



Bringing out the creative software designer in you...

CEOs as Collaborators

Collaboration Workshop

2009 CEO Strategies Week

November 9-13, 2009

Big Pictures Out of Focus

- As CEOs, we are great at big-picture ideas, selling the vision, exciting the teams...and assuming that the details will fall into place before we even finish talking about it
- We are the masters of disasters when it comes to dashing peoples' hopes and expectations
- So as collaborators, we have to work doubly hard to make sure that we are the users of the tools we so heartily endorse as “the next big thing”



Big Pictures Out of Focus

- Who do you assign as the Project Monitor for what you are driving as a network project? You? A trusted team member? Or the network by proxy?
- For all of us to be fast to market, we cannot simply wait for the solution to come out; we must be crafting the utilization and the execution of a product at the same time
CU*Answers is coding the software
- It takes teamwork



CEO Strategies is one week a year, but the CEO Development Team needs to work 52 weeks a year to deliver on the promise of our collaboration

Projects On the Workbench for 2010

- Not the programmer's workbench...the *designer's* workbench
- These projects are queued up for Dawn and her specification team trying to lay out the instructions for the programmer
- These are projects waiting for champions who will be vested in the evolution of these products from good to great
- From your homework assignments:
 - Developing a New Style of Dashboard: Verification Checklist and Statistical Trending for Closed and New Members/Accounts
 - Indicators that Members are Losing the Love
 - EFT Enhancements for the Gividends Team
 - Building a Next Suggested Product Engine

The Big Picture of a Big Picture

- In preparation for the 2010 Leadership Conference in June, we are working on a new menu that would outline CU*BASE tools as part of “The Perfect Board Meeting”
- The New and Closed Membership/Account Dashboards would be part of a Board member presentation
- What else would you put into that agenda in your regular Board meetings?

| Q1 | | | Q2 | | | Q3 | | | Q4 | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |

How would you use CU*BASE for Old Business, New Business, Financial Reports...that standing Board agenda that needs some color and punch in 2010?

The Big Picture of a Big Picture

| Q1 | | | Q2 | | | Q3 | | | Q4 | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| | ★ | | | ★ | | | ★ | | | ★ | |

Quarterly Board Presentations:

- Q1 (February) – Know Your Members
- Q2 (May) – Know Your Operations
- Q3 (August) – Know Your Marketplace Identity
- Q4 (November) – Know Your Business Plan and Budget

Can we create standing tools that trend data over your lifetime use of CU*BASE that are constantly ready for your next Board presentation, and consistently showing where you're going?



Collaborating on New Software Design

Analyzing Closed Memberships and Accounts

Developing a New Style of Dashboard:
Verification Checklist and Statistical Trending

A Template to Get Us Started

1. A screen that selects the records that fall into the date range being analyzed
2. A CU-defined checklist, by product, that documents the procedures used with opening or closing events
3. A screen or set of screens that allow us to do some analysis of the aggregated records selected

MNLOAN #8 Work/View Application Status

The screenshots show the following screens:

Work/View Application Status

From: Dec 27, 2008 To: Jan 26, 2009

Key Activity Tracking:

- APP-NEED CO-SIGNER
- APP-VERIFY INCOME
- APPROVED & MAILED
- APPROVED-CAN PICK UP
- HOME BANKING REQUEST: 1
- PRE-APPROVED: 5

| App # | Applicant Name | Application Date/Time | DC | Decision | Int ID | Central Underwriting Status | Action |
|--------|---------------------|-----------------------|----|----------|--------|-----------------------------|--------|
| 016202 | CURTIS | Jan 26, 2009 12:48 | HB | Pass | 06 | 96 HOME BANKING REQUEST | |
| 016197 | DAWSON | Jan 23, 2009 12:48 | CU | Pass | 01 | 01 ?-SEE LOAN OFFICER | |
| 016190 | Suspect Application | Jan 23, 2009 15:46 | CU | Pass | 01 | 01 Model-Required | |
| 016200 | THEODORE | Jan 22, 2009 17:10 | CU | Pass | 01 | 01 ?-SEE LOAN OFFICER | |

