

PITCHIT FINTECH STARTUPS PODCAST NO. 65-ARCHIE RAVISHANKAR

Welcome to PitchIt, the fintech startups podcast, one founder, one startup, one investor at a time. I'm your host, Todd Anderson, Chief Content Officer, FintechNexus.

(music)

Todd Anderson: On Episode 65 I talk with Archie Ravishankar, Founder and CEO of Cogni. Cogni is a nextgen platform that brings banking, commerce and lifestyle together. Cogni's mission is to offer personalized banking products suited to the lifestyles of those 18 to 35. Too many banking products today talk with a single voice for all their customers, Cogni is aiming to change that dynamic. Archie and I discuss how he's building a financial platform suited for people's lifestyles, why he thinks it's now more attractive to build on Web3 than Web2 and his vision for the company and advice for young entrepreneurs just getting started. We also touch on bank partnerships, reducing carbon footprints, FDIC insurance, raising capital and much, much more.

Without further ado, I present Archie Ravishankar, Founder and CEO of Cogni. I hope you enjoy the episode.

(music)

Welcome to the podcast, Archie, how are you?

Archie Ravishankar: I'm doing well, how are you?

Todd: I am well. So, I'd like to start these things if you can just tell me, tell the audience a little bit about yourself, you know, where have you been professionally before your current venture.

Archie: Yeah. So, I worked for a family office investing in tech and real estate, grew up in Australia, moved to the US about three and a half years ago to start Cogni, graduated from Barclay State Stars (?) and we recently closed our Series A, that is where we are at the moment.

Todd: One of our Co-Founders is also Australian, Peter, so we have an Australian connection and our company as well. In terms of becoming a Founder, did you always see yourself eventually getting to the point of starting your own company or did you find this issue in the market that you wanted to solve and kind of fell into alright, no one else is doing it, you know, let me and my co-founders do it.

Archie: I think it's a combination of both, right. The first combination is that I want to be independent, I want to have....created one issue at Bond what I wanted to do and the second thing is, is there a need in society where you could take your passion and see if you can execute on that need so it's a combination of both. So, for me when I started Cogni I wanted to build a banking platform that resonated with me growing up, it was not just a bank account that I hold deposits and use my debit card to swipe, but how could it be a lot more relevant to the need of my time in the sense that I travel a lot, you know, I like to experience new things.

I'm not buying a mortgage, I'm not, you know, using any of the financial products, I'm living hand to mouth growing up, how can I build a platform that's a lot more lifestyle-focused but still provide the basic banking services. So, that's how the whole idea of Cogni started and when I found the need that I could actually make an impact and it's possible to make an impact that's when I jumped on it.

Todd: So, before jumping into a bit more about Cogni I would just like to ask, where did the name come from?

Archie: Cogni, I felt that moving away from an information age to a knowledge-based age, right, that age has been information, we Google everything and we get information and everyone's all over the information and I think that moving away from an information age to a cognitive age where knowledge is wealth. You read the whole newspaper, that's information, but if you can condense all that information to something that is rather than to your personal needs (garbled) insight and too aligned, that's knowledge. So, I felt that we're moving towards that space and that's how Cogni as a name came up or a cognitive era.

Todd: You mentioned a little bit about who you guys are focused on, exactly who's the target customers and what's the....today, what are the range of services that you guys offer?

Archie: So, our Cogni customers are within the age group of 18 to 35, but, you know, we really want to cater for them. The reason why we want to cater for them is they are at that particular age, you know, you are looking at more lifestyle experiences, you're looking at where you can optimize your budget, where you can get maximum value of your dollar spent looking at good deals at the same time looking at good access points to events, etc., that's the target market and that's the specificity on what the platform has been built on. As to where we are right now, all that stuff that we talked about, the baseline has to be strong so it comes from the bank, being a banking platform so that's what we launched and a few two other functionalities that we launched along with the banking platform is more like carbon emissions.

