

Transcription details:

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Guest: Imran Haider, Head of Wells Fargo Gateway

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Intro Welcome to The Next Frontier, where we examine what the role of the financial adviser will be in a world that's being disrupted by artificial intelligence and algorithms. Our mission is to spark new conversations that create stronger connections and build greater client confidence. Join us as we look at our industry, and others, through a new lens and explore the opportunities emerging at the intersection of high-tech and high-touch. It's time for a new conversation. Are you ready?

BILL COPPEL Hi. This is Bill Coppel, and welcome to The Next Frontier. I believe the world is experiencing a tsunami of digital disruption, shaking the very foundations of established institutions, industries, and service-based businesses. A reoccurring theme affecting each is the shifting role in ultimate value of experts and intermediaries in this technology-driven, highly networked ecosystem, and most important, its irreversibly changing clients, sentiments and expectations. It seems to me that there's a gap emerging between what we provide as advisers and what clients expect and need; a gap being widened by technology. And this has brought a very focused spotlight on this question, how do we balance the role of technology with the value of the human experience? In other words, what is the value that an adviser can deliver today? That's the question our guest, Imran Haider, is here to help us answer today. Imran is a thought leader in enhancing the client experience, leveraging technology. Today, he leads the Wells Fargo Gateway platform initiative, a market-leading, open API channel that was established in 2016 to connect Wells Fargo to its partners and customers. He is passionate about transforming businesses by using technology to create simple, compelling, and elegant experiences that give customers the financial services they want, when and where they want them. Imran, welcome to The Next Frontier.

IMRAN HAIDER Thank you, Bill. Excited to be here.

BILL COPPEL Well, we're excited to have you. Let me start here. I'm curious, what drew you to this passion for creating amazing moments in time using technology?

IMRAN HAIDER Absolutely. So technology, Bill, has really been a passion of mine since childhood. So my dad was an economist. We were growing up in Rome, Italy. And he was pretty good at spotting trends. So he looked at computing as the future and would go out and buy my brother and I the very best computer machines that we could afford back then. Now, this was the '80s, so we're talking about Apple IIs and Commodore 64s. So we were almost a wannabe digital native household 35 years ago, which today every kid is a digital native, but back then it was pretty rare. So then I think about the sort of progression there. So we used computers. We played a bunch of games. Then we actually started building and creating and selling games. So my brother and I would go out - so he would do all the programming, I would do all the graphics and art for the games - and we would go and sell those games to kids in our neighborhood, in our school. And by the way, doing computer graphics back then was much, much harder than the programming. Because games, when you go back 30 years, you had games that were basically platform games. And it would be this-- you'd level up and the next

level would just be faster, but it would be the same pattern and the same flow. But obviously, the graphics would change and the scenery would change. So the graphics guy had a pretty intense job, but. So I was very passionate since younger years around technology, around customer experiences or experiences in general, digital experiences, and have been very fortunate to take on a number of different roles in financial services, working on technology.

BILL COPPEL

So you've pretty much been a digital native, as they say, from a pretty young age. And you might say that it was sort of a novel approach to things back when you started in the '80s. Fast-forwarding today, how should business leaders be thinking about technology? I know that sounds like an obvious question. But a vanity play, is it a competitive play, is it an efficiency play? Really, what's the mindset you'd be recommending leaders to adopt to be effective in this new environment?

IMRAN HAIDER

So I think you think about the most successful companies in any market. And those companies have customers that are passionate about the company, its brands, its messaging, the products it offers, the customer service, the experiences. Now to actually serve the customers, the company really needs to know the customer. Right? And if you go and talk to customers, you'll find that digital is very important to customers because it's convenient. It's accessible anywhere, any time. It's fast. And ultimately, it helps customers make better-informed decisions. So any company, whether they're B2B, consumer to business, manufacturer, healthcare, really, digital has to be a primary business strategy for connecting with customers, just based on what customers want. And it doesn't hurt that digital can help optimize operations for a business as well. And help them efficiently deliver product and services to those customers. Choosing digital should be a primary strategy for any company in any industry.