Applications by Status

Branch: 99 (99 - All) From: Mar 10, 2009 To: Apr 09, 2009

| Status | Week 1 | | Week 2 | | Week 3 | | Remaining Weeks | |
|--------------|------------|------------------|------------|------------------|------------|------------------|-----------------|------------------|
| | # Apps | Amount | # Apps | Amount | # Apps | Amount | # Apps | Amount |
| Pending | 129 | 3,197,572 | 138 | 4,259,157 | 160 | 3,778,578 | 163 | 2,454,216 |
| Denied | 24 | 309,564 | 32 | 520,970 | 51 | 718,058 | 76 | 1,266,082 |
| Booked | 39 | 575,866 | 71 | 1,104,068 | 90 | 2,177,342 | 194 | 2,338,524 |
| Total | 192 | 4,082,802 | 241 | 5,884,195 | 301 | 6,673,978 | 393 | 6,058,822 |

| Status | % Apps | % Amount |
|---------|--------|----------|--------|----------|--------|----------|--------|----------|
| Pending | 67.18 | 78.31 | 57.26 | 72.38 | 53.15 | 56.61 | 41.47 | 40.50 |
| Denied | 12.50 | 7.58 | 13.27 | 8.85 | 16.94 | 10.75 | 19.33 | 20.89 |
| Booked | 20.31 | 14.09 | 29.46 | 18.76 | 29.90 | 32.62 | 39.18 | 38.59 |

| Status | Total # of Apps | Total Amount of Apps | % of All Apps | % of Total App Amount |
|--------------|-----------------|----------------------|---------------|-----------------------|
| Pending | 590 | 13,689,523 | 52.35 | 60.30 |
| Denied | 183 | 2,814,674 | 16.23 | 12.39 |
| Booked | 354 | 6,195,600 | 31.41 | 27.29 |
| Total | 1,127 | 22,699,797 | | |

Electronic Check List

Application #: 48719
Account base: JOHN Q. MEMBER

| Task | Description | Request Date | Completion Date | Days | ID |
|------|--------------------------------|--------------|-----------------|------|------|
| 01 | PULL EXISTING LOAN FILE (S) | Jul 25, 2008 | | | 0003 |
| 02 | WRITTEN EXPL. FOR BK/DO | Jul 25, 2008 | | | 0003 |
| 03 | PROOF CURRENT OR PAID-IN-FULL | Jul 25, 2008 | | | 0003 |
| 04 | PRINT OR FEU LOAN, CD, OR -110 | Jul 25, 2008 | | | 0003 |
| 05 | ADDITIONAL COLLATERAL INFO | Jul 25, 2008 | | | 0003 |
| 06 | VERIFY COLLATERAL VALUE | Jul 25, 2008 | | | 0003 |
| 07 | DEBT TO INCOME RATIO | Jul 25, 2008 | | | 0003 |
| 08 | MI REPORT OFFENDER REG | Jul 25, 2008 | | | 0003 |
| 09 | APPLICANT OPEN ACCT W/S10 | Jul 25, 2008 | | | 0003 |
| 10 | CO-APPLICANT OPEN ACCT W/S10 | Jul 25, 2008 | | | 0003 |
| 11 | FINANCIAL INSTITUTION CO-OP | Jul 25, 2008 | | | 0003 |

Homework Assignment #1: Closed Dashboard

Imagine a screen where you entered a start/end date and all of the accounts and memberships closed within that period were displayed. What should it do?

For Internal Auditing

Verifications You Do/Want to Do

- Ancillary product closure
- Proper last address recorded
- Complete Tracker with reasons closed
- Correct Reason Codes logged
- Verify plastics properly closed; hot-carded in CU*BASE, blocked at vendor
- Verify ACH/Payroll Direct Deposit stopped
- Zero balance or inactive types with other active types
- Active types with activity reduction in a specified time period
- Checklists by type, ownership, and reason
- Dashboard of in-process member service issues (deceased, divorce, pending, levies, etc.)
- Verify thank you letter mailed, follow-up marketing done
- Track re-opens
- Closed account survey
- Record average balance/closing withdrawal data

Let's brainstorm on the Checklist, and then you go home and have your Project Monitor send me examples for the projects you wish to track here

Homework Assignment #1: Closed Dashboard

Imagine a screen where you entered a start/end date and all of the accounts and memberships closed within that period were displayed. What should it do?

