

Jacob Morgan 00:00

as do I, and then, you know if there's anything that you want to talk about that maybe we don't touch on, you could just say, Hey, Jacob, you know, can we talk about this for a few minutes? This is really important to me. And then we can just talk about that.

Jeffrey Brown 00:11

Yeah, perfect. Sounds great.

Jacob Morgan 00:12

Let me just push record on my little camera here. I'll do a longer introduction later for now. I'll just introduce you as JB CEO of ally financial. Does that work?

Jeffrey Brown 00:22

Perfect. Yeah, that's great.

Jacob Morgan 00:24

All right, then I'll jump right in. And then Jeremy, I'm assuming he's gonna be muted. And his mics gonna be off during the correct. Okay, cool. Popped in really quick. All right, then I'll just jump right in.

Jeffrey Brown 00:37

Perfect. Sounds great.

Jacob Morgan 00:39

Hey, everyone. Welcome to another episode of leading the future of work. My guest today, JB, CEO of ally, financial JB, thank you for joining me.

Jeffrey Brown 00:48

It's great to be here, Jacob. Thanks very much for having me. Of course,

Jacob Morgan 00:51

before we talk about all the fun leadership stuff, why don't you give us a little bit of insight as to where you came from? And how did you become the CEO of ally financial and you can even take us back to how you were raised where you grew up?

Jeffrey Brown 01:07

Sure. I always like a softball to start. That's a that's an easy one. But you know, kind of classic Midwestern kid I grew up in, in a suburb of Columbus, Ohio, and the vast majority of my family still lives there. But I was the baby of four kids. And, you know, for college wanted to do something outside of Ohio. I have a lot of Ohio State, diehard fans and family members as part of my, my broad crew, but I actually went south and found Clemson University, I didn't know one person, the day I walked in the door at Clemson, but I liked big football. I liked what Clemson was doing academically at the time, got a degree in economics. And it was a great four years, so really four years of having to build a whole new network of friends, and really learn to just, you know, come in with a fresh start, so to speak, but I was always, you know, kind of a social kid in high school class president, all those things. So going to

Clemson was a totally unique experience of, again, having to build a new network. But after I graduated with a degree in economics, I went back to Columbus for a couple years. Abercrombie and Fitch his whole office was based there, that was actually my first role as a financial analyst right out of college. And I worked there for about a year or so. And then went and worked with my dad's international dairy business for about a year helped really computerize his business. But it was great to work with my father. But it was rather slow, my dad would lay out work that he wanted to accomplish for the week. And often I was done kind of Monday at 12 o'clock. But you know, a lot of kids from Clemson graduate and go to Charlotte, North Carolina. And so after about two and a half, three years I did that started with nation's bank, and which ultimately came Bank of America and what's what's known as modern Bank of America today, and really started as a ground up analyst there. And, you know, fast forward that was 1998, when I started and in 2008, in 10 years, I was actually the treasurer at Bank of America, during the great credit crisis at the ripe age of 3435. It was a wild experience. It was a very fast climb there. But you know, learned a lot of great things and a lot of not so great things along that journey really starting at Abercrombie. All the way through BFA and then I came to ally in 2009, is our corporate treasurer as well. And then ultimately ran all things finance and strategy for the company ran our audit business for the year for a year. And about the past seven and a half years or so. I've been very fortunate to be our Chief Executive Officer leading the company. It's just it's been great fun, honored to lead the company. It's it's a very different bank, and one that's all about collaboration and really embracing an opportunity to make every day better than today. And so it's it's a great honor to lead the company. It's been tremendous fun for me as well.

Jacob Morgan 04:09

And for people who are not familiar with the with Ally financial, I think you guys have 11,000 employees and you're all digital bank, right? So you don't actually have like a physical branch for people to go into.

Jeffrey Brown 04:19

Exactly right. So we are the largest all digital bank in the United States. We started the bank back in 2009, which was an interesting time to really launch a new bank and launch a new bank brand. But it's been phenomenal growth. And in fact, today, you know, we're reporting around 133 \$134 billion of retail deposits that are on hand today raised and gathered without one single branch. So pretty incredible what we've done on the banking side, we pay good rates, but we also have great technology, great service. And, you know, when we started the bank, we really a lot of us had come from larger institutions and we thought about really flipping the model and Truly putting the customer at the center of everything we, we do. And so it's been a great rise. Tremendous scale, obviously, through COVID, we were one of the beneficiaries were really all things digital had a further uptake and further acceleration. So feel great about that. And then we're also the largest auto lender in the US. So that's, that's the big lion's share of our asset book as well. And deposits and auto loans actually match off really, really well together. So we've been on great growth trajectory.

Jacob Morgan 05:31

If you think back to your, one of your early jobs and Abercrombie and you think about like how work got done and process and the technology that was used, give people a sense of what it was like to work back then. And I mean, it was a very strict hierarchy. Obviously, there were no cell phones, there was

no Internet, there were no laptops. I mean, how was stuff getting done back then? Do you have any stories that come to mind for you?

Jeffrey Brown 05:59

Yeah, sure, do. So it was a lot of early mornings back in the day and a lot of mainframe computers and generation of large reams of printed paper that you would have to analyze. So one of the one of the early jobs that I did my career for Abercrombie was actually run sales for the company. So you would pull down information, what your all your stores did across the US, you would analyze that process that and try to have a report on the CEO and CFOs desk by about eight o'clock 830 in the morning. And you know, often those results were viewed favorably, often they were viewed very negatively. So you know, I learned a lot about good culture and bad culture, through some of those experiences as well. Obviously, Abercrombie has got a Netflix documentary out there that was filmed after my time. And so I won't really go into all those details. But you know, you use every experience like that, at a young age at a midterm age and growing my career is an opportunity to think about what worked well, and what are greater opportunities to improve if I could ever have a leadership role. And so I still reflect on those days back at, you know, 9095 96, but the way work was done. Jacobs, you implied, you know, really no cell phones, very limited technology and a lot of paper at the time. So it's amazing what we've you know, all things digital today.

