Leaders in Lending | Ep. 151

# Adapting to Turbulence through Fintech Innovations and Building the Right Team

Adam shares his insights on how smart strategy, rapidly evolving technology, and—most importantly—a willingness to adapt, is resulting in creative solutions for today and tomorrow's challenges.

Adapting to Turbulence through Fintech Innovations

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ABOUT

## Cross River Bank

Cross River entered its first technology partnership in 2010, extending loans beyond its New Jersey location. As demand for third-party origination platforms grew, the bank seized the opportunity to become a tech-driven institution focused on providing credit access to underserved consumers. Partnerships with companies like Affirm, Marlette, and Upstart followed, with Cross River originating and underwriting every loan while ensuring consumer protection and regulatory compliance. The bank's reputation grew, known for its technology, operational, and regulatory expertise. To support its fintech partners, Cross River developed its proprietary banking core, Cross River Operating System (COS), enabling a full suite of banking services via API-based solutions, including advanced payments capabilities like automated wires and real-time payments.

1. The shifts in entrepreneurship and banking during global events like the 2008 Financial Crisis and Covid-19

2. Why user experience solutions need to accommodate shorter attention spans

3. The challenges of integrating AI in heavily regulated sectors like banking

4. How the expanded skill sets of today's students impacts what technical knowledge is required in finance

“When you're using alternative variables and you're **able to provide scenarios that are more predictive of performance in lending**, that's essentially AI.”

“There's so many things that AI can do to help make banks **more efficient, get them to look at more transactions and eliminate false positives**.”

“Many of t things co of trials ar tribulatio **the best i are firmly need**.”

support a solid team.

Adam Goller, EVP and Head of Fintech Banking at Cross River Bank believes some of the best innovations come from trials and tribulations. Necessity is, after all, the mother of invention.

He's navigated the 2008 Financial Crisis and COVID-19, and he attributes smart strategy, rapidly evolving technology, and — most importantly — a willingness to adapt as the recipe for creative solutions for today and tomorrow's challenges.

**The importance of choosing the right people for the right stage of your company**

Different stages of a company require different people. First, you may need people who are creative, patient, and flexible in their execution. Later on, you may need those who are more focused on process, have more experience, and can help ensure the company *grows in the right direction.*

Eventually, a mix of both may be preferred to accommodate a changing environment alongside stability and reliability across processes and innovation.

"There is a life cycle where you need different skill sets at different points of the company's history. But overall, when interviewing people, you have to ask a very diverse set of questions," Goller said.

Asking questions that test for personality as well as skillset is a good baseline to use. Pitching *real scenarios* and gauging their response can tell you more than basic questions you may find on a job interview template.

Looking for markers on how they would:

- Deal with adversity

**Why user experience solutions need to accommodate shorter attention spans**

We've all seen the headlines: attention spans are declining, screen time is increasing, etc., etc. In the finance world — where innovation tends to move slowly — that can feel like bad news.

But there's an efficiency to delivering shorter-attention span solutions that could mean a more reliable and effective system overall.

"On one hand, we're still seeing a ton of creativity in banking, a lot of folks who are trying to do things slightly differently," Goller said. "The next competitor, at the same time — because it's financial services — there's this inherent slowness to it: regulatory pressure and the rigor of the process to get something off the ground is so much stronger than perhaps in other industries."

Using one's phone for everything from Instagram to paying for groceries is more and more the norm. **People today are more likely to forget their wallet at home than they are their phone.**

The convenience and speed of one-tap payment regularly overrules traditional payment methods, especially across younger generations.

In the past, applying for a loan on your phone would have been unthinkable, but today, people are willing to go into a store using just their phone, and financing for that transaction is happening in real time.

"Real-time payments would have been a scary thing for people 5-10 years ago, but money is moving so quickly, and people's willingness to move that money quickly — understanding that there are risks involved in the lack of friction in the process — that says a lot about people's trust in the controls, systems, and the advancement of thought amongst the general population," Goller said.

The more we can do to *reduce friction* in the process, the more likely we are to retain and grow in this fast-paced world of innovation — even older generations are adopting some of this technology and getting more comfortable interacting online.

**How the expanded skill sets of today's students impact what technical knowledge is required in finance**

Gone are the days of students only gaining technical skills if tech was part of their field of study. Today, most areas of study will grant you a basic working knowledge of common tools.

"Everyone who's in school today — it used to be if you were on a track for financial services, you were learning a specific skill set. If you're going for a law degree, you're learning a certain skill set," Goller said. "*The baseline has expanded*. There isn't a skill set you're going for today that wouldn't provide you with a solid foundation in things like computer usage and basic technical skills."

The important part is determining which candidates have a true understanding of the tech they're using, and are *hungry for learning more*, adapting, and innovating as they progress in their career.

"You're seeing a lot of people upscale themselves in later years of their career because they realize that some of the folks that they're competing with are folks who are 'cross-trained' and 'dual-trained,' whereas they have a specific skill set," Goller said. "A lot of folks educate themselves further along in their career to sort of help bridge the knowledge gap they've had previously with some of the more technical areas of banking."

The more someone is willing to learn, the higher value they have to a growing team to best adapt to customer expectations and stay on pace with where tech sits in the finance world.

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