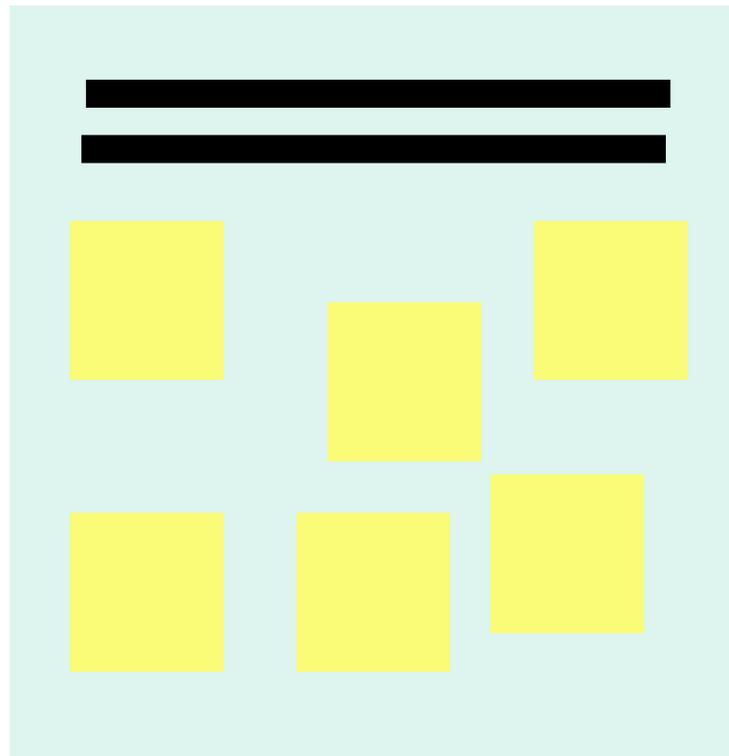

INNOVATION & IMPACT THROUGH 1000 TINY EXPERIMENTS

WITH YOUR FRIEND BRENT DIXON

HELLO.

Let's think together.



Group up with your tables

2 min, Solo: Brainstorm barriers

- Brainstorm 1 of your biggest barriers to innovation at your credit union.
- (e.g. “Staff is resistant to change.”)
- Write it down.

10 min, Table Group: Share and choose

- Share your barriers.
- Choose 1 to focus on as a group

5 min, Table Group: Write your question

- Turn your barrier into a question
- (e.g. “How could we help our staff be less resistant to change?”)
- Write it on your table-top flip chart.

15 min, Everyone: Answer questions

- Walk around the room and read people’s questions.
- *When you have an answer, write it directly on the page.*
- Answer from your own experience – what’s worked for you?

5 min, Table Groups: Review

- Review the responses.
- Choose someone to share on your behalf.

10 min, Everyone: Share out & discuss

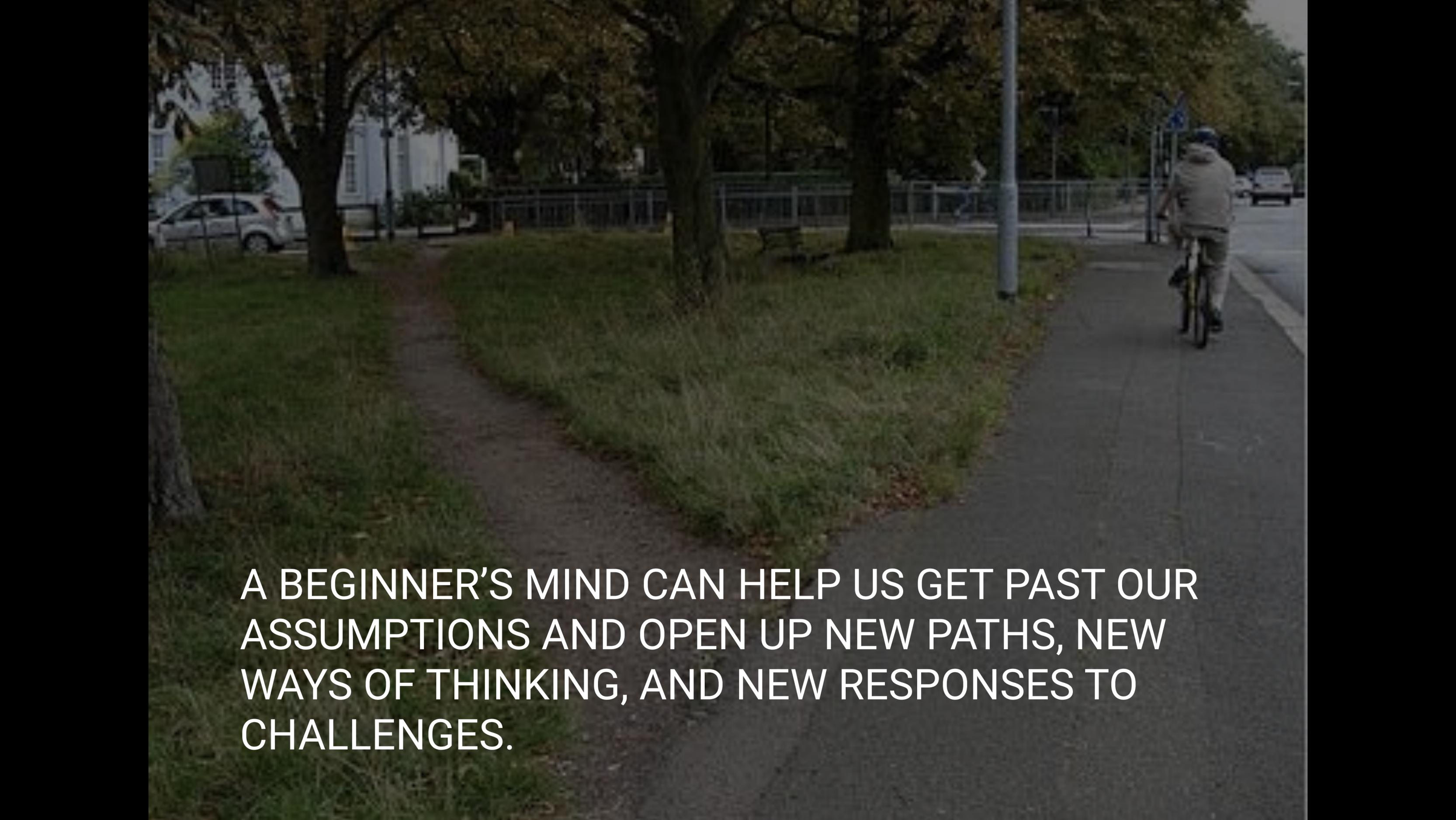


LET'S DRAW.





BEGINNER'S MIND.

A person wearing a light-colored jacket and a blue helmet is riding a bicycle on a paved path. The path is bordered by a grassy area with several large trees. In the background, there is a metal fence and a road with a white car. The overall scene is outdoors and appears to be a park or a recreational area.

A BEGINNER'S MIND CAN HELP US GET PAST OUR ASSUMPTIONS AND OPEN UP NEW PATHS, NEW WAYS OF THINKING, AND NEW RESPONSES TO CHALLENGES.

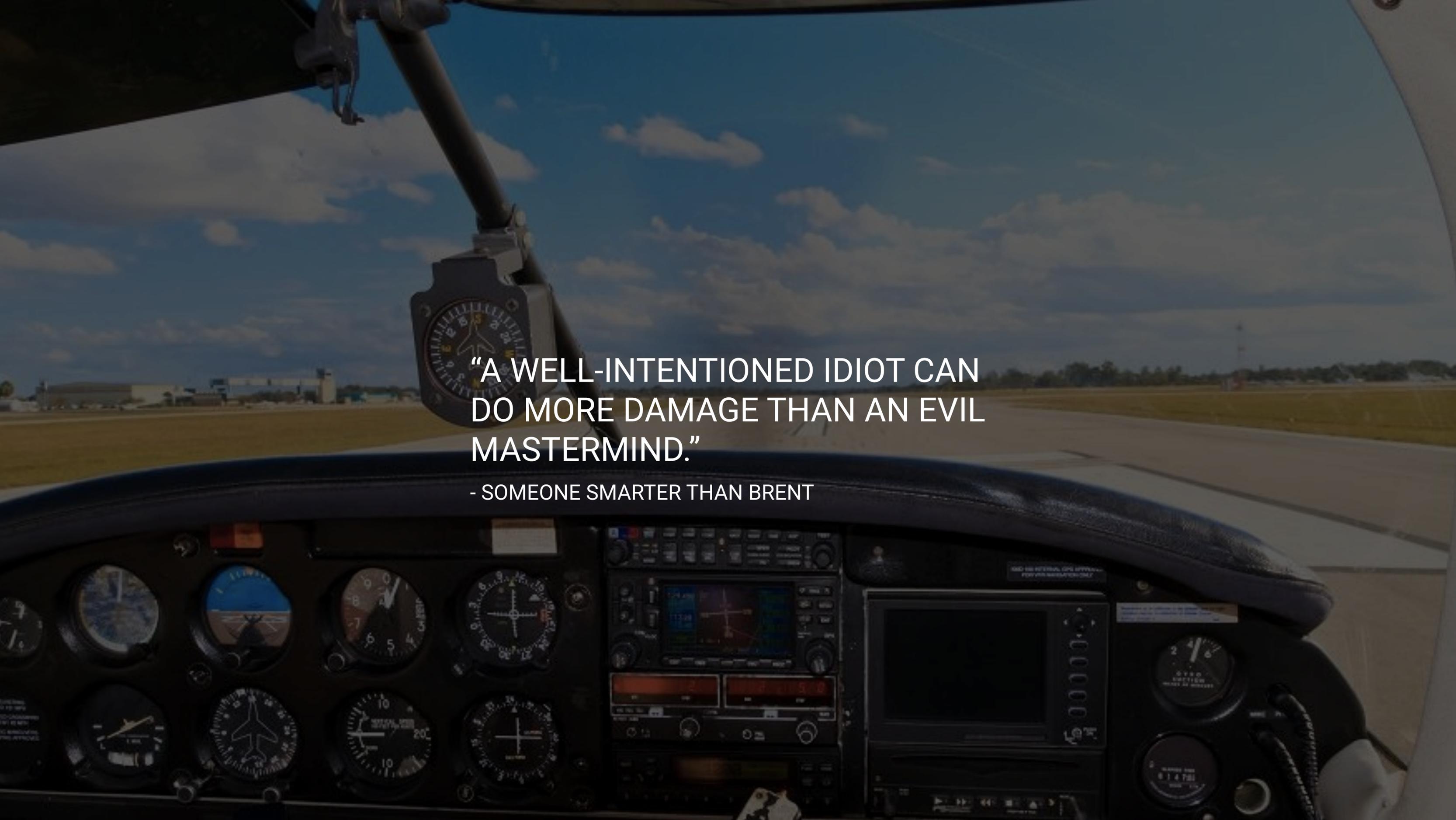




FIRST BIG GIFT.



(Artist's interpretation.)



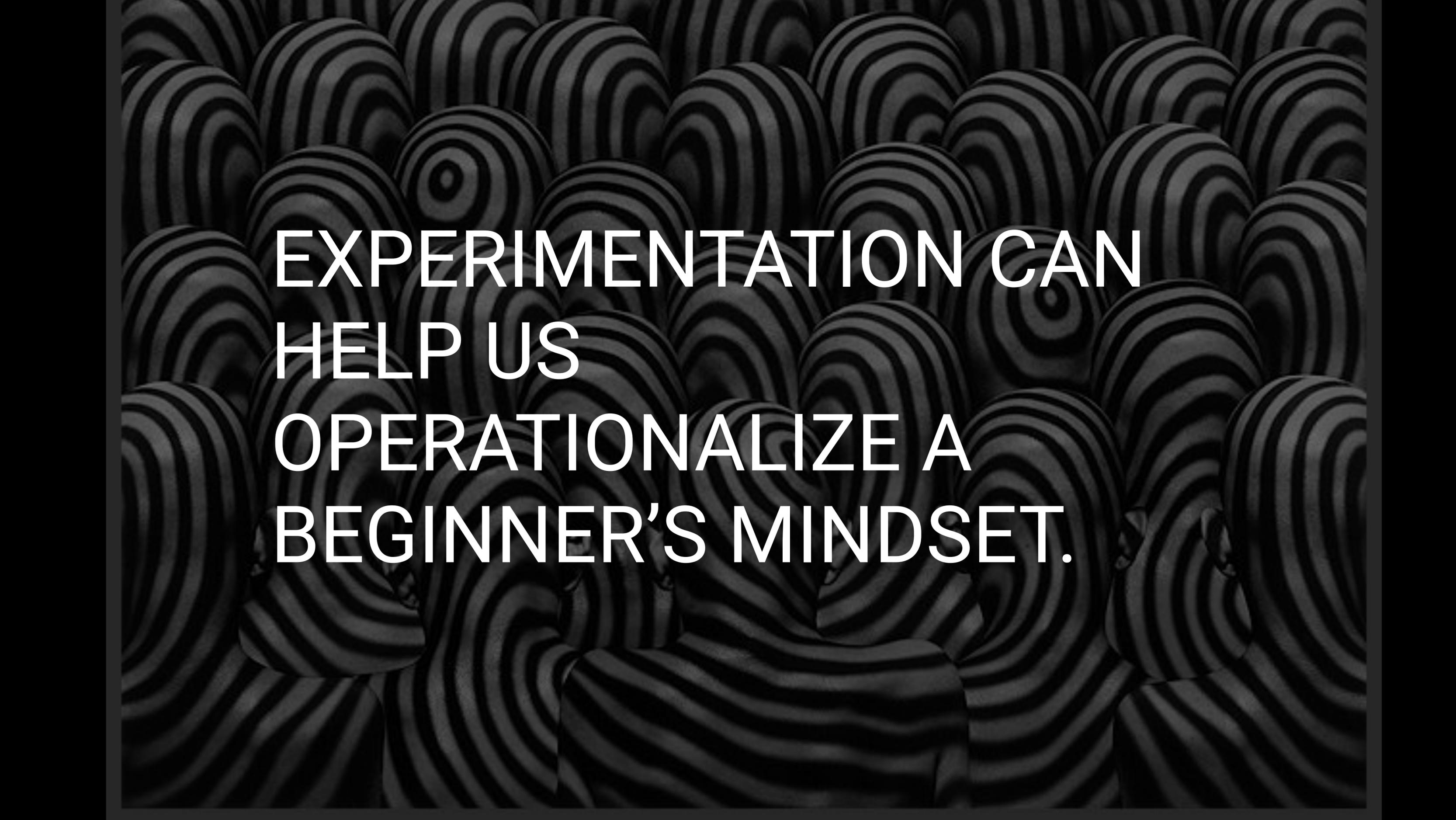
“A WELL-INTENTIONED IDIOT CAN
DO MORE DAMAGE THAN AN EVIL
MASTERMIND.”

- SOMEONE SMARTER THAN BRENT

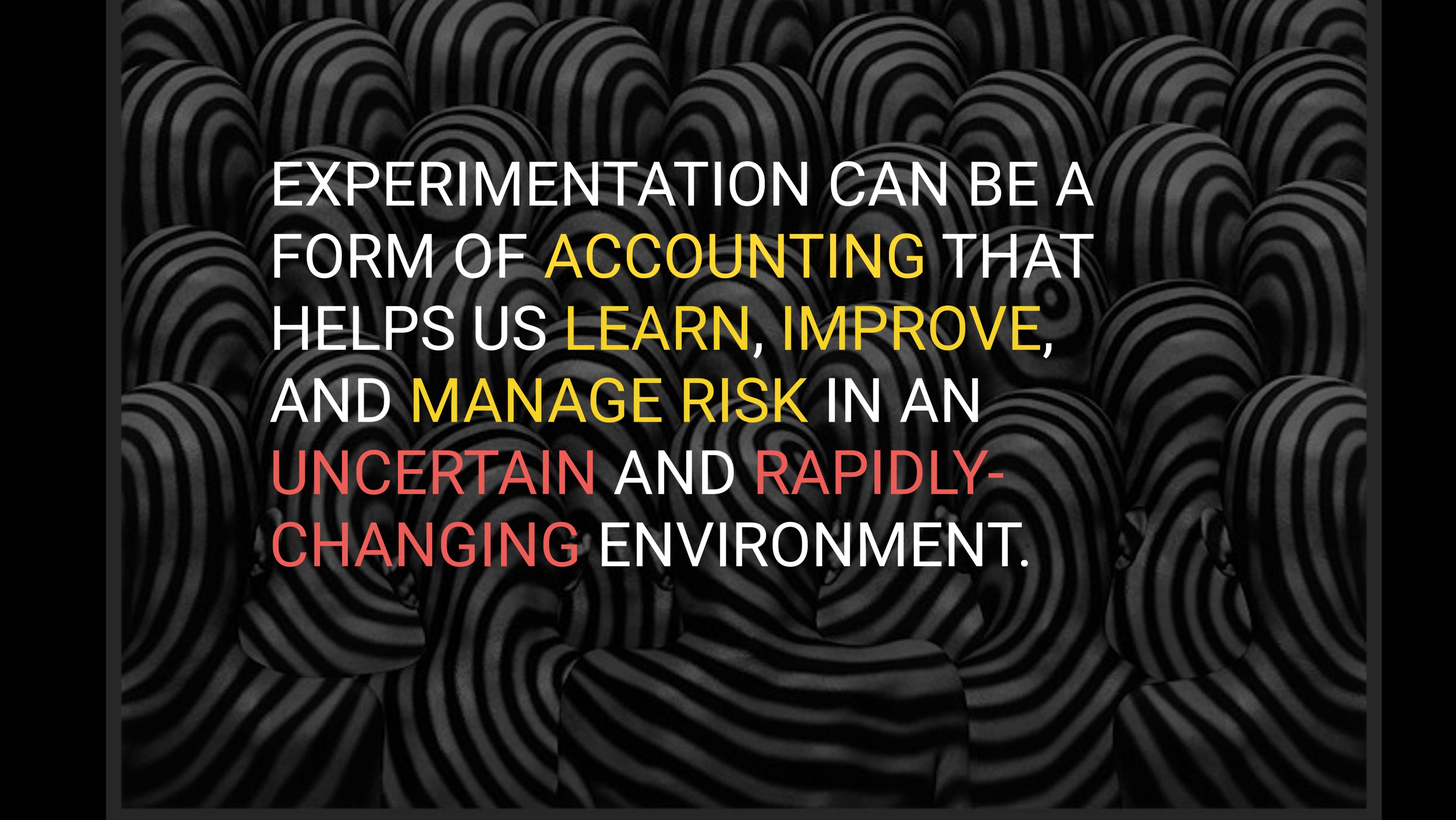


OUR ASSUMPTIONS

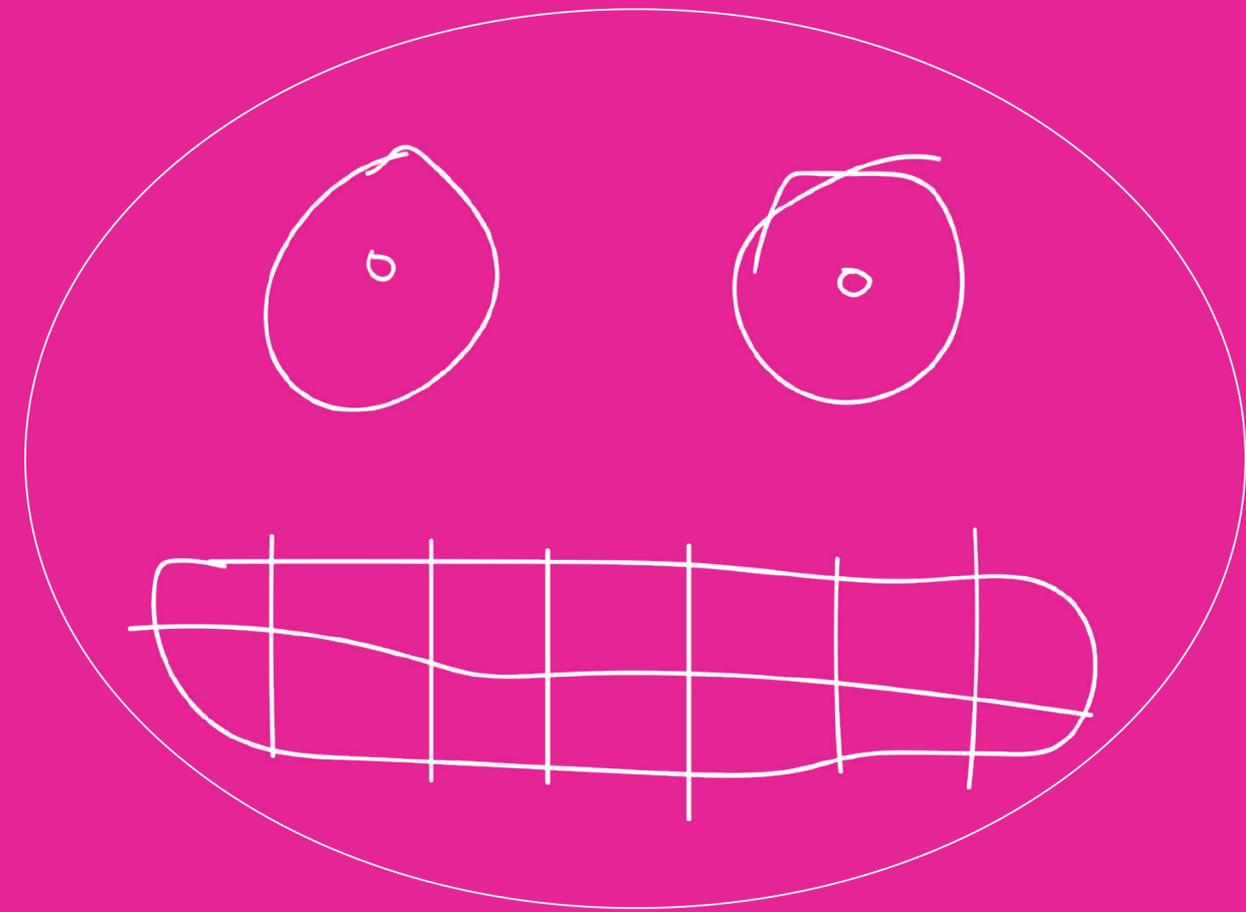
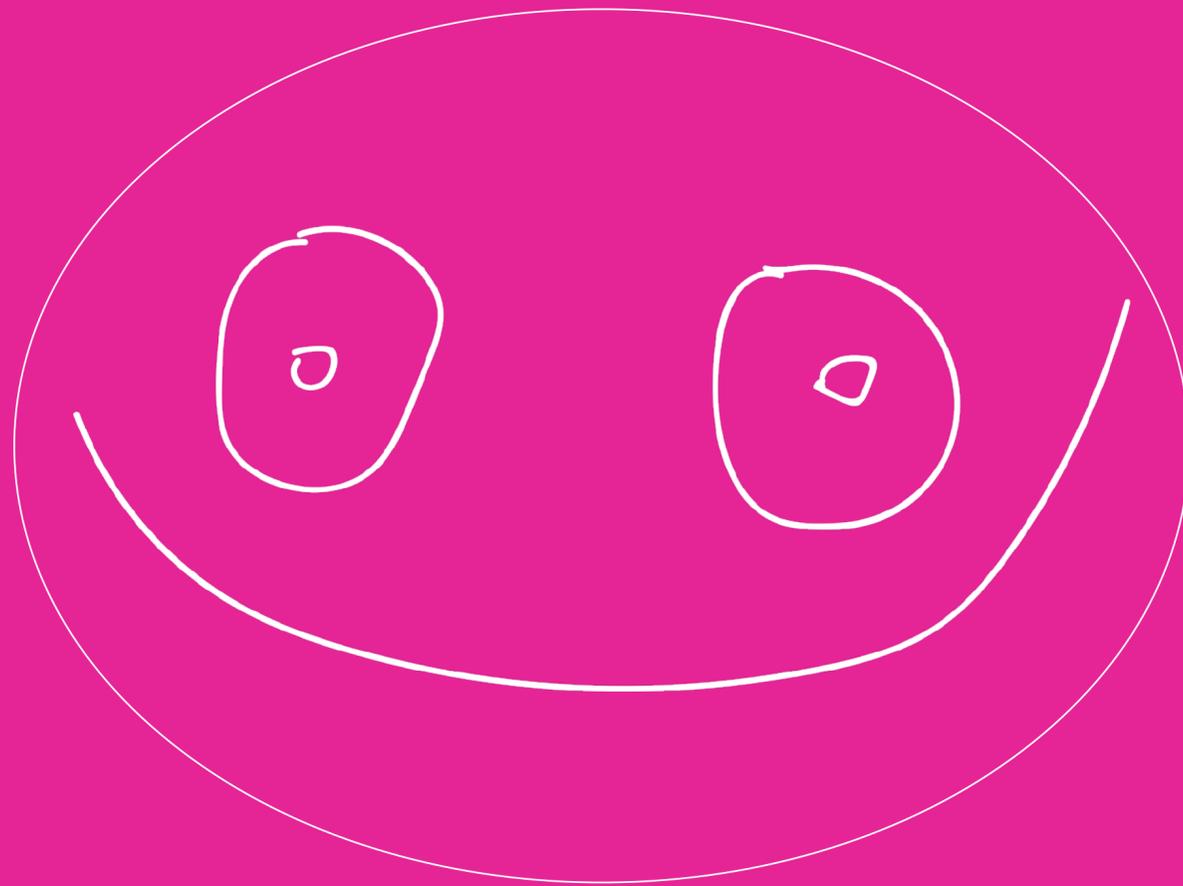
REALITY



EXPERIMENTATION CAN
HELP US
OPERATIONALIZE A
BEGINNER'S MINDSET.



EXPERIMENTATION CAN BE A
FORM OF ACCOUNTING THAT
HELPS US LEARN, IMPROVE,
AND MANAGE RISK IN AN
UNCERTAIN AND RAPIDLY-
CHANGING ENVIRONMENT.



ON THE FUTURE:

WHAT'S AT THE TOP OF YOUR MIND?

WHAT GETS YOU UP IN THE MORNING / KEEPS YOU UP AT NIGHT?

FOR THE NEXT FEW MINUTES:

WHY INNOVATION?

EXPERIMENTATION

MINDSETS

WHY INNOVATE?

Innovation in service of what?

