



WINNING IN THE DIGITAL ECONOMY

VIDEO TRANSCRIPT

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VOICEOVER: Back in the day, when shoes were made by hand, a young man known to his friends as Dutch went to order a pair. The cobbler asked, "Do you want square toes or round toes?" Dutch couldn't decide for days. When he returned to the cobbler's shop, the cobbler handed Dutch a pair of shoes; one round toe and one square. The cobbler told him, "If you don't make your own decisions, someone else will make them for you."

Retail and commercial banks now face difficult business model choices. What's the best fit for your path ahead?

DIGITAL RELATIONSHIP MANAGER

It may seem like a classic but look again. The Digital Relationship Manager path is where most retail and commercial banks want to be. This is the Hollywood agent of the banking industry. It offers real-time personalization that delivers hyper-relevant contextual advice.

From college savings to mortgages to investment plans, the Digital Relationship Manager creates a seamless flow of information and transactions across integrated physical and digital channels. This path keeps close to customers and protects the integrated balance sheet, but, there's only so much space on the red carpet. For most banks, this path is aspirational and cost-prohibitive.

DIGITAL CATEGORY KILLER

The Digital Category Killer earns respect as a focused problem solver. With the swagger of best-in-class brand value, this gangster of the banking industry easily eliminates competitors with technology-driven products and highly specialized services. Success depends on competitors' inability to perform this service as effectively. While this focused path may offer few opportunities for expansion customers always know just who to call when these services are needed—and the Digital Category Killer always makes them an offer they can't refuse.

OPEN PLATFORM PLAYER

The Open Platform Player path sets new trends for the digital ecosystem and defies the traditional value chain. This hipster of the banking industry grows relationships in a customer-centered platform and helps others to sell their products and services and share value.

The challenge: to remain distinctive and avoid being absorbed by the broader network of social and transaction platforms. By offering an array of capabilities, like open APIs and brokerage services, the Open Platform Player builds trust and attracts newcomers.

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UTILITY PROVIDER

The Utility Provider works behind the scenes as a friendly, tech-savvy partner, who can provide end-to-end product solutions or simply be the regulated entity to help book deposits and loans.

While being the functional plumber of the banking industry may seem unglamorous, and giving up on customers may seem daunting, the path of the Utility Provider is scalable and easily expanded; and as fee-based businesses suffer deflation due to tech innovation, being in the pure balance sheet business could be very attractive.

REVOLUTION, NOT EVOLUTION: A STEP IN TIME SAVES NINE

Find what fits you. Don't choose the path of least resistance. Time is running out, but you have options. If you don't make a clear choice, it could be worse than making no choice at all.

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