



Stanford eCorner

Talking About a Revolution [Entire Talk]

Deborah Hopkins, *Citi*

January 18, 2012

Video URL: <http://ecorner.stanford.edu/videos/2869/Talking-About-a-Revolution-Entire-Talk>

Citi Chief Innovation Officer Deborah Hopkins believes now is an incredible time for new companies due to the pace of cultural and technological change. As the head of Citi Ventures, Hopkins leads the banking firm's efforts to invest in companies delivering disruptive technology products. Hopkins shares rules for revolutionary entrepreneurs and describes how Citi's initiatives are shaped by empathy for customers and a commitment to sharing new ideas.



Transcript

I'm absolutely delighted to be here. As Tina said, moved here almost actually two years ago and I'm going to tell you a little bit about that story. But we are passionate about being part of this campus and being involved in what you are all doing and studying and being coaches and being involved. It is really the whole STVP program is just amazing, got to participate on the board last Friday and all the things that are going on here, just really are going to enrich your lives in a very, very broad way. It's quite exciting. So, what I really wanted to share with you today is a little bit of thinking about Talking About a Revolution. And frankly, I think this is very big and you might say, well gee, this is a bank and you're talking about a revolution and I am. And I believe it and I want to take you through that. But, kind of the beginning of this revolution and every time I look at this picture, I absolutely go into hysterics because I'm sure many of you have been on Wall Street and seen the famous charging bull. Well, a group that's called The Yarn Bomb decided to knit a cover for the raging bull and I think maybe it's the softer side of Wall Street, I don't know but you really have to want to have been there when the banker showed up and went, oh, my lord, how am I going to get this off before the boss shows up.

But it is kind of a fun way and a little way to think about design in a different way. So, as Tina said, what we're trying to talk about is taking a company that this year turns 200 years old and turning it into a hothouse for new ideas. And so all of you might be sitting there going, you must be freaking kidding me. Let me get this straight. First of all, you are a bank. Second of all - and that look like that. And in some ways, it still does. And I think you're kind of regulated. You absolutely messed up the trust with your customers. You don't even understand the beginnings of customer service.

You might call it an oxymoron. I call it like going to the DMV. You really have made a level of complexity where I just don't even understand anything you even talk to me about. And it's absolutely an awful experience that I avoid at any cost. Well, okay. I am hearing that. So, let me go on here. Oh, yeah, and so you screwed up so bad that now you have Dodd-Frank to deal with and Basel III. They're going to give you more restrictions and historical low interest rates. And then the economic global situation that is really totally historic that nobody quite knows where it's going to settle out, certainly this whole sovereign debt thing is very, very challenging.

And oh, yeah, by the way, I saw those earnings yesterday. Huh, not so exciting. So, let me kind of get this kind of going in my head here because it's really a little bit of a struggle. I mean honestly, a hothouse for new ideas, yeah, and I'm going to show you just what I'm talking about in a little bit here. But I think we're going through a time of a confluence of events that we've never seen before, that we've never witnessed before that are going to fundamentally change the way business happens in the world. You know, when I look at what went on last year, and obviously, I'm sure you recognize Tahrir Square and then

really Occupy Wall Street. We are - we are operating in a time - you've all grown up with computers. That has been your life and the Internet and the web and what's all really happening here. But watching social networking fundamentally change the way we communicate with each other and to really provide a platform for organized revolution, like they did in Egypt and is continuing in so many places in the world and have that be able to carry on a voice to something like Occupy Wall Street coming about. We've never seen anything like this.

And while I can argue perhaps Occupy Wall Street there is a lot of different factors bringing together that frustration and anger. It is fascinating to see that it cuts across a whole - all demographics, all ages, all kinds of backgrounds are really, really coming together in ultimate frustration. And we could discount this saying, you know, it's just a temporary thing, the economy is really bad and so this is what's really going on here and I don't think so. This is the way our world is going to operate as we move forward. And it's a very exciting place because it will really change the way we think about really finding, growing and creating new businesses. So for you, as potential entrepreneurs, it's super exciting. The revolution I want to talk about is really what it means for established environments and how we have to think about really optimizing in this environment. But I also think the thing that is adding into this and there's another factor is just this consumerization of IT. You know it has been - I ran actually IT for all of Citi and it was an unbelievably scary experience, every night you go to bed hoping that phone is not going to ring because somebody's broken into your system and I can't tell you how many people a day try to do that. But the consumerization of IT that has happened in the last few years is - has also just again really changed the way we live our lives.