As a Trending Dashboard

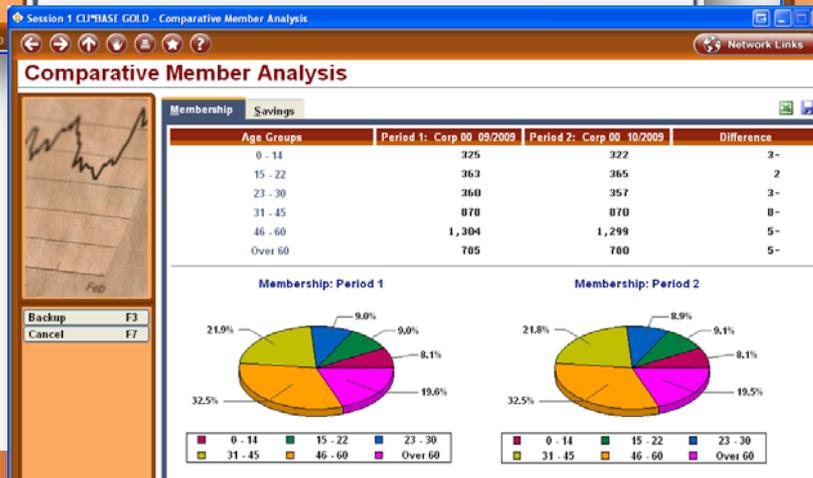
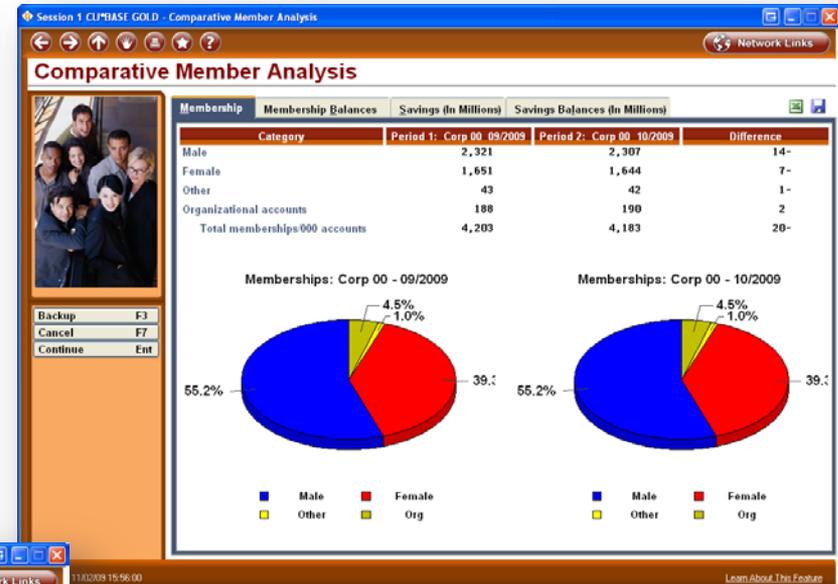
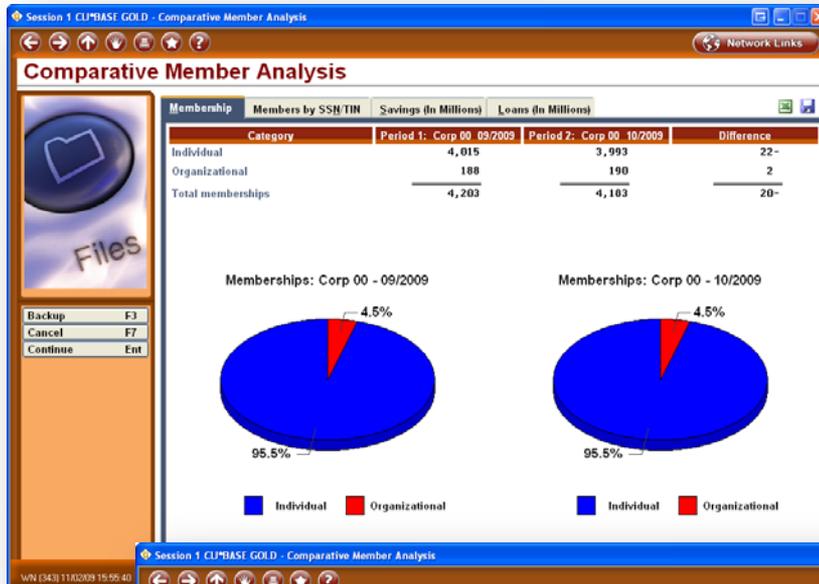
Facts/Trends You Want to Know