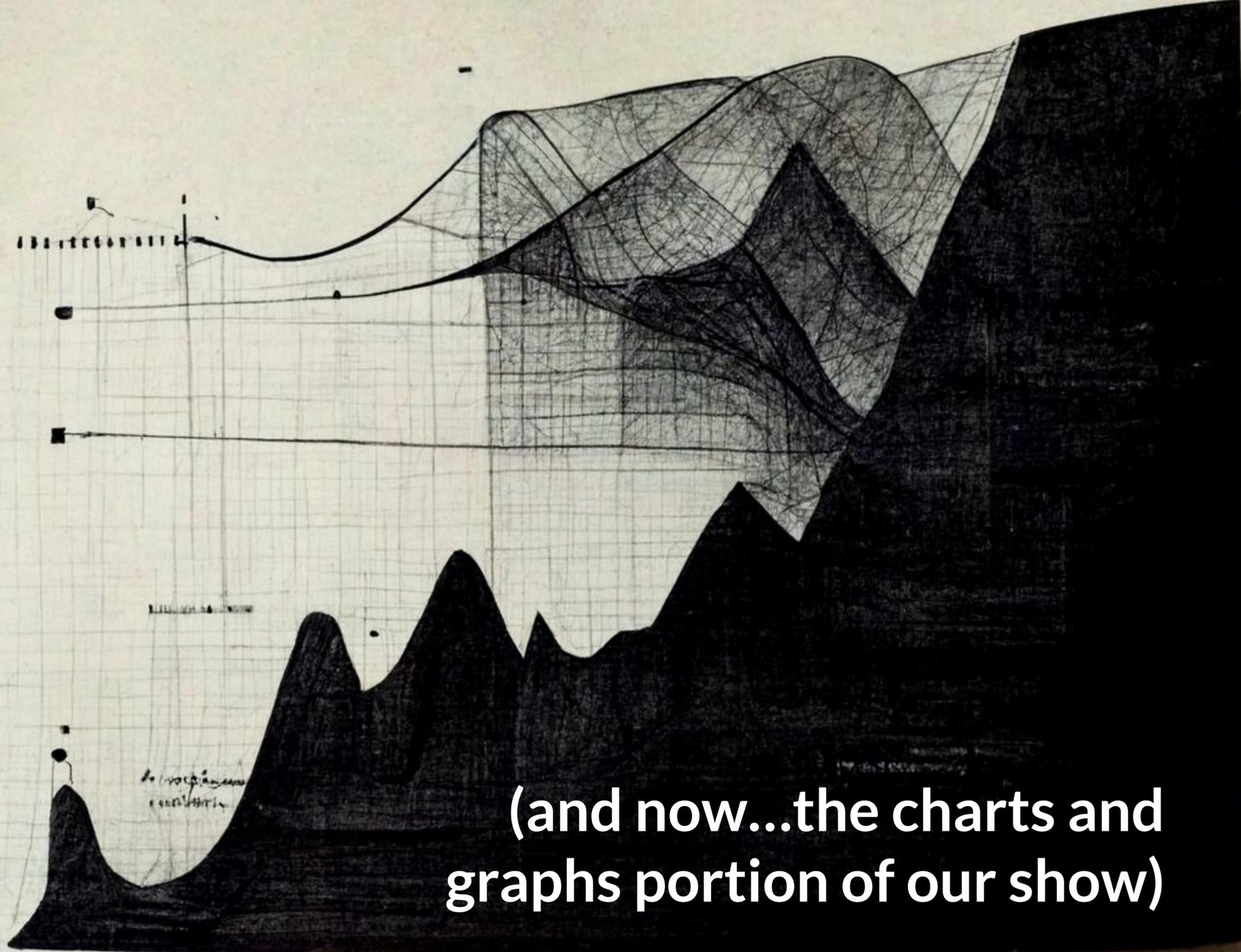
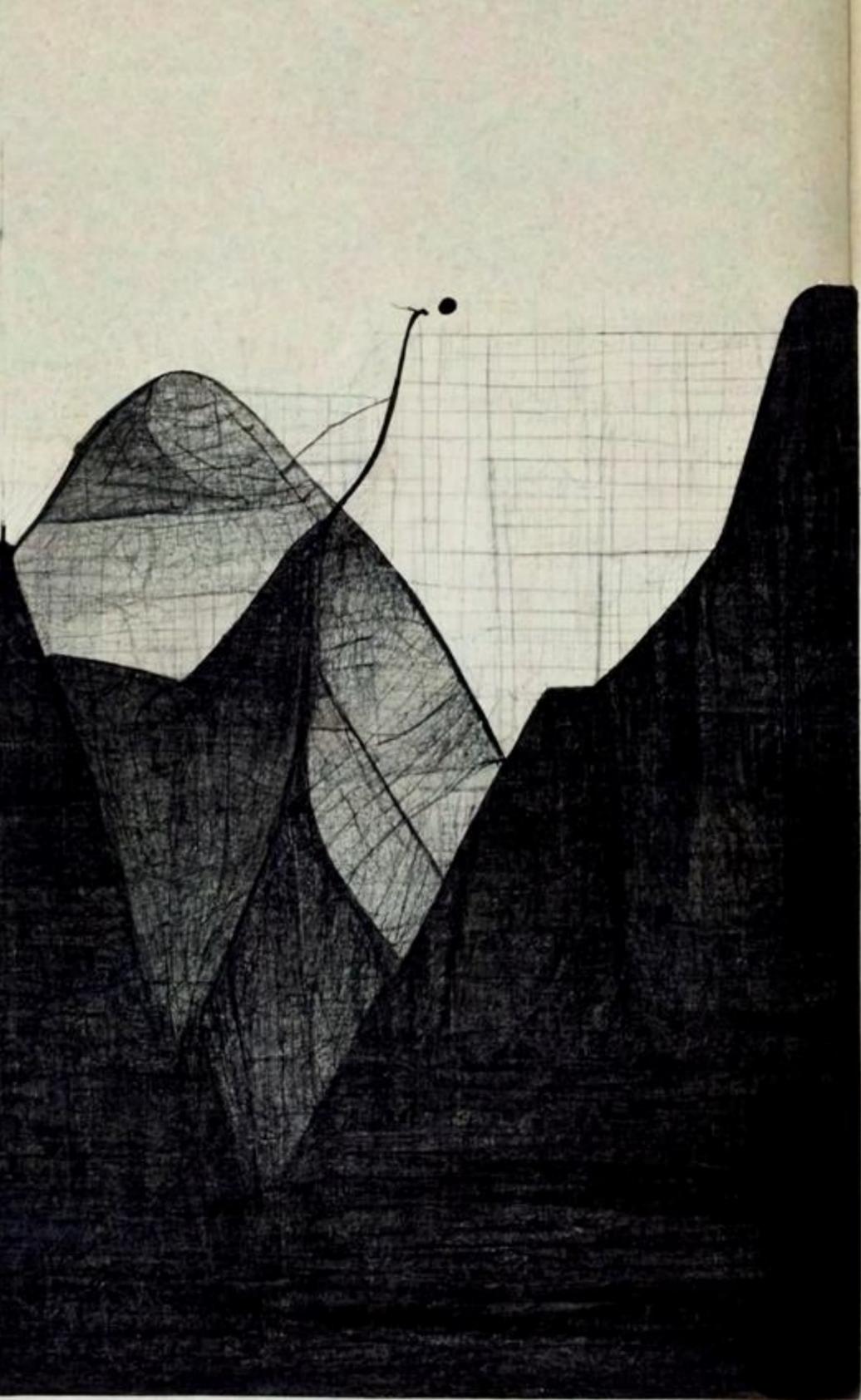
Why grow?

A microscopic view of cancer cells, showing several large, spherical, brownish-red clusters of cells with a fibrous, interconnected network of filaments. The background is a soft, out-of-focus mix of blue and purple hues, suggesting a complex cellular environment.

“Growth for the sake of growth is the ideology of the cancer cell.”

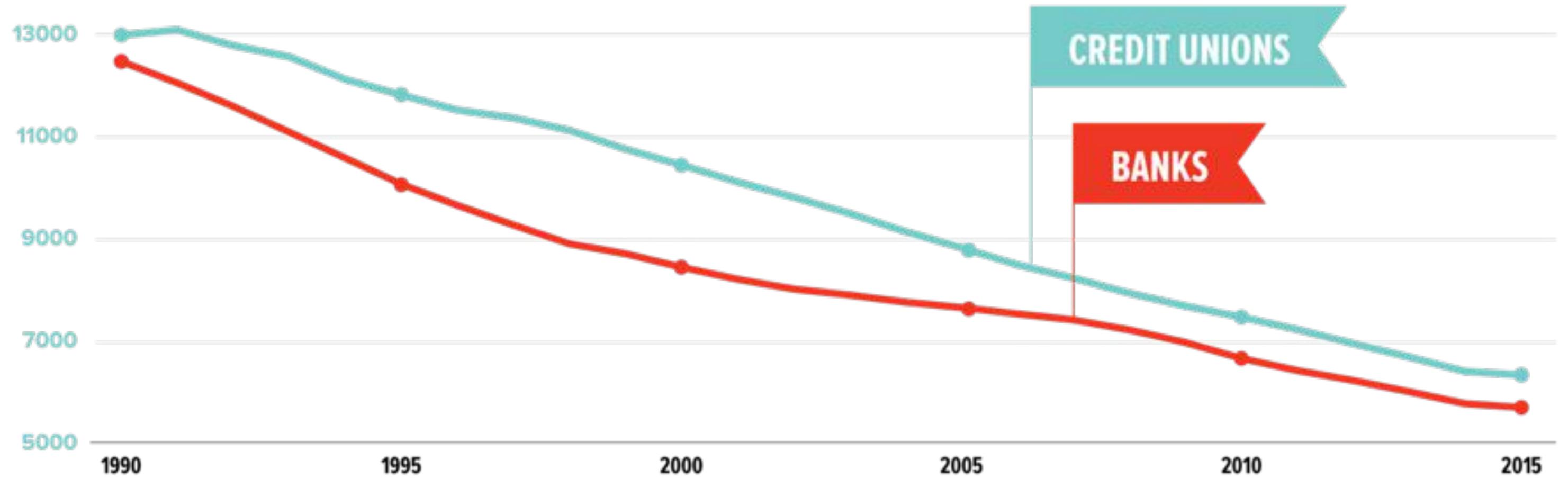
- Edward Abbey, Writer & Ecologist

For credit unions, growth is survival.

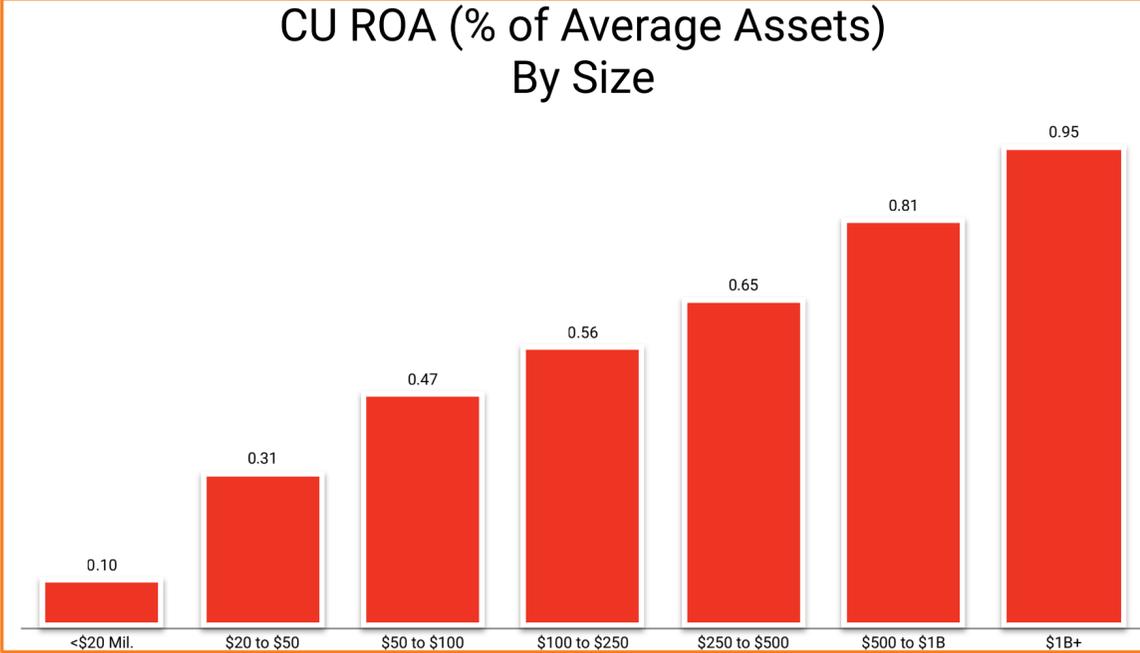
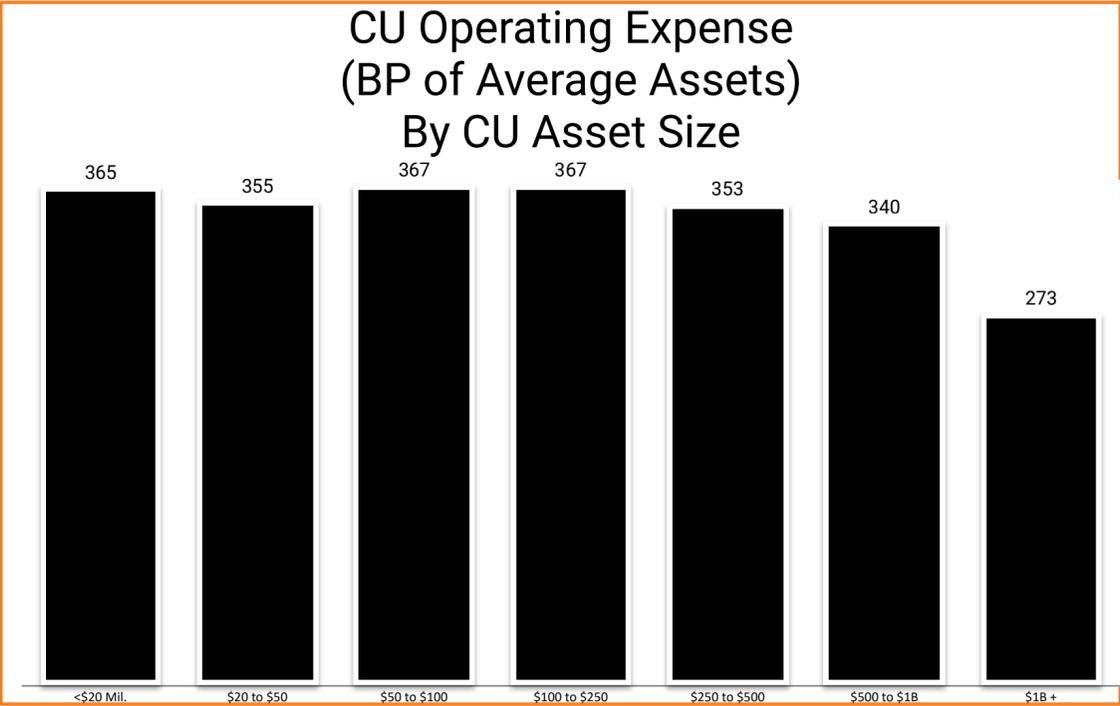
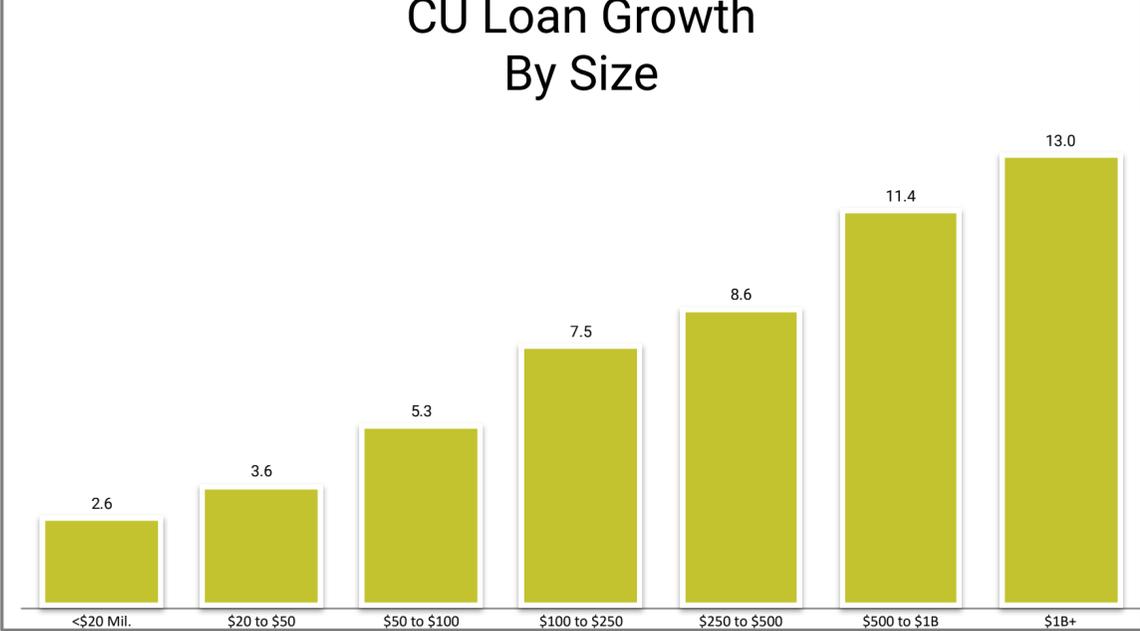
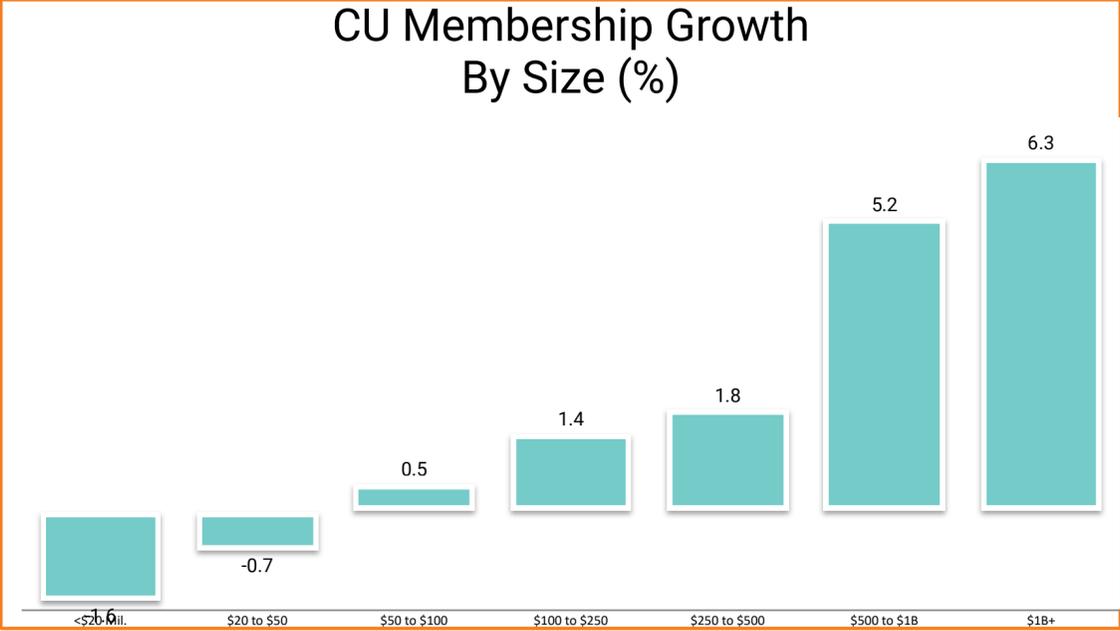


(and now...the charts and graphs portion of our show)

Industry Consolidation

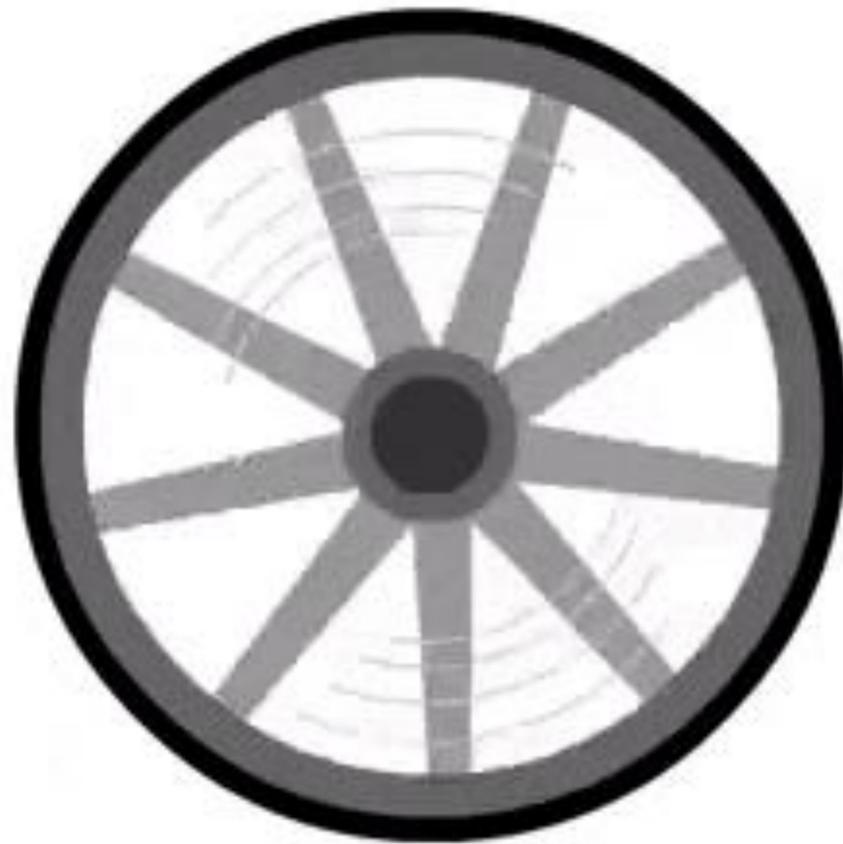


What's driving this consolidation?

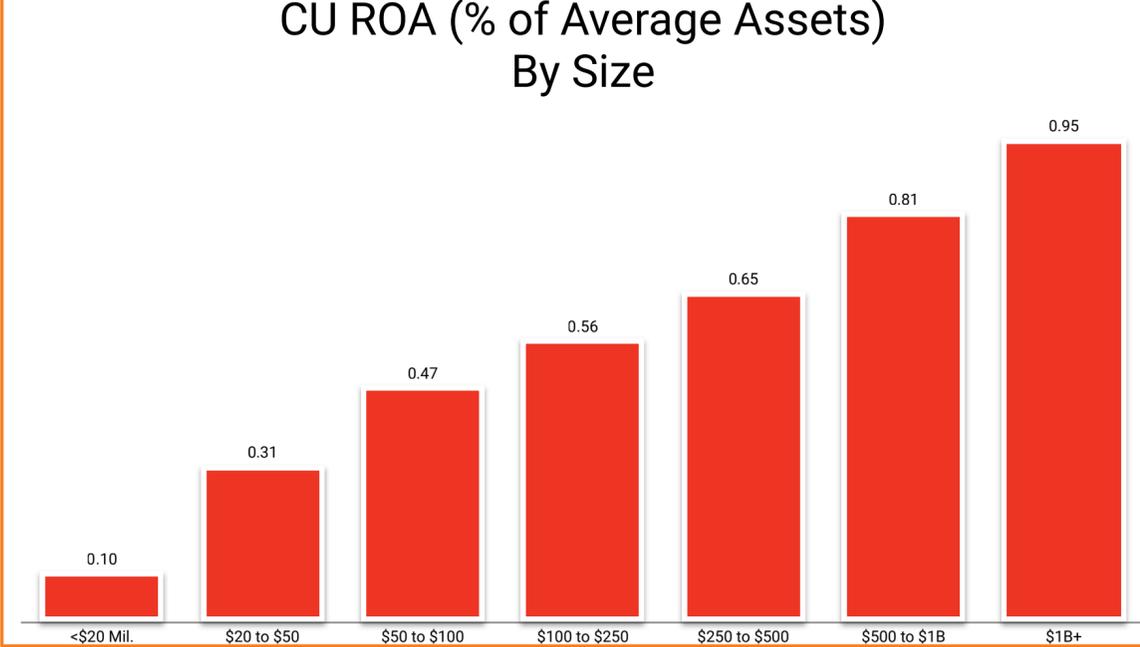
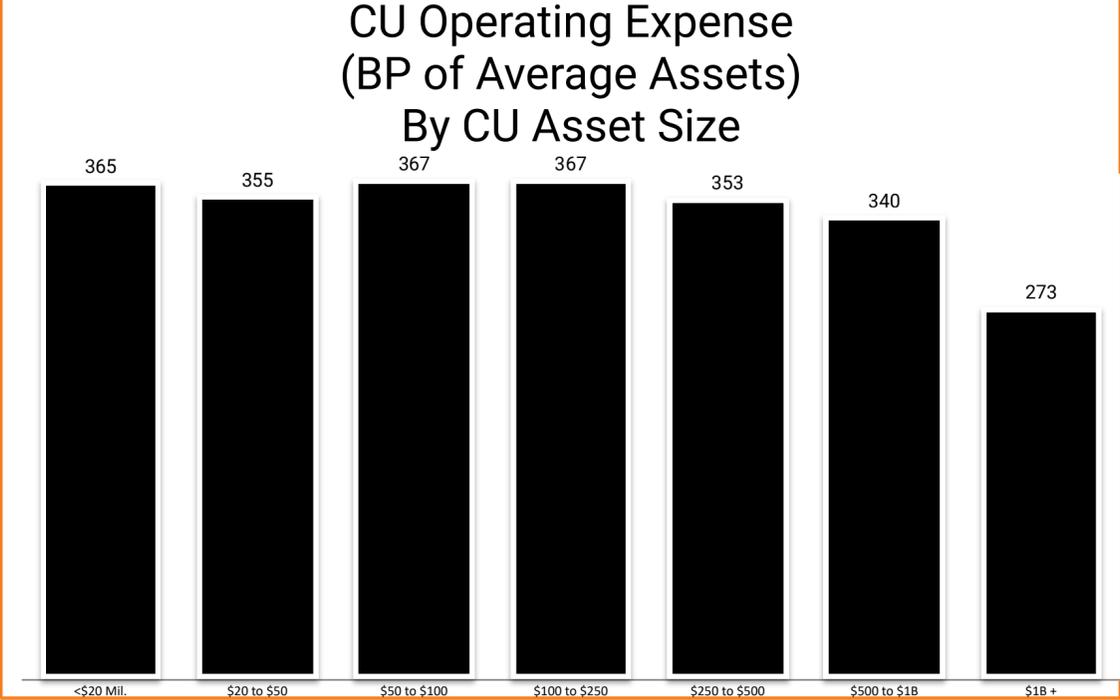
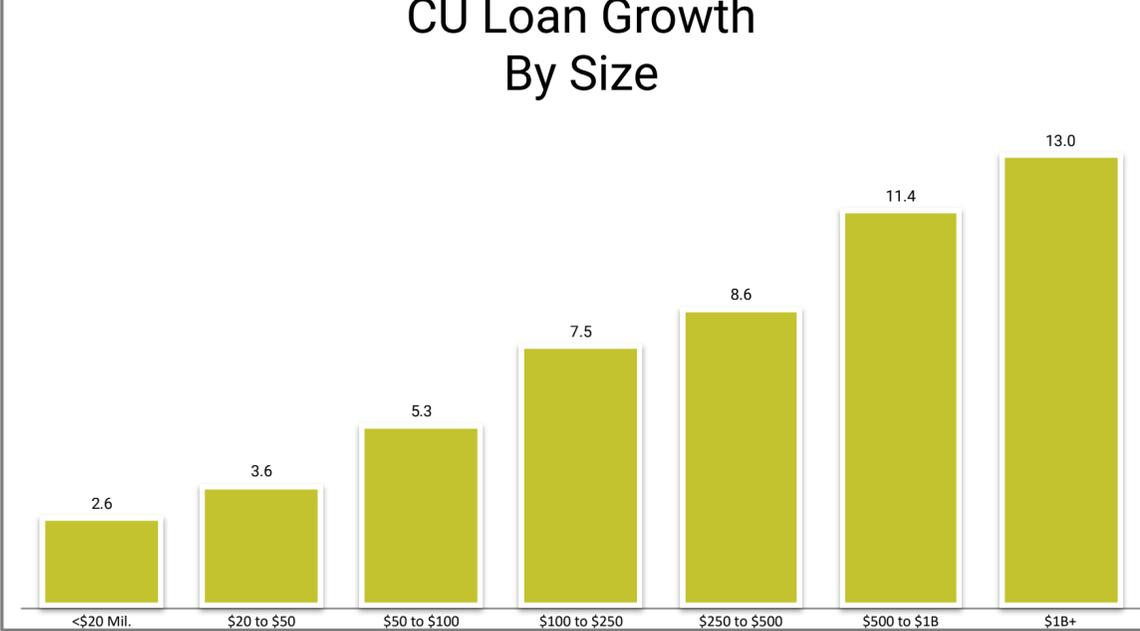
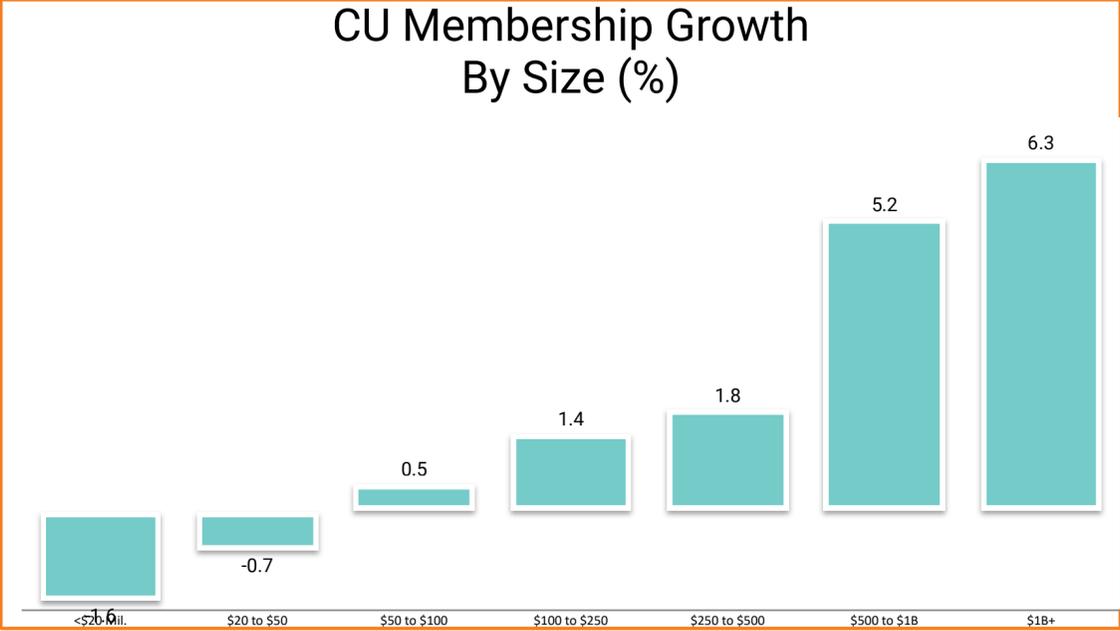


Source: CUNA Economics & Statistics Department

Scale is mightily rewarded.