All of you, I mean - I don't know about, how many kids in here have wristwatches? See, you know, like 25%. I don't know my kids, they use their phone. And your phone is becoming your life. It's not just the thing, it really guides a lot of what you do; the ability to really create this incredibly rich experience and have the capability on your phone to do things that it took major backlogs of servers to be able to do just a few years ago is fundamental. And not only that, it's fun. It's entertaining and it changes the way you live your life and so for all of us, it has changed our expectation. We expect to be treated this way. We expect to have information brought to us this way and we want it to be interesting. Don't feed me a bunch of stuff I don't care about. Know me, understand me, make it work for me.

And so this is another really, I think, kind of impact that is really changing the way and all the confluence of these things really create this very, very rich environment for new companies that are helping solve and taking advantage of these capabilities. But as I mentioned and you know, I think the other thing that's interesting here is not only - it's not just your generation, it's the very young and it's senior citizens. Those are fastest growing user group on the web and it's what - they're finding the exact same thing. So you're helping me find information and finding old friends and making better decisions as a result. So, it is really across our generations. But the thing that's also happening here and why we really I think this revolution comment is not just for fun, it really is what is going on. There is a revolution happening in corporate America for sure. It is a recognition that as those factors come together, you no longer can think about how you're having that dialog with your customer. They are telling you how you're going to have the dialog with them. They are - we are seeing this advent of big data and the digitization of information.

You really have to think about it sitting there as a CEO that I have a very different challenge on my hands on how to have this interactive conversation with my customers and how to be able to pivot based on that information. When I used to have these very long design cycles and I could come back a year, a year-and-a-half later and think perhaps I had presented something differently. By then you could be absolutely out of business. So, it is a real, real revolution because not only do you have to think about perhaps new skills and capabilities of the people that are going to deliver these types of change services and increased rich customer experiences, but you have to then turn around and say, the entire way I run my company is very, very old, it's very vertical. It thinks in hierarchies where somebody on top would speak and the message would come down. And, even email which you could argue is a modern - I don't know, sometimes I think it's a real pain, but email, when you think about it, is very vertical. It's very connected. You decide exactly who is going to see what. And, it really is frankly - email is going to go away and it won't be that long because it really no longer serves the way we choose to communicate because all of the way corporations run is very vertical and now, yes, people who have matrixed to organizations and so forth but it's an extremely siloed way of doing business. The challenge of this new world is none of it works vertically; it all works horizontally.

It all is networked, so you are going from vertical hierarchies to very dynamic, ever-changing networks. And, it really challenges everything you do inside a company. So, this revolution is big and it's happening and we know because we are ending up talking to a lot of these companies who are trying to understand some of the things and steps that we have taken on that front. But, the revolution is really here and it's a big deal because frankly, without trying to make that change and react to those impacts, there are huge opportunities here and really think about really the competitors that are also knocking at our door. It used to be, when you were sitting there and running a company, first of all we all got used to cycles and we thought well that - the cycle is going to - well, no, this is not a cycle. This is a fundamental shift. And, then when you were sitting at a bank and say "oh, gee, what's JPMorgan doing? I better find out what those guys at Wells are doing." Forget that. We better worry what Jack Dorsey is doing up in San Francisco. We better worry about what Bezos is working on, up at Amazon and we better think about those guys down in Cupertino because not - that is where the competition is going to come from. And that

again will happen horizontally and through partnerships.

