

Work Shift – Episode 3

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CHILD 1: When I grow up, I want to be a contractor because I like building stuff.

CHILD 2: I want to be a YouTuber.

CHILD 3: When I grow up, I want to be an astronaut and travel to Mars.

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SHAWNE McKEOWN: It's something I don't think a lot of people think twice about nowadays but. Ray, can you imagine your life without online banking or ABMs?

RAY HARRIPAUL: You mean waiting in lines to pay bills, withdraw cash? No. Absolutely not.

SHAWNE McKEOWN: Yeah, me neither. But here-- here's a fun fact. Guess when the first ABM was introduced in Canada?

RAY HARRIPAUL: 1955?

SHAWNE McKEOWN: It was actually 1969. Fifty years ago. CIBC launched the Instant Teller and the Canadian Bankers Association says RBC launched its automated tellers in 1972. Guess what they were called?

RAY HARRIPAUL: Tellers?

SHAWNE McKEOWN: Bankettes.

RAY HARRIPAUL: That's pretty cool. Bankettes. Nice. So they've evolved. That's pretty cool. Along with new technologies disrupting the banking and financial services industries now and that's what we're gonna talk about today.

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RAY HARRIPAUL: Welcome to Work Shift.

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TRACEY BRITT: JPMorgan Chase in the U.S., they have a process where they're using machine learning to review loan applications. Basically, it would take 360,000 hours of manpower to do the review of these loan applications where a machine could do them in seconds.

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SHAWNE McKEOWN: Yay. Faster answers on loan applications.

RAY HARRIPAUL: But again, I have to advocate. What about the people who are currently processing loan applications?

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RAY HARRIPAUL: Digital disruption.

SHAWNE McKEOWN: The gig economy.

RAY HARRIPAUL: Artificial intelligence.

[synthesized voice: Robots]

RAY HARRIPAUL: There's a lot to talk about these things in the media and online. But what do they mean for you?

SHAWNE McKEOWN: I'm Shawne McKeown

RAY HARRIPAUL: And I'm Ray Harripaul.

SHAWNE McKEOWN: We are exploring the future of work and changes you can expect to see at your job.

RAY HARRIPAUL: We'll tell you how this massive digital shift could change your career and what you can do to adapt, evolve and thrive.

SHAWNE McKEOWN: Today we're gonna kick things off with certified financial planner and college professor, Tracey Britt.

RAY HARRIPAUL: Tracey has more than 20 years of experience in the financial services industry as a financial planner and educators, including 10 years at a major Canadian bank. She's a certified financial planning professional and holds a BA Honours in Applied Economics from Queen's University and a Masters of Education from Nipissing University. She's also a full-time faculty member at George Brown College's Centre for Business.

SHAWNE McKEOWN: We're also gonna hear from tech executive Claudette McGowan. She holds a Bachelor of Arts from Lakehead University, an MBA from Athabasca University and holds certifications in artificial intelligence, information technology and project management.

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TRACEY BRITT: I decided to become a financial planner because I loved helping people. And what I realized in that role fairly quickly was that I could help people through educating them about their finances, their money. So it was something that I could kind of get personal gratification from. At the same time sort of also enjoying the business aspect of things.

SHAWNE McKEOWN: What do you love about your job?

TRACEY BRITT: So from my time as a financial planner, I would say I loved helping people achieve their goals. So they want to go on a vacation in a year's time; they want to put their kids through school; they want to pay off their mortgage; whatever it is, I loved helping clients work towards achieving that goal. As a professor, it's pretty exciting to sort of create financial literacy within the younger generation and have them go on to hopefully experience the same satisfaction from them being able to pass on their knowledge and skills to other Canadians.

RAY HARRIPAUL: When Tracey was in university in the '90s, she was hired as a summer student by a major bank. Her role was customer access representative; diverting people from the line for the teller to the ABM.

SHAWNE McKEOWN: Not everyone was a fan of using the machine to do their banking. Tracey said customers didn't want the people working at the counter to lose their jobs.

RAY HARRIPAUL: Then recently...

TRACEY BRITT: I walked into my home branch and learned that there were no tellers in that branch at all. So that was an interesting experience because starting out as a teller, I certainly wouldn't have wanted to see anybody lose their job so I actually asked. They had this big giant machine that was to replace all things that a customer service representative could do and I said, "Well, where are the people?" Because I had seen again, the same kind of conversation that I had experienced 20 years ago, I was on the other side now asking what happened to the people. And it was explained to me that they were now more in advisory roles. They were going to be dealing with customers but not with regards to money but with regards to helping them through other things. In saying that, not all of the branches in my area went to tellerless. It was just one and I think it was the test branch and I can't imagine that they would take all of them that way. But if you've got two or three or four branches in a community, they probably don't need to have service counters in every single branch. I think about when I started in the industry there was really-- online banking didn't exist so certainly---

SHAWNE McKEOWN: Here's an interesting section from the 2017 report called, *Financial Advice in Canada: A Way Forward*. It was produced by the Ivey School of Business at the University of Western Ontario. Here's what it has to say. "Innovation and technology are not new to financial services or financial advice. Given the complexity and the time sensitive nature of most financial instruments, the industry has relied on technological innovation for growth and competitiveness for decades. What is new is the pace of innovation, driven by the power and diversity of the new technologies."

