



PODCAST TRANSCRIPTION SESSION NO. 148-YOLANDE PIAZZA

Welcome to the Lend Academy Podcast, Episode No. 148. This is your host, Peter Renton, Founder of Lend Academy and Co-Founder of LendIt Fintech.

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Peter Renton: Welcome to a special LendIt Fintech USA 2018 edition of the Lend Academy podcast. We're here in San Francisco at LendIt Fintech and I'm delighted to be joined today by Yolande Piazza, she is the CEO of Citi Fintech, a unit within the global consumer bank of Citi.

Welcome to the podcast, Yolande

Yolande Piazza: Thank you, Peter.

Peter: So I wanted to get started by maybe giving a little bit of background about yourself. You have an accent just like me, except not the same accent. Tell us a little bit about where you're from, how you ended up in this country and that sort of thing.

Yolande: So definitely not the same as yours. So originally started with Citi almost 31 years ago in the UK and have had lots of different opportunities along the way so I'd probably call myself a Citi lifer. People often asked me, why stay so long, but it's really because I've had so much opportunity to learn, grow, take on new and challenging roles and really stretch myself. It included being the CIO of student loans, I have been in both line and staff roles and then the last year, I was officially appointed to run the Citi Fintech unit.

Peter: So when did you come to the US?

Yolande: So I came in '95, so for a two to three-year opportunity and I'm still here now.

Peter: I was the same, I came in '91 for a two or three-year opportunity and yes....

Yolande: I asked after two years, wasn't someone supposed to send me back and they said you missed your window, so I stayed. (Peter and Yolande laugh)

Peter: Right, right. Okay, so let's talk a little bit about Citi Fintech and just talk about the origins of it, how it got started and what was the overall goal when setting it up?

Yolande: It's really a fantastic story. So when Stephen Bird, our CEO, actually joined and actually moved from his role in Asia to the US, the first thing he did was take his leadership team out to the West Coast to really understand why were fintechs so successful. This was the era of fintechs are going to eat big banks for lunch and so what he did was really start to understand why they were so successful and boiled it down into three key things.

One, they were maniacally focused on a customer problem statement; two, they hired people that had a passion for the purpose and they created a culture in which everybody felt



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empowered and could survive. And so he actually then came back and decided to go ahead and try and recreate that within the walls of a 200-year old bank to prove that you could run at speed with the agility to be able to go create experiences and solutions that were completely different to what people would expect.

So Citi Fintech was born at the end of 2015 and we communicated to the street, we put product in market end of January. We hired our first development team in March and actually put product in market by the end of the year, an initiative that through traditional channels, would have taken three to five years to do.

Peter: So how are you able to create a...it sounds like it's a different culture inside Citi Fintech than the rest of the Citi, is that fair to say?

Yolande: Very much, yes.

Peter: How have you gone about creating that separate culture?

Yolande: I think there's a lot of things to it. One is creating the right balance of really strong talent that know how to operate within the bank, but then as we hired in, we actually deliberately didn't want people that had banking experience. What we wanted was people who had a passion to change people's experience with money.

Peter: Right.

Yolande: It's so personal so if you come in with a true desire to create a different experience and solve some of the problems that you experience, your friends or family members experience, you start to get just a different culture naturally. So then it's about how do you invest in that and how do you motivate?

So our floor doesn't look like a typical banking floor; we have ping pong and bean bags and beverage and things like that to find ways to motivate people in a very different type of way. These are very creative, super talented individuals that have come in to really change the overall experience that all customers have with banks today.

Peter: Interesting, interesting. So how big is your team today?

Yolande: So we've grown significantly, so we're actually in total about 400 people, but we started very small.

Peter: Wow, okay, so you mentioned that you started in late 2015 and you launched your first product, you said, at the end of 2016?

Yolande: Yeah, so...

Peter: What was that product?



Yolande: So it was actually what we call our MVP so we really stayed focused, again going back to that core problem statement. What we wanted to be able to do is serve our Citi Gold clients in a different way to make sure they had truly end-to-end connected services and they could do everything that they needed to do on their app. So when we first started talking to the customers, we had this really big grandiose ideas and what was really interesting they said was, can you get the basics of banking right first? (Peter laughs)

And it was really interesting to be able to take a step back and understand that complete journey, whether it was on investment or deposits or any of the core components. How do you bring it together in way that's simple and easy to use. So it required a lot of thinking on redesigning those experiences, challenging ourselves as a bank to rethink processes, policies and procedures to be able to go create this different outcome. So that was our first product.

At the same time, we also launched back in 2016, our open banking platform which we actually exposed our APIs, we made this a global service. Asia were the first to take and run on that, but it's a way to rethink about how we engage with customers and partners in a different way to serve our customers.