So, all these things come together to say a revolution is at hand. And, really I think for us, at Citi, we have an advantage here because we do - we have an enlightened CEO who gets this and it really is a privilege for us to get to serve under somebody who really understands the dynamic impact that has to happen here. This is Vikram Pandit and he just made this - this is the lecture where he talked to the commencement at Columbia and his words are so good I would actually like to read them to you. "We must have a new commitment to responsibility - in our personal lives, a commitment to disciplined management of spending and saving; in government, a commitment to cut deficits, support investment, and act swiftly and decisively on critical priorities like energy policy; and in the private sector institutions, like mine, a true commitment to act in the common interest and we call that responsible finance." And just last week he brought on - he wrote an editorial for the Financial Times and talked about the financial industry certainly lost trust with the public in the crisis. We could go a long way to regaining that trust by making the system more transparent, by clearing some of the obscurity and that causes people to believe that the system is game-rigged against their interest. This guy gets it and he is not in denial. And that really is the important part of really the underlining passion that we have in believing that the revolution is something that we can actually help lead and take a strong part in. And, the result of all this is exactly this. The customer will be heard. It is not sitting on Madison Avenue and having a bunch of - sorry, CJ, I know you used to do that.

The guys would say, here's what we are going to tell them what to believe. Sorry, game over; they are telling us what they think and so it really means we need to be incredible listeners and use a word that I am not sure a lot of people in banking had historically thought about, be empathetic, really understand and walk in their shoes and really design from the outside-in, instead of pushing from the inside-out. Again, a dramatic shift in the way most companies have historically delivered products and services. And, on top of all that opportunity I think to really recognize that we want to deliver experiences that are delightful and surprising and perhaps solving needs that they haven't thought of before. We also have a firm commitment and a moral responsibility to help people make better decisions in their lives. And, it is really so much about learning and making it easy and not intimidating. So many times - and I think finance is one of those - the professionals can get into using their buzz talk and the reality is it - really people shy away from that because they don't understand and most of this is relatively simple. We just need to make it that way and really make it clear that we are acting on their behalf. So, to solve their financial challenges and help them see a brighter future for themselves and their families as they look forward. And, frankly, all of this has to be done in a way that removes complexity and that wonderful mumbo-jumbo fine print which I am sure all of you have had to go through.

Now, the other side of this where this all comes together and we hang on these three principles, it is absolutely connected to transparency and openness and shared ideas, not only with our customers, but inside - again inside the corporation itself. Transparency on fees, on what we do with your information, on how we look at your accounts, on how we help you make new decisions, on openness of what other opportunities could be available to you, and certainly sharing ideas. And, when you flip that back inside the company, I hate to tell you how long I have been doing this corporate thing, but I can tell you one thing is very, very clear. When we were growing up and the Young Turks in the - in business, the one thing you learned quickly is knowledge is power. And, for goodness sake, don't tell anybody your knowledge, don't share it. It is how you are going to get promoted. It's how you are going to get paid more. Your knowledge is the core to keeping - making it ahead and that's how you are going to get to the proverbial corner office. Well, that is not how we are going to succeed in this revolution. It has to be shared.

It has to be thought of differently and really this recognition that you may have a great idea but it gets five times better very quickly when many of us can comment on that idea. It isn't about you being the hero, which is again part of the culture. This hero - I did it, I made it happen versus we really took on this challenge and together really brought it and brought it to fore. Now, when I talk about the enterprise, the other thing that's happening here is what we - they are starting to call the social enterprise. A company locally here right in Palo Alto, Jive, just went public. So, actually now I can talk about them. And, there's companies like Lithium and Moxy; they are all focused on the social enterprise and what it does is really going to fundamentally change business. I am very excited about the success they are seeing because what it can do is, instead of sitting there as an employee coming in to 500 emails and trying to find information because all of us are aflood in information through Proximal Labs that they acquired, it does machine learning. And, it knows what you want to know. And, it presents ideas to you and it lets you connect to the people you want to be connected to.

