



## **FINTECH ONE-ON-ONE PODCAST – DAN MICHAELI**

Welcome to the Fintech One-on-One Podcast. This is Peter Renton, Chairman & Co-Founder of Fintech Nexus.

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**Peter Renton:** Today on the show I'm delighted to welcome Dan Michaeli, he is the CEO & Co-Founder of Glia. Now, Glia is focused on digital customer service, they're specifically targeting financial services because, let's face it, how many people, I think everybody listening to this has probably had a horror story when they're trying to engage in the customer service of a bank or even a fintech, for that matter, where they're not getting their answers they want, it's taking forever, they have to repeat themselves to a call center operator, it really feels like we're still back in the 20th century sometimes when it comes to customer service.

Well, what Glia's all about is making that an integrated, automated way of dealing with customers for fintechs, for banks to deal with customers in an optimal way, in a way that they want to be dealt with. We go through exactly what that means and how it all works, we also talk about the ChatGPT and Conversational AI, we talk about the pandemic and how digital customer service suddenly became front and center for financial services and what that was like. We talk about their organization becoming a CUSO, a Credit Union Service Organization, we talk about their geographic footprint and much more. It was a fascinating discussion; hope you enjoy the show.

Welcome to the podcast, Dan!

**Dan Michaeli:** Hi, how are you, Peter? Thanks for having me.

**Peter:** I'm doing great, you're welcome. So, let's get started by giving the listeners a little bit of background, now I know you've been doing Glia for a long time, but tell us a little bit about sort of your background of your career.

**Dan:** I started my career in venture capital and then I moved into strategy consulting where I worked with a lot of businesses that were facing, you know, the very problems that we seek to tackle today



with our platform, so it was an easy transition to make once we identified that problem, but, primarily, my background is in venture capital technology and then strategic consulting.

**Peter:** Okay. So, was it in that strategic consulting role that you saw the problem? Maybe tell us a little bit, flesh that out a little bit it for us, tell us the founding story, if you will, of Glia.

**Dan:** You know, we started our careers specifically focused on consulting for large businesses across a variety of different industries, you know, from banking (inaudible) to retail and we kept sort of running into the same problem where businesses that were established before the advent of the Internet had a very specific challenge competing with those businesses that were established after the advent of the Internet, right. And so, we saw this time and time again, but it became very apparent when we worked with a specific retailer, a very large Fortune 50 retailer that you would all be familiar with. This retailer was struggling to compete with Amazon as a lot of retailers even today are struggling and one of the areas that we were focused on was how to optimize their pricing strategy, how to think of the best way to position the products that were selling in order to gain market share using that strategy.

But my co-founders and I kept asking the question, what about if we instead of focusing on these pricing levers and sort of these very tactical aspects of the competitive strategy, why not think about it from a customer experience sampling, what can we do to empower this sort of more legacy business to compete in this new age of on-screen customers, right. And that's really what prompted it, like how can we, if we had to reinvent the experience, what would that experience look like today? And so we started sketching out the platform and thinking about it and as we delved in further and further, we said, wow, there's a real massive need and a massive opportunity here.

**Peter:** Right, right, interesting, interesting. So, I was researching you guys and I see this term "digital customer service" used all the time. I can see it, if you're watching it on video, you'll see Digital Customer Service Summit as your background here, what do you mean exactly by "digital customer service?"

**Dan:** This is a concept of really three components coming together. It's on-screen communication, on-screen collaboration, and on-screen automation, right. So, the ability to bring those three together in a way that is holistic and in a way that serves a customer with a digital-first approach so meeting them in those digital self-serve journeys. You know, it could be oh, you know, I'm going through a loan application process or I'm in my online banking portal or I'm using the mobile app, right, meeting them in those screen journeys, right, and serving the customer at that point of need is really what digital customer service is all about so it's reinventing the servicing model for an on-screen world.

**Peter:** Right, got you, okay. So then, let's just start with traditional financial institutions, banks, credit unions, those sorts of organizations, what are they doing well or what are they doing badly when it comes to digital customer service?

**Dan:** When I was telling the founding story, I mentioned that we were looking at businesses across a variety of verticals and over time, we decided to really hone in and focus on financial services because we felt that the problem was especially acute in this industry, you know.