Jacob Morgan 07:22

So you mentioned you learned a lot about a good culture and a bad culture. So maybe let's start with the bad culture piece. When you say bad culture. I mean, what were some of the things and it doesn't just need to be necessarily to Abercrombie, but early on in your career? What did a bad culture look like? What did you observe that made you realize, like, hey, this this, isn't it? Right? If I ever become an executive at a company, I don't want to do it like this?

Jeffrey Brown 07:46

Yeah, I mean, one of the things I would say, is really, how people were viewed, or often kind of pigeon holed into a particular role. So, you know, back to my early experiences, you know, I started as a financial analyst, and I think the company probably would have preferred to keep me a financial analyst for, you know, the foreseeable future, there was never an opportunity to sort of export talent into other sides of the business. And candidly, you know, back to the Abercrombie days, you know, merchandising was kind of the sexy area of the company, the cool jobs, and, but there was never really any opportunity to be a finance guy, and go over into the, the end of the world of merchandising. And so, you know, that was one of the experiences that really, honestly caused me to leave the company. I mean, you know, that involved with my dad needing assistance in his business, and kind of computerizing his business, but also, really just, I felt like had I stayed on that path, I would always be known as a finance person, rather than having a broader opportunity. And I think, you know, today, one of the things that we do really well at ally, whether it's through our rotational programs at the early stage of somebody's career, or whether it's midterm, we try to cross pollinate and allow people to get different experiences, it makes them stronger as an employee, and I think actually keeps them much more engaged in in viewing the company as a career, rather than just a job. And I think that's something that's really been important to me.

Jacob Morgan 09:16

Any particular stories come to mind early on in your career about a good culture? Is there a particular there particular leader who treated you a certain way where you're like, wow, and I'm gonna bring that with me? Yeah,

Jeffrey Brown 09:28

I'll start, you know, back to the nation's bank days, and again, starting there in the middle of 1998. And the CEO at the time, who I still stay in contact with several times a year was a gentleman named Hugh McCall. And who was really kind of still credited for the first banker that brought kind of coast to coast banking together. And, you know, if you get to learn who you are and know about you, you'll find you know, he he's was kind of a dedicated marine Hardcore. But he created this leadership belief of all the people around him that anything was possible. And he treated people as people and people would run through walls to try to accomplish what you set out as the objective or the agenda. And still to this day, I look at what he's done for the city of Charlotte. It's just phenomenal. I mean, Hugh is still out there at the head of every major community campaign, civic campaign diversity initiative, you name it, he's still out there hard charging in his 80s, all about making tomorrow, again, better than today. And that's one of the things that I've always admired about you. And I've written Hugh on several occasions to told him to tell him really how much his leadership style has influenced me today, in my philosophy, and the way I try to run the company at ally,

Jacob Morgan 10:54

what exactly did he do? So, I mean, he sounds like a very, very inspiring leader. And as you mentioned, a lot of people would walk through walls for him.

Jeffrey Brown 11:02

Why? Yeah, I think, you know, he had, he always had the trust and confidence in his people that they were gonna deliver. And with that meant, taking smart risks, you know, often putting young people into big roles, giving them a stretch assignment, allow them an opportunity to grow, to learn how to make mistakes, calculated mistakes. But he created this amazing followership again, by treating people as people. And he had this award, you know, I never got one, called the crystal grenade, and it was the most coveted reward at Bank of America nation's bank in the day really, which was Hugh sending his own personal acknowledgment, again, using his Marine Corps history to really give this award that said, you know, you've gone over and above, you've gone out there and with that, with that philosophy, I mean, again, he assembled from one small North Carolina National Bank, and to being the First Coast to Coast bank. So a number of acquisitions that were done that many people thought were never possible, but you in the leadership team, they all work together, and they never accepted. No, they always looked at, we have an opportunity to get this done. And when you create that energy, create that followership, it shows that really, anything's possible. And so, you know, again, I still greatly admire Hugh, not from just what he's done on a business side, but also his civic engagement as well. And I think that's one of the things that he taught all of us in every level is the importance of supporting your communities giving back to your communities. So what I admire in Hue is the person and the heart of that person, as well as the mindset and what he was able to accomplish from a business perspective.

Jacob Morgan 12:44

What does a typical day look like for you? And take us through when when you wake up? And what is your routine look like, up until when you go to bed?

Jeffrey Brown 12:53

Yeah. So typically wake up time is anywhere, it's generally about 530 in the morning. And I always try to get a workout in every single morning, unfortunately, and I had a streak of 755 days straight, that ended on April the 13th. And, you know, it's been a little choppy since then. But I like to get a morning workout every day, and less about the physical sides of that, but more about the mental release. And it's an opportunity for me to get 45 minutes, or an hour of just quiet time, thought time, myself time, which I think is so critically important. And so, you know, that's typically how the day begins, I have a wife and three kids, they're all, you know, junior in high school, and eighth grader and a third grader. So there's always some sort of activities or coordination in the morning before they get out, out the door and off to school. And then typically, in the office about, you know, between eight 830 Every day, I usually won't take a meeting before nine o'clock, candidly, and part of that is just to be able to come in, clean up on emails, structure, you know, some some quiet time for myself to sort of set the tone for the day. I also always read the paper. And I'm still probably one of the unique people even though we're a digital bank, I still get hard copies of the paper at home. But every day I read The Charlotte Observer to understand kind of what's going on locally within my community. And I also read the Wall Street Journal on a daily basis and again, to try to get that broader perspective. And with that, you know, usually I'm sending pictures are texts of articles to my my leaders almost every morning say, Hey, make sure you see this article. This is pretty interesting. And then again into the office by about 830 meetings start at nine. You know I am, I'm very blessed with a wonderful assistant, Amanda Bregman, who really helps. She is very defensive of my calendar and that's by design because I will tell you, you know, there's without exception, there is a portion of every day, let does not go as planned. You know, it could be, there's a fire here, there's a fire there, there's somebody that urgently needs you, you've got a board member calling, or, Hey, you saw an issue pop up that you want to address. And so I always try to create free capacity in my calendar to address the things that are the great unknown. So that occur throughout throughout the day. But typically, you know, I'm in meetings for two and a half or three hours in the morning, quick break for lunch. Usually, that's at my desk. Sometimes I'll get out for a little bit. But I guess lately in these volatile markets that we've been facing, I've been more desk bound lately, and then in the afternoon, it's usually back to meetings, try to wrap up meetings by about five o'clock again. So I can go back to sort of cleaning up work, and sort of setting my own tone for the next day. But that's a typical day when I'm here in Charlotte, in the office, or I'm in Detroit in the office. And then you know, there's a lot of customer travel, visits to regulators, visits with board members, things like that, that also occur frequently throughout the year,