And, in very large companies like ours where we have 265,000 employees globally in over 150 countries that is really important because we don't know all the talents, interests of all of our people. But, for - by capabilities of social enterprise, we do know and those things are really at the heart of what we are trying to make happen. So, I think one of the things that is core to all this as well is it's not just ending there; it hits HR. We have to hire different kinds of people than we have hired before. Bank - we have bankers. We have bankers that know how to do all the components, whether it's consumer banking or institutional clients; they know all these countries that we operated and some like China and Hong Kong, we have been in over 100 years. We have a rich, rich history in operating in channels there. So, it means we really have to find very, very different ways to incent people and reward people. So, when I was a kid growing up, our rewards were getting a raise, getting more

money, and what we have found is that it becomes really interesting, you are going to see an example of this, if God - just hoping I am going to be able to show you this video; people in your generation are way more interested in being recognized. Do you have an environment where I can be recognized and I can make my idea work? And yes, I want to be compensated.

But it is a very different value system and by the way I think you got it right, because really, driving for the money is not going to yield you the best answer and I think that is something that my generation messed up, because if you - the old thing, do what you love and the money will come, I think, is becoming increasingly more and more important and how we think about the world. So we had to kind of think about how we are going to staff this new team and we kind of looked at the usual suspects here, but recognized that, as I said, all fun, all kidding aside, not to - I love my banking partners, but we are really looking at the kind of skills that we needed to add to that banking know-how and that banking IP that we already have and really stepping back and looking at this in a very holistic way, which again is very different. Typically, you know, everybody is looking in each business individually and then bringing them back together. And two, you know, if you think about what's going on in companies and what's happening in the world that we talked about earlier, 100 - you know, we're going to be 200 years old in January, for 196 years of those, we thought mobile was the gas station on the corner. You know, it was nothing to do with anything in banking. There was no concept about mobile. And now it's everything, it's how people - we call it bank in your pocket, you want to be, we want a continuous experience, start on your phone, go to your iPad and finish up at an ATM. But it's a very, very different way and no skills were just not even resident in the environment, this ability to do complex data analytics is again core. Now, we know how to do analytics, but it's gone, you know the data levels have gone at - exponentially are growing every year. So, those are some of the new skills we really needed to bring to the table.

So, we kind of thought we take a different approach, and we call it the Magic Bus. So our team, Citi Ventures, which is really a small group of about 24 folks and intentionally, we went out and looked for a very dynamic diverse group of people. So, some of the team have spent time studying engineering, economics, speech pathology and French lit. But the places they've been, as Dr. Seuss would say, are kind of extraordinary. So, Apple, Target, Olivetti, HP, Ogilvy & Mather, Symantec, AT&T Sun, eBay, Battery Ventures, Intel, T-Bow, Pfizer, Menlo Ventures, Visa, Accenture, Amex, Gap, Procter & Gamble and then mine: Ford, General Motors, Unisys, Boeing, Lucent and a boatload of start-ups. And that's less than two dozen people. We operate primarily out of Palo Alto, right over by Whole Foods, and I have a team in China and a team in New York and that really forms up the group that we are working on. When the financial crisis was in full bloom, Vikram Pandit asked me to take on the first-ever Chief Innovation Officer role for Citi, we are the only bank with somebody in that kind of role. And at the time, as you know, things were pretty scary and we are really focused on saving the bank, but he recognized that a team needed to start thinking about these things.

So he said, why don't you go off? We were much smaller than it was only a handful of us, why don't you go off and start working in Asia? And I have to tell you, it was really one of the smartest things the man ever did. Because while they were saving the company, we were learning in a very big way and we actually launched one of our most important projects ever in that time and you'll get to see that I hope perhaps a video might work. But this has really, you know, been a very, very exciting time for us and coming to - I was at Kleiner Perkins one day in 2009 and I had just met of - an entrepreneur, Cyriac Roeding, who runs shopkick right here in Palo Alto and I was just so blown away by this young man and I thought what are we doing here in New York, I mean, there is no way you are going to get a sense of what is happening here by being the big guy from New York flying in. So, I went back and said I think we need to go to Silicon Valley. And while I said, go, so off we went and then we really did most of that recruiting here. But when we got here, we've recognized very quickly because as Tina mentioned, we are also investing in start-ups. We've recognized very quickly that success was absolutely counted on us being able to demonstrate that we can be great partners, because when your start-up or VC - really corporate venturing is something is like, oh, yeah, we've seen this before, they come for two years, they go away, you're really renting a house, right? I said, no, I sold everything. Really honestly he sent you here, yes. And so the result somewhat displeased that we were truly seriously dedicated to all of this. And it was really being able to demonstrate that obviously as a company with our rich history and our incredible channels and our volumes, if we can help a start-up really scale, if we can teach them how to scale, it's a goldmine for them, right? But on the other hand, it can be a nightmare if you absolutely bury them in legal baloney and procurement issues and you know all sorts of challenges.