**Peter:** Right.



**Dan:** And so, over the last six or seven years that's all we've focused on and we've developed a deep proficiency in this vertical. And I think really, the reason why we've decided to focus on it is because products are largely commoditized in internet financial services and really the relationship and the interaction carries a ton of weight, right. What you can bring and deliver to the customer with an interaction carries a very large weight in terms of loyalty and metrics and so that's really where these FIs are able to differentiate. So, with that foundation what do they do well when it comes to traditional customer service and what don't they do as well, I would say, you know, many financial institutions understand that they need to provide some degree of digital customers.

They understand, you know, hey, listen, I'm putting put all of these digital capabilities for my customers and my members, I need to meet them there somehow, right. I need to provide some way of them having a discussion, a conversation with me when they have challenges with these digital tools that I'm providing, right, be it a portal or an app or a public site, whatever. I think what they do well is they at least have a fundamental understanding that they have to do something about it. I think the big challenges, where a lot of them fail, is that they one, don't identify digital customer service as more than a standard live chat or a chat bot, they think that's digital customer service. I've got it covered, right, I'm doing chat with my customers, I have a bot, I'm all set, I've got digital customer service, right.

I think it's sort of limiting it to a messaging-focused, very low touch kind of interaction is one area where they fail and then the second area is connecting it to the broader interaction strategy that they have with their customers. How does somebody who gets served in a digital interaction, how does that change when they want to higher touch interaction, how does that change if they want to talk to you or when they want to do video banking, how do those jumps between the different types of interactions happen? That's where most FIs don't have a cohesive approach.

**Peter:** Right. So, are fintechs doing any better, do you think? I mean, obviously, these are companies that really were founded in the digital age, you'd think they would do better, but what's your perspective there?

**Dan:** In some cases, yes and in some cases, no. I think what fintechs get wrong is they assume that everything can be handled in self-serve, right. So, they say oh, you know, I don't need an interaction with customers, I don't need to have these costly sessions where I go back and forth, have a two-way exchange with somebody because if I build my tools better, if I make sure that I don't, if I deflect better, if I create better capabilities then I won't have those interactions happening.

And I think that that's a missed opportunity because interactions are actually some of the most valuable, if not the most valuable, touch points that you can have with a customer. So, they do better in the sense that they're more digital-centric and they're more digital-first and they think about those capabilities that results in an inherently more modern approach I would say. But they don't place the same value, not all of them, I would say some of them don't place the same value, on an interaction with the customer and that's a missed opportunity.

**Peter:** Right, okay. So, let's dig into what you guys actually offer and I want to talk about this, the Glia Call Center, which is one of the core offerings, from what I gather, describe what that is exactly and how it works.



**Dan:** If you want to think about at the highest level, Glia is an interaction platform, digital customer service is at the core of that interaction platform, right. In addition to digital customer service, we have a call center offer and an automation offer so really, it's three pillars that make up that interaction platform. Digital customer service, call center and automation. Those three things together are combined with what we call a "channel-less architecture," right, which means that it doesn't matter what channel or what mode a customer wants to utilize for their interactions, they're all connected, they're all completely connected seamlessly, it's channel-less, they don't experience that channel.

So, our call center offer is part of our broader interaction platform and it's very different than other call center technology that has preceded it. First, it's built to take into account that on-screen experience that I was talking about, so it brings the call experience and the screen experience together in a really unique way. Second, it provides a single place that has all the interactions that you're having with customers, so all are contained within the same platform. And what that allows you to do is to dial-in, no pun intended, to dial-in specifically where you want that mix of interactions to be, right. Do you want more messaging, do you want more phone calls, do you want more video banking, do you want more SMS?

When an FI combines those two things together and then, you know, includes automation, that allows them to really decide what's the most efficient interaction mix that they want. And, lastly and I think most importantly, it's completely focused on financial services so it's the first ever call center platform that only serves FIs and that's very different, you know. Historically, call centers are horizontal in nature, you know, the same call center technology that powers a pet food company, you know, is then sold to an insurance company or a bank, right. And they're very different needs when you're in a regulated industry, when you're focused on a clientele that's very relationship-driven and focused. So, I would say, that that is a really important aspect of the Glia Call Center offer as well.