BILL COPPEL

So embracing it, recognizing that - as I mentioned at the top of my comments, that digital has changed clients' sentiments and expectations - hiding from it is not a go-forward strategy.

IMRAN HAIDER

It really isn't. I mean, I don't think you can survive as a company, certainly not thrive as a company, in the next few years. And if you go beyond the next 5 to 10 years, I don't think you can be in business without having a digital platform, having a set of digital experiences.

BILL COPPEL

And that really, when you think about, right, that's affecting all service-based businesses. Whether you're a physician, accountant, a lawyer, financial adviser, whatever that service platform is that you're working from, your credentials are only-- and your knowledge and experience is a part of that value, but it doesn't make a lot of sense today to deliver things to people that they can easily get on their own.

IMRAN HAIDER

Yeah. Absolutely. And so I think about, you mentioned small businesses and doctors' offices, and I do think that technology once was something that larger companies would-- you needed a lot of resources. You needed large amounts of money and specialized IT folks to avail yourself and kind of take advantage of technology and connect to your customers using technology. But when I look at the market today and I look at my own experiences. And I took the kids to do their annual with our pediatrician and literally everything was digital. We were filling out questionnaires digitally. Any kind of billing was digital. Test results are digital. So what's happened, I think of this as the democratization of technology. Technology, at one point, was the purview of large players, and now is available to everyone in the market, any business that wants to use technology. And it drives engagement and value for those companies as interact with customers who want to use digital.

BILL COPPEL And to our listeners, you may want to listen to our episode where I interviewed Dr. Bryan Vartabedian. And he talked about the implications of digital on the role of the physician. And as Imran just pointed out, he's experiencing it with his pediatrician. But one of the things that's emerging as well, Imran, that I want to get your point of view on is sort of this companion to this technological revolution - this digital tsunami, as I call it - is big data. We talk a lot today about big data driving decisions. How do you see data changing the landscape for service-based businesses? How is big data going to change the way we approach problem-solving?

IMRAN HAIDER Data is critical. Right? You think about data, data is really the fuel of digital experiences. If you don't have very much data or if you have data and you cannot use that data, then it's very difficult to build meaningful digital experiences. On the other end of the spectrum, if you have a very large amount of data and you're unable to process that data because you just have so much of it and you don't know what to do with the data, then I think you're in a similar situation. Right? You've got a lot of data but you can't really use that data to make informed decisions. You can't use that data to drive those digital experiences. So I think big data and then, ultimately, AI, what they help to do is take that data set, that very large data set, and organize it. Organize it and then make it actionable, find patterns that the human mind can't find on its own, and bring that information and make it relevant and actionable for the end user. So I think data itself is incredibly important in any digital experience and any digital business. And then having tools like AI, having tools like big data to organize, ultimately makes that data actionable. The only other thing I could say, Bill, around data is it's really important that we have transparency and customer choice when it comes to data. Customers need to know and need to agree on how their data is used. That, I think, is really important for any business using data.

BILL COPPEL And you've touched on a huge issue today, relative to the whole social media platform network and how the data that's being collected can be abused. And that's a great point you're making. I want to circle back a little bit to the notion of decision-making, as you mentioned. If you think about it, when we refer to AI or artificial intelligent in the data that we're collecting, with the appropriate permissioning from clients, as an example, the data that we're collecting is able to be assembled to begin to detect patterns. And the patterns are the things that begin to influence decision-making in this artificial intelligence boom, if you will, is really the effect of decision-making done on a technology basis. Am I characterizing that correctly?

IMRAN HAIDER Yeah. That's absolutely correct.

BILL COPPEL So we've established that the data is becoming much more important in decision-making and product development. Let's talk about APIs because they seem to be at the center of how we leverage the data. So let's start with what does API stand for and what does an API do?