And I have to say the very first one we did, thank god, Cyriac, I would tell you, he would stand here right now and say we're wonderful. But in the process, the first one we did, our lawyers and the procurement guys all thought us making us couple of million dollar investment in the start-up was absolutely like making a \$3 billion investment in something else. And so we had to go through this whole process and I remember him calling me one day saying, if you don't get these guys off my neck, I'm jumping out of the box. And so we did. And we've figured that out. And now last year, we met with over 600 start-up companies and we invested in eight of those and we're really, really excited about that and being here in the Valley has really been a core component of that for us, very exciting days. The part of our remake goes beyond though, just kind of working on the disruptive side of innovation, which is what the team here in Palo Alto is primarily focused on. We've also been tasked with really making innovation everybody's business and on the company of the size of ours, this was not a small task. So, we spent a lot of time thinking about how we could best do that. And so we launched the campaign, we worked with actually another start-up in the

Bay Area called Spigot and we looked at all of them, these ideation kind of capabilities.

So the thought is based on the concept that you may be great coming up with an idea and you may be uncomfortable with doing that, but you might be fantastic at telling him, hey, you could make it better by doing this. And that's how ideas build and get more and more dynamic and we saw this capability through Spigot that is really written by a couple of traders by the way and they actually make a market in the ideas and people get to vote. Well, it took a while to convince legal and management that we really needed to do this at Citi, but last fall, run by Susan Andrews and my team was sitting at the back - back here, who absolutely was a tenacious bull, making sure this thing got run, we launched the campaign called the 'future of banking.' To all the employees in Citi and got hundreds of ideas, hundreds and thousands of ideas coming in and then really came down to the top 10 and we're now going through a process where each of those teams and some of them formed the virtual teams in the process of being online in the system are now being - it's almost like reality TV, they're getting to have their idea filmed, they've got a coach helping them put together a business plan and then were actually holding a Dragon's Den with a few of the senior leaders to pick the winner and then we will - my team will work to incubate that idea. Are the ideas unbelievable, never thought of? There are some really interesting kernels in there that we're super, super excited about. So, this was just a little bit of a feeling of how we presented this online and got people really excited about do you have a big idea, what do you think about this. And, it's fun because we're actually helping Spigot learn to scale. Almost any company that comes in, when I used to run IT, nobody has ever handled the volumes. We move trillions of dollars a day and so the amount of volume that runs through our systems is the test for any technology. And, we actually helped RIM scale in their early days. We did VMware; I actually took them public.

We helped them scale. And, there is more of those in the process right now. But, it is a very, very exciting opportunity and really seeing the social way of engaging and creating the best new idea so, for us, we think about this is what the next 200 years of banking will look like. It's also interesting, as we sit here in the Valley and people are - we speak at conferences, hopefully usually the stuff works. But, we speak at conferences and you get to meet people, but we have had many, many blue-chip companies come by our offices in Palo Alto and say what's it like being here, why did you come, how is it going, what are you doing, how does it work, and share with us your journey. So, like Coca-Cola, which I am so excited about because I am a Diet Coke freak, and so we were really, really happy because they let us have Diet Coke when we came to present to them but - so they are very excited. J&J we spent time with P&G who has been at this for quite a while. And, then finally, Ford which is really exciting. I don't know if you saw the announcement but they've landed in Palo Alto last week and it's really a fun story for me because my first job out of school was at Ford, and then as you heard, I was CFO at Boeing, and my colleague at Boeing was Alan Mulally, who is now the CEO of Ford. And, what is so fun for me to watch and exciting is to see him absolutely turn that system back on - of the passion for design and the passion for user experience and the customer.