**Peter:** So, let's just go through an example, if you will. So, I've downloaded an app, I'm opening up an account, shall we say, on an app and there may be like "chat with us" so I'm starting to do a chat and then I'm getting frustrated because I'm not getting the answer from the chat bot, sometimes the chats are really pretty rudimentary and sometimes they're better. But then, I presume what happens with your system is then they say, right, do you want a call to a live person? Or maybe you can explain it, just run us through an example like that, like what I've described.

**Dan:** Sure. So, let's say that I'm a customer, you know, I'm trying to figure out what's wrong with a specific transaction that I see on a statement or I'm trying to apply for a loan. First and foremost, the system would detect what I'm trying to do. So, it would anticipate what my question is going to be, right, I see that you're struggling with X rather than saying, how may I help you, right, it's very frustrating when that happens, you know, you'd rather start, be predictive, be anticipatory. So, once it detects what I'm doing which is an important component of an interaction platform then it will offer me the right assistance.

So, it would say, maybe it is a chat bot in that scenario, but maybe it should be directly escalated to a video banking session, for instance, right. I don't know, it depends on what journey that the customer is on and what they're struggling with, how valuable that customer is, how valuable that interaction is, right, it depends on a variety of factors, but the system is intelligent enough to pre-route where that



interaction is going to go. Now, it's important to know that if that interaction does go, does start with a lower touch or virtual assistance, right, where it's going in through with a virtual agent, a chat bot, if it starts there and then the need becomes more complex, you need to be able to escalate very quickly out of that and the customer should never perceive a difference between the interaction, right.

It should immediately transfer to the human agent that is now chatting with you, the human agent should have full visibility into what you just covered with the chat bot and you shouldn't have to start all over again, right. So, I see that you were talking with, you know, our bot about X, Y or Z, I see that you got stuck here, I think that the next best step would be this, do you agree? It would immediately anticipate that. Then if the person then says, you know, I think it's going to be easier if we just talk this out because it's even more complicated than that, with a single press of the button you'd be talking to that person, not to another person, not having to start again, not having to dial a phone number and then leave the digital journey. But literally having a conversation like we're having now through the screen that allows me to then resolve the issue with the person I was already discussing it with, right.

So, at that point you've gone from a basic virtual assistant interaction all the way up to a human high touch interaction that's happening on your screen, on your terms, and then if that person wants to introduce co-browsing or screen sharing to guide you through the completion so that you don't have to call again, that would be something else that they could bring into the interaction. They could say hey, let me show you how to resolve that, let's spend another minute so that you won't have this issue in the future and thank you so much for doing business with us. And so, ultimately, those are the types of interactions that we power. That channel-less, seamless, frictionless experience, you know, that customers really expect of us. They don't get those experiences very often.

**Peter:** No. (laughs)

**Dan:** That will actually start becoming the rule rather than the exception if we have anything to do with it.

**Peter:** Right, right. You talked about automation as well, is there some other piece that you do in the background, or tell me what you mean when you say automation.

**Dan:** Yeah. So, I mean, we have a variety of capabilities around automation, we have virtual assistants that operate, we have turnkey solutions for FIs that operate either within unauthenticated or authenticated digital experiences, we have out of the box chat bots effectively, that are very easy to deploy within those typical journeys for an FI, right. We also have an AI management platform that allows you to create those seamless links, like some FIs already have, bots that they've built, right, and they want to connect it to the human escalation in a really seamless way.

We have a layer that allows existing bots, if FIs are not using the ones that we provide, to connect to the human experience so they can create that, you know, that very seamless journey, we have voice automation as well. So, we have a series, when I talk about that as one of our three core components, remember, I mentioned digital customer service call center and automation. Automation encompasses a lot of different automation capabilities that can be deployed according to the highest value of that use case or the way to deliver the highest value for that use case.



**Peter:** Right, right. So then, I'd love to talk about Conversational AI and in the context of ChatGPT which has obviously taken the world by storm in the last three months, what are your thoughts on the capabilities that OpenAI, the organization behind ChatGPT, they're bringing to the table. Is this something that has direct relevance to what you're doing or is it really separate?