Jacob Morgan 16:06

you mentioned something interesting, which is mental focus. And I'm like you, I'm probably up around six every morning. And for me, I also have to have that workout in and I have like a very structured routine in the morning, walk the dogs take the kids to school exercise. And I feel like sometimes we neglect the importance of mental focus. So can you talk a little bit more about that and why that's so important for leaders out there. I know you're also wearing a fitness tracker. So how in tune? Are you with what's going on with your body? What's going on with your mind? Is this something that you're constantly paying attention to as a leader of an 11,000? Person? Company?

Jeffrey Brown 16:49

Yeah, great, great question. And I and it is something that I focus on, I tend to be more of a data geek and a data junkie. And so yes, with respect to my fitness tracker, it is made me you know, which I began wearing kind of right at the onset of COVID. And when I learned that there were a number of professional athletes, notably on the PGA Tour lead, had discovered that, in fact, they were experiencing COVID symptoms through their fitness device. And I thought that's pretty smart to do that. And I started wearing one. But what I found it's brought me a lot of discipline and understanding what my recoveries look like, and do I need to get to bed earlier, while I talked about kind of what happened throughout the day, I usually try to get to bed now at you know, nine 930. And my, my fitness device is telling me typically, to get to bed, you can see, we're fans of whoop. All right, well, yeah, that's the actual device that I've got on my wrist and that I've been been wearing. And we've just been great for me to, you know, again, continue that discipline. And allow me to make sure I'm carving out times for focus. And, you know, one of the things we were talking about kind of before we went live was even the power of the Apple Watch. And one of the things that I like and that is, you know, the the mindfulness will, it'll pop up. And it will actually try to get you to focus and take a minute or two throughout your day to kind of calm your breathing. And I think that is so important to have a like a clear mind and a clear head in running an organization. And another factor that I follow is there's a book was written by Greg McCown, and it's called essentialism.

Jacob Morgan 18:27

Yeah. Greg was a guest on the podcast as well. I think it was last year.

Jeffrey Brown 18:31

Fantastic. Well, I had I had Greg come and talk to our top about 130 leaders in the company about a year and a half ago because I really believe in the discipline of that and again, the discipline pursuit of less and when you do that, it creates tremendous focus and clarity to really focus on the things that matter. And so you know, I try every day to really find clear head time clear thought time look at my calendar throughout you know, the coming months with that essentialism lens do I really need to be there? Do I really need to do that? And again, it allows me to prioritize really the things that ultimately matter the most and and you know, I start with the culture and health of our company at the top of the list.

Jacob Morgan 19:16

Do you actually make decisions based on either mental focus or based on data that you might be getting from a fitness tracker for example, if it says you're burned out? Will you try to not have stressful meetings that day? If you're saying that you're rested and recovered is that when you're going to try like will you actually make business decisions based on the data that you have about your your mind and your body?

Jeffrey Brown 19:40

You know, I don't think I've taken that leap yet or that step yet but certainly I recognize you know, I'll know when I have a clear head and a clear mind and clear focus and often that is associated when my whoop or Apple Watch are telling me let you know your recovery is better your your fitness level. As

better your sleep was better than night before, I think ultimately you can be sharper, and how you evaluate things, when again, you're well rested when you have critical and a clear head and ability to think

Jacob Morgan 20:14

it's interesting, I wonder if in the coming years, we're going to see more of like, optimized leadership, where a lot of leaders that companies, whether you're the CEO, or leading a team or a function are going to be more in tune with what's going on mentally, emotionally, and make business decisions and change their leadership style based on like data they have about themselves, because you know, the stuff that you can collect now through these trackers, through all the stuff that's out there, you know, you can find out if you're very stressed or not, and you know, maybe if you're very stressed, you might not want to have an all hands team meeting or do an annual performance review. So I think it'll be an interesting trend to pay attention to over the coming years,

Jeffrey Brown 20:56

I completely agree with you, Jacob. And there's the CEO of of a company, it's a really fascinating company called Red ventures, Rick Elias, you know, he just did an hour long podcast on the power of sleep as well. And, you know, I think CEOs are becoming more open to talk about, you know, whether it's sleep, whether it's mental focus, mental health, whatever it is about all that coming back to how you make clear and concise decisions, and lead your companies. And so I think you're exactly right, Jacob lit, we're gonna see more and more steps in that direction over time.

Jacob Morgan 21:27

I'm gonna shift gears a little bit and talk about some of the stuff that we've been hearing a lot in the news and media. And we've been hearing a lot about quiet quitting, we've been hearing a lot about this debate, coming back to the office, we've been hearing about the great resignation, is the CEO of a large company. Are these things that you are trying to deal with inside your company? Or do you hear those things? And you're kind of like, what, what's going on? Like, who's coming up with this stuff? Like, I'm not seeing this? It's not true? Where do you stand when you hear all these things being thrown out there?

