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INTERNATIONAL

BUILDING NEW VENTURES



RBC CREATES VALUE BEYOND BANKING BY INTRODUCING MEANINGFUL SOLUTIONS

FEATURE

Covid-19 heats up competition in Canadian digital banking

ANALYSIS

Challenges and challengers: SME specialists show promise in 2021

INSIGHT

Temenos: Data must flow in all directions for open banking to succeed

CREATING VALUE BEYOND BANKING

RBC is going beyond banking to create meaningful solutions designed to touch every Canadian by building new ventures, acquiring growing firms, making investments and partnering with organisations that share its vision. As *Douglas Blakey* reports, the goal is to offer products and services that solve problems and make lives better

As he walked around the office floor, Mike Dobbins looked at the colorful sticky notes in neat rows on the walls depicting new businesses being developed by his team. The walkabout is one of his favourite things to do – or was when employees were all in the office.

Teams would often be seen scribbling and reordering these tasks together, side by side, and Dobbins would stop to ask a question or two.

Dobbins looked at these sticky notes, left as they were on the walls nine months ago. They were frozen-in-time evidence of the many ideas, next steps, goals and forecasts of the last in-office interactions of the RBC Ventures team in downtown Toronto.

RBC Ventures, a start-up within a bank



ecosystem, was about to begin its third year amidst a second wave of a global pandemic. From AI-assisted home search to marketing platforms like Ampli to support Canadian businesses, the overarching goal remains the same: to tackle big challenges that go beyond banking and create value for clients.

Dobbins, Group Head of RBC Ventures and a member of RBC's Group Executive team tells RBI: "We've developed a platform to build innovations beyond banking – to meet more customers, provide more value. With the digitisation of everything and the growth of large platforms, everything that was behind our 'beyond banking' strategy is now accelerating."

RBC Ventures: driving material growth

"My vision is that RBC Ventures will drive material growth for the enterprise, while also competing and winning in new parts of the ecosystem. We want to position RBC as a one-of-a-kind bank by creating a defensible difference. And we're off to a good start."

The RBC Ventures journey began when RBC leadership, including CEO Dave McKay, believed that RBC could do more for the communities that it serves, and for the ones it didn't – yet. The bank has stood as a trusted institution for more than 150 years as a place to store, move, lend and invest money, but it also saw significant forces of change in the industry where emerging fintechs and non-traditional players were aggressively filling gaps that traditional banks did not.

Creating RBC Ventures as an entirely new division to incubate new ideas beyond banking was a bold move for RBC, Canada's

largest bank by market capitalisation. By design, it marries a start-up mentality with the strength and resources of a bank and manages its portfolio with a build, buy, invest and partner approach to achieve its goals.

RBC Ventures was unveiled on 13 June, 2018 at RBC's Canadian retail-focused Investor Day as a new strategy to dramatically accelerate RBC's growth. That day, Dobbins unveiled several of the ventures that were being developed or had just been launched and described his focus on major ecosystems such as home and B2B where there was an opportunity to enter new segments and create more growth, more value.

RBC Ventures: 14 and counting

The team has grown significantly since launch, and has attracted talent with a variety of professional experiences and skillsets, such as data scientists, ethnographers, entrepreneurs, product owners, and a lot of tech expertise.

"Nothing happens in any company without talent," says Dobbins, who is quick to add that this team is the smartest and most creative he's worked with in his 25+ year career as a banker in Canada and the United States. Today, RBC Ventures has 14 ventures in market, with more in development and a handful that have been retired, as is the nature of the innovation cycle. While most of the ventures in the portfolio are built in-house, it has also made acquisitions and invested in a number of companies that develop transformational technologies so that RBC Ventures can expand its capabilities and accelerate growth. The products and services focus on key growth areas and are organised under the segments of Home, Mobility, Health and Wellness, Business Services and Lifestyle.

"We are seeing many signs that our ventures are resonating with customers. While we couldn't predict all the steps on our journey, we focused on: find great people, think of great ideas, and then move quickly," says Dobbins.

Scale and synergies

Ownr, one of the earliest ventures in the portfolio, is setting the example of a new proven business channel for RBC to connect with, and deliver value, for entrepreneurs in their business journey. Developed internally, Ownr assists entrepreneurs by providing digital registration and incorporation services. To date RBC has supported over 25,000 business starts and of those incorporated, nearly 60% chose RBC for business banking.

"Ownr is a great example of what we're

trying to do. We meet clients earlier on their journey, solve multiple needs with a bundled value proposition and increase our market share in a critical segment,” says Dobbins.

