Embracing Risk Strategically

By: Lenn Freeman | Genesys Technology Group, LLC | **lenn@genesystg.com**

Legacy Systems **Cloud** Digital Brand **FinTech**

What's in your news-feed?

Real-time **APIs** BaaS **Crypto**

Relax....

You can't do it all.

The pieces to the puzzle are right in front of you.

In your bank.

Today is about small shifts in...
:: thinking
:: culture
:: execution

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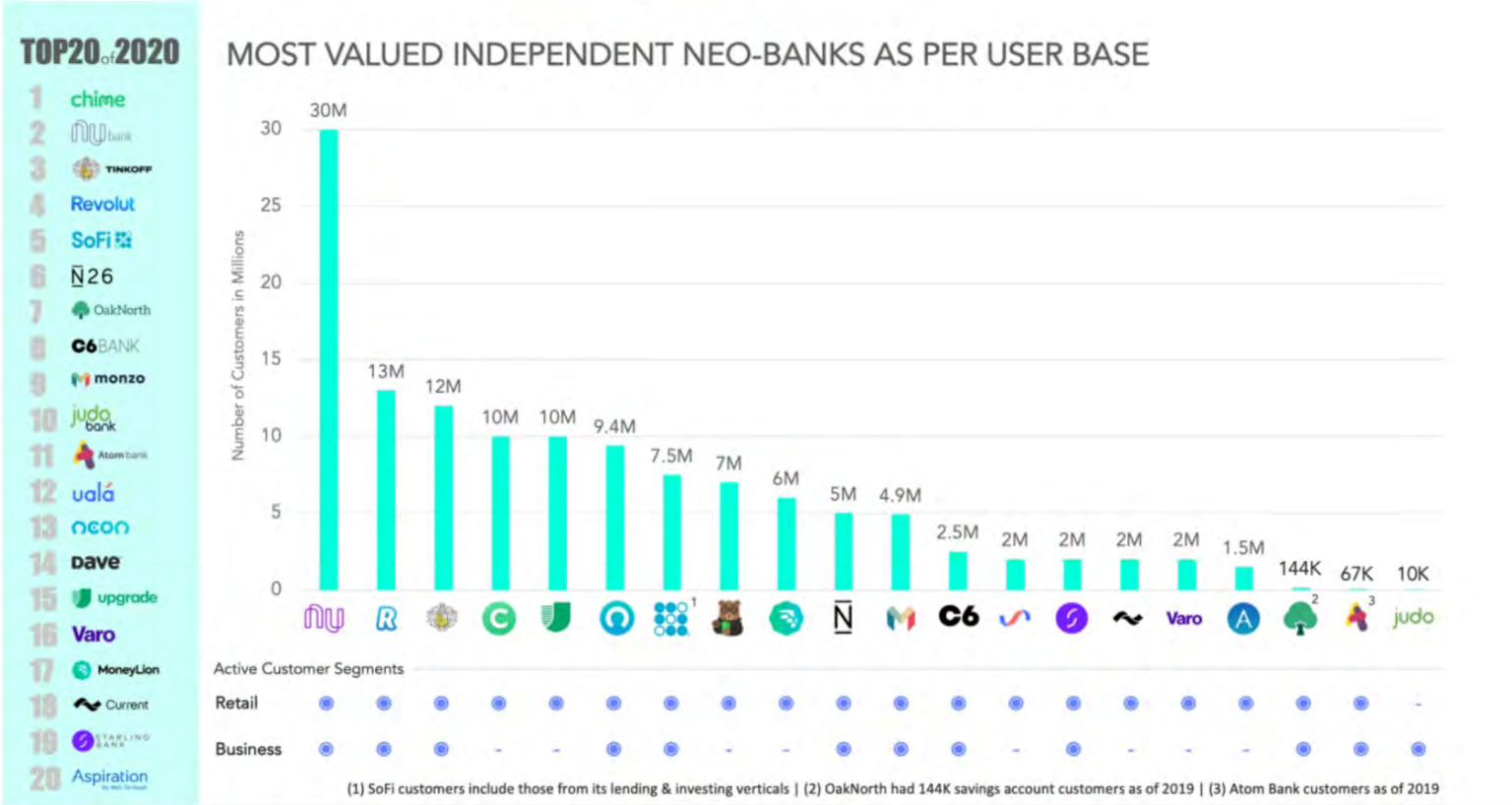
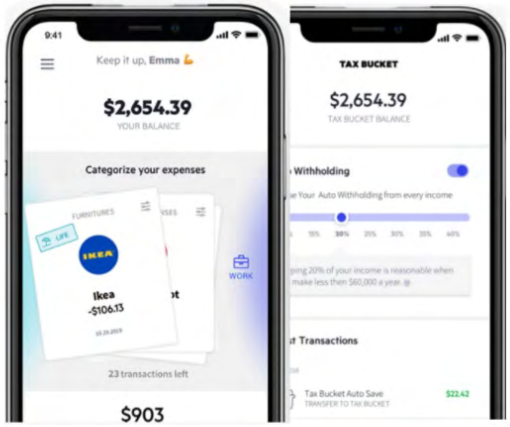
Rise of the NeoBanks



