



Jon Briggs

Head of Commercial Product and Innovation, KeyBank

For years, banks and fintechs looked at each other as competitors. That is until they realized how much more effective each could be if they swapped competition for collaboration. Learn how KeyBank develops powerful, secure solutions for its clients by leveraging a comprehensive fintech strategy rooted in partnership, innovation, and security.

Why KeyBank partners with fintech to bring scale and security to payments innovation

By Jon Briggs

At KeyBank, we deliberately embrace fintech. It's the technology that makes banking better and easier for our clients. We use fintech to grow our business, make our digital spaces intuitive, and connect with our partners.

But that wasn't always the case.

More than eight years ago, as a bank, we came to grips with the fact we couldn't be everything to everyone. We understood it was in our best interest and our clients' if we worked with top fintechs in the industry to bring their capabilities to market and to our bank channel.

This was how we would create deep, integrated experiences for our clients — quickly.

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Our strategy (which other banks have since tried to model) was a significant shift in the bank-versus-fintech landscape. It was a shift from competition to collaboration. While traditional banks bring money movement, financial experience, and risk management services to the table, agile financial technology (fintech) companies can offer game-changing products that solve pervasive problems for specific industries.

Fast forward to 2024, and our fintech strategy is still an important focus for KeyBank. We remain dedicated to bringing our clients effective solutions, including KeyVAM, our latest offering developed in partnership with Qolo.

We'll dive more into KeyVAM later, but I first want to peel back the curtain on how and why KeyBank partners with leading fintechs to bring the scale and security of a centuries-old bank to the latest innovations in finance.

The blueprint

Our fintech strategy is an extension of our core strategy, which is serving our clients. We look at it as a way to advance our product roadmap in a shorter period of time.

Every day we ask ourselves what is the biggest pain point we can solve for our customers in the industries and segments we serve the best? Are we the best builder of the tool to solve that problem? If yes, we're going to build some of those software capabilities. If not, if there's a better innovator out there, how do we partner with companies like that to solve those problems?

We choose our fintech partners carefully, based on how they can help our clients, how they fit with our culture, and how they share our vision. We work with them closely to build trust and collaboratively shape their product roadmap based on our deep knowledge of what our clients need. We also help our clients understand and use fintech to improve their payment processes, save money, and be more efficient.

Our fintech partnership strategy is based on four key pillars:

1. Commercial partnership

We collaborate with fintechs to offer their products and services to our clients, and vice versa. This way, we can leverage each other's strengths and expand our market reach.

2. Equity investment

We invest in fintechs that align with our vision and values, and provide them with capital, mentorship, and access to our network. This way, we can support their growth and innovation, and share in their success.

3. Joint roadmap

We co-create and co-deliver solutions with fintechs and integrate them into our core product portfolio. This way, we can enhance our offerings and provide our clients with the best of both worlds.

4. Cultural exchange

We learn from fintechs and adopt their agile, customer-centric, and data-driven mindset. This way, we can foster a culture of innovation and transformation.

To put it simply, we establish relationships with organizations that can help our clients achieve their goals. For us, creating relationships with fintech organizations is an effective method for tapping into fresh, innovative ideas — and we're a better bank for it.

And in that process, we turn over every stone across every area of risk — credit risk, operational risk, and information security — to ensure our clients can move money securely.

This strategy enables KeyBank to provide unique, holistic solutions and offer nontraditional treasury services. As a result, we bring the most innovative fintech payment solutions quickly to the market to best serve our clients.

The results

As a product leader at KeyBank, I'm excited about what we're building and what we're bringing to the market. This brings me to our latest innovation — KeyVAM — our virtual account management solution developed in partnership with [Qolo](#).

KeyBank and Qolo share a vision of helping businesses grow and thrive with cutting-edge products and services. By leveraging Qolo's digital ledger capabilities within our KeyNavigator platform, clients can better manage cash flow and liquidity across multiple entities and geographies. They can also be more nimble with the ability to open new accounts with greater speed and efficiency.

KeyVAM allows users to consolidate transactions under one physical account, while maintaining separate virtual accounts for each business unit, subsidiary, or customer. This way, users enjoy the benefits of a centralized account structure, such as improved cash visibility, optimized liquidity, and reduced account maintenance costs, without compromising on the reporting, reconciliation, control, and flexibility of a decentralized account structure.

Though KeyBank is not the first to market with a virtual account management platform, we are one of the only banks that offer our solution via application programming interface (API). This allows KeyVAM to integrate directly into client enterprise resource planning (ERP) and accounting systems, which is a major advantage for large, complex organizations.

Our patience, tech strategy, and feature functionality have allowed us to create a best-in-class solution out of the gate.

This is just the latest example of how KeyBank's fintech partnership strategy brings together the best of both worlds to our clients: the expertise and trust of a traditional financial institution, and the innovation and agility of a fintech startup.

Our partnership with fintechs like AvidXchange streamlines and automates the payment process for our clients and reduces the cost and complexity of their workflows and systems.

Alongside Yodlee, KeyBank provides clients with data aggregation and analytics tools and helps them optimize their financial performance and decision-making.

By integrating the capabilities of Zelle and Token, we offer our clients fast, easy, and secure ways to send and receive money, and protect them from fraud and cyberattacks.

KeyBank also acquired fintechs like HelloWallet and Laurel Road to offer our clients personalized financial wellness and education programs and help them achieve their financial goals and aspirations.

The future

Our fintech partnership strategy is not a one-time project but a continuous journey of innovation and improvement. We are always looking for new and better ways to serve our clients, and to create a positive impact on their lives and businesses.

As we look forward three to five years from now, I believe KeyBank will still be viewed as a leader in the banking space when it comes to fintech partnerships. Our history with our fintech strategy shows we have the right ingredients as a nimble institution that can provide scale and security, and we do that in a space that requires all those things.

There's no reason to believe the next decade for KeyBank and our fintech partners will be any less exciting than the last.

About the author

Jon Briggs leads the Commercial Product & Innovation team for KeyBank's Commercial Bank. 6

He develops and manages fintech, treasury, liquidity, merchant, payments, and loan products for commercial clients. business development and client support teams to deliver and support these solutions. He serves on KeyCorp's Executive Council and Risk Committees.