Carbon emissions is very important, you know, the earth's temperature is looking to go up by, you know, a few degrees in the next ten years and if there's something that we could do that could, you know, for a banking platform say we could enable consumers to know what the carbon emissions are on every single transaction is going to be so we built that functionality as well. So, Cogni became the first platform where you can actually look at carbon emissions on every single transaction that you make.

Our goal is not to direct them into certain areas, but to give them information so they can make informed decisions. The other functionality that we launched was distributive cost, you know, we spent all that money on, you know, we always like a good deal so we have partnered with over a thousand brands where we can give anywhere between 6 to 12% on gift cards from Sak's to Southwest Airlines to Delta and we could actually send that gift card to anyone who doesn't even have a company account and it goes to the Apple wallet straightaway. So, we built those two functionalities, we built the basic personal financial tool, we built single use cards because this was a personal bank pain point because I used to try all these subscriptions and before you know it, you get charged for it so we built that functionality out as well.

And what we're really excited about right now is, you know, blockchain has been evolving for some time and last year when I was attending NFT in New York, I saw that mainstream parties were getting involved and obviously that was happening through NFTs and I felt hey, this is a great lifestyle opportunity that people want to get involved, get excited about and could we provide those services on a digital banking ecosystem so these are really working towards that. So, we're using basic banking as a platform and then we are building out additional services that will make a difference in people's lifestyles.

Todd: And in terms of the users, are there fees with any of the services, you know, how do you guys make money, is it on interchange? You know, if I am a user do I have to worry about costs like that in terms of subscription fees or cost to open up accounts?

Archie: No, we are a basic bank account, it's 100% free, we have access to 55,000 free ATMS, you know, you can deposit checks, you could deposit cash in one of our cash locations across the United States. You know, we also launched in Puerto Rico as well because we've had a lot of Prosper accounts actually happening so you can use Cogni-to-Cogni Pay. So, it's free to use, easy to onboard, less than two minutes to get a bank account and a debit card sent to you.

We are also working on functionality that are a little bit more premium in nature that allows you to build credit, look at the credit score as well so by end of next month, you know, when you get a bank account, you also get a non-custodial wallet and passed to your bank account so you don't have to download multiple wallets and try to figure out how you're going to move money from your bank account to your wallet and vice-versa. So, our goal is to give our wallet to everyone, non-custodial wallet, to everyone that gets a bank account with Cogni.

Todd: Is there a concern with the focus on 18 to 35 that a user will eventually age out, you know, when they get to a certain, you know, maybe it's time, alright, I'm doing less traveling, I have a stable job wherever I might live, I've started a family and the lifestyle aspects of what you guys have built might not apply as much as say when they were a bit younger.

Archie: So, a hundred percent true, your needs change very drastically, but you might not be spending as much or you might not be traveling as much, but your lifestyle is a part of you, the way you live your life is part of you, right. So, we're not saying today that we're going to be building mortgages and stuff, but you still like to go and get good deals, you still like to have access to certain stuff so those premium functionalities will come in play where, you know, you would still need to access those lifestyle services. That is a niche area that we want to really focus on, it's like using Paytm in India or Kakao, while it started as a messaging tool, but Kakao is also a payment application in Korea where, you know, you still use them for your lifestyle services. You don't buy mortgages out of Kakao or Paytm, but you can still use them to other things.

Todd: Yeah, that's true, that's true. You mentioned blockchain and obviously the non-custodial wallet, there's clearly been a huge shift the last few years in the crypto Web3 space, in your estimation where do you think the technology is today and are there certain impediments as to where it is today that might impact how quickly it's adopted more widely either by TradFi or traditional fintech?

Archie: You know, in the last six/seven years, it started as people are just really working on infrastructure and blockchain and now in the six years or so, we have seen, especially in the last three years, we have seen a lot of consumer adoption happening like Play2Pay, you know, games, NFTs, collectibles, (inaudible) has become a lot more mainstream. It's because the blockchains have become a lot more cheaper and obviously we're talking about Metaverse, obviously, for Metaverse we had a good VR and a lot of innovation happening in that space.