57 Million Americans

$1 Trillion in Income

The Freelance Niche



The Freelance Niche

The Freelance Niche

Challenge the Challengers

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Traditional Thinking

Cultural Shift

- Take inventory | Build your team
- Decision-making process
- Challenge engrained thinking
- Discuss fears
- Failure is acceptable
- Empower
- Identify detractors

The Innovation Officer

The Innovation Committee

Focus Groups

Reward Creativity

Design Your Message

Spread the Word

Be realistic with the resources you have

You're Different

Just embrace it.
You be you.

Who do we want to attract ::

What is our success metric ::
Revenue :
Loyalty :

What is the best marketing vehicle ::

What is our threshold for failure ::

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You have everything you need right in your bank.
Proven Model
Strengths
Weaknesses
Key Niches
Brick and Mortar
Years of Data
Wins/Losses
BANKING

Get better at what you know before
you get outside the box.
GRO WTH
COM FORT
ZONE
::::: What's Your Niche :::::
Retail
Boomers
Commercial
Minorities
Millennials
Under-Banked
Construction
LGBTQ
Students
Agriculture
Gen X
Automotive
Digital ONLY
Gen Z
Non-Profit

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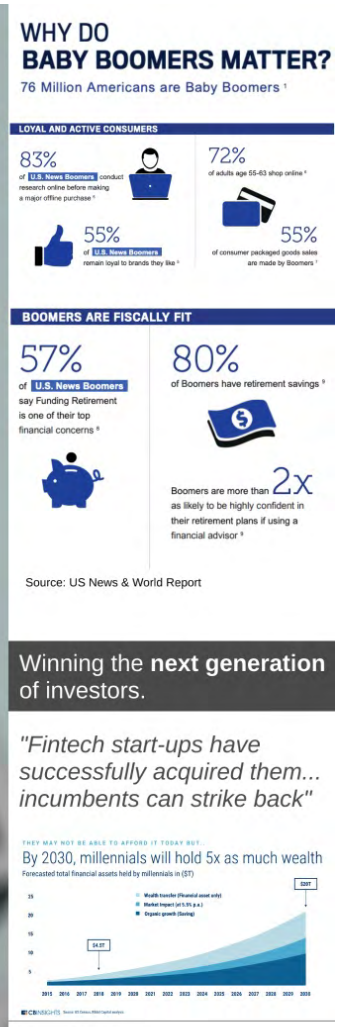
TRENDS
2021

Bill Negotiation Services

TIME TO BINGE!
Subscription Management
RENTTHERUNWAY
love. wear. return.
BT Sport
DOLLAR SHAVE CLUB
audible
an amazon company
DAZN
NETFLIX
sky
amazon Prime
Virgin ACTIVE
HelloFresh
The Economist
EE
O2

Identity Protection



Source: US News & World Report

Winning the **next generation** of investors.

"Fintech start-ups have successfully acquired them... incumbents can strike back"

Source: CB Insights

Crypto
Currency

The FinWell Account

JOMO

is a good thing.

Keeping Gen Z happy

Challenger banks' apps for young people generally go beyond what banks typically offer in their apps

Basic offerings	Next-level features
Customizable cards	Financial education
Specialized savings mechanisms	Charitable giving
Allowance and chore tracking	Investing
Parental controls and alerts	Credit building

Source: American Banker

is a good thing.