- Why closed / Reason Codes
- Description and # of services/products used
- Totals dollars lost (loan/deposit)
- Geographical location of closed mbr
- 90-day trending on closed/total and per branch
- YTD trending from same time last year
- Average age
- Lending history (snapshot of closed)
- Length of membership and suffixes with open/closed dates
- Tiered Service level
- NSF and delinquency activity, if any
- SEG stats - % penetration, tie to SEG calendar with events, promos, member growth, etc.
- Trends by reason, type (SEG, family, etc.), age, ZIP code
- Trends by employee ID or process (who's letting them go?)
- Dormant or not
- Trends by age of member at open and at close
- Reason they originally opened the membership
- Summarization of member follow-up
- Average balance

Let's brainstorm on the function keys you would use in showing new and closed event analysis to your Board

Remember this?

MNMRKT #22 Membership Analysis Inquiry



This was the first cut at a membership analysis for Board presentations...How many of you use it regularly? Will it be the same for these new dashboards?



Collaborating on New Software Design

Members “Losing the Love”

Trends that Prompt Action to
Keep Members in the Fold

A Template to Get Us Started

1. Money Movement Analysis is an example of an event being tracked that trends one point to the next
2. Products & Services Per Member is an example of an option that trends a member's "score" over time and gives a picture of where the member has gone since opening the account

MNMGMA #17 Money Movement Analysis

Amount: 50,000
Comparison month: Aug 2009 [MMYY]

Dividend application/CD application type/loan category: - Or -
Account type: B = Both

| Account | Type | Name | Status | Div Cat | Application Type | End of Month Balance | Current Balance | All Movement |
|---------------|------|--------------------|--------|---------|------------------|----------------------|-------------------|---------------|
| 4331 | 000 | FLINSTONE, DINO M | A | SH | SH | 2,036 | 6,932,076 | 6,930,040 |
| 3900 | 000 | HEMBER, SALLY | A | SH | SH | 6,681,760 | 1,010 | 6,680,750 |
| 3821 | 002 | FLINSTONE, BARBARA | C | CC | SH | 902,799 | 902,799 | 902,799 |
| 1234 | 002 | FLINSTONE, DINO B | A | CC | SH | 166,196 | 618,496 | 452,300 |
| 1234 | 001 | FLINSTONE, DINO B | A | SS | SH | 102,985 | 353,992 | 250,608 |
| 1234 | 000 | FLINSTONE, DINO B | A | SH | SH | 3,559,026 | 3,809,176 | 250,150 |
| 4821 | 000 | DUCK, DONALD | A | SH | SH | 245,559 | 245,459 | 245,100 |
| 3821 | 010 | FLINSTONE, BARBARA | A | CK | SD | 571,962 | 337,634 | 234,328 |
| 4965 | 000 | HEMBER, MARY A | A | SH | SH | 2,240,351 | 2,049,151 | 199,200 |
| 4008 | 700 | SMITH, JOHN M | A | DI | LH | 250,000 | 57,748 | 192,252 |
| 4008 | 010 | SMITH, JOHN M | A | CK | SD | 30,553 | 194,883 | 164,330 |
| 3006 | 000 | HEMBER, ANGELA M | A | SH | SH | 200,130 | 49,800 | 150,250 |
| 3006 | 400 | HEMBER, ANGELA M | A | IR | CD | | 150,000 | 150,000 |
| Totals | | | | | | 15,266,218 | 15,299,044 | 32,827 |