Peter: So that's interesting because obviously Europe has, the UK especially, has launched open banking and I'm curious what the uptake has been in the US. Has there been much in the way of uptake on that?

Yolande: So we haven't seen, the regulators haven't stepped in yet to define...to force everybody to open up or to do it in a certain way. We actually work really closely and enabled our European partners to be able to meet the PSD2 requirements.

Peter: Right.

Yolande: So I think that over time we'll probably see it more controlled so what we want to do though is hold ourselves accountable to the same requirements we have in Europe so at least we're starting from a core base and a core benchmark.

Peter: Okay, so is the open API global?

Yolande: Absolutely.

Peter: Interesting, interesting. So you mentioned in your talk earlier today that you've actually launched four products.

Yolande: Yes.

Peter: So you've mentioned two, what are the other two?

Yolande: The other one we launched at the end of last year was Canvas. In some of the other markets, the regulators have actually created sandboxes so people can come in and experiment and test new products and services. So far in the US there has not been a decision to do that at



a regulatory level so we said, then let's build our own. So we worked really closely with our governance partners to ensure that we could ring fence and control the test that we did to minimize any, you know, potential risk or impact.

We actually invite customers to come through into our Canvas platform, to be able to sign up and then if they meet our requirements for who we're looking to test with, we actually get to test products and services directly with our customers. If they fail or they don't resonate with our customers, it's no problem to shut it down. These are low cost initiatives, but if they love them we get to build them in and embed them back into our core offerings and services.

Peter: Right, it seems like that, you mentioned that as well. This is like a core piece of your approach, it sounds like, where you said co-creating the products with your customers. You said you did like 26,000 I think was the number, 26,000?

Yolande: Absolutely, everything we do is co-created with our customers. We understand their wants, needs and their problem statements, but it doesn't stop there. As we're building and we're actually designing these services, we actually go into the customers' homes so we video in with them and they go through our designs. Even if they tell us they love it, if it takes them too long or they're confused on how to get from point A to point B, we'll scrap the design and we'll start again.

Peter: Interesting.

Yolande: So the customer co-creates with us throughout the entire journey. Introducing the Canvas platform gives us the ability now to go test things that normally, you know, if you're fully embedded into a production app and environment it would take one, too long, two, be very expensive before you really understood how those features were going to resonate. This allows us to test things that we probably normally wouldn't be making big investments in. So it's the opportunity to think a little differently.

Peter: I imagine when the product launches you're a lot more confident that it's going to resonate because you've already had that feedback.

Yolande: Absolutely and it's not feedback on concepts or this is how we're going to tell you we're solving our ideas. These are true working prototypes that people are using with their data to be able to get their feedback.

Peter: So is a lot of this stuff...is it really mobile-centric kind of thing or what's...

Yolande: Absolutely, that's kind of our priority, but I don't want to restrict it to that as we start to see a shift towards the Internet of Things. You know, we have to be where our customers are so we have rethink. You know, voice is going to play a huge part in the upcoming probably next 12 to 18 months so how we are engaging in all of these other potential opportunities.



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We want to be our customers' always-on life partner which means we have to be able to bring services to them. So in Asia, we've been testing and we launched a series of different messaging through social platforms to allow our customers to engage them. So you're sitting there and you're like, I have to pay so and so \$20, let me go check my account. I can do it from within the app that I'm talking to, you don't have to come out and login into Citi's app. So we're looking at this whole diverse set of solutions that serve the customer where they tend to be, all day, every day.

Peter: Right, right. So then I want to talk about something that was announced, I think it was last month. All the press had it about this new national bank that Citi is launching, how does the work that you're doing there sort of inform that initiative?

Yolande: So I'm super excited about this...so the national digital bank is a series of initiatives and products and services that are all going to come together to really enable our customers wherever they are. So the branch or the thought that you need or have to have a branch will be gone. So leveraging our ATM networks, leveraging the services that we're going to put out there, it was fantastic.

What it did was give us the ability to step back and rethink what that means and rethink what our interaction with our customers is going to be so we've really focused around financial wellness. So this is number four in our series of products and services and platforms that we've launched so when we did all of this, these interviews with the customer. What they said is, I want to be able to see all my bills in one place, I want to be able to understand my entire financial portfolio. Seventy six percent of people say that they really don't know or understand enough about their own financial health and wealth.

So we actually took a step back and said, let's rethink from that perspective and let's rethink how we're going to enable our customers and our non-customers to really help them with how do we educate them, how do we create personalized services, how do we simplify those and how do we humanize them and how do we make sure we're creating opportunities that speak directly to you which may look very different to how you would talk to me.