It's about an entire ecosystem that surrounds the blockchain concept and blockchain as a layer one gets cheaper and cheaper other auxiliary services are being built on top of it to make sure that from a consumer perspective you're creating new business models, you're creating a much larger digital experience and then you can access or experience things that is outside of your physical world as you spend a lot more time in the digital ecosystem. So, this is a completely new ecosystem, but the fundamental concept is very, very interesting, the whole fact that you could be a creator and you could actually maximize your benefit as a creator.

Todd: Do you think, and I always wondered when talking to those that are building or connected to Web3 or building a Web3, the ultimate end consumer, those that maybe aren't crypto enthusiasts or aren't living and breathing in fintech today like you and I are, do you think they ultimately care if banking and financial services are built on the blockchain versus the spaghetti that it's built on today. I think they'll care if it's cheaper, but does it matter that much to the end consumer?

Archie: No, it does not matter to the end consumer, right, we need to make sure that the experience is simple to people, you know, whether you touch/tap on your phone or whether it's a tap on a touchscreen or your iPhone, people are able to use it. The technology is more as a utility layer than can improve people's lives than people who have heard about the technology itself. So, if this can give new business models that they could actually benefit from opens up a new business opportunity for them firstly, yes, they'll be interested.

The second thing is its speed, convenience and usability. So, those are the three things that at even at Cogni we are focused on, is that okay, we need to go get that data wallet, right. It takes so much time, so much effort to read, understand, comprehend all these jargons, but, you know, when you're getting a bank account and we can give a non-custodial wallet attached to a bank account, great. That is some kind of an educational layer that has to happen between custodial and what is non-custodial, I think in the last few months we have seen a couple of, you know, exchanges and Web3 companies go down. The main ones will be using custodial wallets and they were able to use the custodial wallets, take the tokens and use it for investments and leveraging without consent of the consumer who actually owns it.

So, the only educational part of non-custodial wallets is you tend to own the tokens and as a financial platform they'll not be able to access that then you have full authority on how you are going to do that. So, there's an educational component to it, but besides that, the usability of it, I get a free wallet and, you know, you have some tokens already on there and that's make it a whole lot more easier. So, that's how we see this whole ecosystem evolving than the technology is another layer that people in fintech really care about, but from a user's perspective it's about the usability and help make it simple and a new business model that they could use and they can benefit from.

Todd: I see that on your website in doing a little research for this episode that you work with Community Federal Savings Bank. Was there any reticence on their part with the crypto Web3 connection that you guys have? I'm always curious to understand kind of how TradFi and traditional banks are thinking of the space and I don't know if they had any reticence in working with you because of that.

Archie: I mean, it's a steep learning curve for everybody as well as it's an educational component and CFSB has to, you know, they are a regulated entity and we have a fiduciary responsibility to make sure that, you know, we update and we communicate with them what this product is and how it's going to affect the consumers because fundamentally the deposits are being held with CFSB. So, for us, we've been communicating with them to see how this product is going to work and whether the customer funds are safe and they are having full understanding as to what they're getting into so it is an evolving process so it's a continuous discussion and how consumers are going to be using that product.

So, for us, we have taken a lot of compliance steps, not for disclosure standpoint, and making sure that the customers stayed up and the funds are protected. I mean, if you're going to get a custodial wallet then you have to go through a lot more regulated trade, than a non-custodial wallet. Obviously, the two FAs are very important, right, we are putting things in place. You know, when you make a transaction that is not a bonafide authorization that has to go through before you can send your tokens to someone else.

Todd: Speaking of wallets and you mentioned the FDIC insurance with your bank partner, do you think sometime in the future FDIC insurance becomes less of a deal breaker for consumers as they begin to adopt some of these various wallets and have an understanding of maybe how the different wallets and FDIC insurance works and they begin to get more into the nomenclature of what Web3 and crypto and they can own and control themselves, do you think FDIC insurance becomes as important today as it has always been in the next few years?