IMRAN HAIDER API stands for an application programming interface. And really what an API does is it connects two software programs and allows them to talk to each other. Now, there's obviously a lot more complexity, but I think a lot of times we get caught up in technology jargon and really what's important is the experiences that technology facilitates. So maybe I'll use an example here around APIs and kind of what we're doing on the Wells Fargo side. So we've got a set of small business customers. These small business customers use an accounting software package called QuickBooks, which I'm assuming many of the listeners will be familiar with. So they reconcile their accounts, they manage their financials, really, in QuickBooks. And they want to get their data from their bank into the QuickBooks tool. So what we've created here is a set of APIs that allow the customer to securely go into the QuickBooks platform. What

they would see is they would see a Wells Fargo logo. They click on the Wells Fargo logo. They get redirected back to online banking at Wells Fargo. They enter their credentials. And at this point, they pick particular accounts that they want to share in their QuickBooks platform. So if they have five checking accounts, they may choose all five of them. They may decide they only want to choose one or two of them. And once they're done with making that choice they click on Submit and they get transferred back to the QuickBooks platform. At that point, what we've done in the background with Intuit, which owns QuickBooks, is we've created an API that then securely transfers the data from Wells Fargo to QuickBooks in real time and makes that data available to the small business customer so they can manage their financials. So this is one use case, when you think about APIs, there's many use cases in the market.

IMRAN HAIDER

Maps is another great use case. What you'll see is that you go to different websites, you go to different mobile applications, and many companies have a map function where you can see their company's store locations, you can enter directions and figure out how to get to a particular location, particular store for the company. Now that map is also delivered to an API. So imagine a world where you didn't have that API and every retailer, every company would have to either build their own software mapping platform or they would have to kind of draw static maps on their site. You would see, ultimately, fewer visits, I think, to those different locations and stores. So what APIs allow companies to do is focus on their own core competencies, in the case of Intuit and then QuickBooks' accounting platform, and then use APIs to connect to other providers and bring functions into their platform. So bank data for small business customers. Or in the mapping application, you're a retailer, you're selling product, you want customers to come to your store, you don't want to build a mapping platform. So you just go to one of the map providers, you take their API and you are able to integrate it just in a few hours - it's that simple - and make it available to your customers and help direct them to your stores.

BILL COPPEL

So just to confirm what you said, so an API basically is a highway that moves data between two applications. And the--

IMRAN HAIDER

That is exactly right. Yep.

BILL COPPEL

And what it does, is it then empowers a business to leverage a piece of software, i.e. an application that is created, where they don't have to go out and do that themselves.

IMRAN HAIDER

Exactly right. Exactly right. Yeah. So, a highway. Great analogy, Bill. The other analogy would be if you're thinking of international trade, which I know is not the most popular topic nowadays, but APIs are like the trade routes of the digital economy. They allow different players to connect with each other and really trade or send products and services from one experience to the other.

BILL COPPEL

And I don't want to sound too elementary for the listeners, but my concern has always been that, to your point, we throw technology lingo around frequently. And I'm not always sure people are willing to admit they don't exactly understand what's being said. And thank you for that very clear description of what an API is. My next question is around how do APIs, in your opinion, how do they help level the playing field?

IMRAN HAIDER

Yeah. That's actually a great question. And so if I go back and think about that example of a doctor or a pediatrician, right? So if you're a small business and you want to use technology, historically, you would have to go-- I mean, you would need a lot of resources which a smaller business typically wouldn't have. Even a medium-size

business may not have all the IT resources they need to implement particular functions. So what APIs allow you to do and how they level the playing field is you are able to go to a number of providers, take a function off the shelf, bring it into your digital experience and integrate it very, very quickly. Historically, if you go back and think about APIs-- now APIs have been around for a long time, right? They've been around since the days of the mainframe. What has changed though is that an API 10 years ago would be very difficult to integrate and implement. Nowadays, it takes a couple hours for some APIs, a few weeks for other APIs, but the integration is very fast and cost-effective. But going back to leveling up the playing field.