"Was it the first push?"

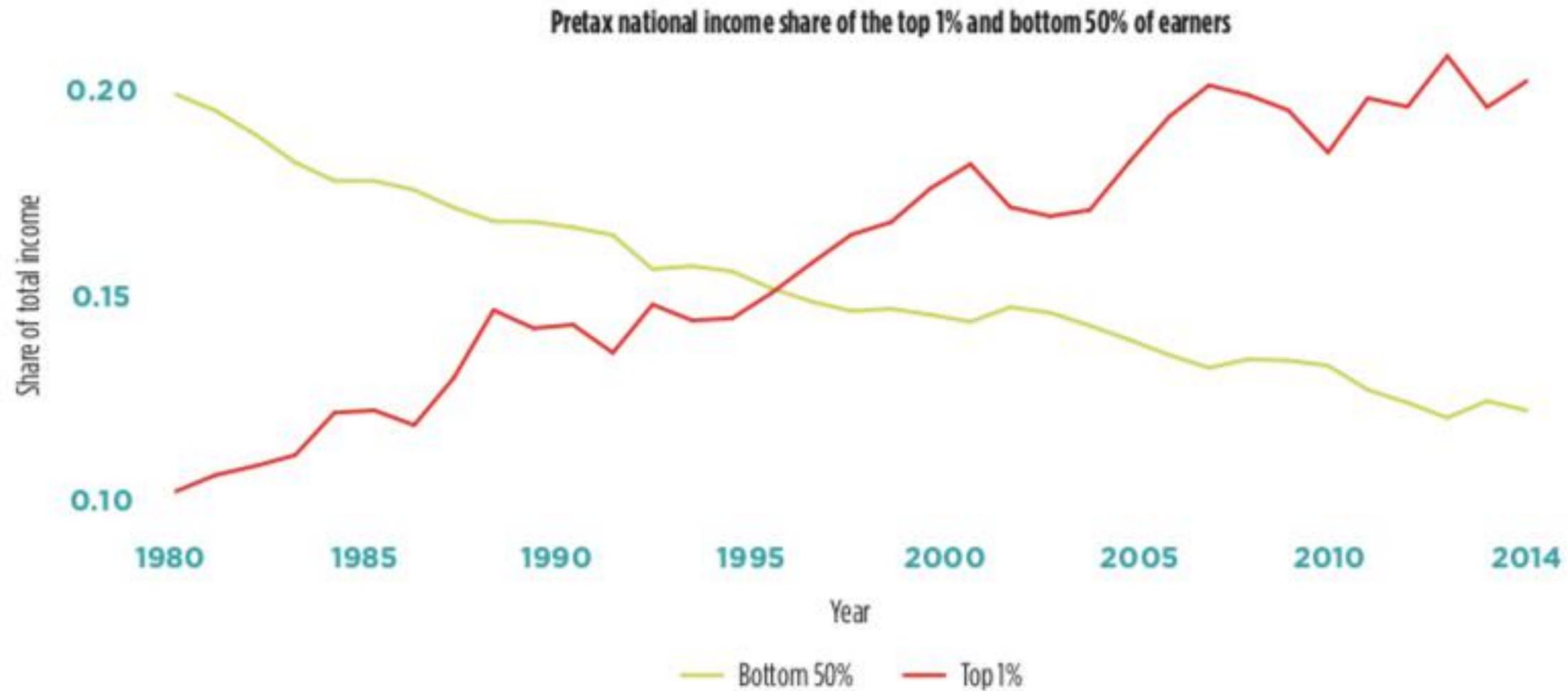


Source: CUNA Economics & Statistics Department

...speaking of divergence,

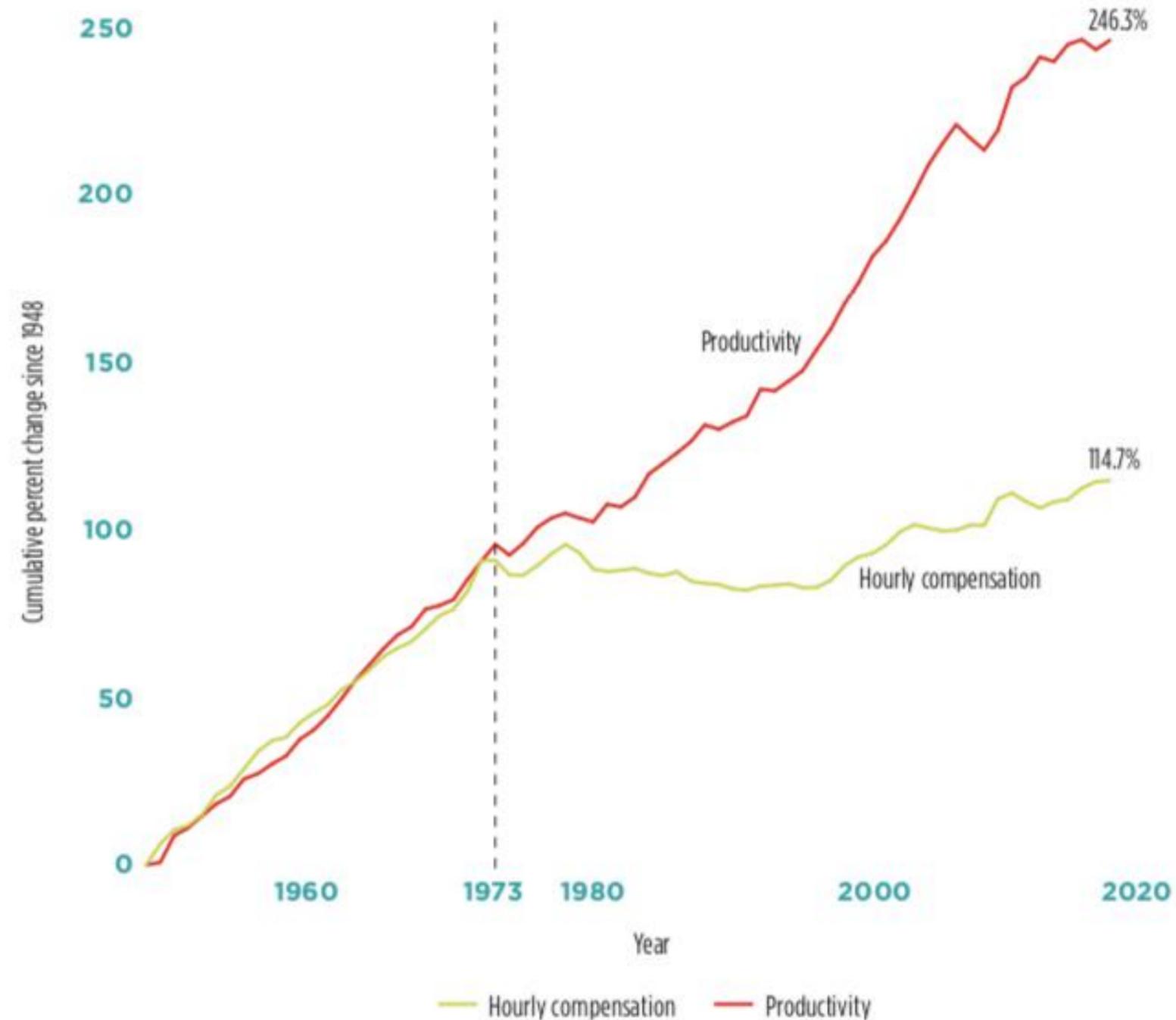
Inequality: Income, Wealth, Access

INCOME INEQUALITY IN THE UNITED STATES, 1980–2014



Wages for the average American worker have remained virtually unchanged for nearly 40 years.

THE GREAT DECOUPLING OF PAY AND PRODUCTIVITY (HOURLY COMPENSATION GROWTH VS. PRODUCTIVITY GROWTH, 1948-2017)



Notes: Data are for compensation (wages and benefits) of production/nonsupervisory workers in the private sector and net productivity of the total economy. "Net productivity" is the growth of output of goods and services less depreciation per hour worked.

Source: EPI analysis of unpublished Total Economy Productivity data from Bureau of Labor Statistics (BLS) Labor Productivity and Costs program, wage data from the BLS Current Employment Statistics, BLS Employment Cost Trends, BLS Consumer Price Index, and Bureau of Economic

Gig workers are experiencing

a new type of unemployment, wage stagnation,

Unemployment numbers may not fully account for gig-economy workers, who may self-report as being "employed" despite not being on a payroll, according to a new report from the [Federal Reserve Bank of Dallas](#).

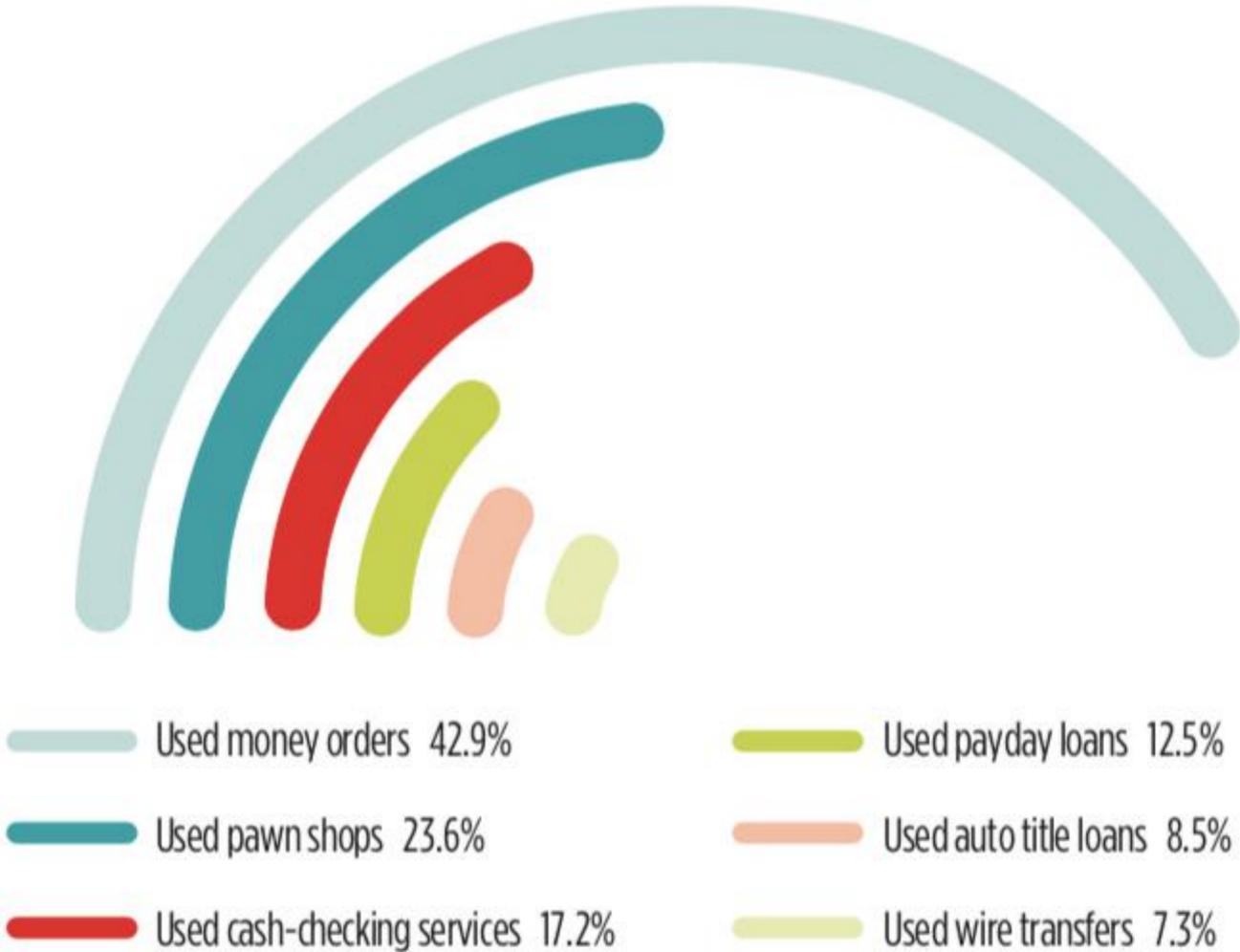
...and financial vulnerability.

At the same time, the increase in gig workers may account for "subdued" wage growth because independent contractors have less bargaining power: "New technologies that encourage contingent or just-in-time labor lower the bargaining power of workers," the report said. "This, in turn, lowers the natural rate of unemployment and real equilibrium wages."

Rising income volatility and difficulty saving.

COPING WITH INCOME VOLATILITY

How do LMI households deal with unexpected shocks or shortfalls?



Source: Stephen Roll, David S. Mitchell, Krista Holub, Sam Bufe,

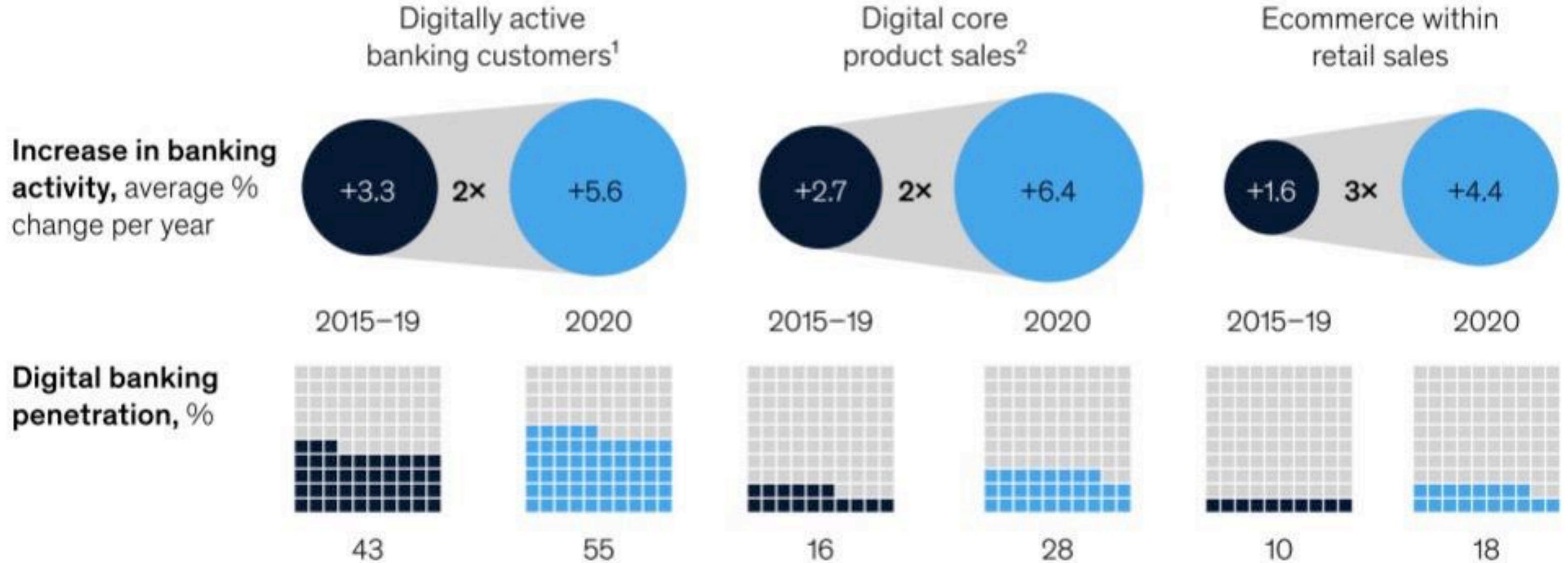
and Michal Grinstein-Weiss, "Responses to and Repercussions from Income Volatility in Low- and Moderate-Income Households: Results from a National Survey," The Aspen Institute, December 2017.



**WE INNOVATION BECAUSE
OUR COMMUNITY NEEDS US.**

The rate of digital banking adoption has doubled during the pandemic.

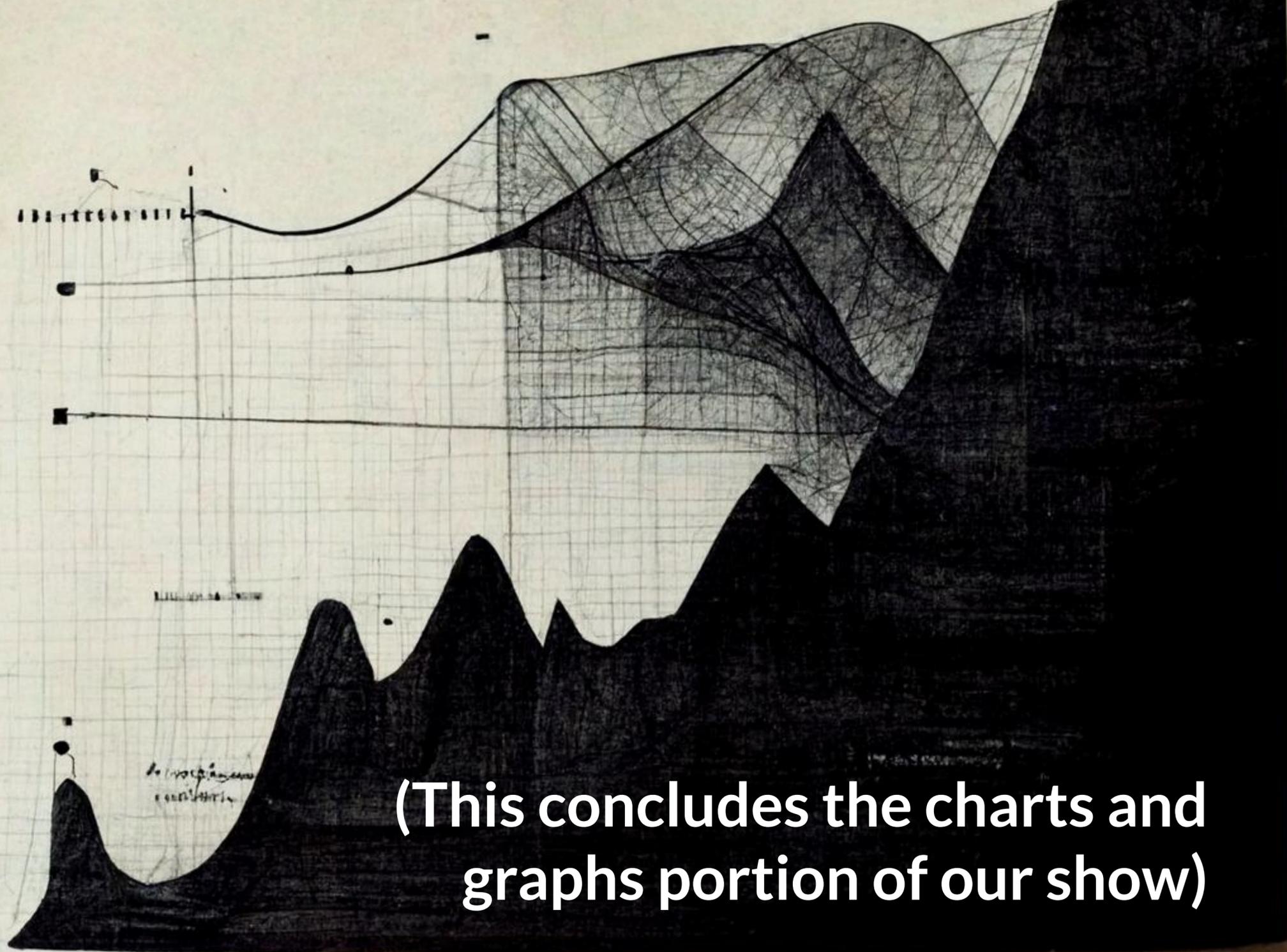
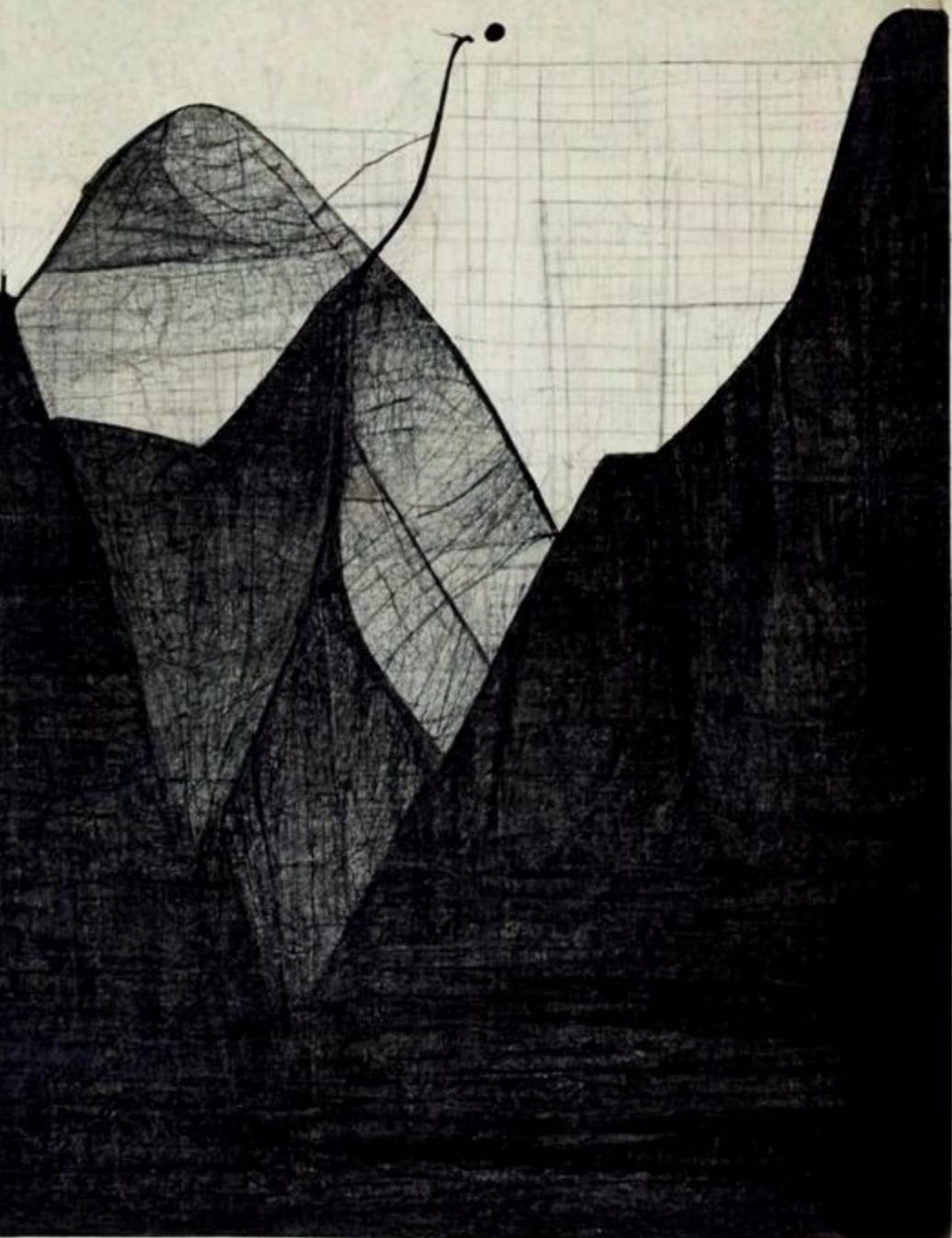
Comparison of digital banking metrics from 2015–19 and 2020



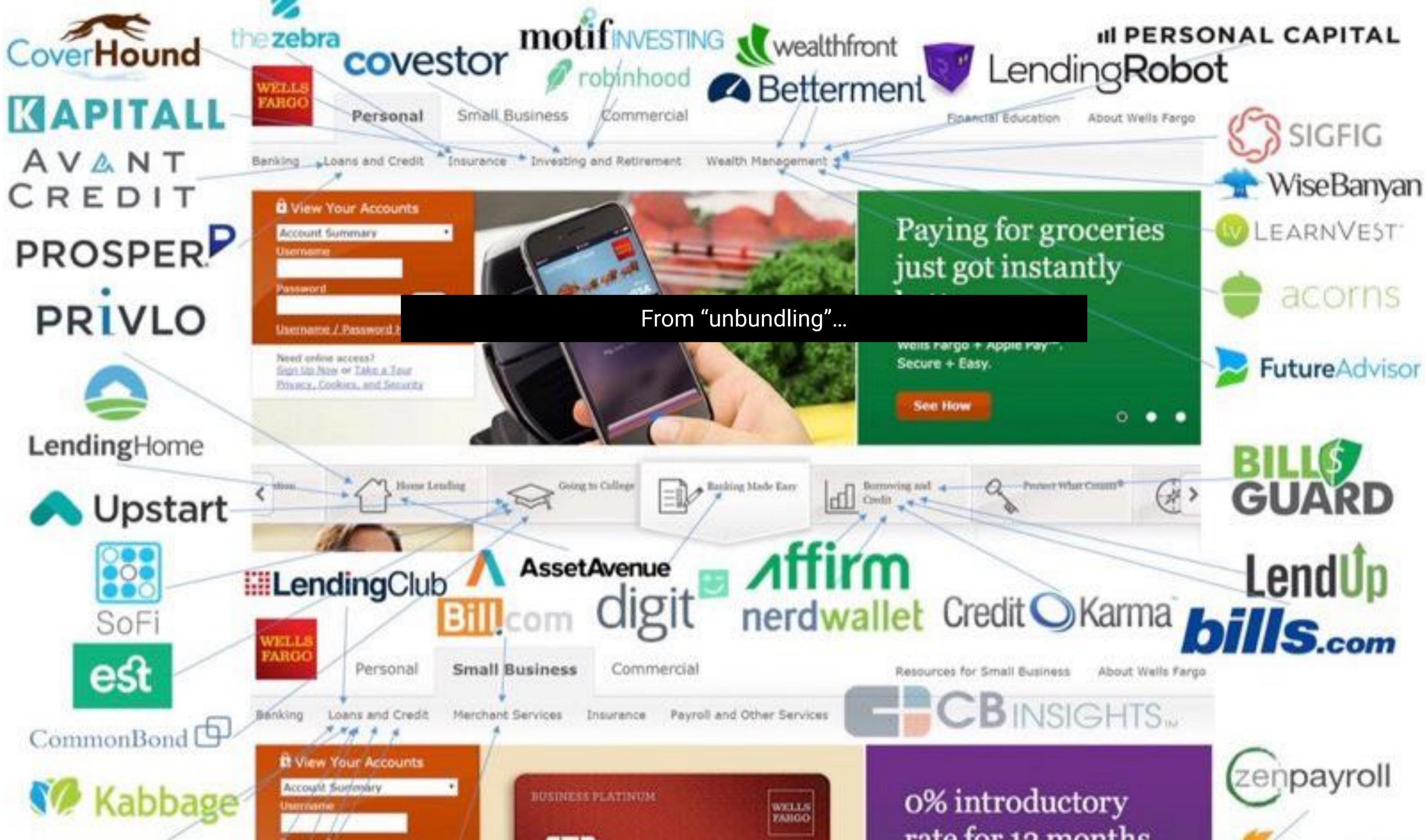
¹Day active digital (online plus mobile) users over total active customers.