Archie: See, everyone likes an insurance, they always like to be, you know, having some insurance, some kind of a backfall and that's how it works, I feel that having an FDIC insurance in place for banks is being relevant. I think it's 100% relevant because there's a check and balance, you know, as much as big delivery of free markets and open innovations, well, there should be checks and balances when it comes to consumers because consumers are not always, all the time, you know, uptodate on what is really happening because in a country where a lot of people make less salary, they trust their banks. Do they love the banks, I mean, that's another connotation altogether, but do they trust their banks, yes, they trust the banks. Why do they trust the banks, because it's FDIC, because they trust the government so that trust factor is a very important component and I think FDIC should be here to stay and I think it is a bit of a comfort to know.

Todd: Since you've launched Cogni, what's been the biggest lesson that you've learned about your own company?

Archie: I mean, with me first starting out as a digital bank, we launched during COVID and we went through a lot during that period. So, the most important thing for us during that point of time was, you know, to survive through the space and we had to kind of like move some of our plans down the track because when you're first starting out your goal is to, you know, have enough cash to raise your Series

A, you've got to figure out like how you're going to build and raise and those kind of stuff. The second thing that is personally within ourselves, but one thing that we really focused on was phenomenal customer service. You know, we built our customer service from ground up which is based in Long Island, we are very (garbled).

Todd: That's where I live, in Long Island.

Archie: Right, gotcha, and we didn't outsource our customer service, we wanted to bring it in-house and we wanted to see how we could really service our consumers, how we're going to look at it when we launch crypto. Crypto doesn't really have good customer service right now and we are working with the team to see how we could address some of those concerns as well and also our lifestyle services we will offer in the future. So, customer service has evolved into a community ecosystem plus a concierge kind of a service so that's my vision for customer service. Customers need somebody to talk to, always sending a ticket up or sending messages and waiting for it, they like every assurance that hey, I've got you. So, that has fundamentally been very important to us and to me personally so we focus on those things.

Todd: The best piece of advice you received either from a fellow team member, investor.

Archie: A lot of team members always, you know, when you are growing as a startup you are focused on raising capital, you are focused on launching the next product and all that, but sometimes a founder sometimes needs to tell the team how much you care about them and how much you value their work. You know, as a founder that is something I've always, you know, go, go, go, you expect everybody to know everything is going great, that communication is very important even though, you know, as a founder you might realize that everything is okay, things cannot be okay and everyone has their own requirements. So, as a founder that was something that I learned, everything is still a learning process as an entrepreneur, right, so that is one.

From my investors it's always been like don't die, survive, even though the macros will change, it will benefit you. Many times, founders give up very quickly, some people don't and they survive to tell a good story and the macro always changes and the most important thing with the macro is you just have to survive and the macro will just come and benefit you and situations will happen that benefits your business. Firsthand, we had seen that with Cogni and that's been very helpful and, of course, advice given to me by a lot of my investors.

Todd: Tell us a little bit more about the team, you know, how many people are on the team, types of people around you, who are helping you build Cogni today?

Archie: When we started as a seed company when I moved to the US, the team was recently very new, some stayed behind, some of them moved to different companies. But where we are right now today, we have brought in some really good, talented people like our VP of Finance who came from Morgan Stanley, who had taken a couple of companies public, his experience was very, very important to us. We set a very strong financial, you know, infrastructure in place, accountability, financial process within the business as we are still a seed company and looking at (inaudible) very soon. Very strong engineering, hired my VP of Engineering so there he came doing quality time and helped stabilize the

business and put up an infrastructure that can look at scale so having a very strong relationship with our leadership team is very, very important.

We also brought in very recently our new Head of Web3, Simon Grunfeld, he joined us a few months ago, I'm very excited to work with him, you know, he's not only passionate about the Web3, he also understands compliance, a strong component to it. We bought a new general console from Fenwick which is really helpful for us right now as we're trying to maneuver in the risk compliance space as well and obviously some of my customer service team who have taken risk leadership roles with my customer service. So, it's overall, hired myself with really good people, with really good talent and as the company evolves they spoke of what they have to do and explained that what they have is really going to be important so we've always kept the highest lead on a weekly (inaudible) so that's how it's been.