Jeffrey Brown 22:04

Yeah, I'd say it's all of the above. And let me let me start it from from allies perspective, one, you know, one of the things that I think makes us really special and unique is we have an incredible culture. And I always talk about, you know, it's not my culture, it's not the CEOs, culture, culture is something that I may set a tone, but culture is nurtured and created and cultivated, every single day. So you know, it's up to the 11,000, or 11,500, teammates of mine, to really care for that every day. And I think when you have a strong, purpose driven culture, that people rally behind and believe in one, you have different degrees of engagement and retention. And so for us, you know, our retention levels have been extraordinarily strong. It for a long history for the past five, six years, I'd say. But also, really, since all these more recent trends have have come to fruition, like with people talking about leaving the workforce, we haven't had any dramatic change in our numbers. We also, you know, our company scores about nine points higher on the benchmark survey used by many financial institutions on employee engagement there. So we have a really engaged workforce. And we're proud of all that. Now,

having said that, you know, we are very mindful of kind of the unique challenges that are going on first, you know, you go back to the end of 2019, or the start of 2020. And everyone more or less was working a five day workweek in the office, you know, we had a number of employees that were kind of permanently designated remote if they were in alternative locations. And we've always been accompany will that that prides itself in great flexibility, we recognize people have to live a personal life and professional life simultaneously. And, as you mentioned, you know, walking the dog, taking the kids to school, and as I mentioned, you have to balance all that. So we've always had a culture that provided flexibility for our teammates. But fast forward to today, you know, now, you know, we're we are gradually trying to ramp up the importance of getting people back into the office at least three days a week and, and I have never once since the start of the pandemic question, the productivity of the company, frankly, productivity is probably even more improved. But the things that I'm worried about are how do we maintain the culture of the company? How do we ensure a sound control environment, which is very important as a financial institution? And also how do we avoid mental health burnout for some of the people that you know that it is now even perhaps even blurrier between? When personal hours began? And when work hours stop? I mean, all of that when you're doing everything from home is even commingled. So we're cognizant of all this today, and we are gradually trying to get people back into the office. I have not put out a hard mandate and we've started to see some of the other CEOs and financial service do that. But I don't think that's the right approach for ally. I think our approach is one that we got to remind people about the great buildings that we have in place about the importance that we are a culture of collaboration and working together. And I think that in and of itself will create a little FOMO fear of missing out on those experiences. And, you know, in Charlotte, in particular, last year, we opened up a new 26, storey building, world class technology, plenty of fun things for our teammates to do. And so, you know, every week though, for I would say the past, call it three or four months, we are seeing a gradual uptick, in people's returning. And so I think that gradual approach again, that FOMO factor is going to get people more excited reengaged, about coming back into the office. But like all things, Jacob, it's a balance.

Jacob Morgan 25:51

Yeah. At what point is Enough, enough. So I talked to a lot of CEOs on this show. And there's kind of this debate that's going on. At one point, and you mentioned some financial CEOs and a lot of CEOs out there, you know, Elon Musk from Tesla basically said, like, come into the office or find a new job. And we've seen a lot of leaders like that. But it seems like before the pandemic, what happened is a lot of organizations had more power in terms of telling employees when to work, where to work, how to work, then COVID happened, everything became virtual. And now it seems like the pendulum has swung shifted very much in the hands of employees. And employees are now saying, we want more money, we want equity in companies, we don't even want to come into the office anymore. And some of the CEOs that I interview are kind of like it's just not sustainable anymore. Like, the balance has just gotten so out of whack. And candidly, some of these CEOs are just saying like, it's insane. These people want a full time job, and they don't even want to come into the office anymore. Like what? What's going on? How is it? How can you work full time at a company and Never show your face like this would be unheard of, you know, 1015 years ago, I I can only imagine the days when you were at Abercrombie, and all these other companies? And you're like, Yeah, I'll take the job. But I You're never gonna see me. At what point is Enough, enough, basically. And is this sustainable with so much, you know, with the pendulum have shifted so much the other direction?

Jeffrey Brown 27:20

Yeah, you know, to me, I think in the office, for the vast majority of our teammates, three to four days a week is likely going to be the new norm, I would hope we through time, navigate more towards four days a week, but I think you just got to be realistic about, you know, the hyper competitive environment, we are all in for talent. And you're exactly right, Jacob, I mean, we've seen, you know, compensation levels rise across the board, one of the things I'm really proud of that you mentioned, that Ally has been doing this will be our fourth year is we actually give stock to all 11,000 plus employees, it was something that I worked with my board. And again, we've been doing it pre pandemic, because you know, part of the power of creating owners mindset, let all of you, you're not just employed here, you actually own part of this company. And it creates a different philosophy, a different level of engagement. And we tie that in, you know, that that owners mindset into, hey, we need people engaged and being back in the office. And I you know, candidly joke with a lot of our younger generation about, hey, you're my retirement plan, right? Ultimately, you are the next chapter of leaders in this company. And we need to make sure that your your understanding about how to resolve conflicts, how to work together, how to engage with a leader, how to engage with peers, how to engage with others. And, you know, while zoom and other technologies can allow that to some degree, nothing can really replace that face to face interaction. And then of course, there's also the second order area order effects. I mean, I look at in our brand new building, in Charlotte, there's a number of retail spaces that have yet to be filled. And so ultimately, you know, us getting back to the office also fuels the other economies around us. And I think that's one of the things that's critically important. So we're trying to get our teammates to think broader than just themselves and really think about developing others supporting other businesses supporting our communities. But like you said, it's a very complicated topic. You know, I'm not there yet to say enough's enough and put out a hard edict like Elon Musk or as some of the other CEOs have, but I'm clearly ratcheting up the rhetoric around the importance of being together and being engaged.