²Digital product sales over total product sales. Sales data reflect product units.

Source: Finalta; Statista



(This concludes the charts and graphs portion of our show)



CoverHound
KAPITALL
AVANT CREDIT
PROSPER
PRIVLO

the zebra
covestor
motif INVESTING
robinhood
wealthfront
Betterment
LendingRobot

WELLS FARGO
View Your Accounts
Account Summary
Username
Password
Username / Password



Paying for groceries just got instantly
Wells Fargo + Apple Pay™. Secure + Easy.
See How

From "unbundling"...

SIGFIG
WiseBanyan
LEARNVEST
acorns
FutureAdvisor

LendingHome
Upstart
SoFi
est

Home Lending
Going to College
Banking Made Easy
Borrowing and Credit
Protect What Counts

WELLS FARGO
LendingClub
AssetAvenue
Bill.com
digit
Affirm
nerdwallet
Credit Karma
Personal
Small Business
Commercial
Banking
Loans and Credit
Merchant Services
Insurance
Payroll and Other Services
Resources for Small Business
About Wells Fargo
CB INSIGHTS™

BILL GUARD
LendUp
bills.com

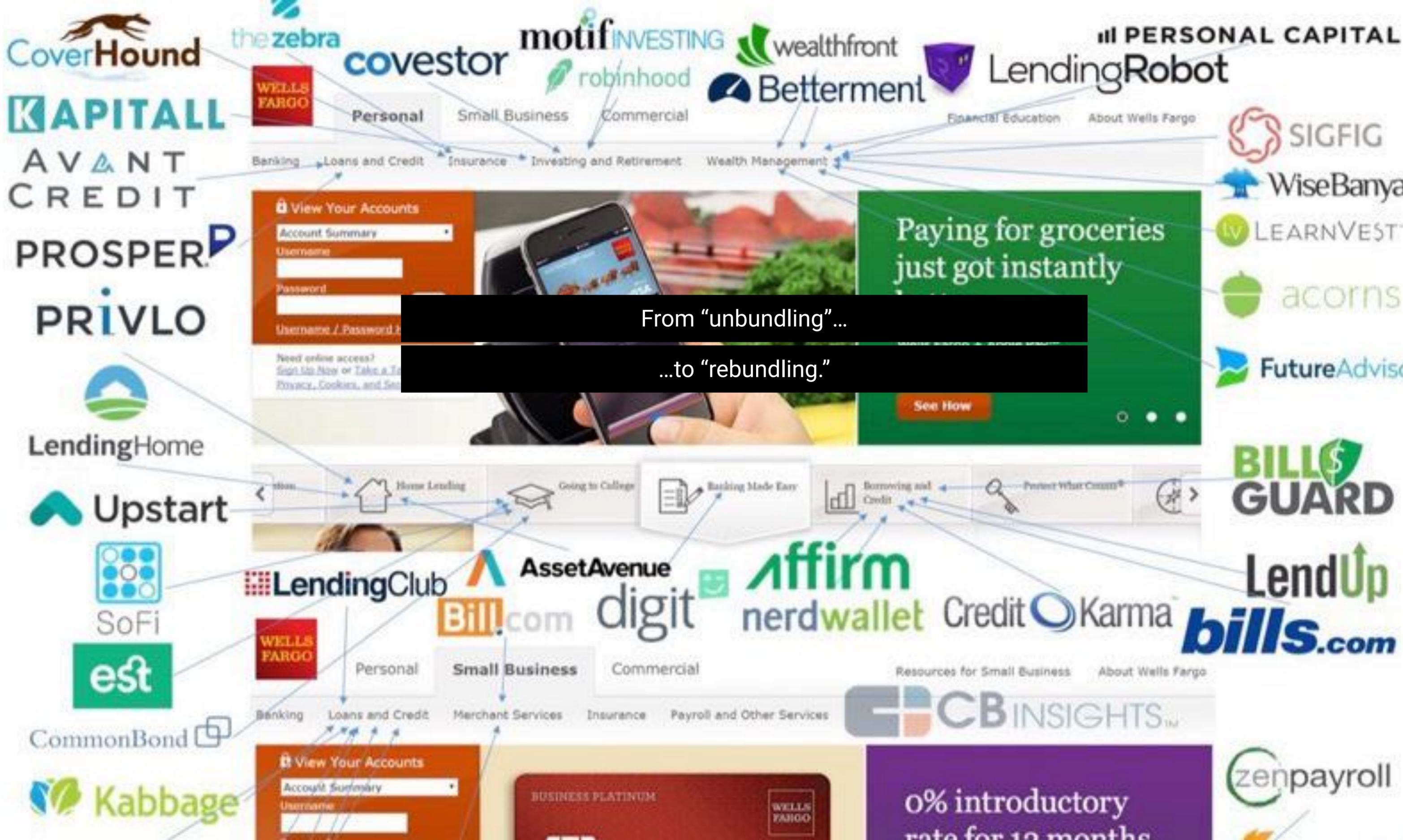
CommonBond
Kabbage

WELLS FARGO
View Your Accounts
Account Summary
Username

BUSINESS PLATINUM
WELLS FARGO

0% introductory rate for 12 months

zenpayroll

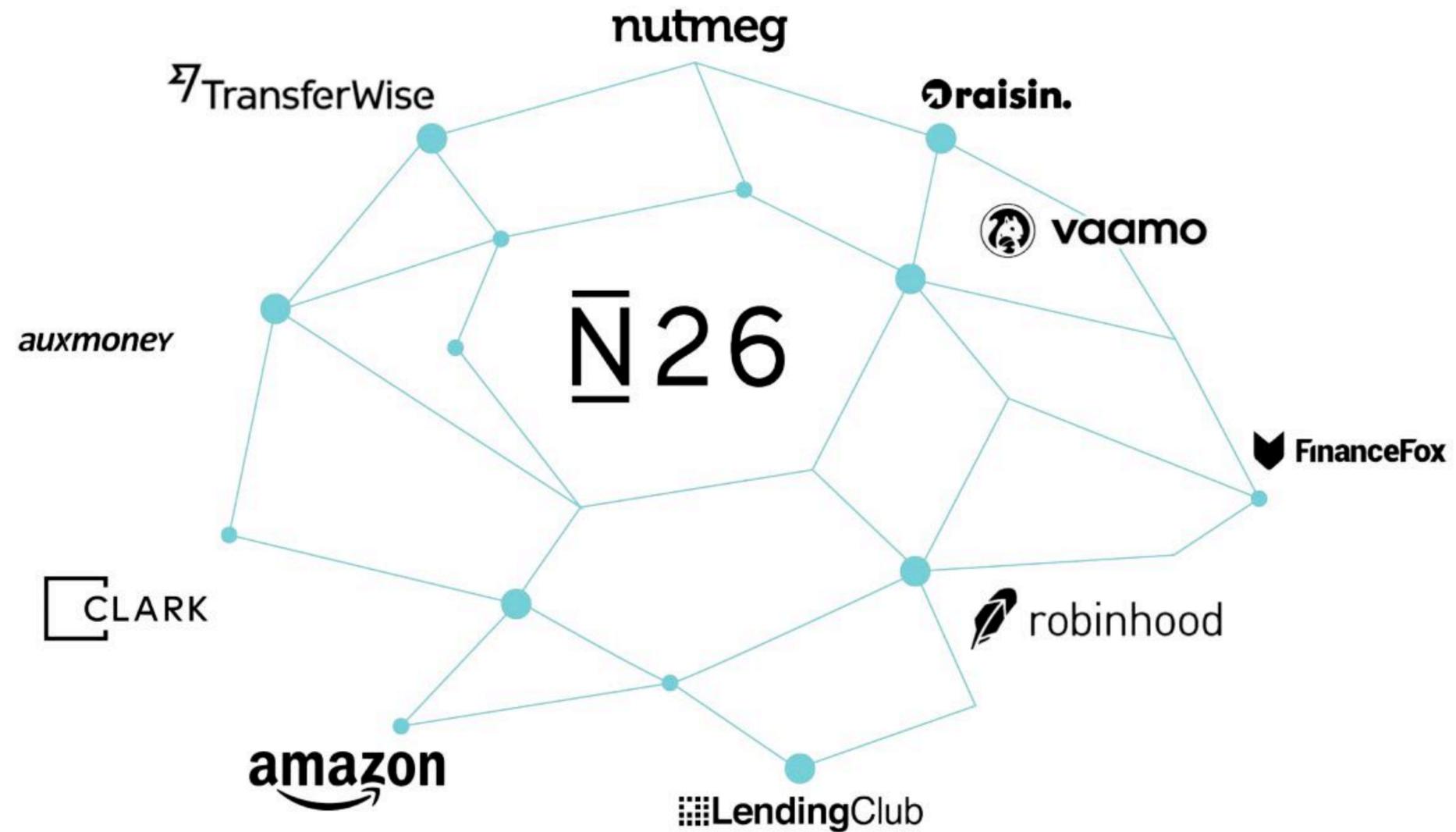


From "unbundling"...

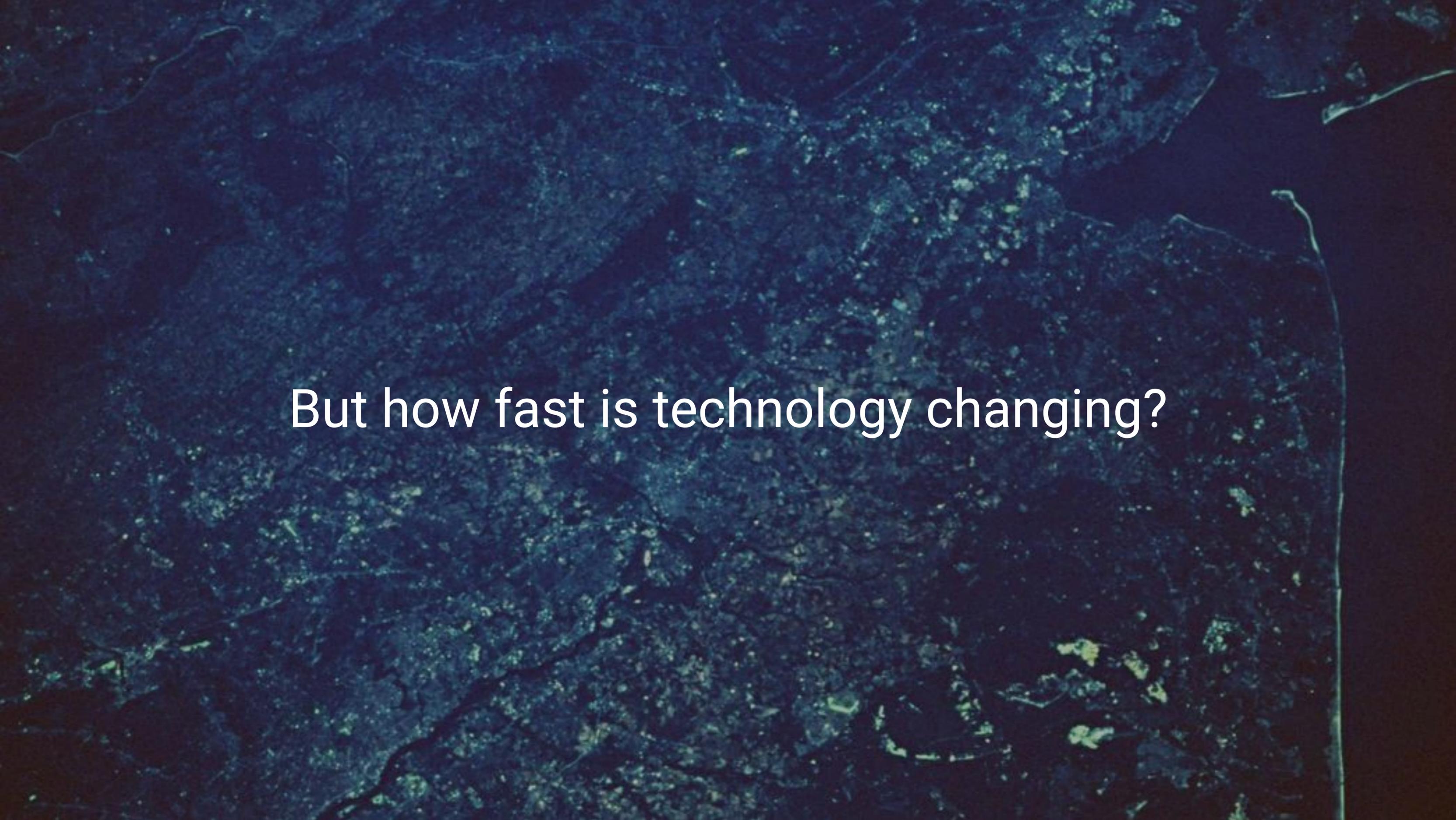
...to "rebundling."

Building the FinTech Hub

The best product in one app



An example of challenger-driven rebundling — N26's "Hub Strategy"



But how fast is technology changing?



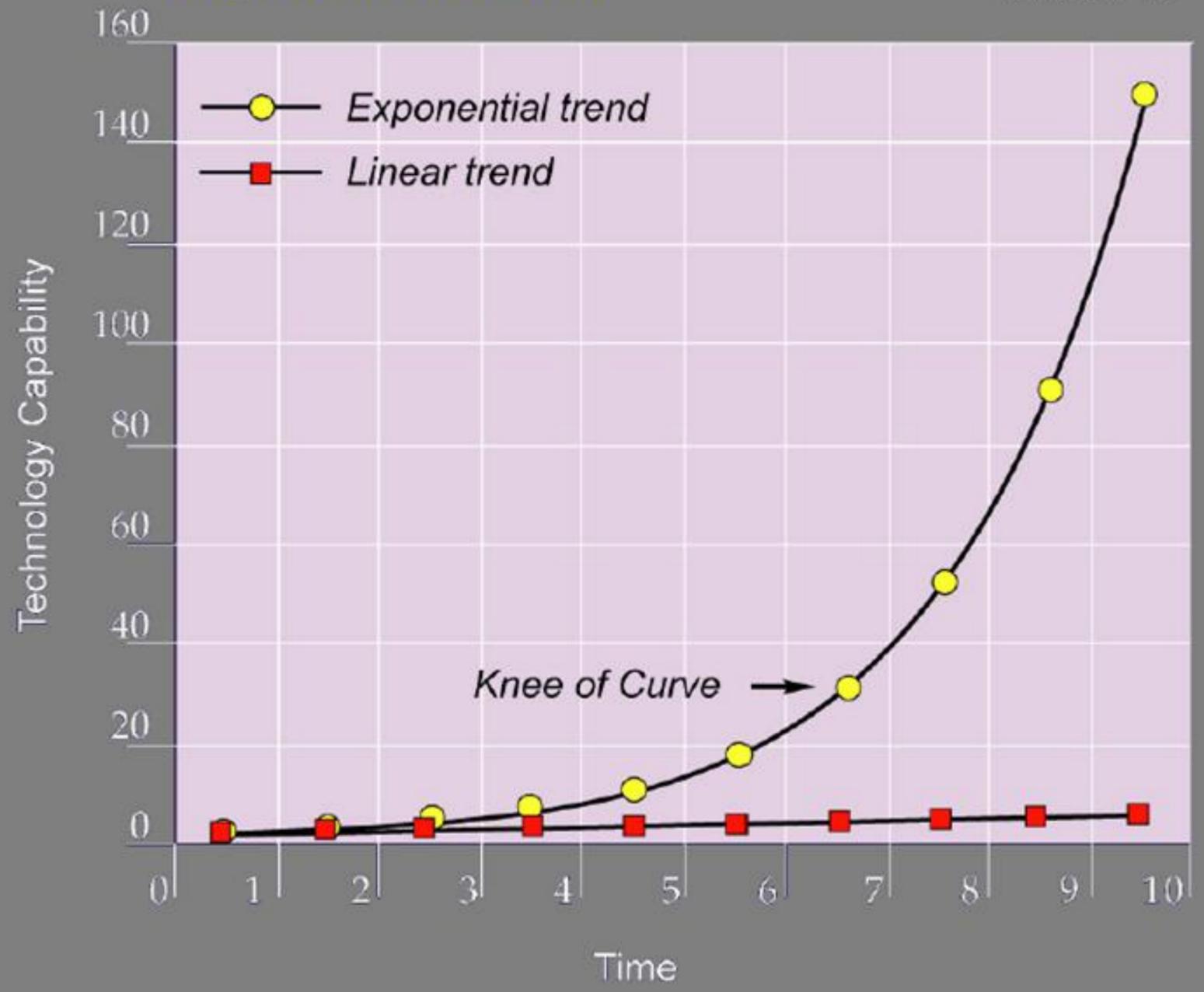
TECHNOLOGY IS CHANGING AT AN
EXPONENTIAL RATE.

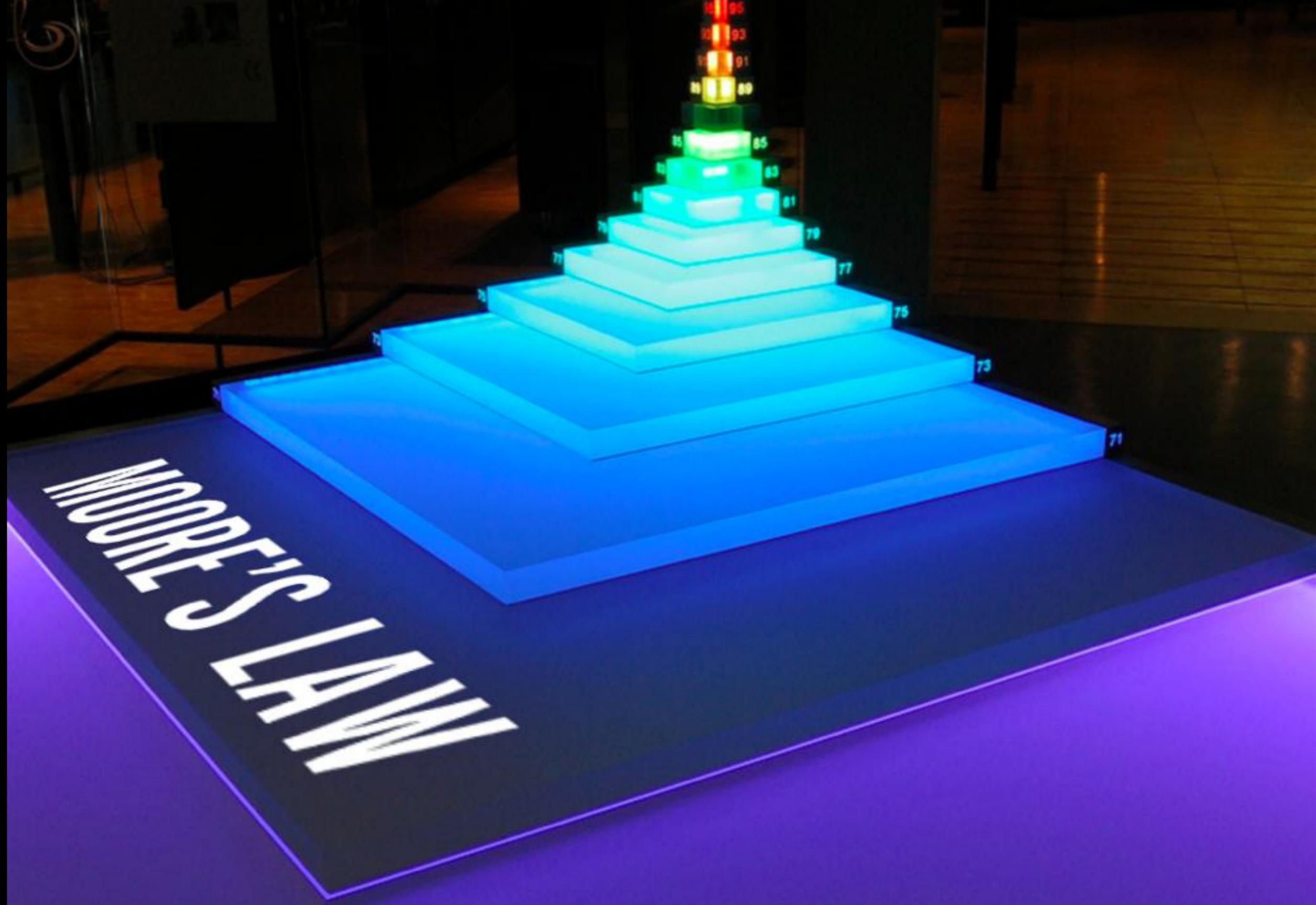


“EXPONENTIAL?”

Linear vs. Exponential Growth

Linear Plot

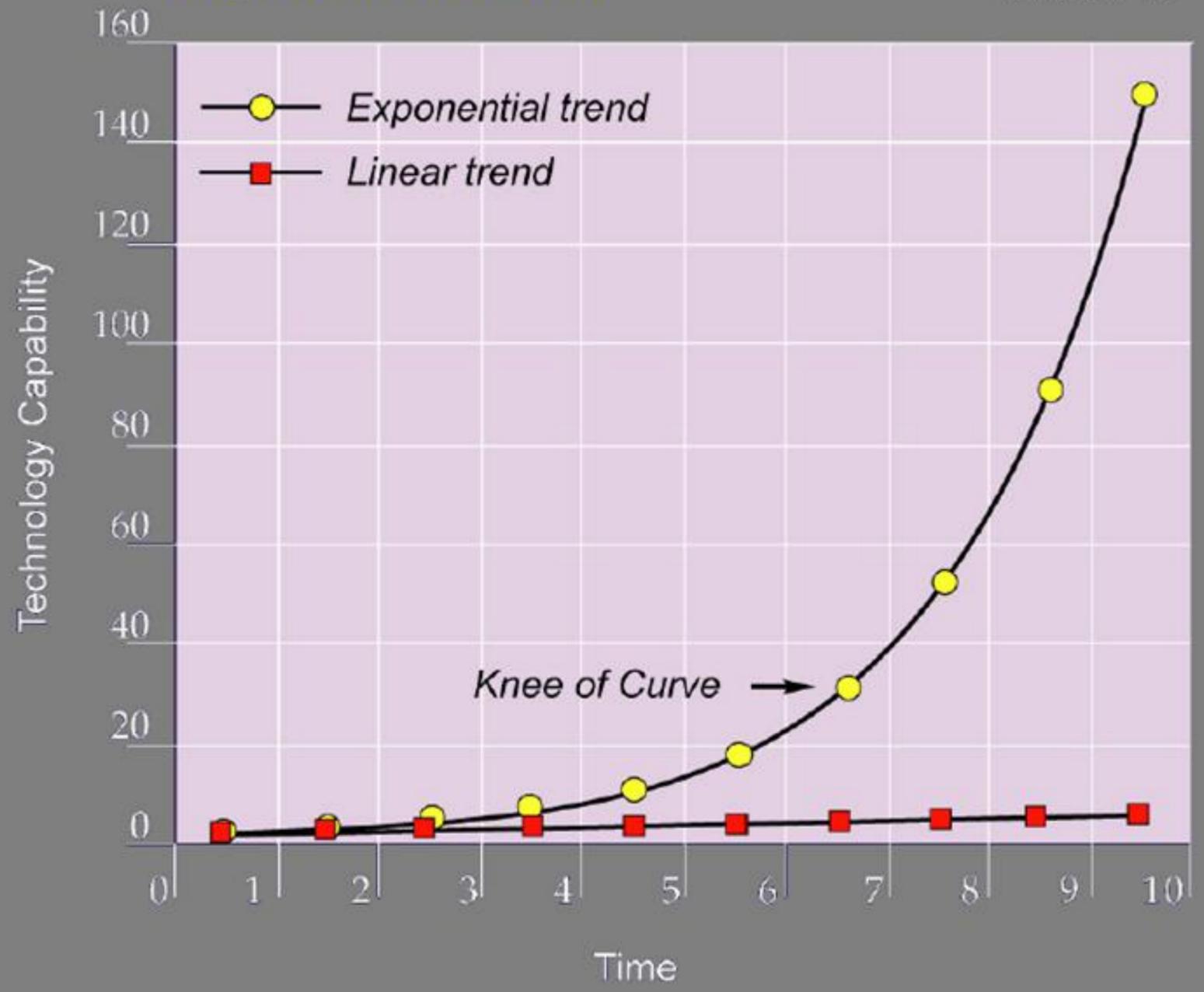




COMPUTERS DOUBLE THEIR PROCESSING POWER EVERY TWO YEARS.