RAY HARRIPAUL: Here's Tracey talking about some of the changes that have happened during the span of her career so far.

TRACEY BRITT: We see things called robo-advisors that have come into play or algorithmic treating where these are basically machines or computer programs that are buying and selling securities on behalf of the individual. There's parameters that are set and they have to trade within those guidelines. So certainly that's a change. We've seen the introduction of crypto currencies, we've seen a huge shift towards our financial institutions collecting big data. So in the last two years, 90 percent of that data that exists today has been collected and I imagine that that will continue to grow because that's how they're actually able to create the artificial intelligence for some of the trading systems and so forth is to actually try and mimic what individuals or companies have done in terms of their trading platforms.

SHAWNE McKEOWN: Claudette McGowan is the Chief Information officer for Enterprise Technology, Employee Experience at BMO. Here's Claudette's take on the importance of big data and the tools used to interpret that information.

CLAUDETTE MCGOWAN: I think ultimately, it's about speed. So if you're on the front lines or you're in one of those roles across the bank, it's is how fast we're able to deliver; how we're able to get the data to you so you can make the right decision at the right time. And sometimes when you have a lot of data it's actually more complex and you really have to distill it, comprehend it, turn that into wisdom. And so what I believe is things like artificial intelligence again, taking a massive amount of data and now getting that to be meaningful, actionable. That's how the employees in the front lines can really get the benefit of it. That's how the customers get the benefit of it. We know more about you, we're able to deliver things that we think are appropriate for where you are; who you are; where you're located and again it's really about customizing and personalizing solutions.

RAY HARRIPAUL: And here's Tracey.

TRACEY BRITT: We're also seeing robot processing automation so to help employees reduce their work time. So maybe with loan applications where it's really simplistic. If that application falls within proper guidelines then it can be approved fairly quickly versus having an individual have to review each and every loan application. We've also seen some machine learning and predictive analytics and so it's basically some areas where this is starting to occur is through security trading strategies. Again, so using that big data set to try and mimic what is done historically and see if we can create programs to use going forward.

RAY HARRIPAUL: Personalization is great. Speeding up processes is also great. But what does this mean for people working on the front lines in the financial services and banking industries?

SHAWNE McKEOWN: Yeah, if I can use a robo-advisor, do people who work as financial advisors and planners have anything to worry about?

TRACEY BRITT: Well there's plenty of tools that exist; there's apps, there's online services but I would argue that although those are tools that can be used, I wouldn't suggest that they would be a replacement for the financial planner or the financial advisor. The big thing is that machines can't identify or help you identify your goals, your objectives. They're not going to understand your dreams, what you're trying to achieve for the short term or the long term. And so I would argue that those tools are great. They'll likely be used by yourself and the financial planner to augment the experience but they certainly wouldn't be a replacement for the overall experience. And I say that because it's not just retirement planning or investment planning or tax planning. All of these things work together so you don't want to make decisions in one area but not understand the implications that might exist in another area. So the person or the individual that you deal with will be able to deal with those more personal type experience, be able to personalize the plan for you and they'll also be able to understand how everything fits together. So the robo-advisors for instance, you'd fill out a questionnaire; you might deal with an individual in terms of some of the companies that exist today. They do have actual financial advice along with the robo-advice that's provided but that advice is again more holistic in the sense that it's supposed to provide individual services. Whereas the actual robo-advisor piece is more during the day-to-day trading, buying and selling within the parameters that you set. It's going to free up time for advisors to be able to spend more time helping their clients, right? To be able to provide advice, to be able to coach them through different experiences or scenarios that are occurring in their life at that point in time. And not everybody's going to want to have their money invested through a machine, right? So it's an option that exists and certainly it will be one that's used by some and certainly there'll be others who would say, "No. I still prefer my advisor to be making those decisions on my behalf." Because the client also wants-- some clients will also want a say in how their money is invested, traded. They have their own personal biases or parameters that they would provide and so that it may or may not in the future be able to be put into an algorithm but for now, those things may also need to be considered.

RAY HARRIPAUL: Back in 2016, the Brookfield Institute issued a report called, *The Talented Mr. Robot*. We'll add the link in our show notes. Part of the online version of that report is an interactive data visualization of the risk of automation in various industries.

SHAWNE McKEOWN: Here are some stats from that Brookfield Institute report. Financial and investment analysts have a relatively low probability of automation at 23 percent. Same goes for financial managers. They've got a pretty low risk of automation as well at 7 percent. However, financial auditors and accountants have a high probability of automation at 94 percent. Same goes for accounting and related clerks and accounting technicians and bookkeepers at 98 percent. Banking, financial and other financial clerks also were at high risk at 98 percent. So overall, the Brookfield Institute says 42 percent of the Canadian workforce is at risk of being affected by automation within the next two decades. Here's Claudette putting this into context for us.