Todd: You mentioned the seed, seed capital/outside investment that that you've received so far, you mentioned going from Series A to Series B, how was the fund raising process, what did you learn about yourself, the company in that process, how was investor appetite for what you guys are building?

Archie: Seed is different from Series A to Series B and to some extent seed is totally dependent on who you are as a founder, that's when money is coming in to you and then from seed the big point of it is always data. In numbers, it's going to determine what volume are you going to raise your Series B and also the execution confidence that comes with it, right. As founders, you know, you do have lofty goals and you should have very lofty goals, goals that has to combine yourself with some element of execution and some element of data that kind of like matches that, I think a triage between those things and obviously the macro market opportunity that exists.

So, for me it has always been....going through the process has been very interesting because seed investors have different requirements from a Series A investor, from a strategic investor who comes in because as a business you could probably add a lot more value to them and we always picked up investors who are going to be a lot more leaning to us, who are going to be helpful to us and that we have an access to as well and all our investors have been great, so far.

Todd: In terms of if another founder found this episode and listened to it, what would be one piece of advice that you'd offer them if they were just starting their company?

Archie: One piece of advice is, you know, being an entrepreneur and being a CEO is two different things. You are an entrepreneur, you're hustling, you're trying to build a company, you're trying to sell your vision, you're a salesman at the start because you don't have the numbers to prove your thesis and being a CEO is an entirely different thing. Being a CEO is managing people, having a much stronger discipline, focus, execution so know your strengths and weaknesses and compliment your weaknesses with the leadership team that could add much significant value. That is the advice that I would give.

Todd: You know, obviously each company is different, but for you guys where have you felt it started to change where it goes from, you know, hustle founders to alright, I need to hire some professional people, you mentioned the Morgan Stanley and some others. Obviously, it hits a point where it's like

alright, we need to make some certain key hires that makes us look like a more professional put together executive team versus two/three founders really, really hustling?

Archie: I mean, the main knowledge is important for anyone, there's no compromise there, but, for example, you know, you might have your, kind of starting out you might have your sister as your accountant to help with the books, but then when you move to Series A, when you have go through audits and financial modeling, you need to be thinking ahead and saying okay, this is the time that I've got to transition to somebody that has a lot of experience who can help grow the business.

That's a trade-off between costs and costs both developed that are monetary-wise, securities-wise, you'll have to triage that and figure out what's relevant for you and for us. It was always a combination of cash in your bank, people who have passion and people who believe in your passion so it's a triage work between that. I mean, during the whole course of time, I can say I've not always been 100% successful in triaging very well, but sometimes I've always done well, sometimes I haven't done very well so it's just a learning process. It's the skills that you learn, you don't have to go to MBA for. (Todd laughs)

Todd: So, we have just a couple of minutes left so I'd like to end these episodes a little bit lighter. Do you have a favorite book and the last book that you read.

Archie: I mean, I've been reading a lot of magazines lately, reading a lot of books on Metaverse and how things work on Metaverse, but one book that really resonated with me was "Principles" from Ray Dalio, I keep reading it again and again because I really enjoy the way that Ray talks about how do you add value to society and how can you make an impact to society and how can you do well by solving problems in society and one of the principles that helped me get there so that's been...I love reading the book again and again. I read it again two months ago so that's one of my favorite books.

Todd: As a Founder, obviously you're very busy, what do you do to step away and kind of unwind and shut your brain off for a little bit?

Archie: Because Cogni really focused on a lot of the lifestyle services of the ecosystem not just pure bank accounts so I distract myself by, you know, trying to engage a little bit more on what's happening in that space, trying to experience new things, whether that's going to be with NFTs or some of the new technologies that is coming in Metaverse, that's always been very exciting for me. I also like space, you know, like making friends with other people in the space, whether VC funds or founders who have been innovating in the space so that gives me a bit of a downtime and I'm going to Burning Man for the first time after (cross talking) should go so that's a bit of a downtime for me this year which I'm very excited about.