Really, people are genuinely getting stoked about buying a Ford. I didn't think I'd see that. And, I really think, it's Alan's passion that he really has brought into it and really thinking about the customer. And that's really what's so core to what we're talking about and as we spend time on - as we stay on the frontlines of innovation, as we find ourselves talking a lot about curiosity and empathy and humility, not words you typically talk about in banking but that's part of the revolution because frankly that's how we're going to create phenomenal products and services because you really walk in people's shoes and you help them really get the experience that they are looking for because you understand it, not because you think you know or some advertising agency told you that you think you know or some consultant, heaven forbid, told you what you think you know; it's the people who told you what they need and that's really core to all this. So, what was fascinating as we are thinking about that is we tripped over some work by an economist and - in England, John Kay, and he came up with this term 'obliquity' which is really quite interesting, but what it says is, it's kind of going back to an old concept but what it's about is if you do the right things, the money will come. That - he has proven through a lot of researches that companies that are clearly just focused on how do I make money, in the long run are not successful and those companies who become passionate about their customers and their brand and their service and their way that they deliver these things, they are the ones that have the ultimate success. That's the breakthrough and that's a huge part of this revolution and it's exactly where - what we - our team is so excited about, really carrying this flag for the customer as we march through Citi, really teaching the skills of innovation. It is really, really quite cool. And, it's a - when you think about that - concepts of curiosity and empathy and humility, banking is where some of the most intimate things in your life happen. When you buy a house, when you open your first account, when you figure out if you can retire - okay, don't laugh, they are important.

I know it's not the way you want it to be intimate, but it is intimate because you are sharing information about yourself that makes people uncomfortable. And, we actually did a fair amount of work on this and found out people would actually rather talk about their sex lives than how they manage their money. And so, making it in a way where people find it not intimidating and being able to have that conversation is part of helping people towards a better life and making better decisions on their own and feeling the pride in themselves, because they are learning to do that. And that is really where I think the future lies. Now, in all those little experiences that you perhaps go through or have been through, I think one of the most mind-boggling ones of all is buying a house. You get all excited, you spend all the time saving the - saving for it, you did all this work, and you - finally you go through the - whatever process you had to sign up for and deliver, not - you had a whole checklist of papers you had

and boy, the papers are stacking up and stacking up and stacking up and then you actually go to close on the thing and then you sign the paper that says you sign this paper, that you thumb-print it, that you sign that paper and you go, "honestly?" Why does banking have to be like that? And, the reality is it doesn't. So, we are actually hard at work on this one. This one, I can't share with you quite yet, but stay tuned, because I think it's a customer experience that needs a little delight in it. But, I can share with you another one, and this is a company called ReadyForZero and interestingly enough, Rod Ibrahim - Rod Ebrahimi, I never say his name right, Ebrahimi and Ignacio Thayer who is a Stanford PhD really set this up. And, what is so cool about this is it's helping people out of debt.

And, when you think about what could be the most humiliating thing where somebody is on the phone, pestering you and pestering you and on you and meet you at the front door or comes to you at work and it's just you lose all dignity in the process. And, people frankly give up; they get to that point. And, the - what these guys really worked on is what if we could make that different; what if we could really help them make some decisions that are steps, not overnight, not where you are turning it over and somebody is going to go solve - pennies on a dollar for you, but truly lead you back to a solvent environment. And so, we think this is critical and it's right in keeping with our humility and really wanting to serve the customer in a different way. And so, what we've done is, we've actually invested in this company and now we're in the process of prototyping - there is that keyword - and looking at how to commercialize to offer this to our customers because we think it's so critical. So, super-neat having these guys being involved here at Stanford, very exciting. We think it's a fantastically cool investment and we have great expectations for really helping people. And, then the other part is here, that's totally about Stanford too, which is - I think I'm going to have to get a sweatshirt, I don't know - is our passion is all about design thinking. We - our team is really a bunch of designers and builders and we really owe a lot of that to IDEO, David Kelley, Tim Brown, the d.school, I mean, I kneel at these guys - right on the floor because I think they're amazing because what they've helped us do is create a repeatable process to really think in a totally different way about how to deliver and create something new? How to truly step from the outside and work your way back in, with a set of design principals. And that may seem like, you guys are so involved in this, that may seem obviously to you, but in an existing company what happens on its human nature is you really can and you're still in the process of delivering the quarter's earnings, that you see an exciting opportunity, but it tends to be incremental because frankly that's the reach you have at the moment and you need something that's going to pay back quickly.

