augmented reality, you know, the metaverse even, potentially, obviously. I'm gonna ask you an unfair question, but you've been so generous sharing information today. Ten years from now, 10 years from now, and that's not that long ago. I mean, 10 years ago, mobile phones were just starting to, you know, immerse themselves in our lives. Ten years from now, what does the banking experience look like for the average person?

GB So I would hope that we've addressed a lot of the friction as it relates to payments. So I think a lot of what you described when it comes to payments and authentication, you know, those obstacles or pain points have been removed. So we've just taken a lot of friction out of the experience. I would
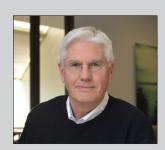
hope we're much further along in handling some of these more complex experiences. Like, think about how much further along we need to get when it comes to like disputing a charge, right? That's a terrible experience and still not very automated, right? So there's, like, these complex, if you were to measure them from an NPS perspective, they would, you know, continue to register as, like, high detractors, but they're also the most complex to solve. We will be much further along in solving these pain points we're aware of today that don't have really good technology solutions yet, because the tech isn't just there yet or it's just kind of arriving and it needs to mature. So I hope we're much further and I think we will be much further along.

What's interesting with all of this, right, is a year from now or a year earlier, right, we wouldn't have even been talking about AI because everyone was so fixated on the metaverse. If we'd been having this conversation the year before that, we would've been...well, I wouldn't have been, but someone maybe would've been talking about 3D printing. So, it really is difficult sometimes when you're in tech to separate what's really transforming from what's just a fad or something that, you know, will go by the wayside, and trying to predict where things will go obviously is really challenging, or we'd all be rich. And we'd be able to figure out how to trade stocks, and we'd always have growing portfolios. But no, I find it really interesting. I have a lot of...I think we're gonna move in a really rich direction. I think customers are going to have a lot more choice. I think we're gonna give them better experiences. And generally, like, I think we're gonna be using our data in a more impactful way to guide them.

SS Well, I've got through 59 minutes of conversation without mentioning Bitcoin or cryptocurrency.

GB Well, thank you for that.

SS Well, this has been an absolute delight. You know, Greg, it's pretty impressive listening to you today. For a guy who started in his family's Leon store and what you've achieved and how you were able to very effectively today communicate where the bank is with respect to digital transformation, it's pretty impressive. So, good for you.

GB Thank you so much. Appreciate it. And I really enjoyed the conversation.

That concludes my interview with Greg Brown. As we learned, the mainstream banks are locked in a battle with fleet-footed fintechs who are trying to pry loose their long-time grip on the wallets of their customers. But the most worrisome challenge for the banks is not fending off the fintechs – nor even outperforming the other mainstream banks – but making the shift from a business model that still revolves around branch visits to a digital-first self-serve ecosystem. Their first priority is to minimize friction across every customer journey – make it easier for customers to interact across channels. And then they want to leverage the piles of customer data they have to offer highly personalized and proactive advice, ideally in real-time. And that calls for massive digital transformation. The change management complexities are scary, and the technical hurdles immense. But the urgency is there to make the leap. Because the banking of the future will look nothing like today. It will be fully embedded in our lives, a utility we can call upon on demand, wherever and whenever we need to spend, pay, borrow, or invest. And that future, for banks, is imminent.

[1] Goeasy is an alternative lender that provides non-prime leasing and lending services through its easyfinancial, easyhome and LendCare brands.

[2] BMO's Chief Digital Officer is Mathew Mehrotra.

[3] Open banking is a regulatory framework that allows for the safe transmission of financial information, such as account and transaction data, between institutions and to authorized third parties. It is not yet available in Canada.

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