IMRAN HAIDER

So let's take payments, for example. Payments, eCommerce. Right? So if you are a doctor's office and you want customers to be able to pay you for a-- once you send out a bill, instead of having them write a check and send it to you in the mail and all the processing that has to happen and all the time it takes for that to happen, you want them to pay you online, which a lot of customers prefer anyway. Historically, you would have to have a bunch of developers who would come in and build out a whole experience around payments. And you would have to stand up infrastructure. It would be complicated, it would be expensive, and a smaller business or medium-sized business may not be able to execute that. But with APIs you can now literally go to many different payment providers and you can pull down, essentially, a UI Drop-in - which is a shopping cart and a payment flow - and put it into your website, into your digital experience, literally in a matter of a few hours and be up and running and accept payments digitally. So I think payments is just one example of that. There are many other different types of functions that you can take advantage of that are delivered as APIs. So as a new business or a smaller business or a medium-sized business or even a larger business, you can go out there, pick up these software functions, bring them back into your digital experience, connect them together pretty quickly. And then your focus is on your customers, on your product, on your marketing, on your pricing. You no longer have to worry about software development for every single feature.

BILL COPPEL

You've been at this for a while. And so I've got a question for you that I think is one that is on the minds of everyone who's in a service-based business. Most of the work we've seen done with APIs has really been aimed at trying to either make it a more efficient operation internally, defined as, "How do I do this faster and less expensive?" And sometimes that actually creates a better client experience-- not always. But the goal would be, hopefully, to create that better client experience further removing human interaction. So when you're in a service-based business, how do I, as a leader, begin to think about-- or as an adviser, as an example, begin to think about where that intersection of the technology you're talking about-- how does that not disrupt or disintermediate me? How should I be thinking about leveraging the technology to create a better client experience that includes me?

IMRAN HAIDER

With technology, you can take a number of different routes, right, depending on your strategy and your approach. But I think what is most meaningful when you think about technology, we talked about data, we talked about AI, we talked about big data, and now we're talking about APIs and how APIs can connect the dots. But ultimately, if I'm a service-based business, I want to have data. I want to use AI to find patterns. I want to use APIs to bring in other data or connect my data to other data sets, other functions. And really, what I want to do with my front line staff is I want to use that technology, I want to use that data to give them better tools to serve customers. So if you think about banking, right? So you've got folks who walk into a branch and want to deposit a check, right? And you've got an agent who then helps the customer deposit that check. Ultimately, there's tools and technologies that make that type of interaction self-service for the customer. So they don't have to walk into

a branch and deposit the check, they can pull out their phone and use mobile deposit capture or they can go to an ATM and put the check into the machine and then have that deposited.

IMRAN HAIDER

And then what I think the opportunity with some of these self-service technologies is that frees up time for that banker to then provide meaningful advice to the customer, kind of higher-level, meaningful advice. Have a conversation, talk about their finances, talk about what products may help them, talk about types of strategies. And it ultimately adds value by taking some of those routine tasks automating them. And then really focusing the service provider on the higher-level, how-can-we-help-you customer.

BILL COPPEL

So what I hear you saying, we're redefining service, right? Because if technology can do something for someone, that was once done by a human being, and the end experience is better all around, it's silly to continue to provide a human person to do that. So what we're saying or what I hear you saying is we have to be really crisp at what that is we're going to do when we interact with a client to provide them with some form of service that goes beyond something they could do on their own. Let's dive a little deeper into that. What do you see with, let's say, other services you talked about? One example you shared with me before we had this conversation was a mattress company that you had been doing work with, to change the client experience for that mattress company. Do you remember that conversation?

IMRAN HAIDER

I do. I do. Yeah. Absolutely.

BILL COPPEL

Because what it did was it repositioned the service provider with a different conversation that went beyond the mattress.

IMRAN HAIDER

That is correct. That is correct. So the example there was-- so you want to buy a mattress. A mattress, typically, is a larger purchase, depending on what you're looking for, certainly. But what you would do, historically, is you'd go into a mattress store. You would look at the different mattresses. You would have a discussion with a agent in the store. You would talk about your options. But you wouldn't necessarily know what you could afford. You may need financing for a particular mattress. And so the process there can be cumbersome, or historically has been cumbersome. The opportunity that we have in that space is we do financing for some of these type of companies where you've got a retailer and a kind of larger ticket price item that needs to be financed, supervised financing.