Linear vs. Exponential Growth

Linear Plot



Take 30 linear steps.



1, 2, 3, 4, 5, 6, 7, 8, 9, 10...

Take 30 EXPONENTIAL steps.



1, 2, 4, 8, 16, 32, 64, 128, 256, 512...



Take 30 EXPONENTIAL steps.

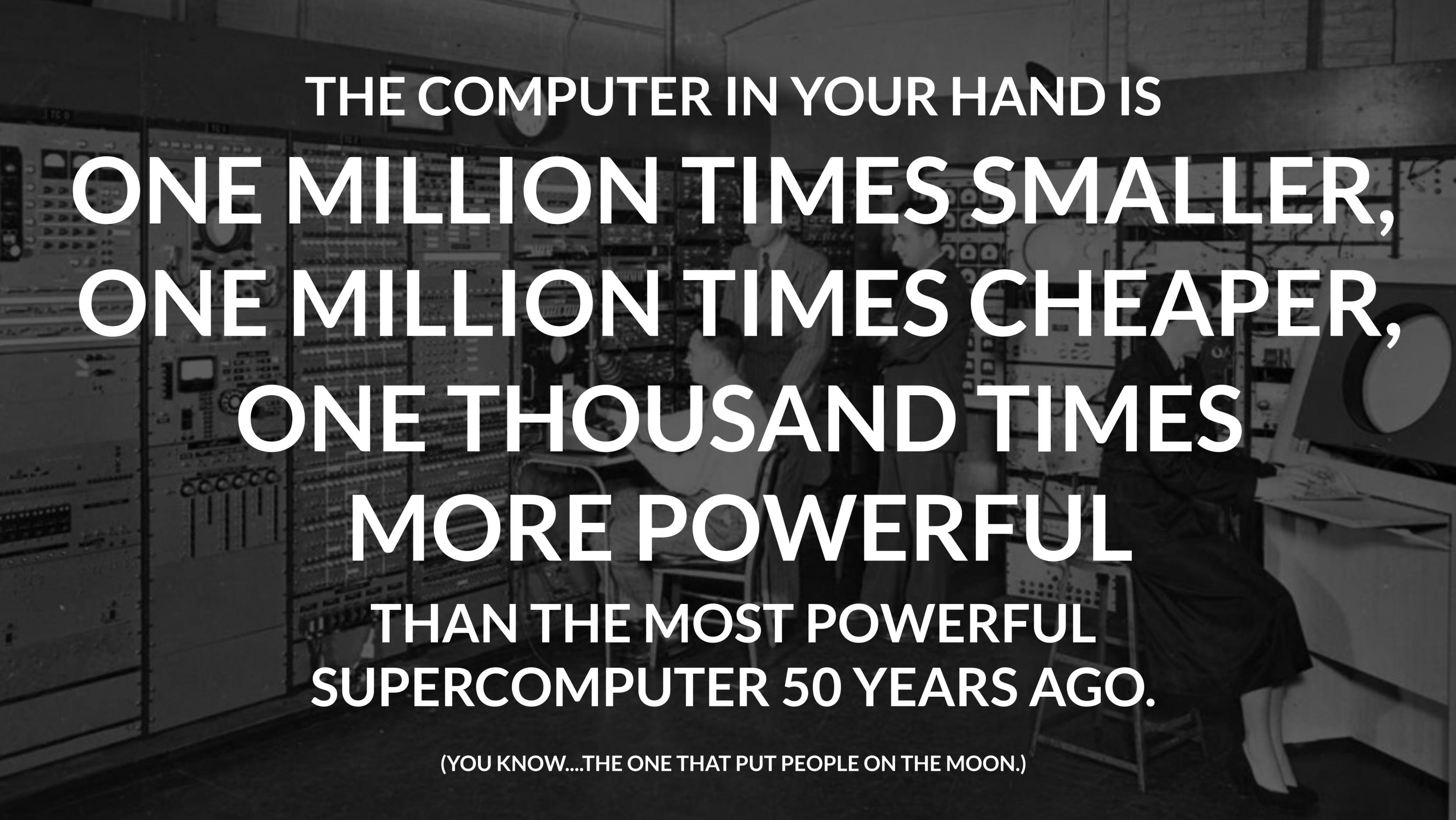
1,073,741,824 steps

Take 30 EXPONENTIAL steps.

1,073,741,824 steps
(You'd circle the world 26 times.)



GRAB YOUR PHONE. HOLD IT IN THE AIR.

A black and white photograph of a large, early computer system. The room is filled with rows of tall, metal cabinets housing complex machinery. Several people are visible, some standing and some sitting at desks or consoles, appearing to be working or monitoring the system. The overall atmosphere is one of a busy, technical environment from the mid-20th century.

THE COMPUTER IN YOUR HAND IS
**ONE MILLION TIMES SMALLER,
ONE MILLION TIMES CHEAPER,
ONE THOUSAND TIMES
MORE POWERFUL**
THAN THE MOST POWERFUL
SUPERCOMPUTER 50 YEARS AGO.

(YOU KNOW...THE ONE THAT PUT PEOPLE ON THE MOON.)



WHAT TOOK UP HALF A BUILDING
NOW FITS IN YOUR POCKET.

LINEAR → EXPONENTIAL

To Georgia Credit Union eke doth sing,
This humble bard, in verse of praises sweet,
Upon the shores of Hilton Head we bring,
In South Carolinian rains we meet.

Oh, rain thou art but nature's gentle kiss,
As falling droplets patter soft on ground,
To bless this union's gathering amiss,
And let their joy in every heart resound.

Let execs in fair assemblance join,
Their wisdom and their knowledge to unite,
In dulcet harmony their thoughts entwine,
As rain doth cleanse the air, their minds ignite.





Write a shakespearean sonnet wishing the georgia credit union executive association to have a wonderful time at their event in hilton head south carolina, where it is currently a little rainy.

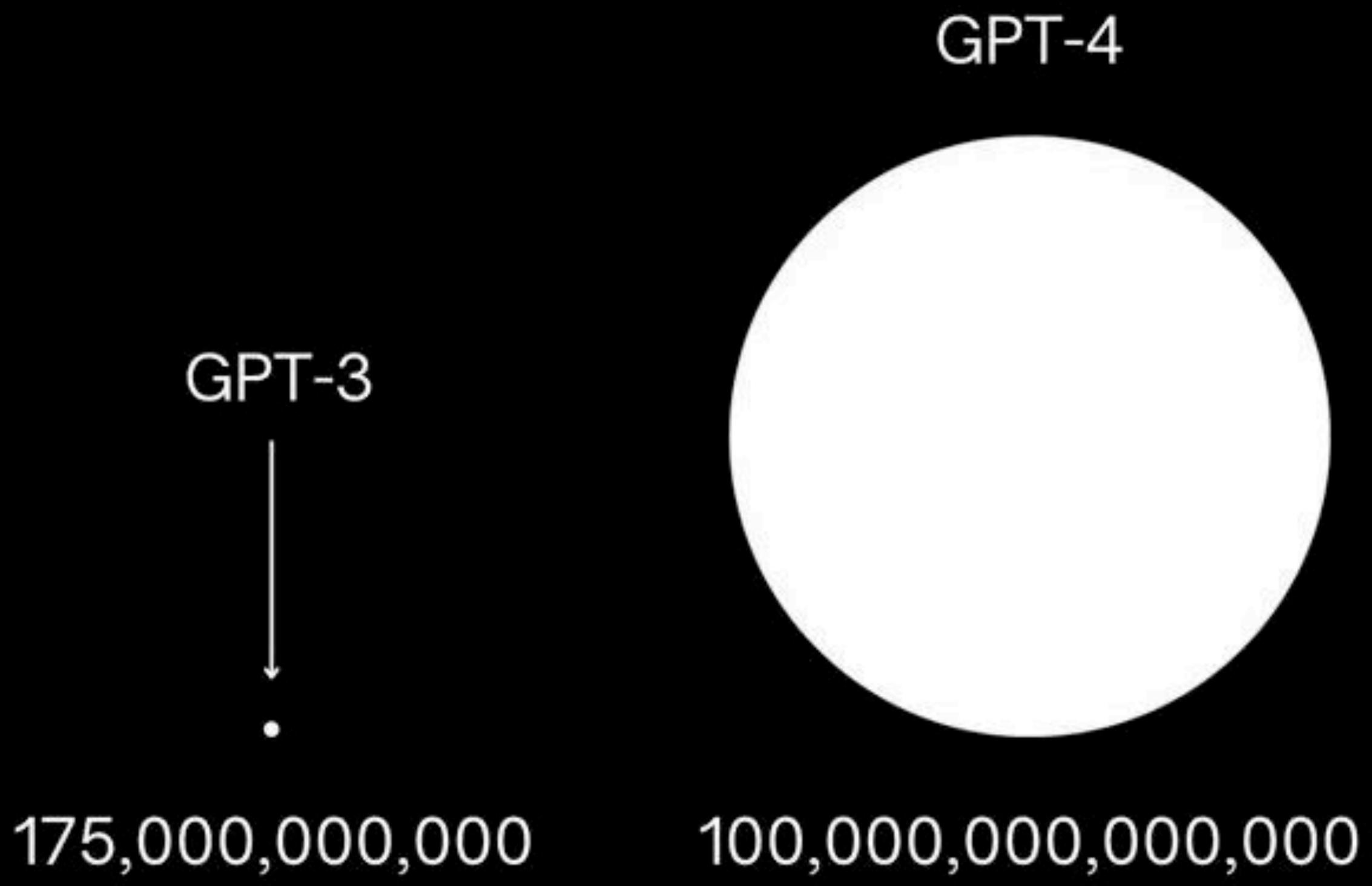


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LINEAR → EXPONENTIAL



1996
Market Cap: \$28B
Employees: 140,000

LINEAR → EXPONENTIAL



1996
Market Cap: \$28B
Employees: 140,000

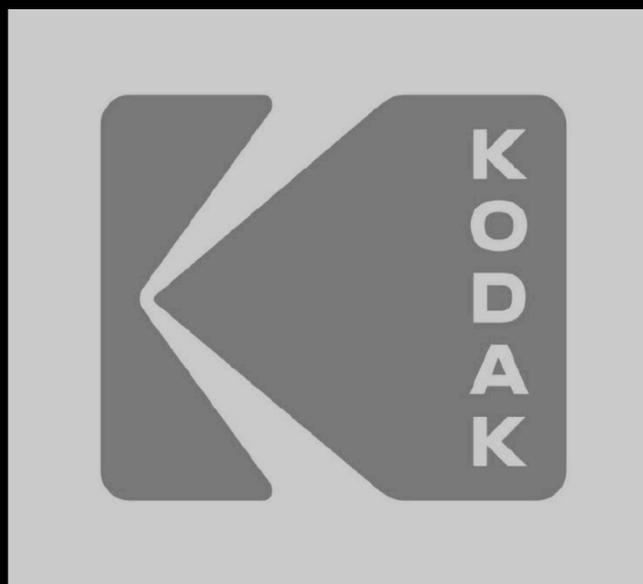


2012
Bankrupt
Employees: 17,000

LINEAR → EXPONENTIAL



1996
Market Cap: \$28B
Employees: 140,000



2012
Bankrupt
Employees: 17,000



April 2012
Market Cap: \$1B
Employees: 13

THIS PACE OF CHANGE
MAKES IT TOUGH TO
MAKE A LONG-TERM PLAN
FOR THE FUTURE.

“There is a world market for maybe five computers.”

- Tom Watson, Founder of IBM

“Cinema is a fad.”

- Charlie Chaplin

“Flight by machines heavier than air is unpractical and insignificant, if not utterly impossible.”

- Canadian mathematician Simon Newcomb, 18 months before the Wright Brothers' flight

HOW DO WE NAVIGATE IN AN
UNCERTAIN ENVIRONMENT?

EXPERIMENTATION.

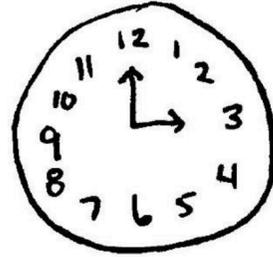
EXPERIMENTATION =
REDUCING THE RISK OF
INNOVATION

INNOVATION IS RISKY

UNCERTAINTY

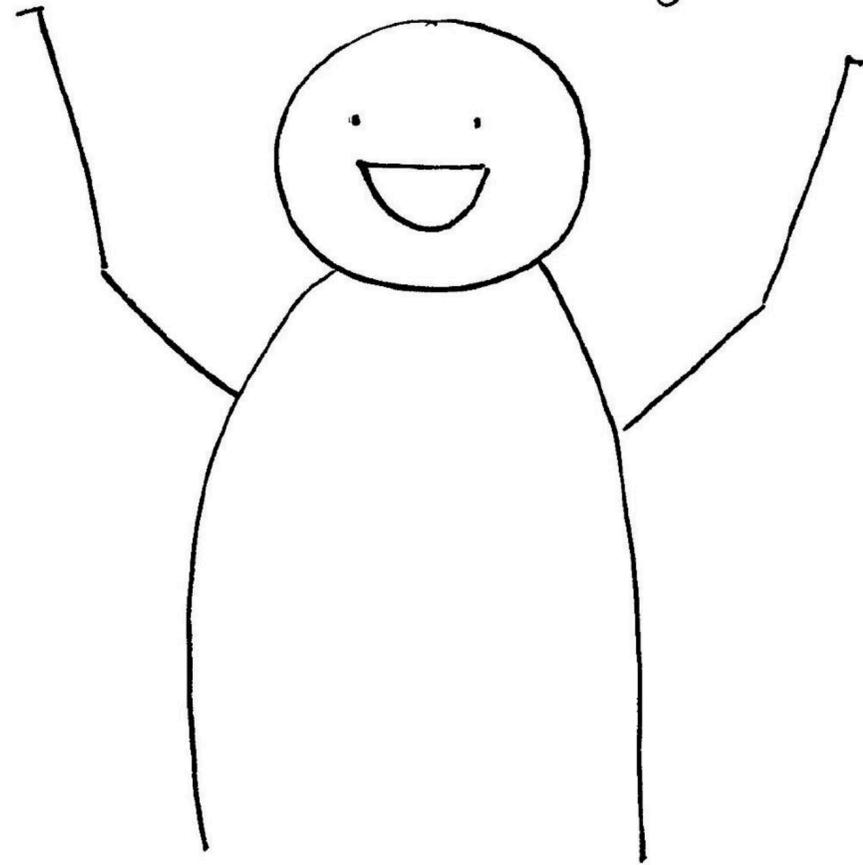
~~INNOVATION~~ IS RISKY

This is a great idea!

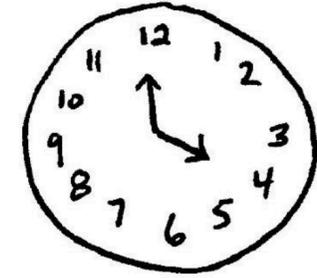


YAY!

I can't wait to get started!



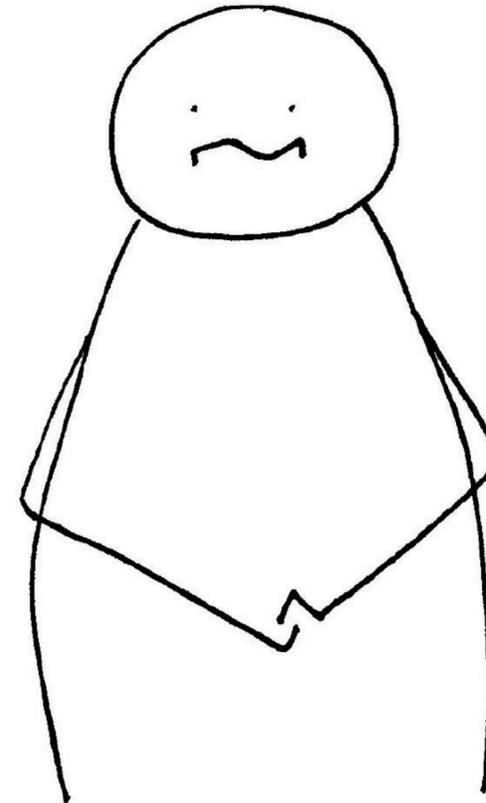
Too hard



Too expensive

Might fail

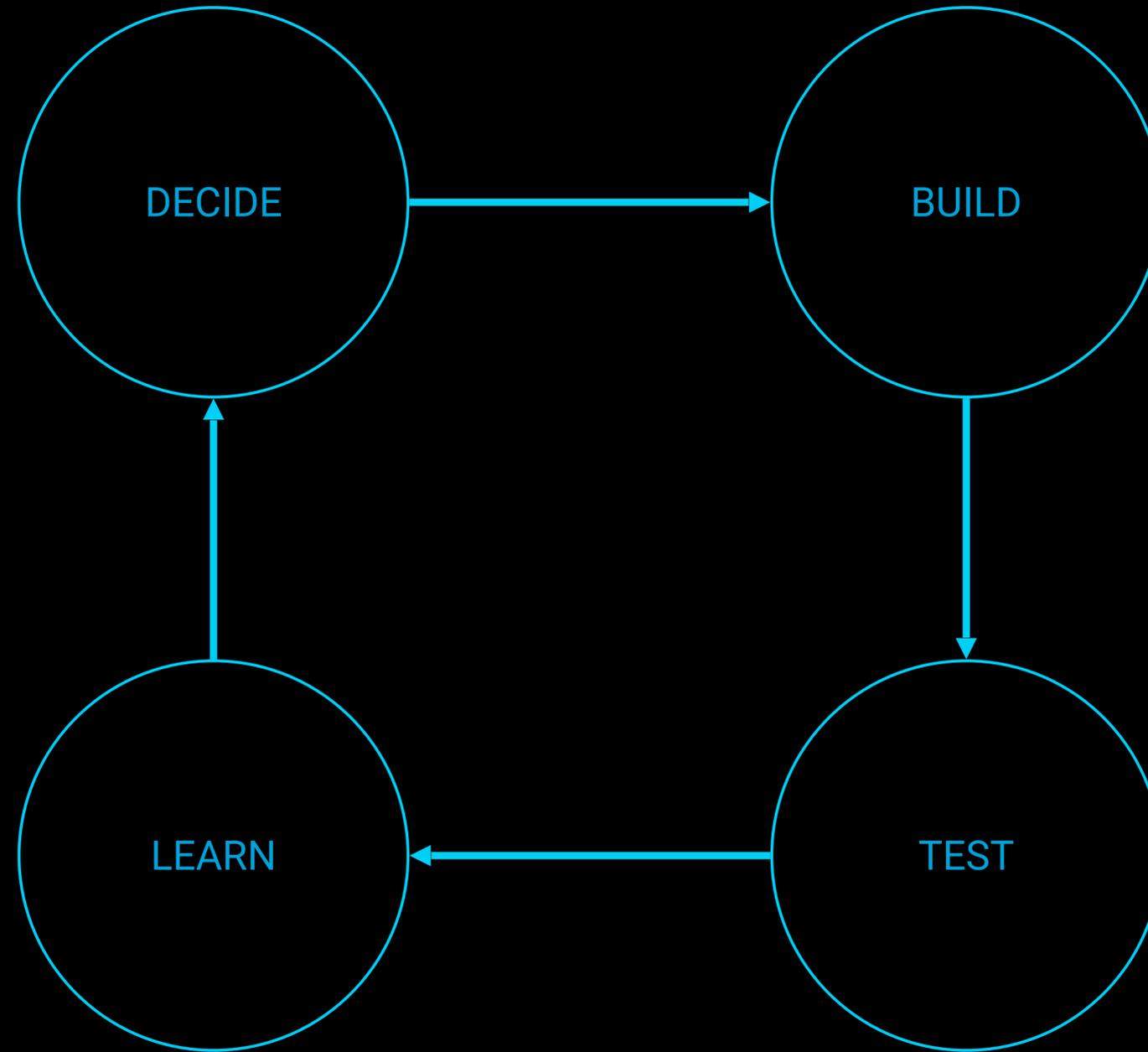
Will take too long



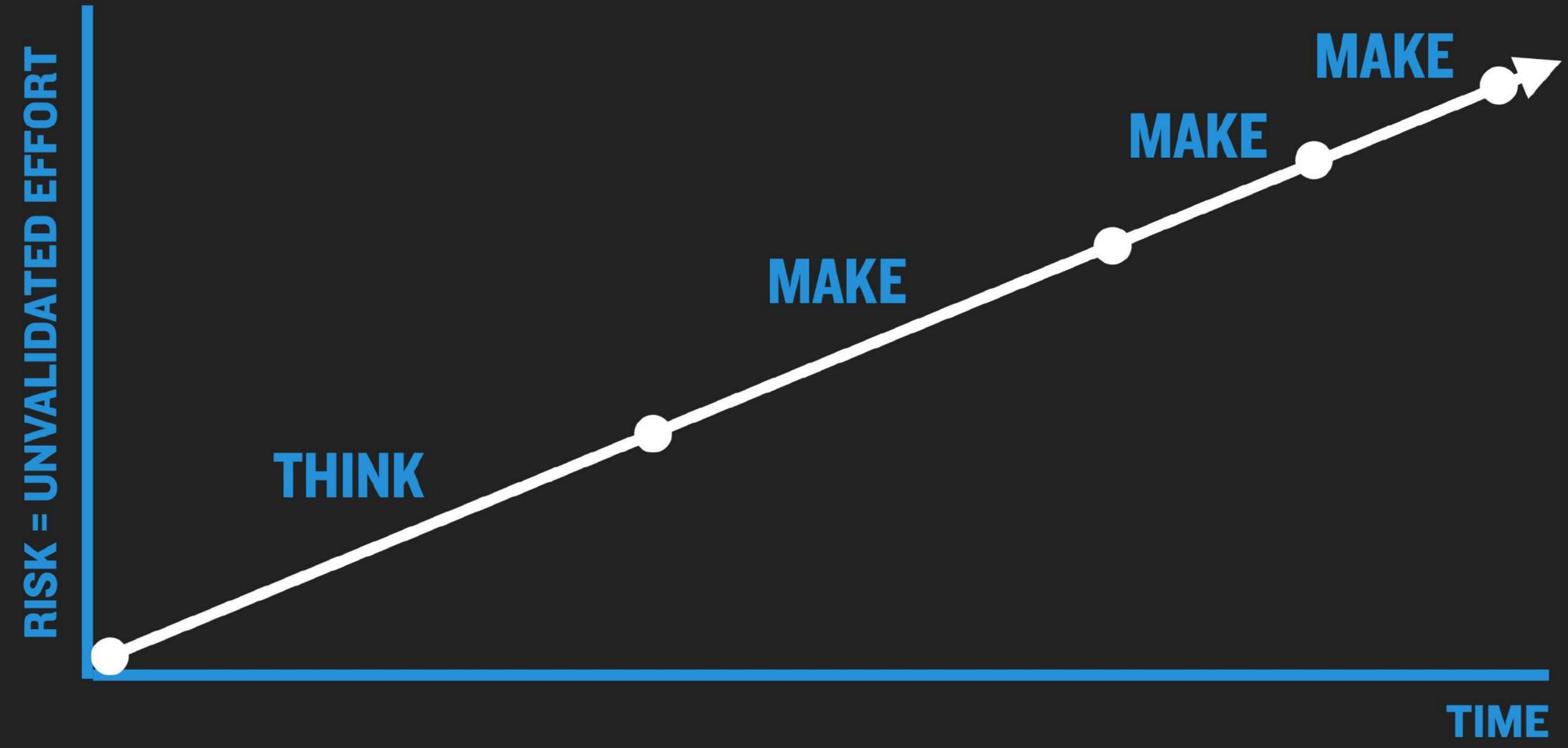
AK

Have you or your team members experienced this?