Jacob Morgan 29:36

It's tough because I know even Amazon they raised their minimum wage, I think, to \$18 an hour and now there's like push, raise it to \$25 an hour and the CEO basically was like, you gotta be reasonable like that is not sustainable. You're gonna bankrupt. You know, the entire company you get, you're asking for stuff that's just not realistic for a business like ours to be able to offer. And I'm hearing that more and more from a lot of executive They're just being stretched thin. I mean, I've a couple executives, or leaders at organizations who are interviewing employees, and they're telling me that the asks from these employees are higher salary expectations than their boss's boss? And it's like, it just feels like there's so much imbalance going on. But hopefully, you know, it'll stabilize a little bit, but it's, I mean, do you feel that a little bit too, that things are just like a little out of whack in some areas?

Jeffrey Brown 30:32

Absolutely. And the competitive environment clearly is, you know, the employee of today as, quote, unquote, much more leverage than perhaps they did you know, 1015 20 years ago, you know, for us, I try to route it all back to the culture, I mean, often I'm very transparent lead, hey, perhaps you could go to another financial institution in Charlotte, or in a different city, but are you going to have the same degree of access of opportunity, the same type of culture, we try to bring back that holistic experience, and I will tell you, you know, by, but you know, in all spirit, all all truth and spirit, any employee that ever

writes me, I write every single one of them back, I respond to any person in our company. And you know, that creates a different level of really trying to ensure that everyone embraces you're empowered, you're empowered to communicate with whoever to be engaged to make a difference. And I think that's led to a really strong engagement and retention here, which should help through time buffer, some of these hyper competitive compensation pressures. I mean, we've certainly had to raise our minimum wage, we're looking at doing that again, and we'll do that, you know, in the economic interest, but ultimately, from competitive forces, sometimes you just have to say, enough's enough. But we're trying to really route our teammates back to the purpose and the mindset of our company.

Jacob Morgan 31:54

Yeah, no, it's important. And I'm glad you're seeing the kind of similar trends that a lot of other executives are, are seeing, which is tough. I just wanted to ask you about another interesting, I don't know if you'd call it a trend, but an interesting observation that a lot of executives are making, and that is the need for more transparency and authenticity, but also being authentic and transparent in a very polarizing world. In other words, it seems like what's going on, a lot of employees are saying, hey, we want to know what you think we want to know the issues that you care about, and what you stand for, like, be open, be honest and authentic. But at the same time, if you say something that we don't like, we're going to come after you with pitchforks. And I feel like that makes it very challenging, because a lot of executives that I've talked to kind of candidly, behind the camera are like, you know, we don't know what to do. On the one hand, we're being asked to speak up. But on the other hand, if people don't like what we say, or they don't agree with us, and nobody's giving us a break, they're just, you know, full on, you know, go after this person. So how do you balance that? Because, you know, it seems like especially now a very polarizing world, a lot of arguments, a lot of debate. You say the wrong thing, and people really come after you. But they also want to know what you think. And they want you to be transparent.

Jeffrey Brown 33:14

Yeah. Jacob, fantastic question. And it would say it's a big issue, let you know, personally, professionally, I face and many other CEOs do. And I spent a lot of time thinking about this. And in fact, you know, earlier this year, I put out kind of a foundation of principles of communication in wit and math and you know, matters that I'm going to communicate on and other matters that I'm not going to communicate on and trying to strike the right balance. Because to your point, you know, you look at politically and unfortunately, every issue that comes up in our country today seems to get aligned to political sides of the aisle, and we're as politically divided as a country is we've ever been, it's kind of in the election, show it. And I find that very unfortunate that this is happening. But to your point, if you speak on one side, you have tremendous risk that it's going to create a firestorm on the other side. But for us, you know, I'd say, you know, we're rooted in our deep, deep beliefs of the importance of diversity, equity and inclusion and equality for all. And so, where I've been very vocal is on matters of systemic racism, sure, social injustice is and really ensuring that all of our teammates at ally all 11,000 Plus, feel safe and feel empowered and feel okay to be their authentic selves. I think that's critically important, but there are certain issues, you know, Roe v. Wade is one I understand the broad challenges that are out there, but I'm not necessarily sure, but as a financial services CEO, but I should directly comment on that I but I look at the actions that we have our benefits programs, the things that we have out there. Let's support women's rights. Let's support it. LGBTQ women's rights as well, it's,

you know, we're trying through actions to do the right things, but not always having to be leading at the forefront. And what we say it's often those words become so politically charged. And you know, I just don't want to be there. That's not the manner in which I want to lead the company. But it has been, this has been a challenging, challenging force facing me and other CEOs really over the past, you know, three to six months, and I don't see it going away.

Jacob Morgan 35:30

Yeah, it's hard, because, you know, leaders screw up to just like everybody else. And, you know, if you're, you know, Jacob, in accounting, and you make a mistake, you know, people might give you a little bit of flack for it. But you know, if you're the CEO of ally, financial, and you make that exact same mistake, it's like, Oh, my goodness, you know, it's, it's tough. And I think in general, we're kind of living in a society now, where we just don't give people a break anymore. Like, we assume that any mistakes somebody makes is meant with, like Elon tend to I mean, I don't even know how we got to this point. But it's, I would imagine, it's very, very hard to be a leader in today's world, even if you're leading a team or function, let alone leading a company. So what do you do? I mean, do you feel that extra added pressure? Do you spend more time just having conversations with your senior leaders, making sure you're aligned on stuff? Or how have you had to adapt knowing that this is kind of the new landscape that you have to lead in?