So you often aren't getting the chance to say what if we kind of rethought the whole thing? So like ready for zero, where when you thought about debt before and let me tell you there is a lot of work that goes into collecting debts. What we would do historically is we'd say, well, how do we get more efficient at making those collection calls? What ReadyForZero is about is, why don't we just figure out how to never have the need for collection to begin with? And that's the flip, that's the revolution is really creating, why do we have to have all these service centers, why doesn't - is there something wrong? Why doesn't it just work? Right. And so that's really what design thinking can bring to the table, is saying why does it need to be more than three steps? Why does paper have to be involved? Why can't I start here and finish here and on four different devices and my transaction follows me. Well, you can. But the challenge is, is the way these services particularly I think and banks have been over the years they've been made better, but incrementally as it result, there is no like turning the car on to know it works. So there is not really demonstration that it makes it better for the customer. But we're looking as design it all over again. We're the men from Mars, how does this work? And that's why I know this is so cute, but I just love this little guy because he - we feel like this a lot of days, although I think maybe we might think the trap is much bigger and our helmet is much smaller, but it is what gets us excited about what we do and really it's just so much fun to see, I'll go over the d.school and Jeremy will say, Deb really you have to put the sharpies down. I get so excited with all the boxes of the stuff, because it is really to meet the light of my life - is really design and this is what we're trying to teach and what we're developing capabilities and skills in our company so that more and more of our businesses can bring this back into as we think about dealing with the future of those very big changes, that we've talked about at the beginning and how to do that. And what's been fun is really in Asia, we've had a phenomenal hotbed testing environment that has really served us well because we have a lot happening there even at scale.

So I think the other part of this that has been so exciting and again is so different from really corporate and certainly banking is really bringing the whole idea of prototyping. And our businesses are so excited about really you're going to help us do this, because it's that recognition that if your customer says something and if you put it out there, and they say really that didn't work. Okay, we got to pivot back and it creates this iterative process that is not the way products and services were developed. And we know it is the way we need to move forward. We know we need to have routine releases. But again that's not the way the IT was set-up to do it. So this is where the revolution happens both ways. We have to change the way we think about driving the organization and then really turn that to creating these very powerful experiences externally. We completely redesigned from tip to tail, the entire process of consumer banking. And we partnered with 8 Inc.

who are the guys who did the Apple stores. And really did this in really rich ethnic graphic research first. So, going back to that concept of obliquity we started with the people, and didn't even talk about banking for a couple of months and really understood who the target market was and then, we redesigned a process. And what they're describing here is we had started in Singapore and did this in the transit system and created these walls and a huge part of what we have to be able to do is scale. So, for innovation they have impacted a company like Citi, we have to scale. And so, we took all that learning and

brought it into Japan, there are no tellers, there is no paper, no process takes more than three steps and really created and had to redesign, we mapped out that there were 156 core processes running consumer banking; there are now only 12. And really you can start your transaction on your phone and you can finish it on an iPad and go to the ATM and it's consistent throughout Japan. This is a great example of obliquity because we did it from the customer; we did it from design, betting it would yield better results. The great news is it has. We have far more customers.