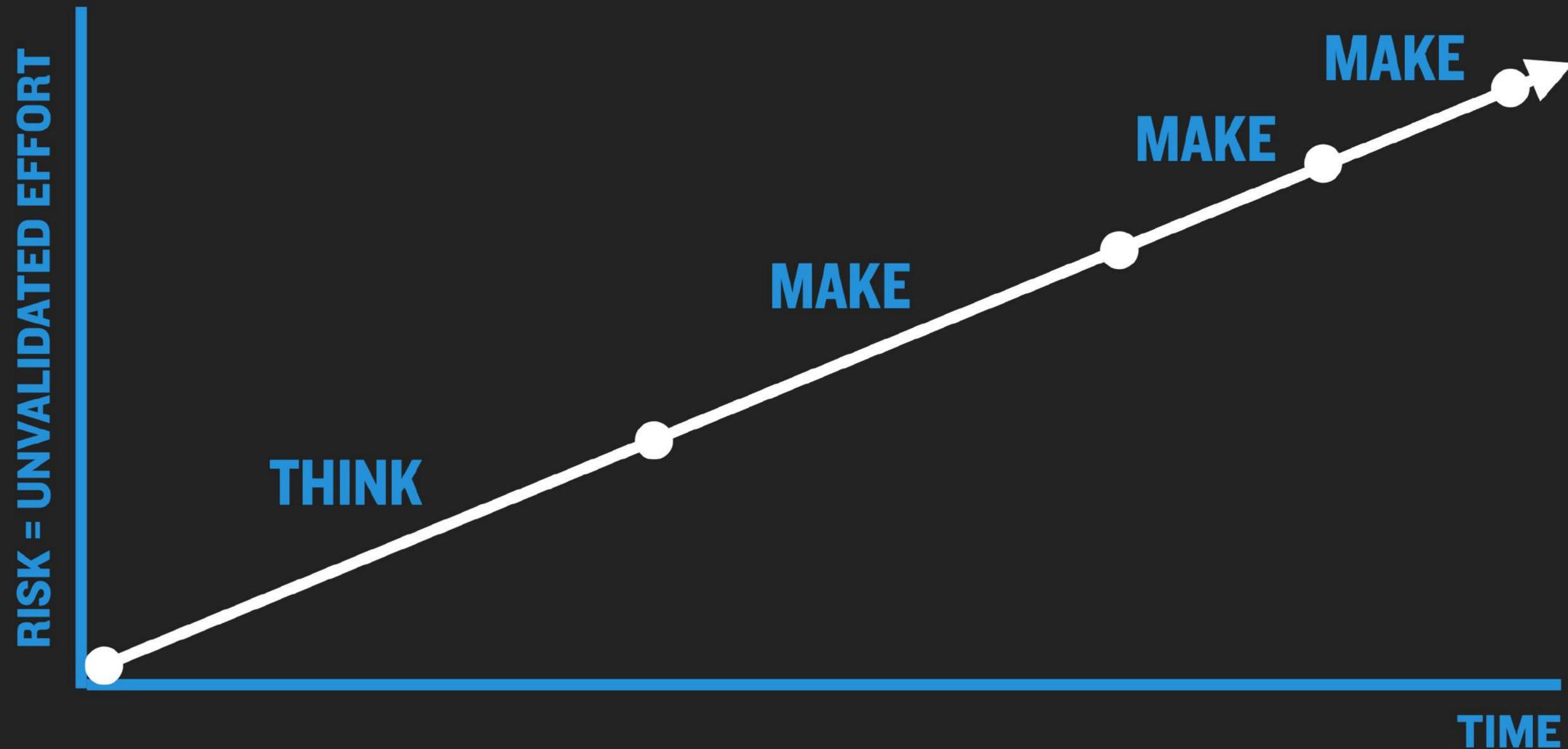
THE EXPERIMENTATION CYCLE



THIS IS TYPICAL



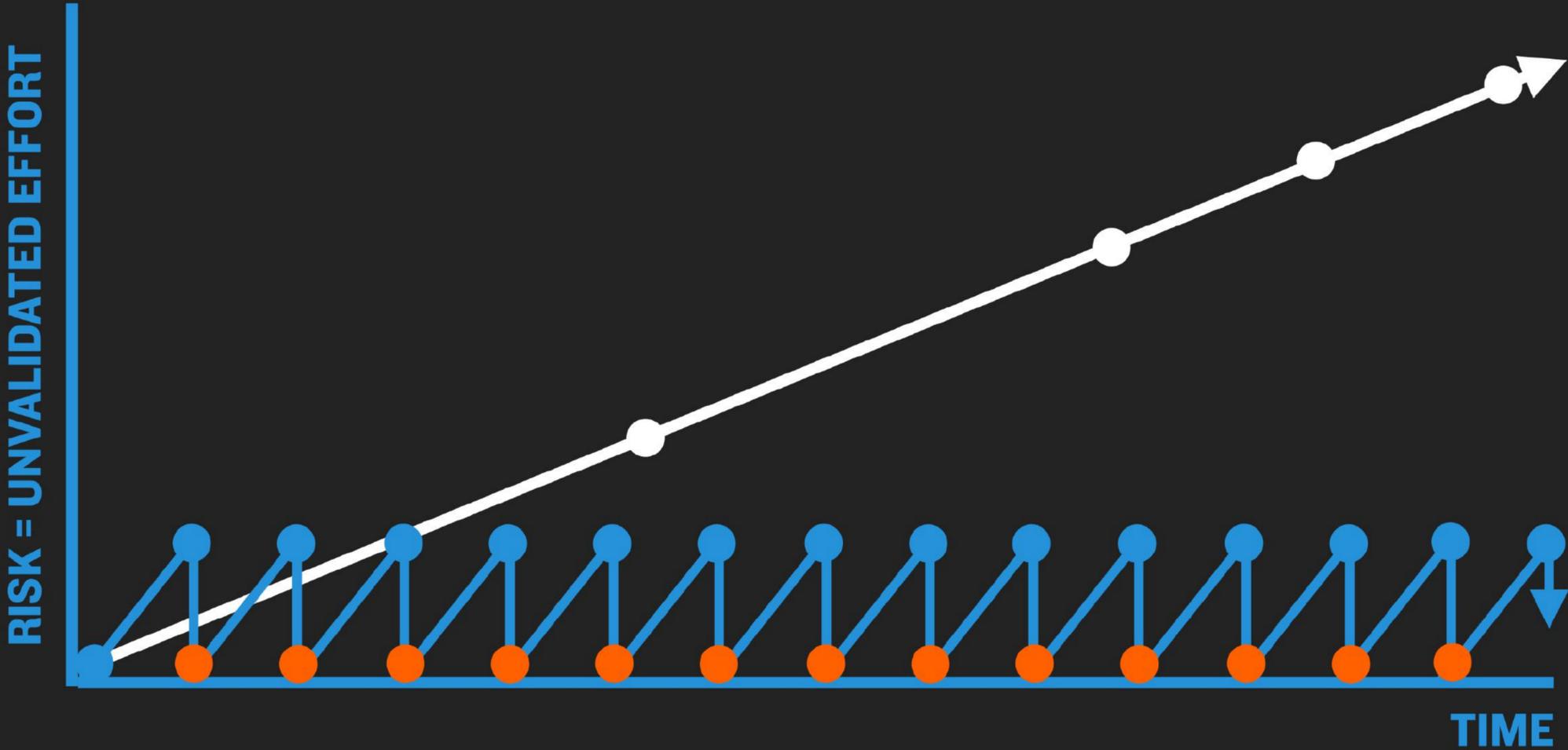
THIS IS TYPICAL



WHO HAS EXPERIENCED THIS?

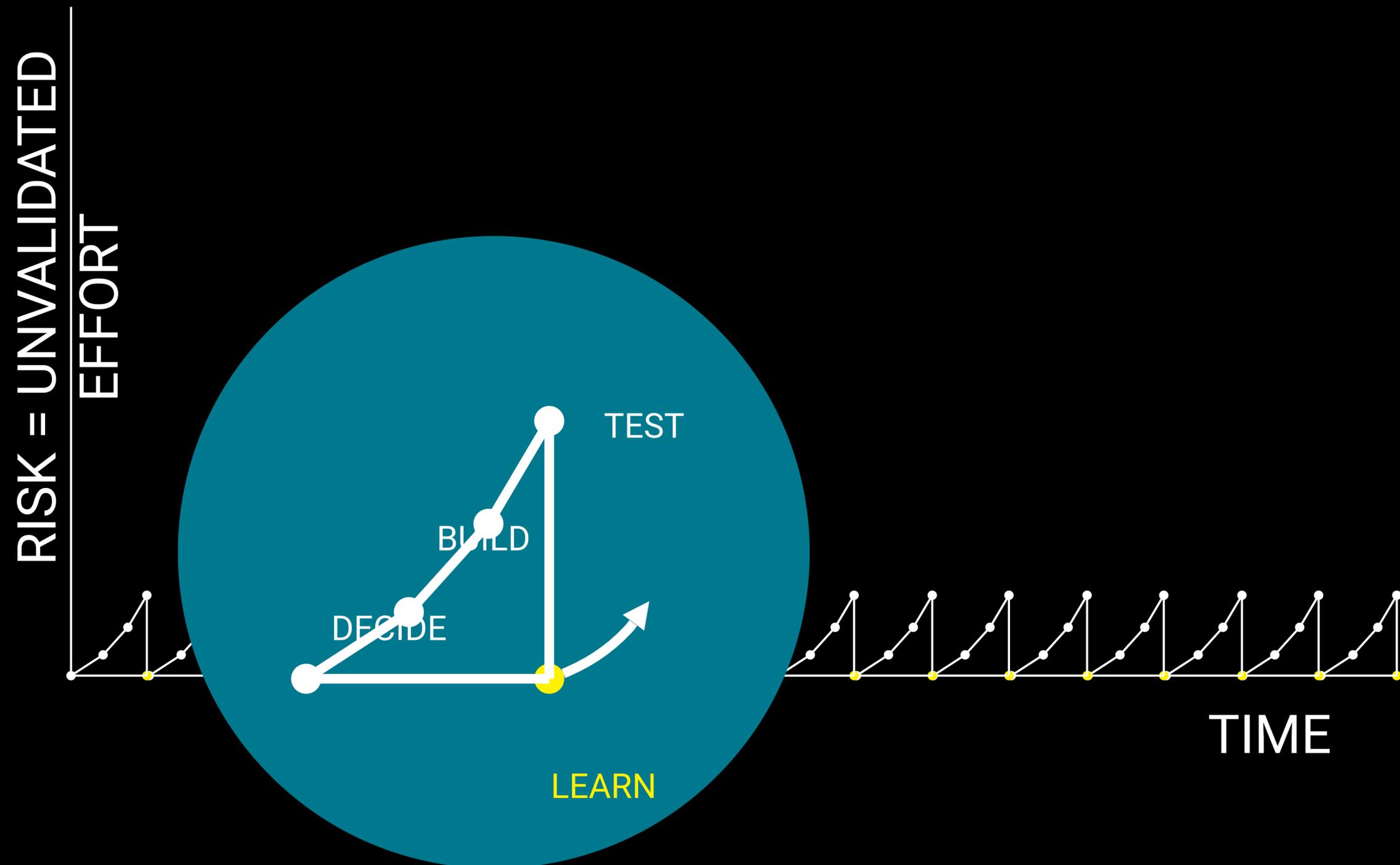
WHAT WE WANT:

LOTS OF LITTLE WIGGLES

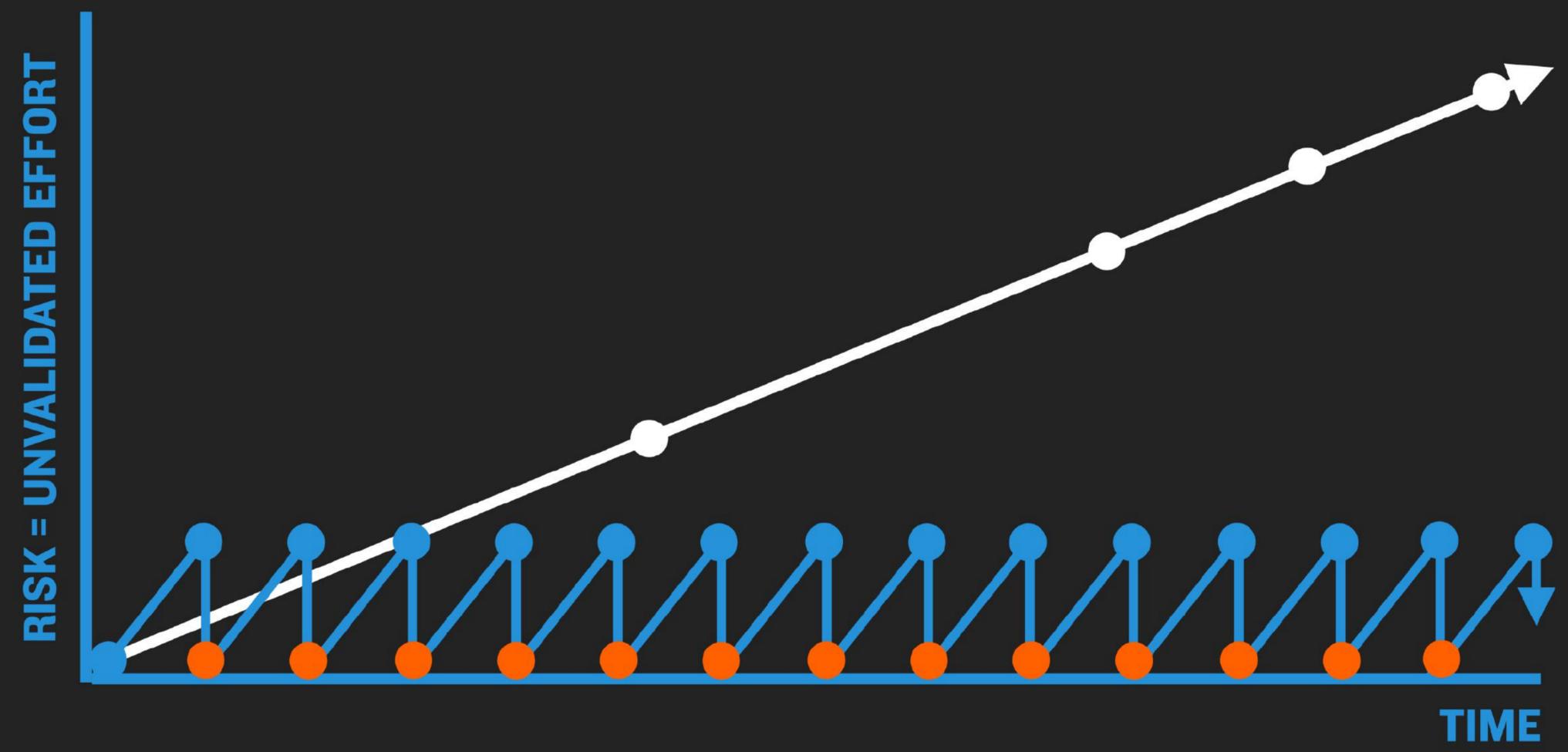


KEEP RISK LOW

EACH WIGGLE IS A LEARNING CYCLE



LOTS OF LITTLE WIGGLES



WHO HAS EXPERIENCED THIS?

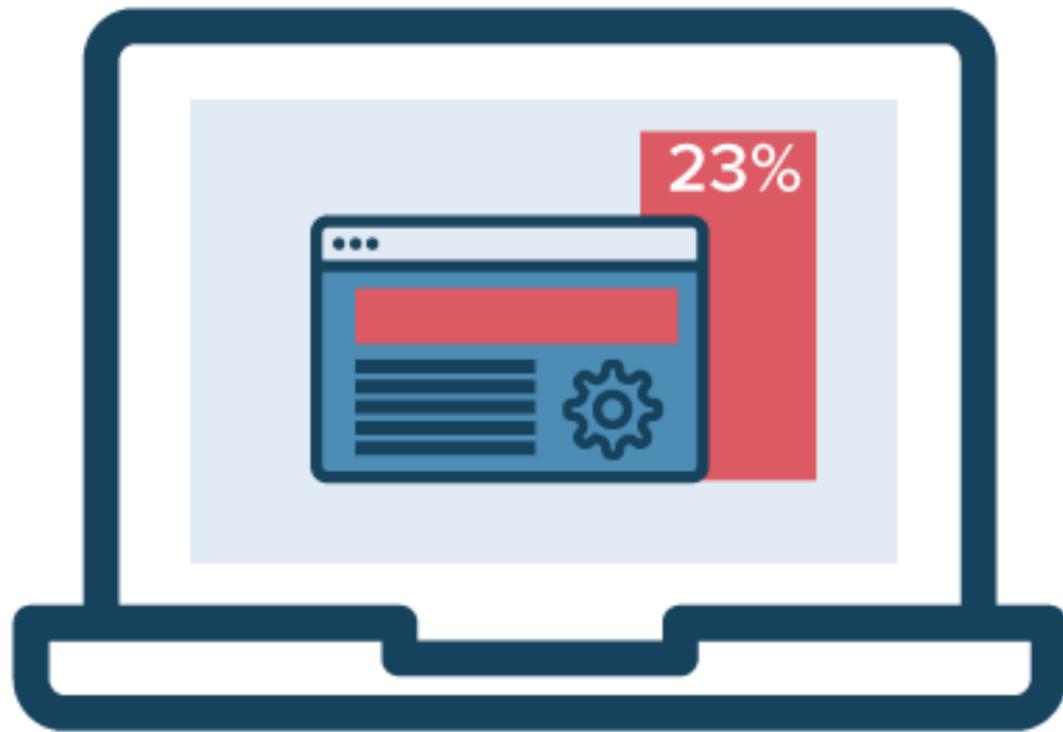
This is about trying things
early and often.

And it's everybody's job.



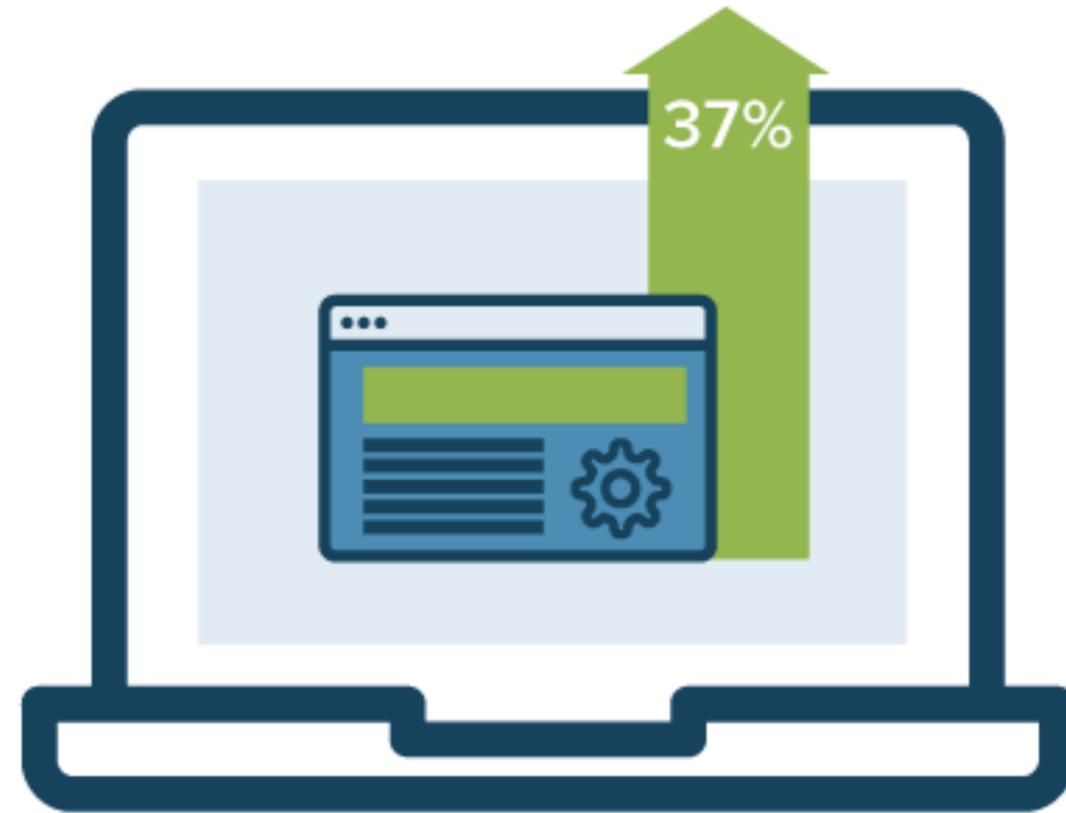
EXAMPLE: A/B TESTING

A

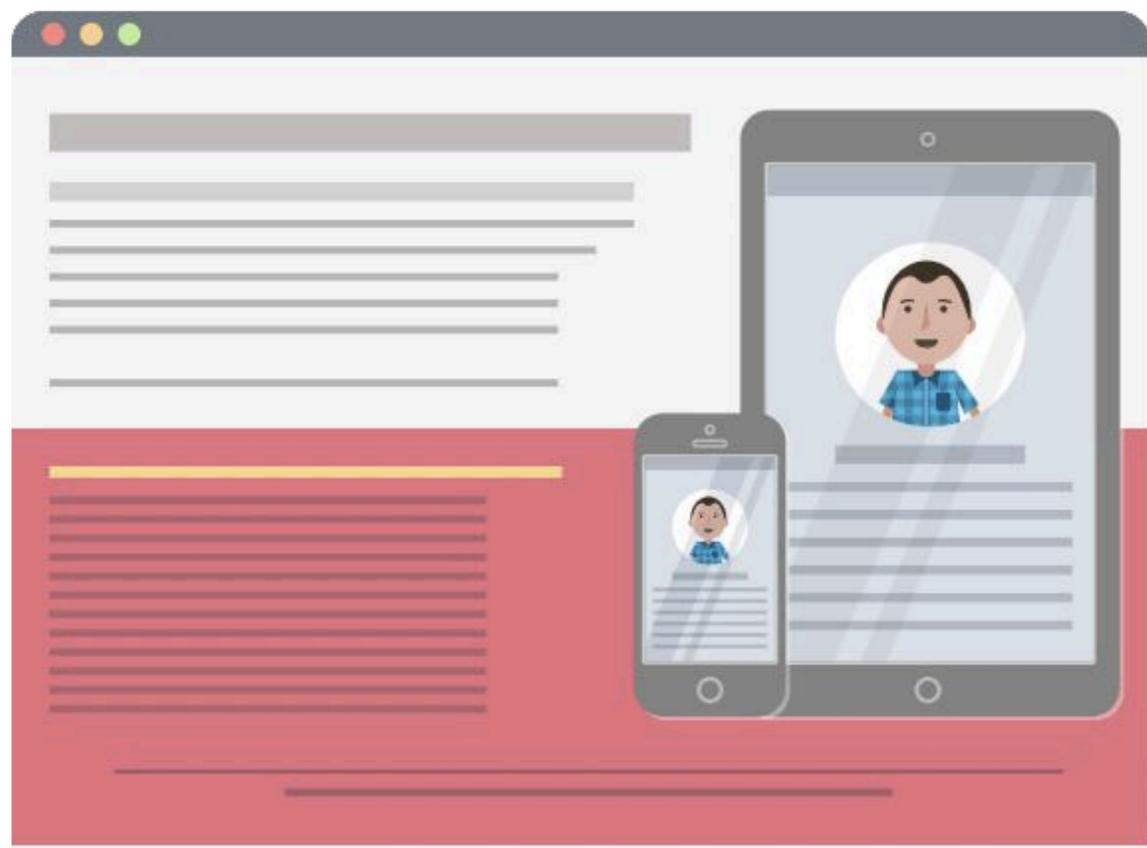


CONTROL

B

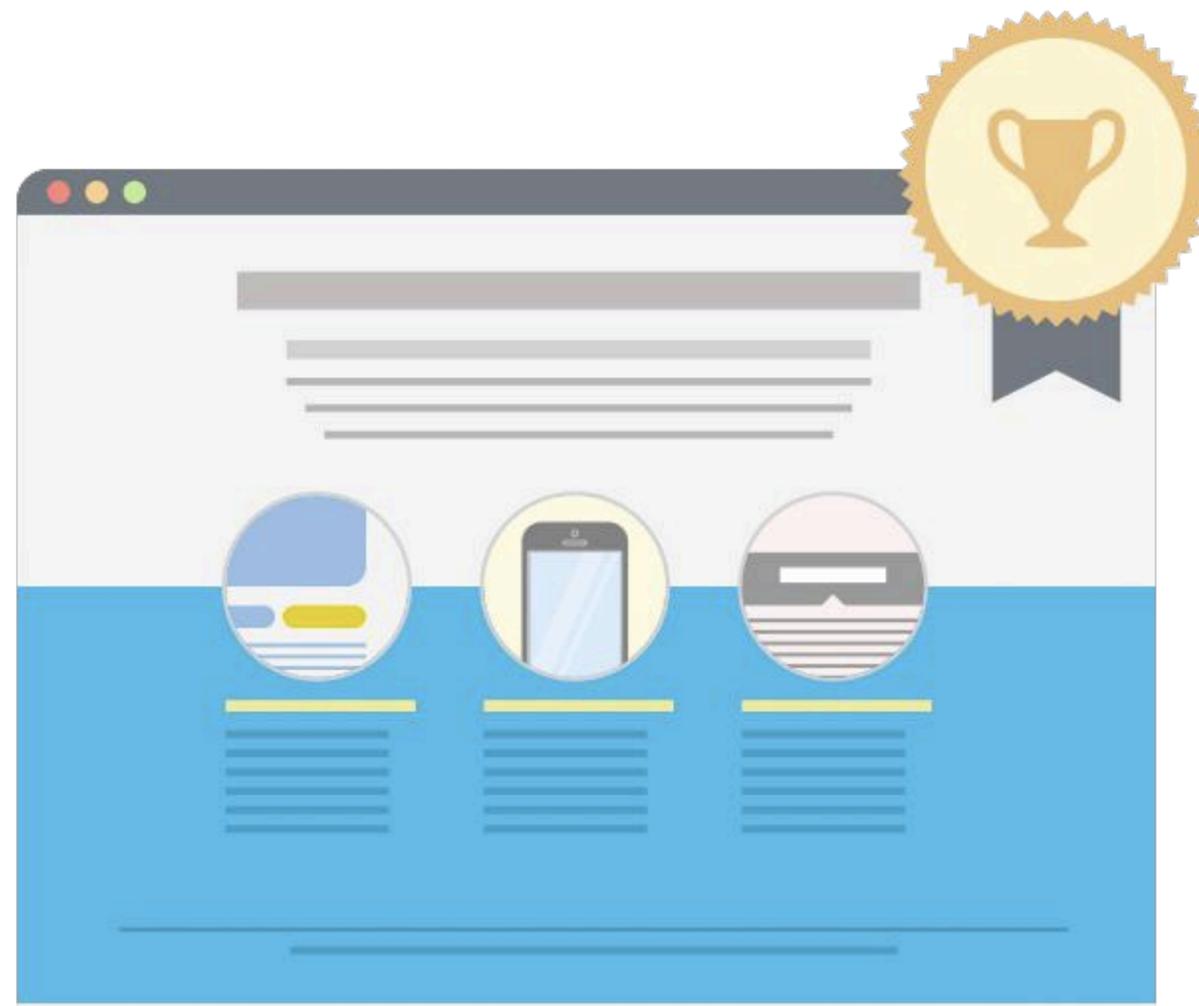


VARIATION



example.com/a.html

22%
CONVERSION



example.com/b.html

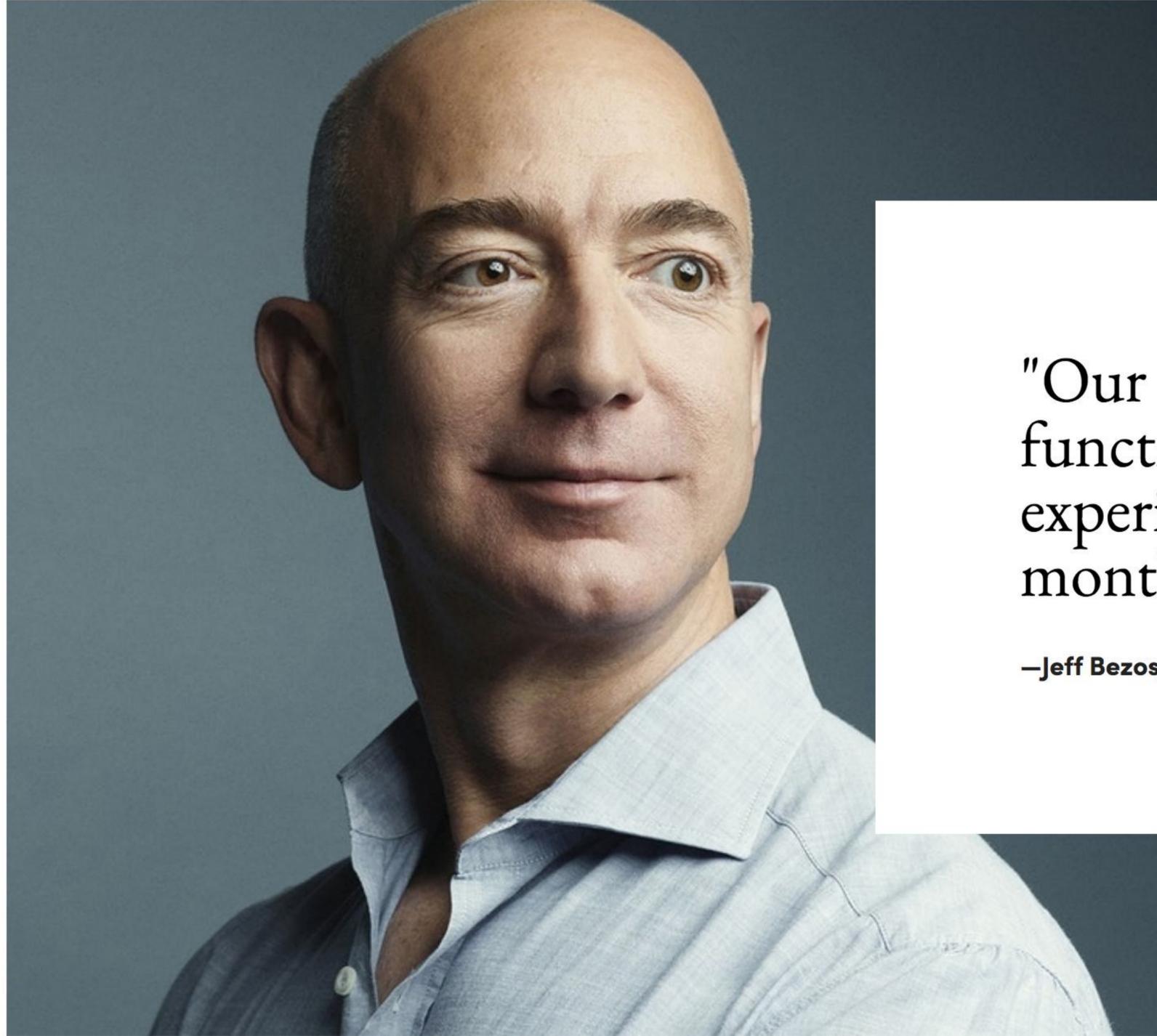
52%
CONVERSION

**True progress is not just
making more features, it is
systematically figuring out
the right things to build.**



SUCCESS IS MEASURED IN
LEARNING.