Peter: So you just said something there I want to pick up on, you said, you want to help non-customers as well.

Yolande: Absolutely.

Peter: How are you going to do that, what's that look like?

Yolande: So as we first started out from the journey and people said they want to see all of their bills in one place, as an example, and help me understand my spend patterns. The only way to do that is to be able to bring in non-Citi data. You know, if you think some people have a credit card with a different financial provider so we'll need to bring that all together. We actually said, well let's go one step further; why don't we open this up to anybody because if we're really committed to this journey with our customer and we're really committed to being able to help



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them make better decisions based on insights around their spend, why wouldn't we open that up.

I believe it's part of our social responsibility to be able to provide that set of services. Over time, potentially, we have an opportunity. If we see somebody stepping outside of their needs or spending too much on their wants, to help advise them or potentially offer them different solutions. But fundamentally it's about if we can start to educate everybody to make better financial decisions then everyone is better off.

Peter: So it's like the tide is lifting all boats kind of thing.

Yolande: Exactly.

Peter: It's funny because here at LendIt this year, I've heard more about financial wellness than at any other event we've had. It feels like there may be a tipping point right now where really...I mean, particularly with, it's not just you, but we had Scott Sanborn from LendingClub this morning spend 20 minutes talking about financial wellness, basically. I guess the question around that is, how did this germinate inside Citi?

Yolande: I think a lot of it was just spending the time with our customers, right, to really understand what were their problem statements, what were they struggling with, and I've always been a believer that we have an obligation to really help educate and I think with the shift in technology, the understanding of how to use data differently in a very protected environment...it's really given us the opportunity to be able to step back and provide services that would, before this, been way, way too cumbersome.

But I think everybody is tackling it differently, I think we really truly...just by opening up our platform to non-Citi customers, can demonstrate this really is us putting the customer in the center of everything we do. So it's not about Citi Fintech runs completely unencumbered by business lines which is a phenomenal opportunity, and I respect it everyday, but by doing that when we just look to the customer we said, we can make a difference, we can make a difference in this entire landscape.

I think others tend to provide very generic solutions. What we want to do is allow our customer to choose what resonates with them, set their own savings goals, set their own budgetary spend by category. So if they want to try and control or they want to know their eating out habits or grocery store habits and how do we work with them to make sure that they don't actually exceed those targets and those boundaries in a way that they feel very comfortable with and not in a pressurized way.

Peter: Right, but you've also got...I mean, I hear you talking like, just what you said there...there are others doing that already. I mean, Mint has been doing it for probably ten plus years and there's other fintech companies that are pretty new that are doing it in different ways. So why should someone go to Citi over those other solutions?



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Yolande: Because I think at the end of the day, while you may be comfortable going to someone else to look at kind of an aggregated portfolio, but start making decisions with that money, the data still tells us that people are more comfortable and they trust the banks with their money.

So this is about that total aggregated, integrated solution of all aspects of your financials, not just...I want to go over here to aggregate and get spend, but I want my payment rails through this other lender over here. On average, people have between five and seven different financial apps; this gives them the ability and the power to be able to pull it all together.

Peter: So are you talking then like wealth management, brokerage services, the whole...like eventually to provide...you said you want to provide everything, all of their financial needs.

Yolande: Absolutely, so that was actually the start of our journey. has been being able to pull in the brokerage and the wealth management and allow people to trade within their mobile app. That was part of that first MVP that we launched and so this is a continual extension so as we built out these four sets of services which have really become platforms.

So when we go live, you know, I'm going to be honest, this is a journey, this is about introduction of the platforms and we have to start getting the data to learn, but it's about bringing in all of those platforms together. I can leverage my open banking to engage in partners in different ways so I can surprise and delight my customers in ways they would never expect from a bank.

Peter: Right, and then you're going to have, I imagine, more data on your customers so it's sort of like...

Yolande: Exactly, so it's a journey. You know, if you think about [inaudible] data, you know, whether you're a Citi customer or not, it's going to take time to start understanding that, it's going to take time to procure that information so our journey is to launch this platform with some core sets of services, see how our customers use them at scale and then continue to evolve. So we already have a backlog of things that we will be releasing each and every month to start to mature this space. The more data we get then obviously the more mature, the more rich and the more personalized our solutions will become.

Peter: Right, got it. So then I'm curious about how you view the...like you're one of the big, one of the large banks in this country, I'm sure you're paying attention to what the others are doing. None of the others seem to be doing this though. I haven't seen this kind of thing.