Jeffrey Brown 36:29

Yeah, a lot, a lot of conversations with the leadership team and very transparent, direct conversations, and again, reinforcing those principles of communication and, and why we have those principles. But you know, also, you know, actions more than words, critically important, you know, an ally, we have multiple ERGs, those are our employee resource groups, and there's a women's ERG, there's a veteran's ERG, there's a aliados, representing our Hispanic community, erg. And there, there's, there's others that are certainly in support of our black and brown communities or Asian communities. And also, you know, more than just saying, ERG engagement show up, go there, listen, listen to what they're facing learning. And your presence makes an impact. Let people understand, you're trying to relate, you're trying to understand and so really getting much more directly engaged. And it's one of the things back to the culture of the company, really proud of we have about 40 plus percent voluntary participation in our ERG. So our teammates, you know, support, learning the differences in one another. And I think that's led, again, to a really powerful culture. But I also talked about, you know, trying to get people to sort of do two things. One, one of my messages or words throughout COVID was fine, the good, right, COVID was horrific. We lost millions of lives across the world. It was a terrible tragedy and health crisis, and I don't mean to undermine it. But also, you know, how do you keep people viewing, you know, what good can come out of it, I think I had dinner more with my three kids and wife over the course of that six months, and I've had probably in the past 10 years, and there were moments of good trying to keep everyone positive. And with that, assume positive intent. You know, you may not always agree with some of these exact words. But chances are, if you know the person, assume they're coming from a good place, then let them have positive intent. And so we've tried to really reinforce that and instill that in our culture in our company. But again, as you say, these are these are challenging issues. And I don't think it's going away. And I think in particular, for CEOs, like myself, and for other members of our executive leadership team, you know, our teammates want you to comment on everything. And it's sort of getting people back to what matters to the business, what

matters to the our culture to our teammates, our company will talk about, but we're not going to tackle every societal issue right now.

Jacob Morgan 38:58

Usually, like the last 1520 minutes or so I like to focus on specific action items that leaders can take. So before we jump into that, you mentioned that you have high retention rates, can you share just a couple of the things that you guys are doing as a company for those high retention rates? Are there any practices or policies or things that you think are unique to ally financial, that maybe other companies don't offer?

Jeffrey Brown 39:20

Yeah, I mean, I'll start again, it comes back to the culture of the company. I mean, we have really a culture where I believe, you know, I set a tone but everyone cares for and nurtures the culture Ally has gone through a great financial transformation and operational transformation in the past seven and a half years that I've been the CEO but if you ask me, and I say it in every single town hall that I do, the number one thing I'm most proud of, is how we united our culture. You know, I came up with the word seven and a half years ago was my first townhall on stage. And I said, we're going to act as one ally. We got to remember we're all a part of the same same company, we should embrace the same objectives and priorities and missions and values. And so, you know, a strong culture really keeps everyone rooted. I also think, you know, having a clear purpose and and, you know, being a customer, focused, driven institution, you know, I always talk about our three little words, do it right. You know, that's a rallying cry that our teammates are really proud of, and you look at the power of purpose in what you do. And, you know, I don't quote a lot of other CEO, shareholder letters. But Larry Fink's, this year was one that I read to all my leadership team to talk about, you know, the company's purpose, how it matters more than ever. And so, without a strong culture, a strong purpose oriented organization, I think, leads to great retention. But on top of that, you know, we do try to have competitive pay, it's not necessarily industry leading pay across the board, but we do look at pay equality and pay trends and how markets shifting on an annual basis. And we try to ensure that we're in the right place from a compensation perspective, the 100 shares of stock was a really big milestone moment, you know, we have several 1000 Call Center employees and based in Jacksonville, Florida, and Little Rock and in Dallas, and for many of them, it was the first time they've ever owned a share of stock, in the power of that of changing that mindset, it's bigger than just owning stock, you're now an owner in our company. And that created a different degree of passion, I literally, I remember announcing this program, to our employee base, and it still often brings me to tears to think about the candidly, but to think about the impact that's making, and that has led to great retention. And then beyond that is, you know, I really think we have world class and leading benefit programs, you know, things ranging from, you know, the health side of the house, but also educational support, care for elderly parents, sick children, things like that, we have leading benefits that I think people look at, they're hard to get elsewhere and a lot on reproductive rights as well. And I think that's been a nice step for the past few years. And so you put all these things together, but again, starting with culture, I think is really get people that they're very proud to work here. And so with that, you know, retention engagement, have been the things that I don't have to totally worry about when I put my head down on the pillar.

Jacob Morgan 42:30

So shifting to the action items, and I wanted to kind of revolve the action items, starting with with trust. One of the things that leaders tried to do with their teams is to build trust. And it seems like one of the things that you have done a very good job of is to create trust amongst your leadership team and amongst the company as a whole. So for other leaders out there who are watching and listening to this, who are thinking, How do I create more trust in my company and more in my team? Where do you begin? What did you do to create trust inside of your company?

Jeffrey Brown 43:02

Yeah, I think it's really setting a strong foundation and strong, clear foundation of values that are going to work and things that aren't going to work. And so, you know, setting very clear expectations, and part of my clear expectations for all my leaders is, you know, embrace that you're an enterprise leader, and you have an opportunity to connect with leaders across the counter with teammates across the company, in any one of the divisions. You know, we do an annual awards program for call it our top 75 people in the company. And I expect, you know, I literally I take the time, and I call every single one of those winners every year, because the you know, two or three minutes it takes me to speak to these teammates, the impact that I think it can make on all them by that personal connection, I got an opportunity to talk and engage with the CEO. I heard him congratulate me. That's really powerful. And I asked my leaders to do the same, pick 20 names from that list, and take an hour and call them the impact that makes understand the opportunity. You have to alter shape, pivot someone's life. That's really incredible. And so, you know, setting clear expectations for not just the business and financial priorities with my leaders, but also setting the human side of things that we want to do. I mentioned. You know, one of the things that I do if any employee writes me, I generally I always write them back. It generally happens within 24 or 48 hours. Sometimes if I'm on the road, it will take me a week. But having that human connectivity, being a very approachable person is so critically important in today's world and I recognize, you know, the scarcest resource I have is time and it is hard to make time to do this, but the greater impact that ultimately has in your culture, and therefore in your business results and therefore in your financial results and therefore to take care of all the constituents, you're sure you serve your shareholders, your communities, your teammates themselves. You know, when you when you have that powerful culture that fuels all that, it's really incredible. And so, you know, those are some of the things that I've really tried to instill is be an approachable leader. And I think being an approachable leader creates a tremendous amount of trust. And I think with that, you have to be authentic. And often you have to push yourself. While I told you, I was kind of a social person in high school and had a lot of friends when I graduated high school, when I went to Clemson, I didn't know anyone became probably a little bit more of an introvert. But I know in the world of being a publicly traded company, CEO and a public face, you got to push yourself to get out there. So even if it's not natural, you know, get out there and engage with people, it creates a deeper degree of connectivity, and all that coming back to the culture of the company.