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Four Key Areas of Risk

- Regulatory Risk
- Reputational Risk
- Financial Risk
- Cultural Risk

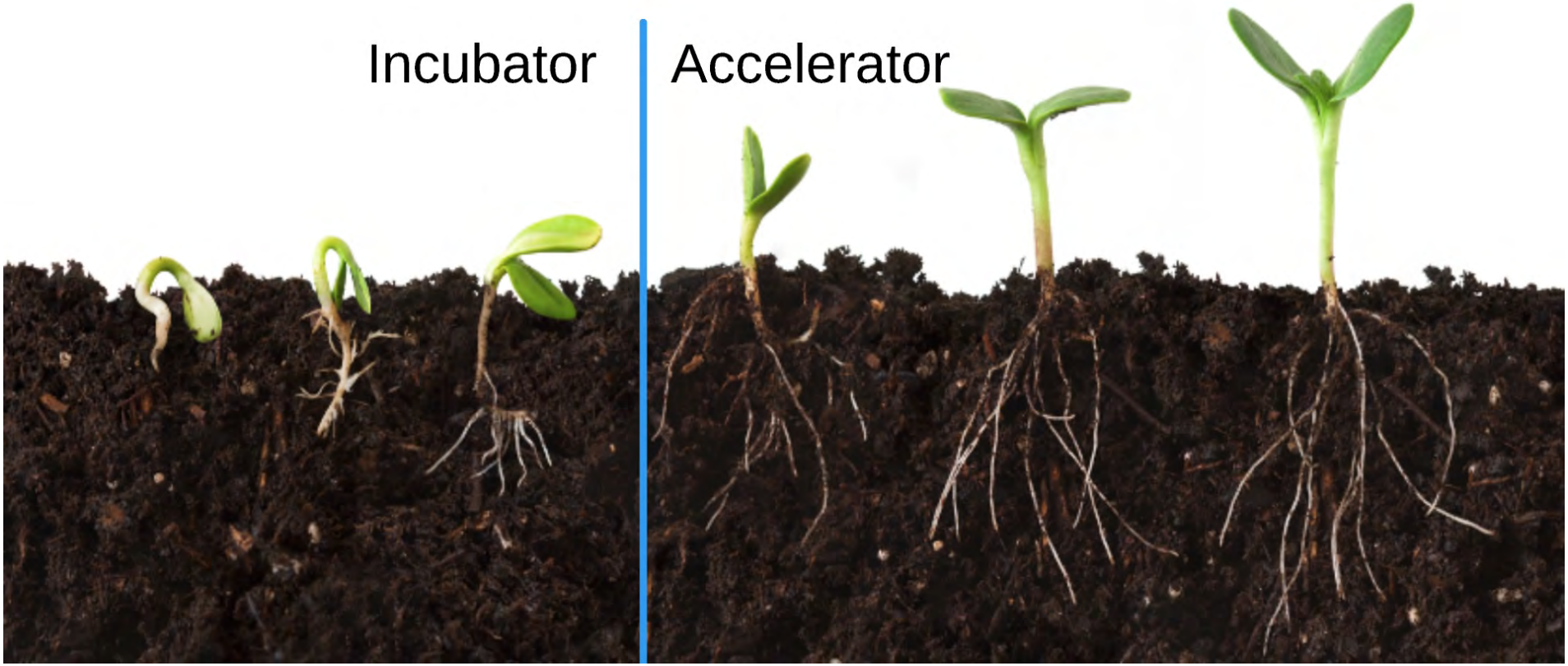
What to Ask...

- Who owns the customer? The Bank or the Fintech?
- Where are service calls going?
- Is development work happening outside the US
- Where is the data stored?
- How do they track customer complaints?
- What is the escalation path and communication protocol?
- Have you review at least two-years of board minutes that show they've discussed compliance considerations?

What to Ask...

- Will a short-term contract be considered with penalties for non-performance?
- Is the Fintech owned by a family that may have issues in the future?
- What is the strategy of the founders? Are they looking for a quick exit or long-term commitment?
- Do they have prior compliance infractions or negative press?
- Have you reviewed the FFIEC handbook?
- Ask your friends and colleagues… use your network and research, research, research.

Resources



Resources

info@genesystg.com

ABA Position

ABA supports policies that encourage responsible innovation in financial services both at banks and startups. We support policies that empower banks to innovate and partner with startups to deliver customers the innovative financial services they love while ensuring they get the protections they deserve.

Source: aba.com/advocacy/our-issues/fintech-policy

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