We have customers increasing their involvement with us, super excited about being part of some of these new branches that are spreading throughout, frankly, all of Asia now. And really what is equally exciting was watching what happen to the 200 plus employees that ended up being involved in this total recreation with really high-tech things going on and walking down the street with one of these young gentlemen that was on the team and with one of his friends and he kind of elbowed the guy and he said I built that. That pride from really creating something so tremendously different in the way you serve your customers is our intent and part of our revolution of what we intent to do inside of Citi and we think we are on a good path, we are a bit one could argue ahead in the banking industry, but we are restless and we are determined to really move on and continue to have the scale around the world, which it is. There is a lot more in the hopper. The projects are - we've had two major projects approved by the CEO this year that I hope to be telling you about in another year. And again, this is really again kind of going back to - this is the end of the video, the power of the people. We have life-size images of these archetypes who are our customers living in our lab with us, so every morning I would walk into, oh, yeah, good morning. But it really made it come alive. So, it was an extraordinary really experience for us. So, from our perspective, I - one could argue perhaps we are overdramatizing the revolution, I would say, we are not.

I think this is huge. It's huge and what's happening in the world is forever change the way we communicate, the way we use technology, the way we use data and what people will expect to have as differentiators are those companies that are capable of taking that and turning it into a way that it's useful for you and doing that by bringing really talent like people like yourselves into large companies to help make that happen because I think the mistake would be to decide that there is an inverse relationship and innovation between size and age because you really are recognizing companies like Ford that have that history and like a Citi and like a Coke, who are intent and who are led by CEO's that are determined to turn this on in their firms, I believe it could be some of your best partners ever. So, we do see it as a revolution and because we tend to feel a little revolutionary, I thought I would share with you some of our themes of the revolution. You have to have a front line and a front guard. So put people out there that are out, finding out what's going on and that's frankly what my team does. That's part of meeting with 600 startups, that's part of really being out here and what's percolating? What's happening on big data? Where is the cloud going? How is that going to impact the way companies work? So that becomes really important. It's trust your gut. It's so funny and frustrating to me that I think our educational system has drummed out of you the concept of your intuition. Every single person I know in this room has intuition and you can learn to make it work better for you. So in the work that many of you are hoping to do, it's important.

When it feels right, it usually is, so learn to trust that feeling. Strike when you find an opening, I mean you got to go, you see a slide and I often say to my team, the window is open, but not for long; go. And that's when you've got to have your plan ready and go and really find the opportunity in front of you. As leaders in this kind of work, you have to be fearless and inspiring and off kidding your side about the revolution you think about people really trying to lead teams through things like this. They need your inspiration; they need your courage because it's scary. It is really, you're fighting against this huge thing that human nature hates change. We all just wanted to go back to the way it used to be. Wouldn't it just be easier? Yes, maybe. I think this is a lot cooler. And then, carry the banner for creative chaos.

It's funny that - one of the things about these vertical things in corporations, it's all this little orderly kind of stuff. And the reality is; innovation is messy. You got to get in the dirt. You got to roll around in the dirt. And you got to be willing to fail. And you got to be willing to get back up again and you got to do it over and over and over. And that's the fun of it. But it's not something that traditionally I think companies have thought about as, an okay thing to do. Those are the people who used to get, up them in the resource room because they're causing too much trouble, but this is really I think core to thinking about creative chaos leads to creative confidence. Share your intel, again knowledge is power when it's in the network.

And I think that is really critical to what you're doing. Going armed, I mean, I think you all know this, this is that what you learnt here, know your stuff, think through what the unintended consequences, when my guy say, what should I do, I'm getting ready, I'm going in for this big pitch, what are the unintended consequences. If you can get good at thinking about that, it will help you a lot, as you think about really pursuing some of your dreams in this arena. Everybody goes through basic training, so don't forget that man. I mean we all fall down, we all look silly, we all make a mistake and we have to say to the next guy; it's okay, come on, let's go. We'll get on to the next thing, don't worry about it. And don't worry about the sound didn't work. It's okay. I mean I'm dealing with it, I have no idea why I'm holding on to this wire right now, but I'm going with it. And fight for the customer.

I mean this is really, I swear to God, we're going to get little flags that say; we're fighting for the customer. We really believe

that and in our team and I believe you'll see as the few years go by here, this will be the rallying cry, is really being able to demonstrate not with words, but with real deeds that, that is the case. And finally you got to celebrate the victories because the fighting is hard. We work really intently, it's really tough, but it is the best work I've ever done. And my hope for all of you is you get to do the same. Thank you very much.