Todd: Do you watch sports, do you have a favorite team or teams that you root for?

Archie: I mean, I was born in India, I grew up in Australia so I like cricket, I like rugby, that good, favorite sport of mine. In the US, when I first moved to New York I started liking all my New York teams, the Yankees, you know, you see a lot of Yankee hats in my office and I have some Mets hats too.

Todd: Okay, just making sure you've got the Mets represented because I'm a Mets fan.

Archie: Yeah, yeah, just like myself and a couple of my leadership guys we always wear a Yankees hat and we had some of those new hires, we make sure that they wear the Mets hats in the office (both laugh). So, yeah, I think sports can bring a lot of people together, it's kind of good for team building so I really like the baseball team in the office at Cogni and we have this fun banter back and forth so we're excited about it. We also like playing chess in our office so making it much more of a tradition in Cogni so it started with my Head of Web3 and I like playing chess as well so that's another, I wouldn't say it's a sport, it's a fun, challenging experience.

Todd: It suddenly plays into the cognitive angle, for sure.

Archie: Five percent, yeah.

Todd: Do you have a favorite vacation spot?

Archie: Since I've been here in the United States, I feel my vacation is now going back to Australia, on the Gold Coast where I'm from, but other places, I like culture, I like anthropology, I've always been very passionate about anthropology. So, for me, a vacation spot has always been, you know, places with deep culture and people, I think some of the places that I really like going is Dublin, I like Irish people a lot, I love the Irish culture of, you know, you go to a bar and nobody knows anybody, you come out making friends with everybody. (Todd laughs) I like Korea, I like Seoul because they've had a huge impact in the culture globally, you don't have to speak Korean, thinks with K-pop or technology and the history of the Koreans has been like I've been very passionate about that and I love going to Seoul all the time and I like going to Budapest as well.

Todd: Final question. biggest inspiration in life?

Archie: My biggest inspiration in life, I think all entrepreneurs have been a great inspiration for me, whether it's Elon Musk or Steve Jobs. I'm talking about innovators I can admire who can I can hold up to, I'm talking about not their personal opinions or beliefs or anything like that, but purely as an entrepreneur you can welcome all adversities that you have and you believe your passion and then you can be successful, right. So, this is very much focused on their ability to overcome odds and their ability to fight adverse situations, to lead and execute when a lot of people don't believe in their mission and staff.

o, they all are my inspirations and I think all entrepreneurs, listening to their wild stories they always inspire me to do better. What would somebody do if they were in my place, you know, it gives you the strength because it's very, very lonely at the top and the biggest inspiration that you can get is from reading their stories and that kind of like inspires you to do better.

Todd: Well, Archie, I really appreciate your coming on the show and giving me a few minutes of your time. If someone wanted to reach out not only to you but find Cogni, where can they find you, where can they reach out?



Archie: My Twitter is archrd and my email is archie@getcogni.com, will respond to that so yeah, I'd be happy to learn more and we're hiring, you know, good talent across product engineering and design, we'll be always happy to have a chat with them and if they just want to have a chat, is there any way that I could help or assist or provide any feedback, I'll be happy to do that as well. So, those two ways are the best ways to reach me.

Todd: Alright, thank you very much for coming on the show, continued success to you and team and hopefully, we'll get you back sometime in the future.

Archie: Thanks, mate, appreciate it, Todd, you have a good day.

Archie: Thank, you too.

(music)

Thank you for listening to the latest episode of PitchIt, the fintech startups podcast. I encourage you to take a few minutes to write a review or rate the episode. Both ratings and reviews help us to improve the show for future episodes. If you're interested in learning more or would like to be considered for a future episode, please reach out anytime. My email is todd, t o d d @fintechnexus.com and until next time.

(music)