IMRAN HAIDER

And what we've done on the technology side, is we have made the integration of that financing application easier for that company - the mattress company is in this example - to embed in their experience. So you don't have to go to a store and sit behind a terminal with the agent, with the salesperson, and enter a bunch of data and then figure out what you can afford or not afford. You can go into your mobile app at the mattress company website. You can enter data. You can get a view of what you can afford. And then when you walk into the store, you know exactly what you can afford. You've got a card number that you can use to purchase the mattress. And then the focus of the conversation turns away from financing, "What can I afford?" to, "Here are my needs. How can you help me find the very best mattress for the financing I have available and the needs that I have here kind of listed out?" So it changes the dynamic of that discussion.

BILL COPPEL

And that's really interesting because, for one thing, it sets up, for the client, a measurable expectation. They know the guardrails as to where they need to be looking for that mattress. And then the sleep expert, let's call them, can relate them guidance of that selection by asking them the right kinds of questions. Changing the

conversation around what's important to them, what matters to them in terms of, in this case, sleeping, if you will, or selecting a mattress, as opposed to whether or not I can afford it. That's already been taken care of long before they've walked into the showroom. So it really does change that conversation. And it provides guidance, I suspect, to the salesperson on what makes sense to show them. There's nothing worse than being shown something that you can't afford. And then--

IMRAN HAIDER

That's correct.

BILL COPPEL

--that creates all kinds of other issues. Great.

IMRAN HAIDER

Yep. And you know, Bill, one of the kind of important things when you think about banking, you think about payments, you think about financial services. Financial services is typically, or almost always, one step in a broader workflow. Right? The customer is there to buy a mattress. Now, they need to finance the mattress potentially, but the goal really is to buy a mattress, to have a nice night's rest. Right? So that's the desire in the workflow and the financing should really be embedded in that workflow. So whatever we can do from a technology perspective of bringing that financing experience, embedding into that workflow so that the customer can make a better decision, everyone's better off.

BILL COPPEL

So, Imran, let me wrap it up with a final question for you. What is the role of the intermediary in an API economy today?

IMRAN HAIDER

Yeah. It's a great question, Bill. So I think what happens with APIs, and with digital in general, is that you create transparency. You create transparency for the customer and you provide many different options, ultimately. Right? And I think the role of the intermediary in APIs varies a little bit based on the market and the number of providers in the space. So my analogy for intermediaries is, if you manufacture soda pop, you're not going to build out your own set of stores, right? It would not be cost effective to do that. And you're going to go to a intermediary and you're going to distribute product through something like a convenience store at a gas station. Now, if you're manufacturing airplanes and there's very few providers, then most of your sales are going to be direct. So I think the same ends up happening in the API space where, if you've got the particular product and there's many different providers, then there are advantages of having intermediaries where you can go and connect to a number of different providers in a standardized manner through a single intermediary touch point. In other spaces where you only have two or three providers, then I don't think you're going to see as many intermediaries. You're going to go as a consumer, you're going to go directly to those different providers and connect with them and get the services you want.

BILL COPPEL

And I would assume that as you drill down on whatever the business happens to be, the more complex and the more emotional, on the part of the client, in making a decision-- the more emotion that's involved, I should say. This is where that value of the intermediary can become important. And I think that that's a focus that we'd all be well served to recognize, given that, again, as we talked about earlier, we're redefining service with things like APIs, by connecting apps together and exchanging information and providing things and used to be done through an intermediary or someone connecting a buyer to a product. That whole reality is, essentially, no longer of significant value, of course, unless you're selling airplanes or large items that don't have the kind of traditional distribution that most other service-based businesses have.

IMRAN HAIDER

That is correct.

BILL COPPEL If our listeners want to learn more about the work that you do or would like to connect with you, how can they go about doing that?

IMRAN HAIDER So LinkedIn is a wonderful tool. I use it very often. So if any listeners want to reach out, want to connect, please find me on LinkedIn and send me a message.

BILL COPPEL And what we'll do is we'll be sure that your contact information is available so that folks can link in with Imran when it would be appropriate for them to do that, and learn more about the great work that you're doing over there. Well, again, I want to take a moment to thank you for joining us today on The Next Frontier and sharing your thoughts and insights.

IMRAN HAIDER Thanks so much for having me, Bill. My pleasure.

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