As Ventures mature, new opportunities for growth present themselves, as was the case with the acquisition of legal tech platform Founded Technologies. It not only added scale and synergies to Ownr – it introduced new subscription services which can be bundled for new businesses and sold directly to existing clients.

“Every decision we make is grounded in how we help small business owners start and succeed. With our recent acquisition of Founded Technologies, we’re solidifying our current strengths in business formation while building towards our broader goals—helping entrepreneurs at every stage of their journey,” says Shadi McIsaac, co-Founder of Ownr. She says the pandemic has had a significant impact on Canadian small businesses, and despite those challenges, Ownr has seen a rapid increase in entrepreneurship activity across Canada, with 100% growth in business formations since February 2020.

Pivots during a pandemic

When the pandemic hit, all Ventures

employees shifted to work remotely. Dobbins asked each of the ventures to assess how they would pivot their businesses in the event that the days at home turned to weeks and, perhaps, months. Slack, already a preferred channel of communication among the Ventures team, became an even more critical tool. Ideas that used to be captured on sticky notes on the office wall transferred to online whiteboarding and video calls.

“We’ve always been focused on creating meaningful solutions that touch every Canadian, and we’ve always taken a human-centered approach to innovation. The pandemic got us thinking about how to take a step back and help ease the stress and take care of our communities,” says Dobbins.

For example, the pandemic emphasized the problem of social isolation, especially among the retired and semi-retired. As this was the core audience for the venture Boomerang, this team moved all of its workshops to a virtual setting in a matter of weeks and, in the process, accelerated its local offerings to a much broader audience that was connected online.

Some ventures used their platforms to help raise money for local food banks and others in providing grants and other support for

Canadian businesses.

As the financial challenges due to the economic impacts of Covid-19 continued to weigh on clients, RBC Ventures was at the centre of designing Canada United, an ambitious programme to support the recovery of Canadian businesses.

The initiative brought together different parts of the bank from coast to coast, more than 70 of Canada’s leading brands, the national Chamber of Commerce network and business associations to rally Canadians to “show local some love” by buying, dining and shopping local. This massive campaign led to over \$14m being raised for small business grants issued by the Chamber of Commerce network.

The pandemic provided opportunities to show how digital innovations can make life simpler and demonstrate how a bank can grow and evolve as it serves its communities with purpose.

“Ventures is bigger than any one idea - it learns and grows from all ideas,” says Dobbins. “We’ve sparked the imagination of what moving beyond banking could look like. We have an amazing team, tremendous support and are excited about what the future holds.” ■

RBC, REXALL TEAM UP TO REWARD CANADIANS FOR MANAGING THEIR HEALTH AND WELLNESS

RBC has long been renowned for its world class loyalty and rewards programme. And now RBC clients can now receive additional value and savings through Rexall’s Be Well loyalty programme.

Specifically, the RBC, Rexall strategic partnership gives RBC clients enhanced value and savings while accessing Rexall’s health and wellness resources. RBC customers will receive 50 Be Well points for every C\$1 spent on eligible purchases at Rexall when they link their eligible RBC credit and debit cards to their Be Well card. This delivers five times more value than non-RBC Be Well members or unlinked RBC clients. “We’re thrilled to be adding Rexall to our highly successful loyalty partner programme,” says Sean Amato-Gauci, Executive VP, Cards, Payments & Banking, RBC.

“Through our proprietary RBC Rewards loyalty programme and strategic loyalty partnerships, our clients receive additional ways to instantly save and earn more RBC Rewards points. We’re proud to be partnering with Rexall, a company that shares our common values of supporting the health and wellness of our employees and clients.”

RBC, Rexall strategic partnership: exclusive offers and promotions

RBC customers can now visit www.rbc.com/rexall to

learn more about this new programme. Plus, linked RBC clients will have exclusive access to offers and promotions. Rexall’s Be Well loyalty programme launched last September. It already has over 1.7 million members and provides access to tools and insights into managing and improving health and wellness, while also delivering value and savings.

“This new offering enhances our mission of making the journey to better health and wellness easier, simpler, and more rewarding,” says Nick Caprio, President, Rexall. “We’re looking forward to growing our partnership with RBC to give additional tools and benefits to Canadians searching for a path to better health.”

RBC, Petro-Canada: over C\$60m in fuel savings

Rexall joins Petro-Canada in RBC’s growing portfolio of loyalty programme partners. Since launching in 2017, the Petro-Canada strategic partnership has enabled clients to instantly receive 3¢ per litre on fuel every time they pay with their linked RBC card. Moreover, customers earn 20% more PetroPoints and, if applicable, 20% more RBC Rewards points.

The programme has already helped clients realise over C\$60m in fuel savings and this number continues to grow. ■