**Dan:** Look, it's really impressive technology. When you look at what's needed for an enterprise solution, it's not the most appropriate for an FI to utilize, right, with customers. There are uses of it which are excellent like, for example, facilitating some of the agent-facing capabilities, right, providing automation to the agents because they can then check in and see what kinds of suggestions and what kind of text is being generated, they can verify it. But ChatGPT is a general-purpose system, it's a large language model that's trained on a massive amount of general data from the Internet, right. So, it understands and generates responses on the fly based on that very large data set.

But an FI has no control over what kind of suggestions it's making, right, those can be very wrong and when you're an FI and you're a regulated business you can't afford to be wrong like that, right. You have to be able to verify what the model is producing to control it, to incorporate your own product and have a platform that manages the responses. You know that you want to provide to customers those responses have to be vetted and confirmed by your institution, right. So, it's a very impressive, large language model and it has incredible applicability, I would say, as it pertains specifically to customer interactions within financial services or regulated industries, you just need a different type of solution, you need a much more enterprise-grade controllable, focused offering. So, that's my reflection on that.

**Peter:** You're specializing in financial services, does that mean that your Conversational AI chat bot brings with it some specialized knowledge that obviously a ChatGPT wouldn't have? I mean, if I'm on a chat bot with an airline versus I'm on a chat bot with a bank, maybe one of your customers, what's the difference in capability there?

**Dan:** You ask a chat bot, for example, what is the interest rate for my travel rewards Visa account, how is a chat bot going to answer that question if it's a generalized, general purpose kind of chat bot, right?

**Peter:** Right.

**Dan:** So, what Glia's providing is over 800 different turnkey responses and user goal, right, that can be tailored to the specific language that the FI wants to use with their customers. And it also applies a large language model that we've built around all of the different institutions that we've worked with over a large period of time. You know, we made that acquisition last year of Finn AI because that's what we want to do, that's what we saw. We saw a tremendous amount of value in that large language model. You know, you need specialize when it comes to serving customers and being very specific in handling inquiries with your business, right. You want to make sure that that's accurate, vetted and a great experience and so you need an enterprise grade solution that specializes in a particular type of inquiries or in a specific vertical, if that makes sense.

**Peter:** Got you, yeah, that makes sense. So, I want to take, go back three years ago - we're at the start of the pandemic and suddenly banks realize that their branches are closed, and they've been mandated to be closed, and they still need to provide customer service. I imagine this was something that really was a massive boon for you guys, tell us a little bit about what was it like trying to kind of



navigate this sudden onslaught of banks realizing, oh my God, we've got to have digital customer service.

**Dan:** It was an interesting time, you know, I think that we were very fortunate to be in a position to help FIs. We had customers and prospects that were struggling and significantly during this time and, you know, we've been working for many years to provide a platform that was easy and had a very short time to value and was friendly for the managers, for the business, for the agents, for the customer, you know, we placed a lot of emphasis on experience. I mean, frankly, you know, when we started the company, we didn't have a customer service background, we didn't have a customer experience background, we focused specifically on what is the best, if we could imagine just the best experience possible, what would that be for everybody involved and that's what guided the creation of the platform.

So, the reason why I bring this up is ultimately our platform is fundamentally different and fundamentally faster than what's out there and we were very fortunate that that was the case when COVID hit because we had the opportunity to make migrations happen in a matter of hours for our customers, right. My agents can't take calls from their home because the system is on Prem, can you help us? Sure, you know, here you go, you're active now with Glia Call Center, right, and we did it, you know, in a pinch for everybody and we worried about charging and figuring that out later because we wanted to help them, you know.

As companies approached us, we just felt very fortunate that we had the capabilities that they were looking for to maintain those important interactions with their customers and to help them still feel connected and functional to be able to do business in a way that they felt proud of, rather than in a way that felt like a patchwork or like a, you know, a band aid to a problem. You know, they were able to create meaningful differentiation, meaningful advantage during that time when they worked with Glia, that implied a lot of late nights, a lot of hard work and you're dealing with a lot of, like you said, a lot of influx at once, you know.

**Peter:** Right, right, I can't even imagine what that was like. I want to switch to something that you recently announced and that is you became a Credit Union Service Organization, a CUSO, and wanted to sort of talk about what was involved there and what was the thinking behind that move.