Jacob Morgan 45:56

I like that you mentioned the authenticity, I'm working on a new book, which will come out late next year on leadership and vulnerability. His vulnerability been an important. I don't want to call it a resource, but an important quality or characteristic that you as a leader have had to demonstrate for your teams and for your company.

Jeffrey Brown 46:16

Yeah, I mean, I vulnerability. Absolutely. And I think that comes in to I think, if you ask most people to describe JB, they tell you, he's got a lot of passion. And he's got a lot of heart. And I think vulnerability allows you to sort of demonstrate that passion and demonstrate your personal side, your heart, you know, I try to remind people, I'm not just the CEO, I'm a person as well, I have feelings as well, you know, and so you have to show vulnerability. And I think with that creates trust and creates a free space to people to be open with you, as well. And so I think that's a big part about leadership today. And Jacob, I'll be looking for your book next year, that'll be a fun one to read. Yeah,

Jacob Morgan 47:00

first, I gotta write it, then I'll, then I'll get you a copy. So for you vulnerability, does that mean? Are you okay with talking or sharing your emotions, talking about mistakes and meeting the failures? Is that all stuff that comes natural to you, or this is stuff that you've had to learn over the course of your career? And how did you do it?

Jeffrey Brown 47:20

Yeah, I think it's probably been more refined, the more mature and the more comfort I've had in the chair, I think, you know, as your first year as a publicly traded CEO, particularly and in a financial institution, you know, you always felt like you had to be more buttoned up and, you know, you know, more professional and maybe a little bit more guarded and who you are. And I think over the course of my leadership, and whether that's, you know, a time at ally, or whether that's the environment, or even COVID, accelerating the importance of showing the human side, I think, a much, much more comfortable allowing people to really understand the real JB and see the real JB and not to imply, let you know, six and a half years ago, it wasn't me. But I think I'm much more natural and comfortable in the person I am today. And again, that that's back to that vulnerability and trust, all those things go hand in hand. And so I think people say, you know, when we engage with JB, he's open about I'm very clear about what's working, what's not, when I sit down and talk to my board, it's total transparency with my board, you know, it's kind of what's the good, what's the bad, what's the ugly. And, you know, I'm very comfortable in doing that the board has to understand, really, my heart and my mind, and what I'm feeling at all times. And the the leadership of the company certainly does is well,

Jacob Morgan 48:41

if you were mentoring, a lot of the people listening to this show, who are interested in becoming better leaders, and they came to you and they said, Hey, JB, you know, I'm trying to be a better leader in my company. What advice do you have? What What would you share with them? How would you mentor listeners to this podcast to the better current or aspiring leaders in their roles?

Jeffrey Brown 49:02

Yeah, you know, a few things. One, I always start with, be really good listeners, and, and pay very close attention to the policy or organizations. But, and I think a lot of that starts with listening, demonstrate and show the values that you expect in others, I will tell you, you know, we go through long business reviews, and often you know, it's several 100 pages of materials. But you know, my team knows, when I show up, I've read every single page, I've flagged all the pages with questions, because that's what I'd want them to do. If they took the time to produce the work, to put analysis together to

provide their perspectives, then I need to take the time to be prepared to engage in a conversation around it. And so, you know, always I think my leadership team would tell you that I would never ask them to do something that I wouldn't do myself. And so I think that's that's Very important. And then, you know, to me, I've always lived three very simple leadership philosophies. And number one is really surrounding yourself with great people. I learned a long time ago. And again, I think I was treasurer B of A at 34 years old. Let, it's not about being the smartest person in the room, you know, at at any level position, including at the CEO, there are people that ally that are far more brilliant than me. But being, you know, surrounding yourself with with great people and being a good leader is about really harnessing the power of others around you for the greater good of the organization. And so surrounding yourself with really good people is a philosophy that I've always embraced. Number two, is credible communication at all levels, I always realize people rely on my word, Jacob, you thought I'd show up today at 2pm. And we've engaged in conversation, you know, the importance of doing what you say you will do little medium big things. People rely on your word, we're all moving in a fast paced society living in a fast paced society. And so you know, people rely on what you say you're going to do. And so I always uphold my word. And often that comes with personal sacrifice, and late nights, but so be it, you know, people rely on your word. And then number three, I always had a philosophy that to protect my boss, obviously, within ethical standards, but I always back to the finding the good, I always looked at my boss should be my biggest advocate didn't mean I always personally liked him personally agreed with everything, but they always should be my biggest advocate. And so in today, it's I always make sure back to I view the board as my boss, and not just my independent chair, but really the board collectively. And, you know, with that, and again, having that total transparency about what are the great things happening, what am I worried about? What am I concerned about, you know, having that level of transparency leads to totally different types of relationships with those around you. And so, you know, those are three leadership philosophies that I've always embraced and used and mentoring others. And then, of course, you know, at the CEO level, all the way down, you know, have curiosity, I'm gonna go talk to 60 students from HBCU schools in just a moment. And one of the things I'm going to encourage them, they're engaged in entrepreneurial competition here at ally, this weekend, is engaging in the one word to be a sponge, you know, learn all you can demonstrate curiosity, every single day, is an opportunity to learn from anyone. And so as CEO, I can learn from an brand new entry level analyst as I can from one of my executive leaders, as I can from a board member every day is an opportunity to learn from somebody new. And I think those are some of the things that I try to preach when I, when I coach others and talk to others about the importance of leadership.