*“Make sure you are asking better questions
today than you were yesterday.”*



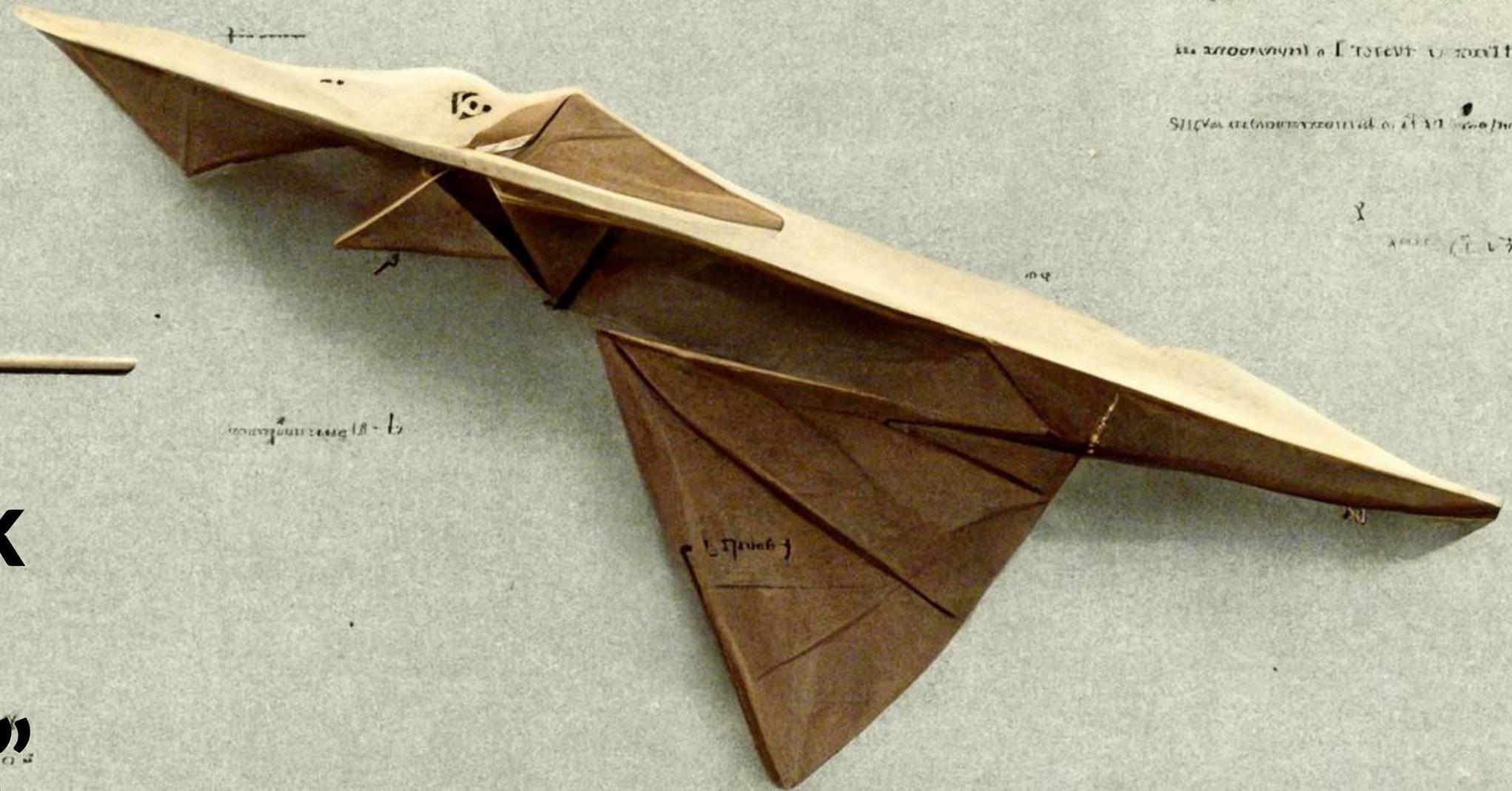
"Our success at Amazon is a function of how many experiments we do per year, per month, per week, per day..."

—Jeff Bezos, Amazon



Michael Schrage, MIT
Center for Digital Business

**“Innovation
amateurs
talk good
ideas;
innovation
experts talk
testable
hypothesis.”**



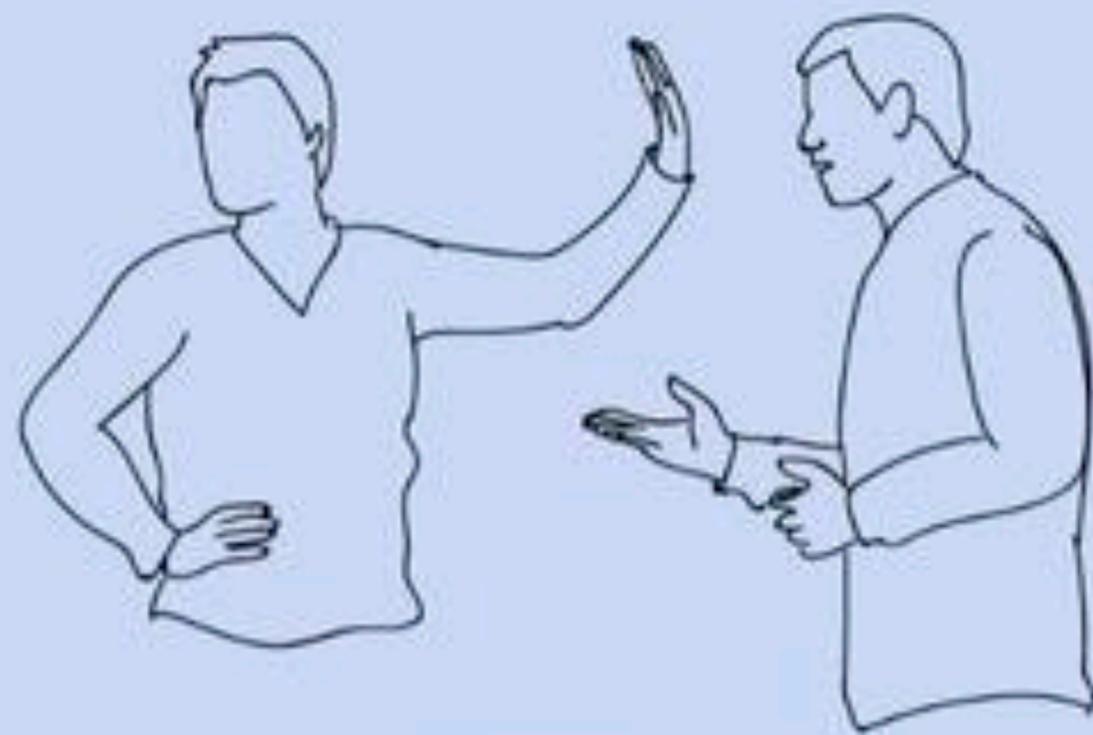
PRINCIPLES OF EXPERIMENTAL CULTURE

Thoughts from Strategyzer

**BUSINESS PLANNING
ATTITUDE**

VS

**EXPERIMENTATION
ATTITUDE**



We know

Our customers & partners know



when she receives a letter. The main purpose of them is often to request her presence somewhere. Ebba was very excited about this idea and was laughing and very animated when using it. She was amazed by how it worked... *"It's quite something"*



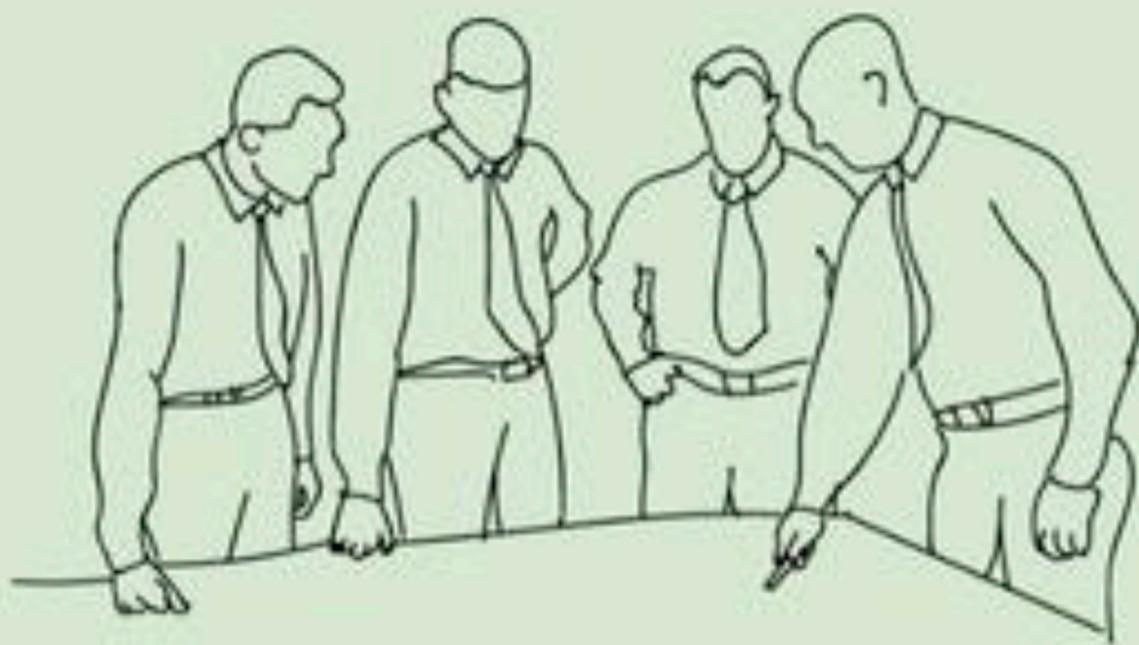
"receiving a letter is a wonderful experience"

Happy mail is a device that allows the friends and family of the elderly to contact them easily through SMS messages and email. The ideas were tested with a simple paper prototype of the device; the elderly could interact with the device while designers recorded their thoughts and perceptions.

**BUSINESS PLANNING
PROCESS**

VS

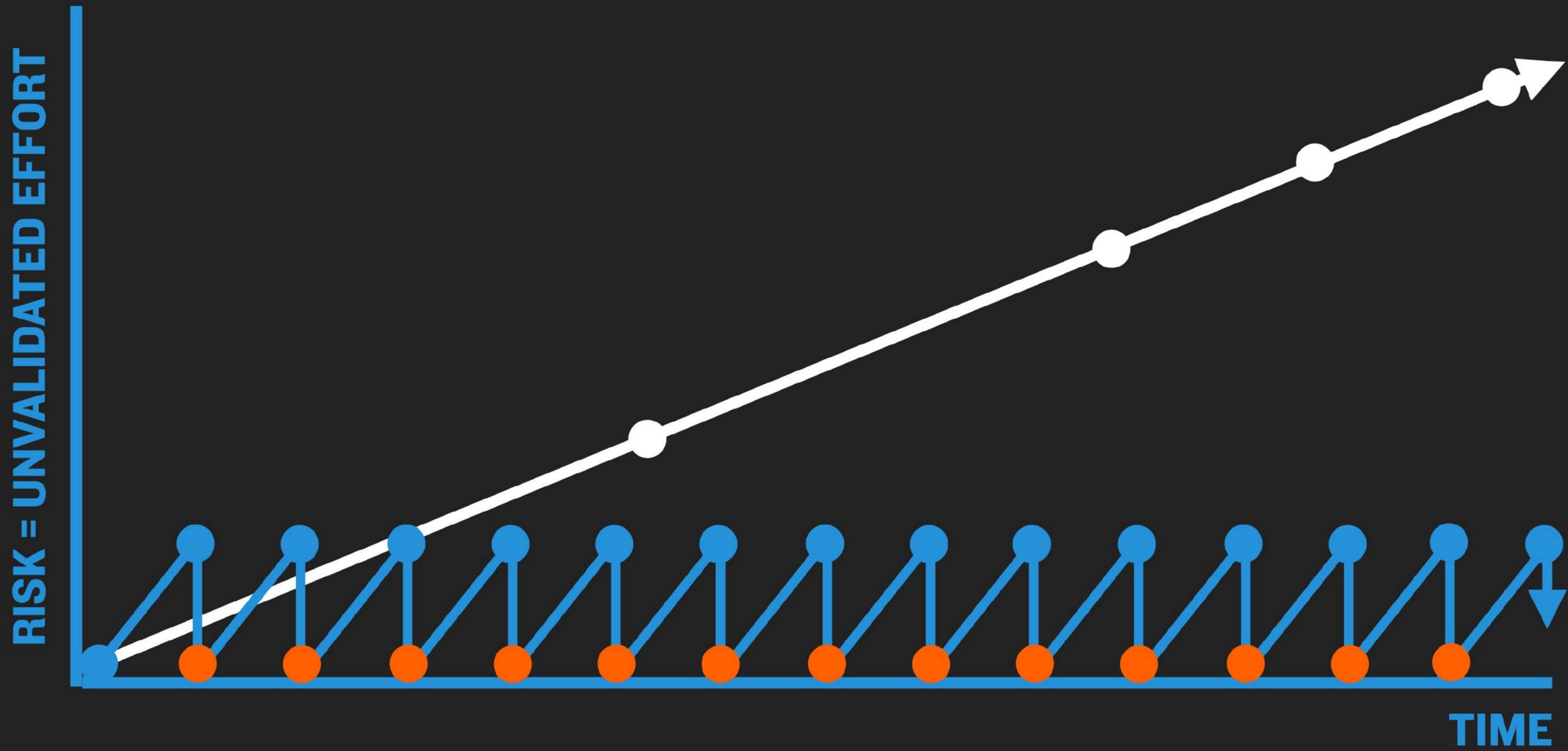
**EXPERIMENTATION
PROCESS**



Planning

Customer development





BUSINESS PLANNING
“WHERE”

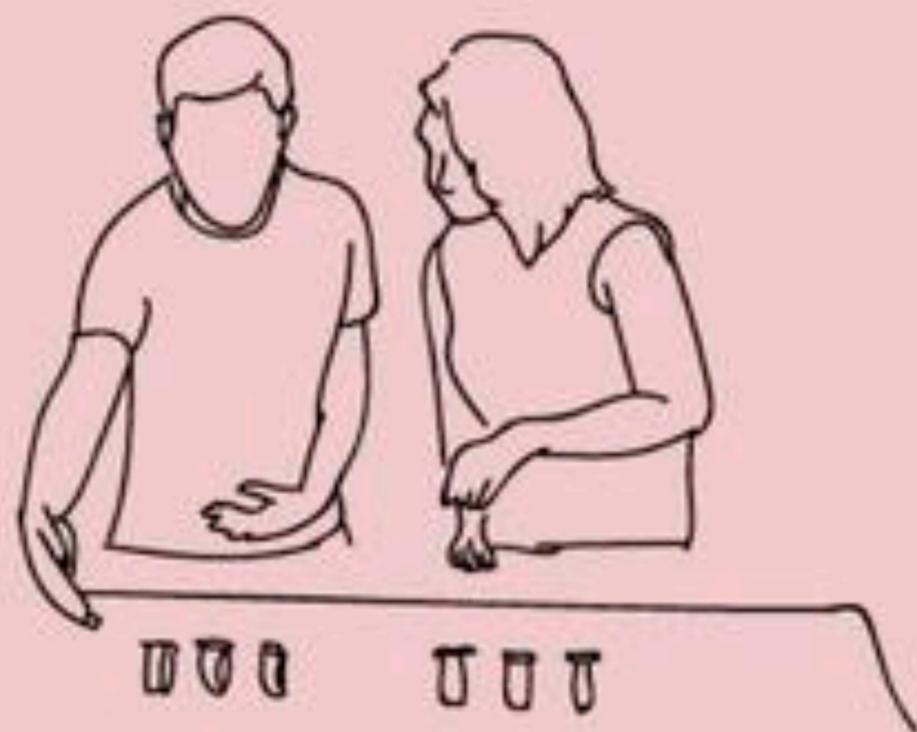
VS

EXPERIMENTATION
“WHERE”



Inside the building

Outside the building





**BUSINESS PLANNING
FOCUS**

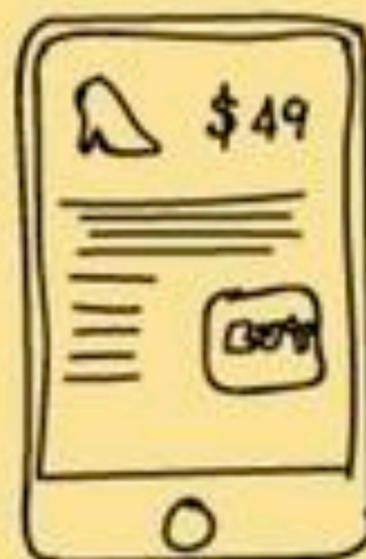
VS

**EXPERIMENTATION
FOCUS**



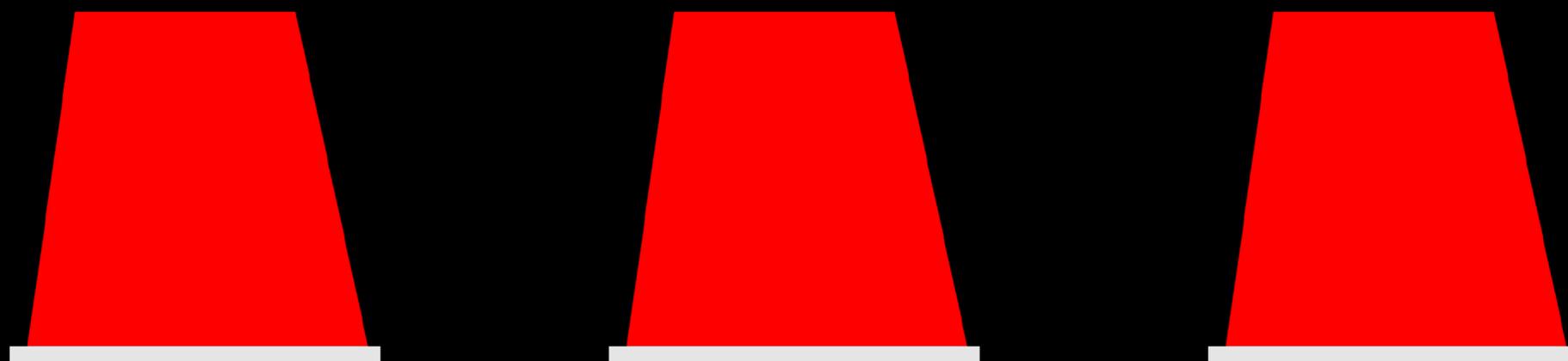
Execution of a plan

Experimentation & learning

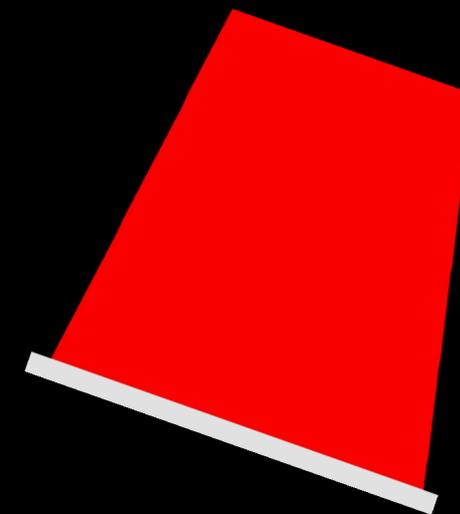
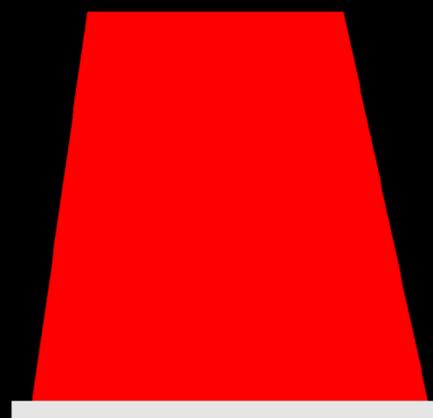
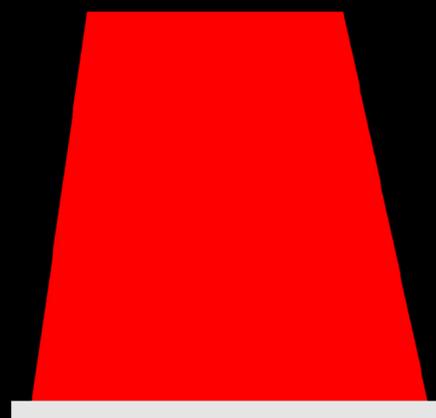


HOW DO YOU FIND OUT WHICH CUP IS THE BALL UNDER?

(Not a trick question.)



LIFT UP THE CUPS UNTIL YOU FIND IT.



**BUSINESS PLANNING
FAILURE**

VS

**EXPERIMENTATION
FAILURE**



Avoided

Embraced to learn & improve





“Failures are cheap if you do them first. Failures are expensive if you do them at the end.”

- Astro Teller, Google X

A close-up photograph of a person's hand wearing a grey work glove, holding a large pile of dark, rich compost. The compost is being held over a bed of light-colored wood chips. A wooden handle, likely from a shovel or rake, is visible in the background. The overall scene is outdoors, suggesting a gardening or landscaping activity.

**FAILURE ISN'T WASTE,
IT'S COMPOST.**



Three **mindsets** strengthen innovation through experimentation:

Prioritizing
Relationships

Elevating Lived
Experience

Being in
the Grey



**Prioritizing
Relationships**



**Prioritizing
Relationships**

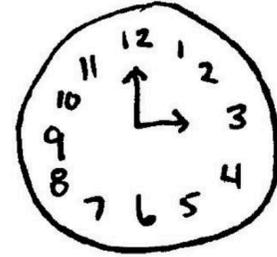
What does this mean to you?

WHAT IS THE BIGGEST
ROADBLOCK TO INNOVATION?

A surreal landscape with a person walking through a field of red flowers towards a dark, misty forest with tall, thin trees. The scene is atmospheric and mysterious, with a strong contrast between the bright red flowers and the dark, shadowy forest. The word "FEAR." is prominently displayed in the center of the image.

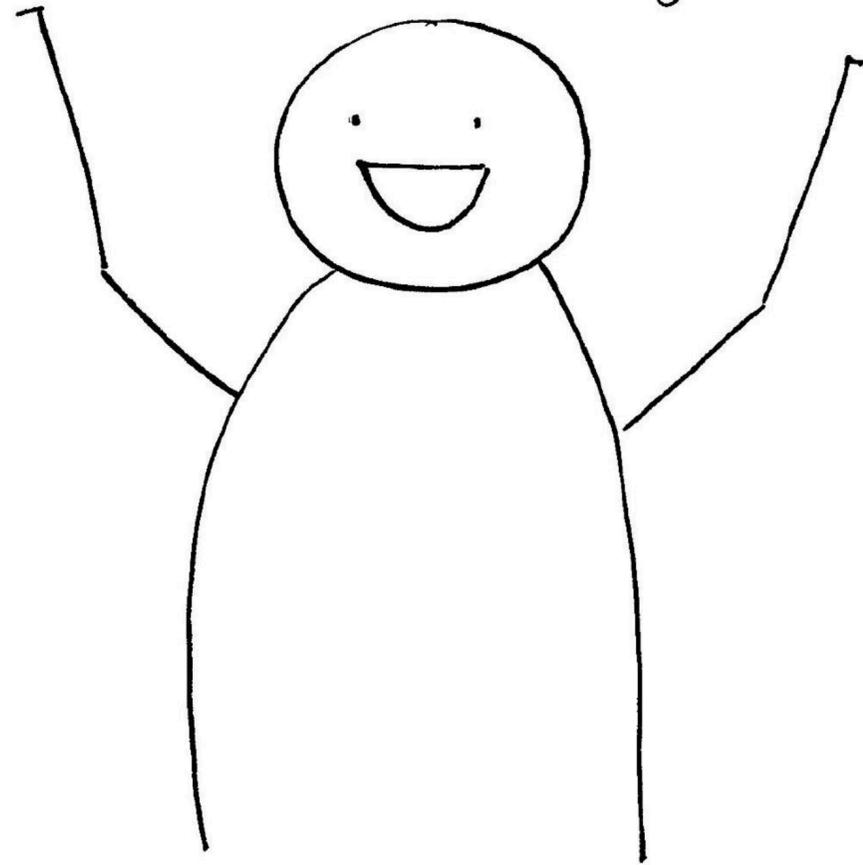
FEAR.

This is a great idea!

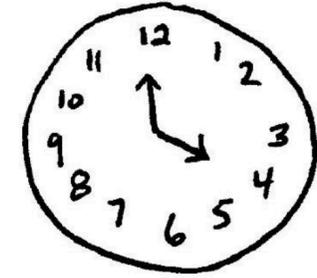


YAY!

I can't wait to get started!



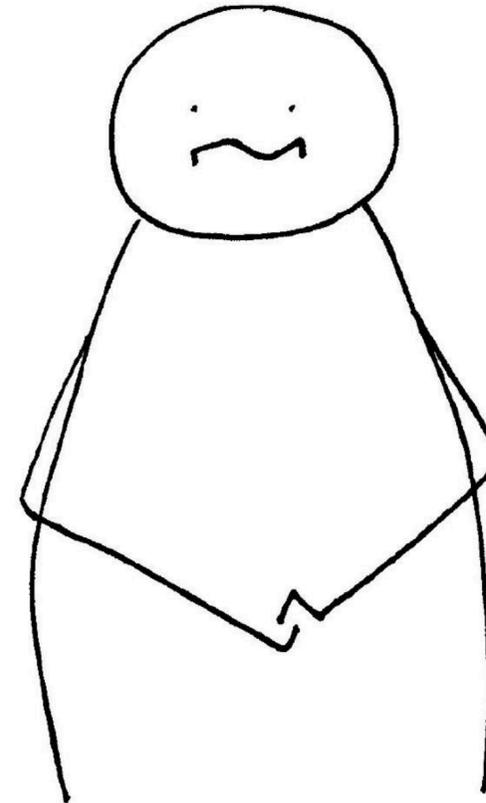
Too hard



Too expensive

Might fail

Will take too long



AK

Remember this?

"Beloved Economies is a pragmatic guide for all of us who know we are ready to move beyond our current extractive and violent economy."

ADRIENNE MAREE BROWN, author of
New York Times bestseller *Pleasure Activism*

LET'S CREATE AN ECONOMY FOR EVERYONE

BASED ON extensive research with organizations and companies that are boldly breaking out of business as usual, *Beloved Economies* offers readers an imagination-expanding vision of what work could be.

Authors Rimington and Cea explore possibilities for how we work, learning with more than sixty people from a wide array of enterprises. What these groups have in common is that they are generating forms of success that audaciously prioritize well-being, meaning, connection, and resilience—alongside conventional metrics like quality and financial success.