CLAUDETTE MCGOWAN: So sometimes we think about jobs going away but I go back to you know, the day where you had somebody in the elevator handling-- pushing the floor and the switchboard person. There's gonna always be an evolution of jobs but jobs are created. And I think about even coders today where everyone's like, "Hey, you know, you got to learn how to code." And the other day I built the website with an AI in three minutes with no coding required.

RAY HARRIPAUL: And here's Tracy.

TRACEY BRITT: JPMorgan Chase in the U.S., they have a process where they're using machine learning to review loan applications. Basically, it would take 360,000 hours of manpower to do the review of these loan applications where a machine could do them in seconds. And so if they are a standard application, they could be approved by the machine. I'm sure there'd be some quality control to ensure that the machine is following the correct process and anything that fell outside of the box could be escalated to an individual for further review. But it certainly would reduce the number of hours that we would have people reviewing those applications. Certainly even just looking at the JPMorgan example, if we can do something by machine and eliminate 360,000 hours of manpower, obviously jobs are going to be lost. And I would view these jobs as more sort of administrative, repetitive process type jobs. But I would argue on the other end as these jobs are being lost, there's going to be a need for somebody to oversee the technology, to program the technology to ensure the technology is well maintained. So although there may be jobs lost in certain areas, I think more jobs will be created. And so it's important that our future students have a more dynamic background in terms of their education to make sure that they're well prepared to work in all sorts of areas within the financial services industry. So they're gonna be entering the workforce at a time where things are changing so that's probably going to be their new norm in terms of what they experience but how are we better preparing our students to be more nimble? I would argue that we're going through a process of reviewing programs and making sure that we're providing students with the necessary skills to make our program successful for students. And I would say that we've shifted focus even more on to soft skills to ensure that they may have these technology tools that they're going to learn and they're going to use through their jobs and through their time working but how do they deal with the individual? Because our roles as financial planners predominantly are our clients, right? How do we listen to our clients? How do we speak with our clients? How do we help our clients? And so if the students don't have those necessary soft skills, it's very difficult for students to be successful. So I would say in recognition of all the technologies that are coming forth, we're not sort of shying away from that but we want to make sure that students are well prepared to deal with their clients from a personal perspective.

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SHAWNE MCKEOWN: It's time to take a look at the future want ads.

RAY HARRIPAUL: In this segment of the show, we ask our guests to give us an outline of a job that doesn't exist yet. According to the Institute of the Future, a non-profit think tank based in Palo Alto, California, 85 percent of jobs that will exist in 2030 haven't been invented yet.

SHAWNE McKEOWN: Okay. Tracey Britt. What have you got for us?

TRACEY BRITT: Financial wellness coach or counsellor.

RAY HARRIPAUL: That's interesting. What will a financial wellness coach or financial wellness counsellor do?

TRACEY BRITT: So a financial wellness coach would take both the financial planning piece-- so they would have all the technical knowledge of a financial planner but they would also combine that with the behavioural finance piece. So understanding why people make the decisions they do; dealing with any money disorders. Essentially, I think the financial counsellor or the financial wellness coach would combine both their financial skills and therapy techniques to help people reach their financial goals and to help them at the same time to deal with any emotional, psychological or behavioural hurdles. And I don't have an exact stat but if we were to look at divorce for an example and the number one issue that sort of led a couple to divorce, certainly financial conflict would be a big component. Might not be the only component but would certainly be a big component.

SHAWNE McKEOWN: What skills will be required for this job?

TRACEY BRITT: So in terms of skill set, I think it's all the same skills that a financial planner today would have. So we talked about listening, communication skills whether their oral or written, the ability to build trust, those interpersonal skills that we talked about. But I think coaching skills are going to need to be involved, therapy skills. So in terms of understanding of behavioural finance, so the psychology around investing, understanding those money disorders, helping clients change problematic or destructive behaviours, dealing with resistance, that's a huge one, right? Because a lot of people aren't interested in change.

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SHAWNE McKEOWN: That's a wrap on this episode of Work Shift. What did you think?

RAY HARRIPAUL: Want to share your thoughts on the future work in financial services and banking industries? Have you maybe been affected by this technological shifts in your career? We want to hear from you.

SHAWNE McKEOWN: Email us at workshift@georgebrown.ca

RAY HARRIPAUL: And be sure to tune in to episode four where we're gonna chat with Claudette McGowan again but this time about how individuals and organizations can embrace rapidly evolving tech trends and how she stays on top of her game.

SHAWNE McKEOWN: This podcast is brought to you by the fine folks at George Brown College. We want to thank professor Tracey Britt and Claudette McGowan for sharing your thoughts with us today. It's the end of your work shift. See you later.

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