Yolande: I think there's been different tracks. So one of our major competitors decided to go after a demographic and we actually veered away way from that because if you go off to a millennial they're not always going to be a millennial and most millennials have aspirations to be something more in their financial space. So we spend a lot of time trying to figure out what was the right strategy and we actually step back and said, we want to build services that meet



everybody's needs so it doesn't matter if you're starting out on your financial journey or you're mature in your financial journey.

One thing that everybody wants to know about is how do I compare to everybody else. So if we can start to help people when they're making those decisions and they're worried about where they are in their financial [lives] to start doing demographic compares so people like me....what do people like me save, what do people like me spend on a certain category; you can start to build different behaviors and introduce different behaviors.

And so I think it's proven now there's been a massive shift and people will trust other people way more than they'll trust professional advice so this is a way for them to be able to effectively crowdsource information to understand where should they be. We can give them guides, we can give them targets, we're a big believer of the wants, needs and goals model and we started to steer people into the right percentage of those, we'll give them guidelines, but at the end of the day, it is a personal decision for everybody.

Peter: Right, right, that's really, really interesting. It makes me think...I don't know whether you caught the Goldman Sachs talk this afternoon, it's interesting because they're coming at it through the consumer lending and they want to have a complete suite. You've come at it from a different perspective, but I get excited when I start to think about this because we're finally going to be able to...I don't know when it will be, but we'll finally be able to have really useful, really actionable information about our personal life.

Yolande: Absolutely.

Peter: It's not just spending on how much coffee you drink.

Yolande: It's not, it's really about, again, understanding where somebody is on their journey and providing tools and services to enable them. I mean, I'm super excited about it, I think our company, our organization is super excited and the talent that we've hired in to really change that experience and think outside of a banking box have come in with this passion and this energy to really go change this experience with our customers.

But it is a journey, it's going to take us a while to get there, it's going to take us some time to mature. We believe in celebrating failures in Citi Fintech, we actually give out a bottle of Prosecco if people come in and own their failures on a weekly basis. All they have to do is say what did they learn from it so that we get people comfortable stepping outside of the norm.

Peter: Right, on that, you're hiring talent and there's been...it's a competitive marketplace for good talent, particularly engineering talent.

Yolande: Very much so.

Peter: I'm curious to know how do you compete with the hot tech companies or even the hot fintech companies.



Yolande: I have to tell you this, who would have ever thought that Amazon is poaching from a bank so I have actually lost people to Amazon. So I actually take that as a huge credit to the talent and the thinking on what we're driving, but it is. It's getting the right talent and making sure that they cannot only fit in the core discipline, whether that's product or design or whether that's technology, but also can work in a culture that is, you are a bank, your number one responsibility is to protect the customer.

You know, there is nothing that can ever be done or built or implemented that would put that at risk and so some of those boundaries that other people have had or these people have had experience in can become frustrating and limiting because you always have to go back and make sure you've checked that from every angle so it's a constant balance.

I think people are naturally drawn because I believe we're here to change an industry, not change a bank and people are completely compelled and drawn to that strategy. For those people that are tenacious and have these big ideas and these goals...the problem is when they come in it's how do you maintain a culture that keeps them inspired and excited on a daily basis.

Peter: I can imagine. So then what's next for Citi Fintech, I mean, you've said you've released four products. Is this something that you're going to...what's happening down the road?

Yolande: I have a whole list of things that'll blow your mind, but I can't share them right now because obviously that would be giving away too much. But I think our role is to constantly push the bank further and further to be able to really think outside of the box. You know, sorry for the cliché, but to actually bring strategies and services that people wouldn't expect from a bank. I think that that's our obligation, I know our CEO, Stephen Bird, shares that same view and is constantly reminding us that our role here is to really push and be the tip of the spear and create these different experiences.

Peter: Okay, we'll have to leave it there. Thanks for coming on the show today.

Yolande: Thank you, I enjoyed it.

Peter: Okay, see you.

Yolande: Bye.

Peter: So I think it's refreshing for me to hear a big US bank talking about doing things differently, talking about doing things in a very customer-centric way. Actually, not just talking about it, but really releasing products and making things happen. It's pretty impressive that Citi has released an open banking API and they've had four products in the first couple of years since they've been doing this.

As we are talking after the interview wrapped up, the bank of tomorrow is going to look very, very different from the bank today. It's happening quickly and I think Citi obviously are trying to



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be at the forefront of this. Certainly, they're making a big effort and I applaud their open approach to customers and non-customers, open banking for third parties to partner with them.

Sorry about the little recording snafu there, I am not sure what happened, but we did lose the last 10 or 15 seconds of my wrap up. Not to worry, I really do appreciate you listening to the show today, the special LendIt edition of the Lend Academy Podcast and I'll catch you next time. Bye.

(closing music)