**Dan:** Sure, We established the CUSO because we had a variety of our customers approaching us asking if they could invest in Glia, right, so we serve a lot of credit unions. When we raised our last financing round early last year, we passed a \$1 Billion valuation, it was a big moment for the company. We made that announcement, and it was the first time we had announced valuation publicly. You know, when you pass that milestone, it's an exciting one for the company so we felt compelled to share that and so once we did that a lot of our clients approached us saying, hey, we would love to...is there an opportunity to invest?

We had thought about it in the past, but never really pursued it, but as we kind of looked at it more closely we said, you know, maybe there is something really interesting here because if we focus on fundraising, specifically for creating a community rather than for operations then this could be really worth it. So, we had just raised, we didn't need the money for operating, but we thought it would be really interesting to do it to create a community around credit unions that are exceptionally member-



focused and that are big believers in what Glia is doing and that's exactly what we did, and you know, it's been an incredible experience. The credit unions that participated have become excellent advisors to the company and they're also sharing best practices in creating and helping us build more and more of that sort of member interaction community, I would say.

**Peter:** And so, is a CUSO, is it a non-profit, like credit unions are obviously all non-profit, does that mean that CUSO is actually non-profit as well or how does that work?

**Dan:** CUSO is a designation for an organization that serves credit unions so it's a special designation.

**Peter:** Did you create a new organization or is this something that you just became or you added?

**Dan:** You can do it in both ways, you can do it in both ways. You can do something new, or you can designate yourself as a Credit Union Service Organization.

**Peter:** Right, right, okay. So, moving on, I want to talk about geographic footprints. I know you've recently, I think, expanded into Latin America, but what is the geographic footprint of Glia today?

**Dan:** You know, we primarily serve North America, but we've really started accelerating our go-to-market strategy in Latin America. We have a very rapidly growing Latin American customer base and that region's really exciting, you know, there's a lot of appetite for these technologies in the region, we've seen incredible growth over the last two years in that region. We also have many clients in Europe as well, but Latin America has been growing very quickly for us.

**Peter:** Right, right. We find Latin America to be a very exciting place in the fintech space, so much innovation happening and so many new companies that are starting to get scale. Okay, you talked about becoming a unicorn, but can you give us some sense of the scale you guys are at today as in, you know, number of organizations, employee head count, that sort of thing.

**Dan:** We don't disclose these figures because we are a private company, but I will tell you that we, like I mentioned, we passed \$1 Billion valuation, we raised over \$150 Million to date. You know, we have, at this point, over 400 customers so that should give you a general sense of scale, I would say.

**Peter:** Yep, yep, that's great. So then, last question, digital customer service, it feels like we still have a long way to go, like if I'm talking to even one of the top four banks in this country, it's pretty terrible, digital customer service experience that I get. So, the capabilities are now there to have a great experience, what's your vision for the future, not just of Glia but of digital customers service, in general.

**Dan:** My vision for the future of customer interactions let's say, in general, is that the experience that I described before, that seamlessness, that anticipating in context, you know, really elegant type of interaction, that type of experience should be the rule and not the exception, right. It shouldn't be unusual for me to experience something so remarkable. It should be unusual when I don't experience something so remarkable. And I think that's where we need to get to because there's a lot of inertia that's caused by sort of the legacy players in the space, I would say, because they want things done a certain way.





They want models that are anchored on phone calls and focused on the phone, you know, rather than thinking about how can we take those same interactions and make them something really interesting and different and valuable for both sides. How do we take the volume of interactions and change it so that it's more future proof it's more modern, it feels more in line with what customers expect today from the interactions as businesses? So, in short, I would say that really it's how can we make those high-quality contextual interactions the norm, the mainstream? That's the vision.

**Peter:** Okay, I'll look forward to that day because it's still pretty frustrating a lot of times. So, anyway, Dan, really great to chat with you, appreciate you coming on the show today. Best of luck.

**Dan:** Pleasure, Peter, thanks again.

**Peter:** If you like the show, please go ahead and give it a review on the podcast platform of your choice and be sure to tell your friends and colleagues about it.

Anyway, on that note, I will sign off. I very much appreciate your listening, and I'll catch you next time. Bye.

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