



CCG Catalyst: leading at the forefront of fintech innovation

Never before has collaboration between banks and fintech startups been more urgent. The industry is facing accelerating digital disruption and consumers' affinity for banking digitally has only grown over the past several months. Banks must manage this accelerating shift amidst increasingly uncertain market conditions—a tall order for even the most capable organizations.



That's why Catalyst Consulting Group (CCG) is working to bring banks and fintechs together at this critical time by standing up the Arizona Fintech Council in partnership with the Arizona Bankers Association. Joining forces can allow banks and fintech startups to leverage each other's

strengths to navigate these difficult times. The Arizona Fintech Council will:

- Spur new opportunities for member banks and selected fintechs to connect with each other
- Evaluate startups' readiness to work hand in hand with banks on innovative new products and services
- Aid in arranging proofs of concept (PoCs) with participating banks and fintechs in Arizona's regulatory sandbox.

This will enable banks to better leverage startups' inherent agility and creativity to respond to sudden market shifts. Partnering with banks to gain access to new customers also provides a vital lifeline for fintechs, which lack mature customer bases to help them ride out difficult market conditions. However, both banks and fintechs have historically struggled to collaborate effectively.

CCG is helping establish the Arizona Fintech Council to smooth the path to greater collaboration between banks and fintechs. The Council will evaluate fintechs for participation in Arizona's Fintech Sandbox, established in 2018. CCG and the Arizona Bankers Association will also select council members from banks seeking to evaluate these fintechs' products and services, partner with them on PoCs within the sandbox, and potentially invest in or acquire them.

Participants will include diverse institutions primarily chosen from existing members of the Arizona Bankers Association, which includes member banks of all sizes, ranging from community regional, super-regional and banks with more than \$1 trillion in assets. Select institutions that are not Arizona Bankers Association members may also participate, and other stakeholders from government and academia will also join the council's ranks.

The council will facilitate connections through regular summits, where fintechs selected with CCG's help will showcase their ideas to member financial institutions. If a member institution seeks to partner with one of the presenting startups on a PoC, the council will then expedite an application to the Arizona Attorney General for inclusion in the sandbox program.

Arizona's sandbox is also unique among all the state-level fintech sandboxes in the U.S. because it is the only such program that is not restricted to startups domiciled within the state. This broader inclusion will give member banks an unprecedented opportunity to connect and work with a larger swath of innovative fintechs under the umbrella of a regulatory sandbox.

Growing collaboration between banks and fintechs will usher in a new era in financial services, and we at CCG encourage other industry leaders to join us at the forefront of this promising new era.

¹ americanbanker.com/opinion/a-vetting-guide-for-banks-mulling-fintech-partnerships