Beloved Economies offers readers a springboard for...

JESS RIMINGTON
JOANNA L. CEA

BELLOVED

BELLOVED
ECONOMIES

TRANSFORMING

“I’m hard pressed to find anybody who would look at themselves and go, ‘I’m living in fear and that’s why I’m not imaginative.’ But the exhibits are all over the place.”



**Maggie Nichols, President & CEO,
Innovation Engineering**

Build a culture of care.







How many of you feel like you're operating within a culture of care at your credit union?

Proactive social sensitivity

jealous

panicked

playful

comforting

annoyed

hostile



arrogant

hateful

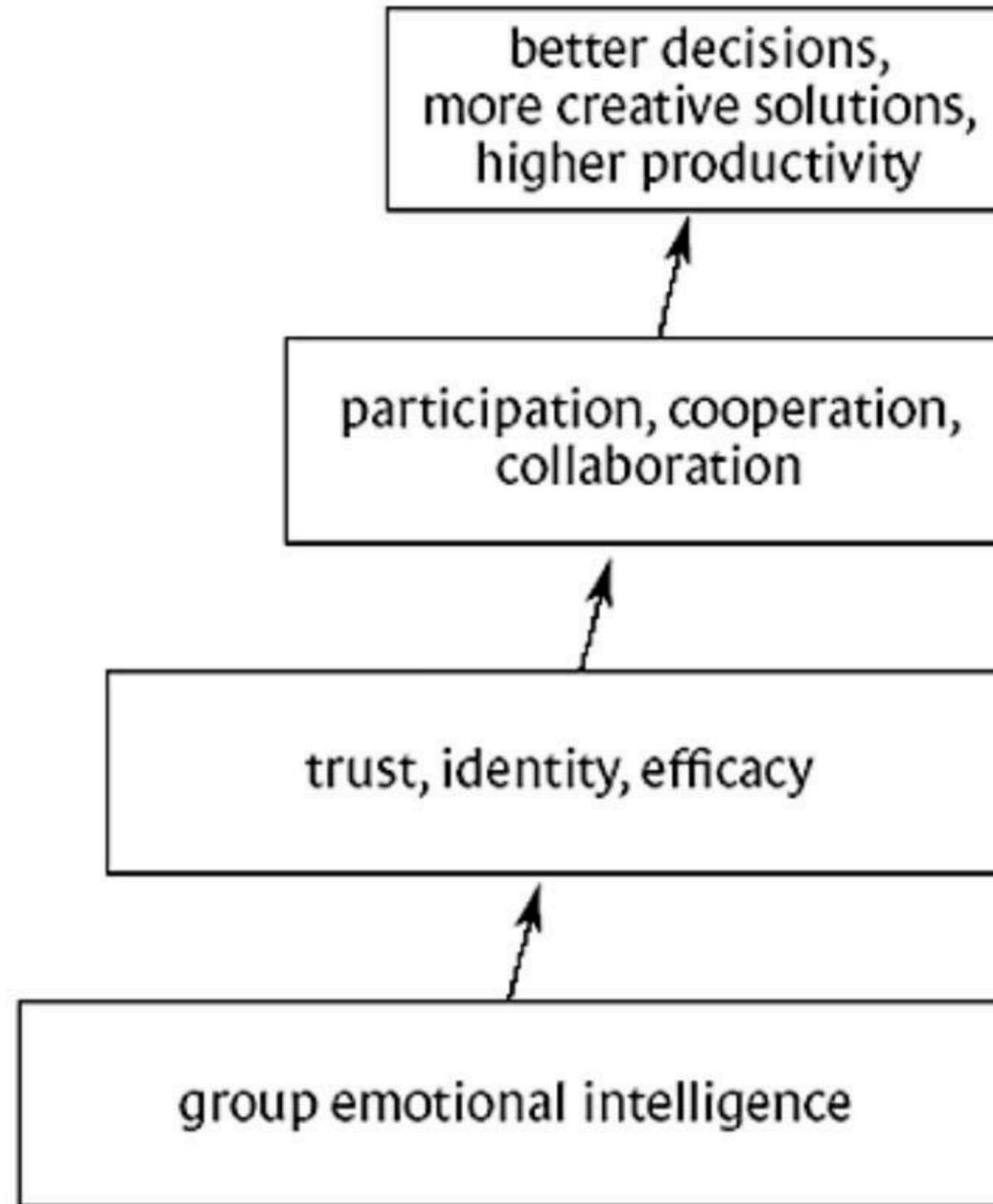
irritated

bored

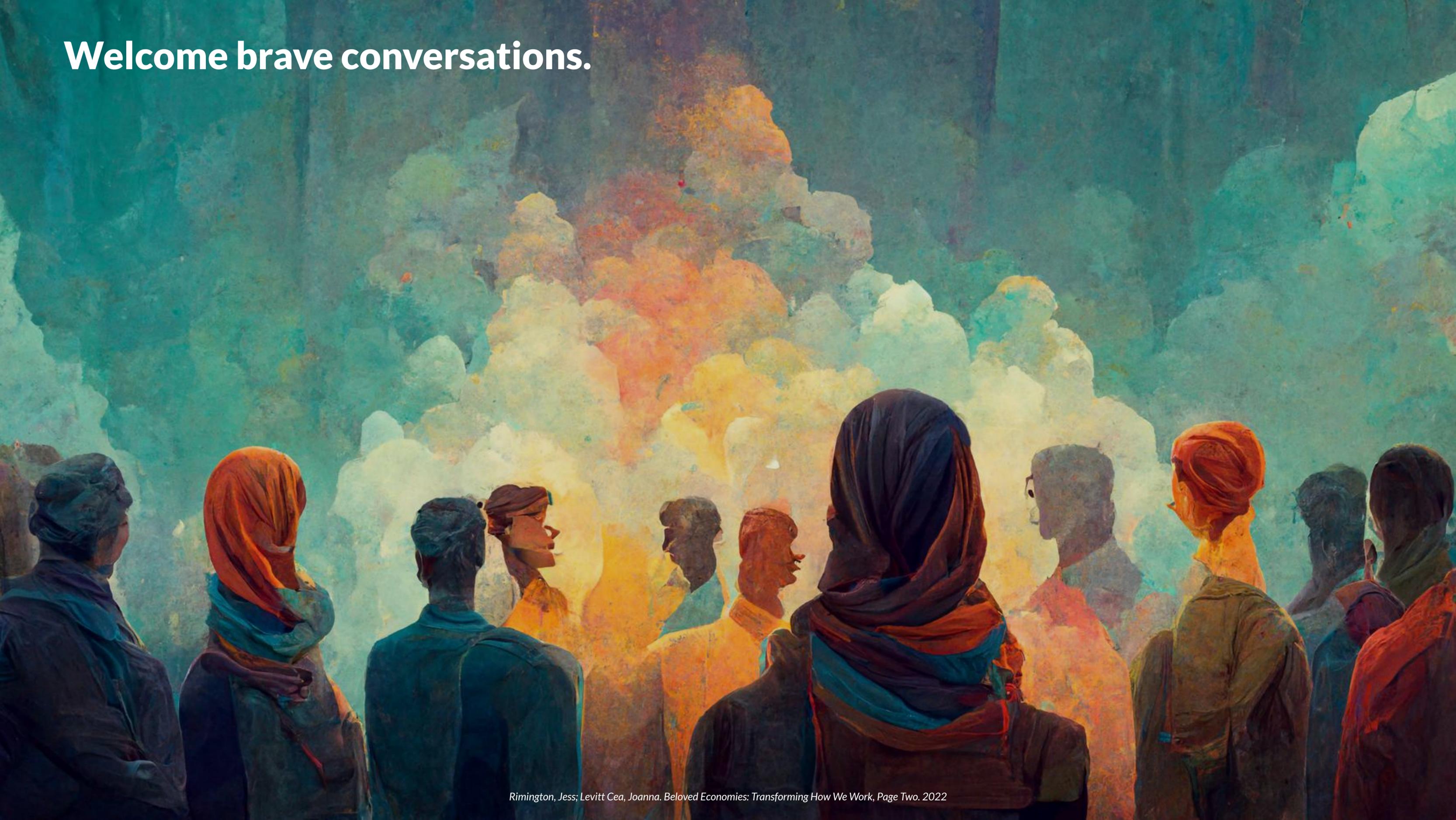
horrified

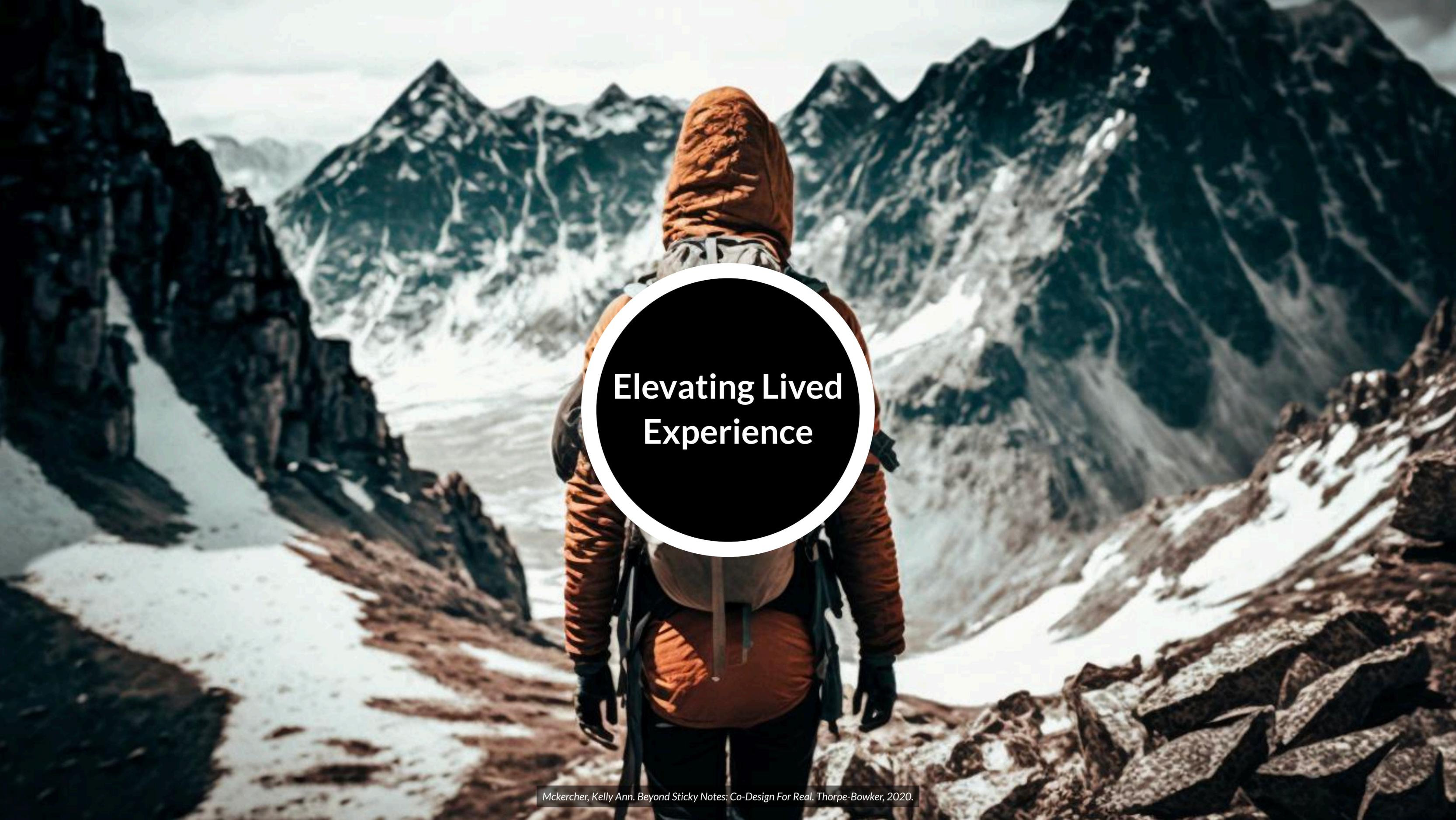
preoccupied

The Reading the Mind in the Eyes Test

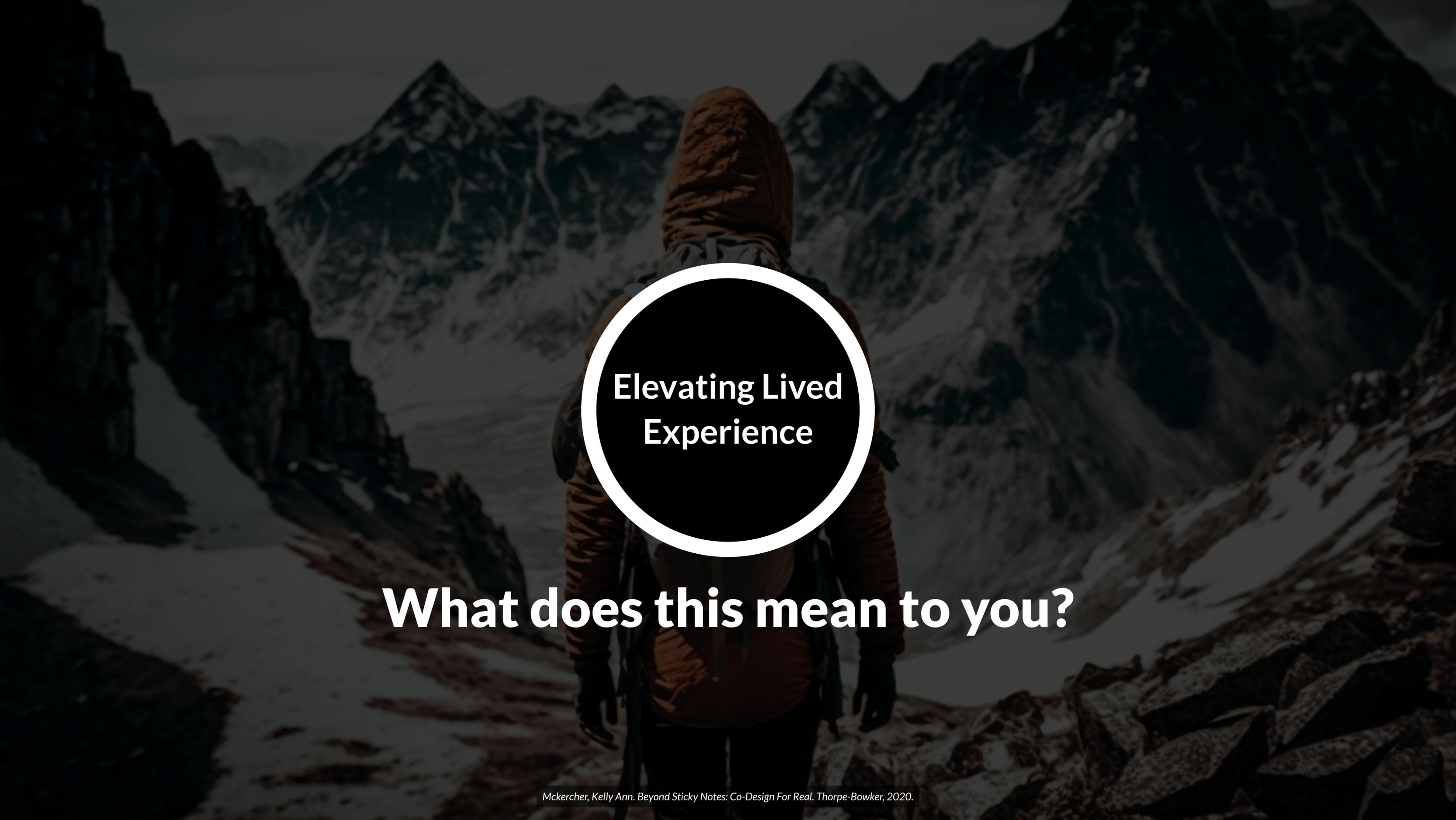


Welcome brave conversations.





**Elevating Lived
Experience**



**Elevating Lived
Experience**

What does this mean to you?

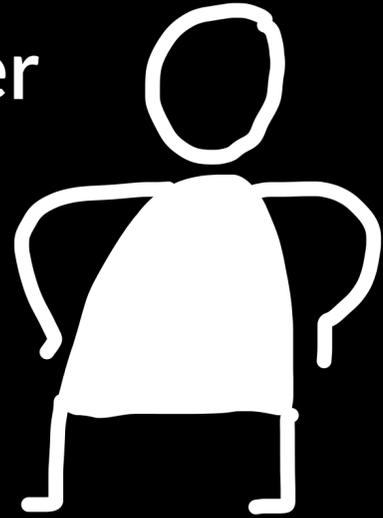
Offer generous listening

**What makes good
active listening?**

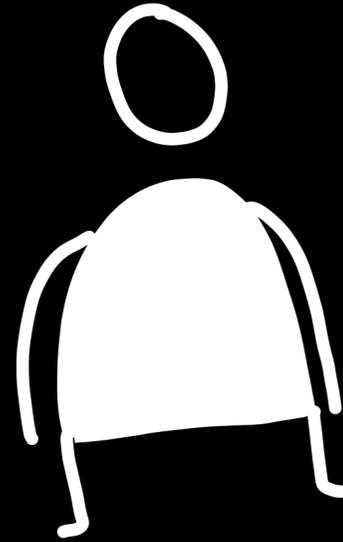
5 min each

“What are you hoping to get out of this event?”

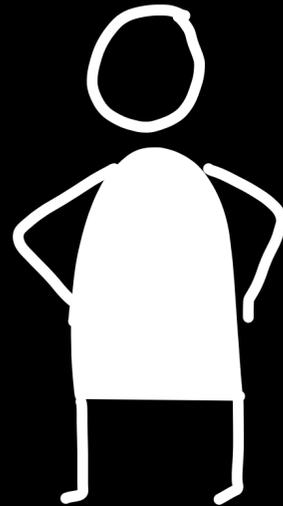
The active listener

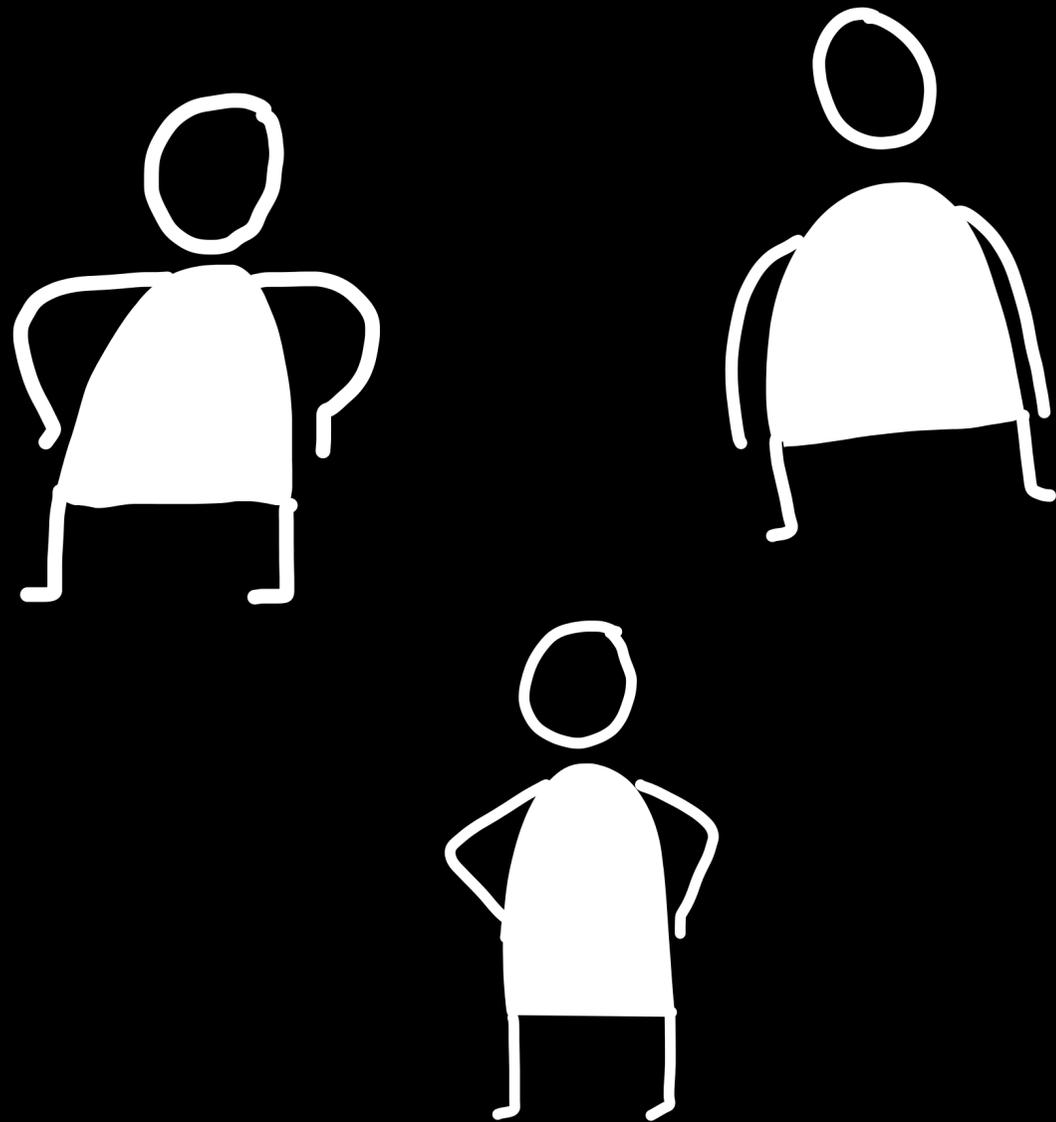


The subject



The observer





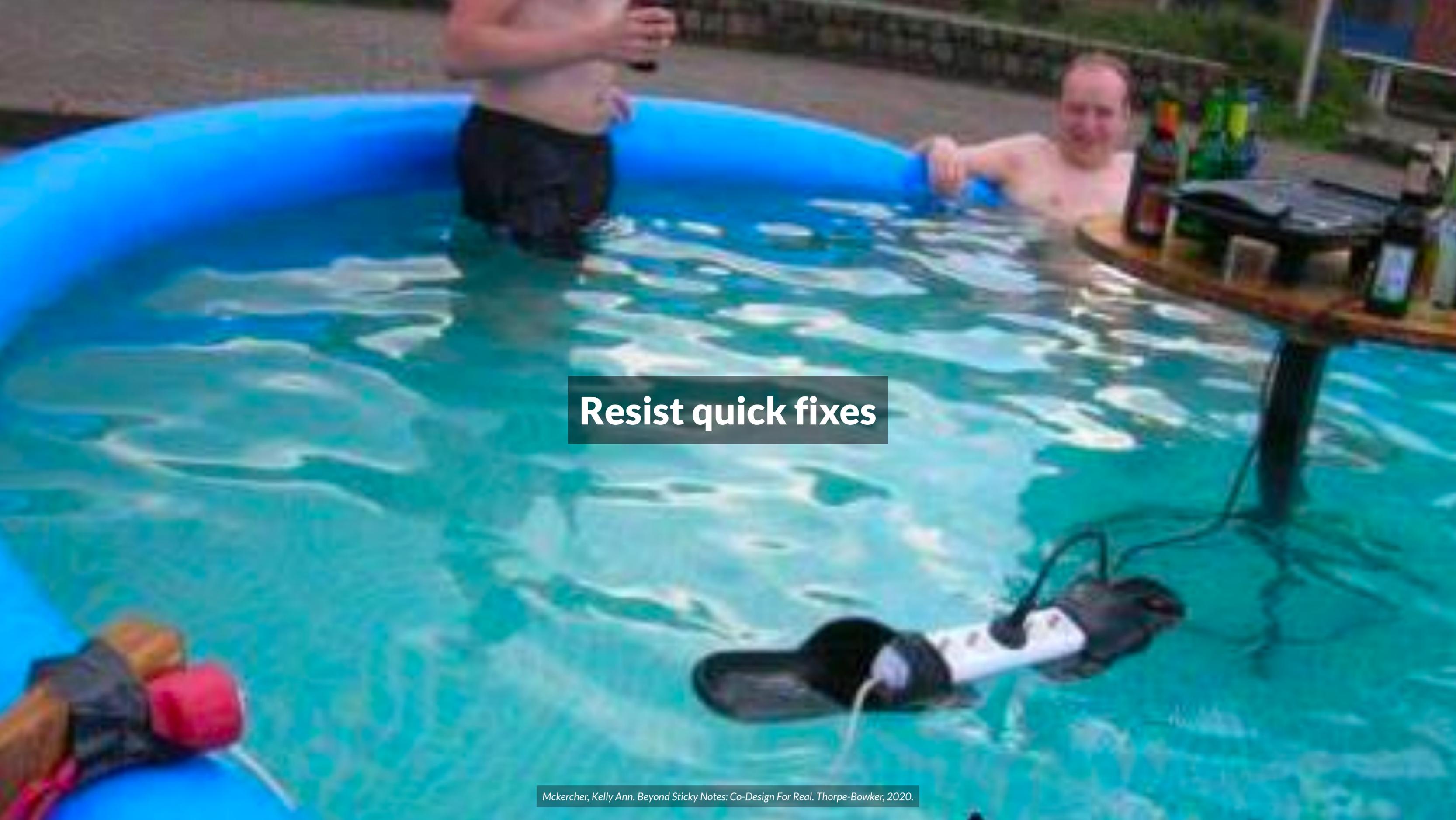
- What happened for me during the exercise?
- How did it feel to be the observer?
- How did it feel to be the subject?
- How did it feel to be the active listener?
- What did I learn about myself?
- How can I apply insights from this exercise?



**Being in
the Grey**

**Being in
the Grey**

What does this mean to you?



Resist quick fixes

A dark, atmospheric landscape with a teal and red color palette. The scene features a city skyline reflected in water, with a large, bright, circular light source in the sky. The overall mood is mysterious and contemplative.

*“Make sure you are asking better questions
today than you were yesterday.”*

QUESTIONS?

A note from and for the road:

“When I was a baby, you know, still in the womb...I was developing all of my senses.

And when I was out it was the first time I fully sensed the world. We develop physical senses, but we also develop emotional senses. The two are impossible to untangle.

We come into the world and the lines are blurry because we haven't learned how to define boundaries yet. We don't even know what boundaries are. Everything bleeds into everything else. It's all one boundless experience.

And we feel so much. When I was a little girl I'd cry and it would knock me over. I'd laugh and practically choke myself.

But I grew. And as I grew, I learned to filter. I had to filter all that overwhelming sensory input. I learned to winnow that kaleidoscope of experience into things that were 'necessary' and 'functional.' I filtered down to the things that helped me survive.

The problem is, no one ever told me to stop filtering. So I kept layering more and more on top of myself until I was in a box of personality, of roles, that I believed myself to be locked in. And this is what it meant for me to become an individual: defined, safe, and self edited.

But I want to go back. One time I ate a bug to see what it tasted like. I planned an underground clubhouse for my friends and spent an afternoon gutting out our backyard with a shovel to get it ready. I used to ask strangers for their names just because I wanted to know if their voice, face, and name would match. I want to go back to the place when I looked deeply, created with total abandon, and allowed myself to see and try all of it out.”

**THANK
YOU!**

brent@dxn.is

