



The Benefit of Co-Founding Customers

Every business needs to put the customer at the centre of its strategy.
Travers Clarke-Walker, NED at ApplInstitute and Pollen Technologies,
reveals what we could all learn from banks



Seeking to improve their tech-driven customer experience, financial institutions are becoming increasingly engaged with their customers, inviting them to become part of a community rather like a co-operative or mutual society. It's providing them with some very interesting insights, as **Travers Clarke-Walker**, NED at AppInstitute and Pollen Technologies reveals. To follow, Travers gives his insights on the subject.

Recently, Ricky Knox CEO at App-based Tandem Bank called for customers to become "co-founders" of the bank, receiving a share in the company and early access to new products in exchange for feedback on the customer experience.

Tandem will offer further shares for referrals that encourage active participation in the banking community, rather than just being a passive customer.

This is a really interesting development clearly aimed at putting the customer squarely at the heart of Tandem Bank, not just in terms of service, but also collaborating in the creation of new products and services.

Mondo, which provides a banking service for smartphones, is on a similar trajectory, having effectively two communities that impact the shape of the business – the alpha and beta communities and also its CrowdCube investor group. The impact of these new challenger banks inviting customers to have an active say in the direction of the institution will create a more trusting relationship between the bank and the end user.

One interesting application of community feedback would be exploring the potential for wearable devices in financial services.

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Experiments are beginning to deliver banking information and alerts as well as enabling transactions. It is a worthwhile endeavour for financial institutions to evaluate how wearable technology can be used to better serve customers. In such a new market, customer input on products and services could play a vital part in delivering the right proposition first time.

In the future, tapping into a group of customers could also provide great cost savings – just look at the huge unofficial support from communities that have grown up around major tech players, through which non-employees provide advice on fixing issues. The potential customer service benefits of moving to a collaborative and community based system are considerable.

Of course, it's not just banks that are looking to engage their customers on a more collaborative basis. Credit unions, a staple financial institution in the US and Australia, are on the rise in the UK market too, with research predicting that UK credit union assets will hit £2.2 billion by 2020.

Aiming to provide responsible, community based lending, these financial institutions hark back to earlier days of trusted, local services based on helping people by

providing financial support and inclusion where other lenders do not.

With increasing investment in technology, credit unions are pushing their offerings into the modern age, aiming to reach more people and provide a customer experience that is similar to those provided by established lenders.

So, is this the start of a new age of customer centric banking? Quite possibly.

Clearly, financial institutions are looking for new ways to differentiate themselves from the competition. Ensuring customers get the latest technology is one way of doing this. Meanwhile, other nimble financial institutions are defining themselves as trustworthy organisations that want to actively collaborate with their customers to create better experiences. ■



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Travers previously work as Chief Marketing Officer at Fiserv, a global provider of information management and electronic commerce systems for the financial services industry. Before joining Fiserv, Travers was Managing Director of Payments and Innovation for the UK at Barclays, responsible for a £1.5 billion turnover business in UK retail banking.

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