Jacob Morgan 52:55

It sounds like having a growth mindset is an important quality for leaders. And I like that you mentioned this idea of kind of making your leaders look good and having that good relationship with them. Because that's one of the things that I have written about quite recently is I said that as a leader, you have to remember that you serve your leaders too. And when I say serve your leaders, it means having a good relationship with them. And you know, making sure that you take care of them if you can, just like they take care of you. And when I wrote that, I had a bunch of people who actually said no, you should never serve your leaders, your leaders should only serve you. And I thought that's the wrong way to look about it. I mean, it needs to be a two way street relationship is a two way street. So I liked that you mentioned that. And I thought maybe you could spend just one or two minutes expanding on that a little bit. Any any examples or stories that come to mind for you of when you had to do that for

your leaders? And you know, quote, unquote, serve them or take care of them? Or make them look good?

Jeffrey Brown 53:48

Yeah, I mean, I would say I always try to be deferential candidly, to my, to my leaders. And so it may be an idea that I generated in my office or engaged in conversation with them about, but ultimately, it's their execution that brings things to life. And so I try not to go back to where an idea started from or where a thought was triggered. It's allow your leaders to, to get the visibility, because ultimately, they're really the ones that are driving the hard work, putting the processes, the technology, the prioritization of resources, the capital, all that behind it. And so showcase and focus on those things. So focus on the big objectives and really with that, it creates a level of trust and comfort and respect. Your leaders know you appreciate them, you're looking out for them, you support them, and that's very genuine. And so even in our boardrooms, you know, I often, you know, have certainly have executive sessions and private time with my board, but I really allow my leaders to showcase their businesses, their areas of opportunity, where they're growing, where they're not what they're worried about as well because providing them the opportunity helps them get stronger, helps the board understand them better. And so you know what Whether it's being deferential or just whether it's allowing them to showcase the great leaders that they are, I think that's critically important and building that two way street of trust that you mentioned.

Jacob Morgan 55:11

Yeah. And I just want to reiterate for people that, of course, the leader has to reciprocate to we're not just talking about you serving your leaders. I mean, your leaders also need to make sure that they are doing a good job to take care of you as well. Absolutely. And

Jeffrey Brown 55:22

I have a great team. I'm thankful and love my team that I've got. Yeah, and

Jacob Morgan 55:28

which is very important. Maybe last one or two questions for you. What do you look for in a great leader? So when you're promoting people inside of your company? What are the traits, the skills, the qualities that you value? Most?

Jeffrey Brown 55:45

Yeah, I mean, I, obviously ethics and integrity, matter. So so much, that's so critically important. But I sort of put that to the side, because if you're if you're up to the level of you're going to become a direct report of mine, I think you've obviously demonstrated that throughout your career, and there's no question about that. But beyond that, you know, calm and a storm, I think is critically important. Really, being patient and practical. You know, often there's times you got to make fast decisions. But really, you know, being patient, being practical, listening to the perspectives around you thinking, you know, the second order, third order, fourth order consequences of the decision you're making are critically important to really understand how is someone thinking through not just the decision that's in front of you, but you know, what are those? How's that going to be magnified? Going forward? And so that's ultimately very important to me, are they a culture carrier or not? I think that's very important. And

candidly, some of the leadership mistakes I've made along my journey is, perhaps, you know, being too slow to act on leaders that, that maybe weren't always a perfect culture carrier. And I think, you know, that's an important part of leadership today is really making sure that your leaders are going to rally unite, support others and really deliver that culture of the company let you want to see out there. And then like I mentioned before, is that, you know, curiosity, again, every day is an opportunity to learn to get better, you know, what did they read about? What did they think about? What are articles that triggered their interest? Why did they trigger their interest? Those are some of the things I want to know, because I think it demonstrates that constant curiosity that I think is so critically important, you know, personally, on the side, I'm a big supporter of higher education. I serve on a couple boards at Clemson University, I'm the Chair of the Board of Trustees, at Queen's University, and I look at when people say, How do you have the time to do that. And I think a lot of this just comes back to the power of education in education is again about this opportunity to learn every single day, and whether it's in my personal life, or my professional life, I see tremendous power there, Jacob.

Jacob Morgan 57:58

I love it. I think so fantastic way to wrap up lots of great stories and insights. I feel like we could be talking for another couple hours just learning about some of the things that you've been doing and some of the lessons that you learned. But for now, where can people go to learn more about you? Are you guys hiring an ally financial, maybe people have been listening or watching this and thinking, You know what? That sounds like a place I want to work. So anything that you want to mention for people to check out?

Jeffrey Brown 58:23

Yeah, well, we have a great corporate website and Investor Relations website that you can learn a lot about, not just me, but also our whole leadership team, our board of directors, our values, our purpose, what we stand for, and all those great things. And we are always, you know, in hiring mode, I'd say right now in light of economic uncertainty, we're in probably more of a pause period that we've been in, in the past couple of years. But we know that we'll get through this, the company's incredibly well positioned to navigate whatever storms come our way. And they the economic environments way, but we will continue hiring great talent at all times, especially at the younger level. We think seeding our company with that constant youthfulness and new ideas and diversity of talent and thinking is so critically important. And so we've got a great human resources, Lincoln engagement there and open job postings are out there. And so I would encourage anyone if you're interested, reach out and learn more. And Jacob I feel the same way. I feel like it's been a quick hour could spend a couple more hours engaged with you and congrats on all your success. And, again, look forward to seeing your book out next year.

Jacob Morgan 59:36

Thank you very much, JB, I really appreciate you taking time out of your day to chat with me and sharing all your insights and ideas with all of our listeners.

Jeffrey Brown 59:45

Thanks, everyone. Take care. Great to

Jacob Morgan 59:48

see all of you next week. And again, my guest today J be CEO of ally financial. I'll see all of you next week. All right, let me push stop record