MNMGMA #18 Products & Services Per Member

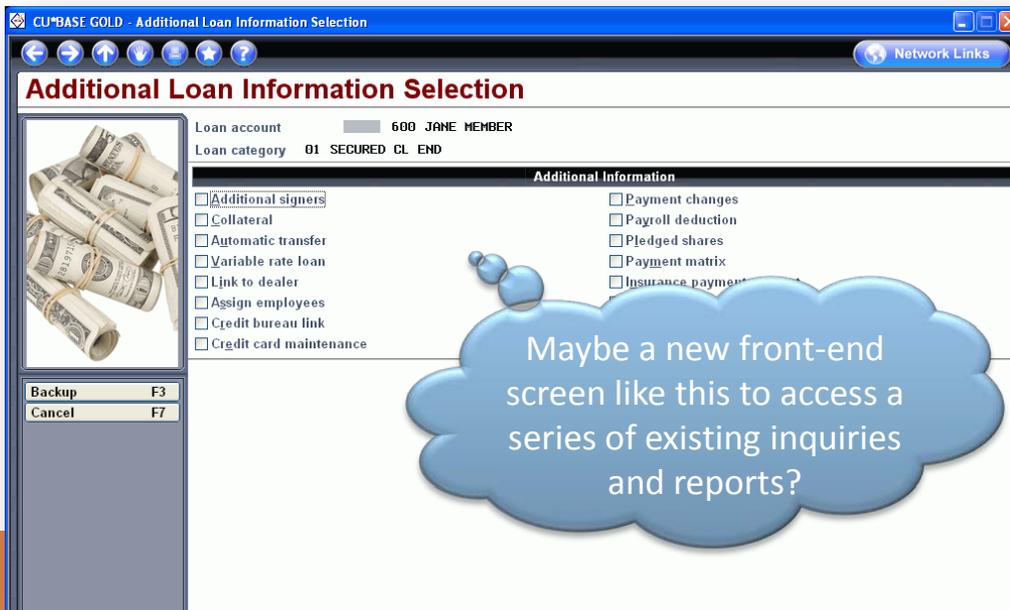
Branch: All Branches
Date range: All Dates
Members: 4339
Employee: All Employees

| Account Base | Jan | Feb | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
|---------------|-----|------|-----|-----|-----|------|------|-----|-----|-----|-----|-----|
| 522232 | SPM | 5 | 4 | 4 | 4 | 5 | 5 | 5 | 3 | 4 | 4 | 5 |
| PPH | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| 103826 | SPM | 4 | 3 | 3 | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 3 |
| PPH | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 15 |
| 504823 | SPM | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| PPH | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 15 | 15 | 16 | 15 |
| 523765 | SPM | 6 | 6 | 6 | 5 | 6 | 6 | 5 | 5 | 6 | 6 | 6 |
| PPH | 13 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 13 |
| 545167 | SPM | 4 | 4 | 3 | 4 | 4 | 3 | 4 | 3 | 4 | 4 | 4 |
| PPH | 13 | 14 | 14 | 17 | 17 | 15 | 15 | 13 | 13 | 11 | 8 | 14 |
| 2495 | SPM | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| PPH | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| 1294 | SPM | | | | | | | | | | | |
| PPH | 13 | | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| AVG SPM | | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.0 |
| AVG PPM | | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.5 | 2.5 | 2.4 |
| Total members | | 4339 | | | | | | | | | | |

Only currently active accounts are included in this inquiry.

Members Losing the Love

- So the trick in using your homework input is to decide on whether or not we can create a single menu option with multiple events and multiple looks and feels for member trends, or do we need multiple menu options?
- ...or just better education on where to go to see trends in your membership?



Let's review your homework...

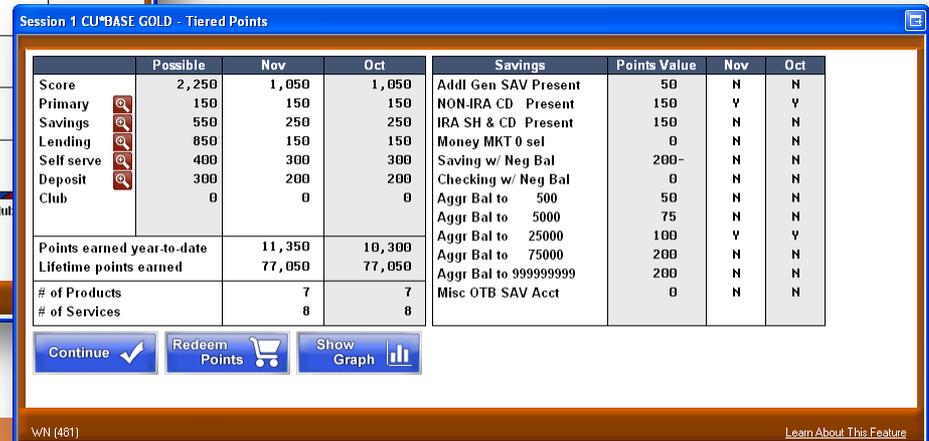
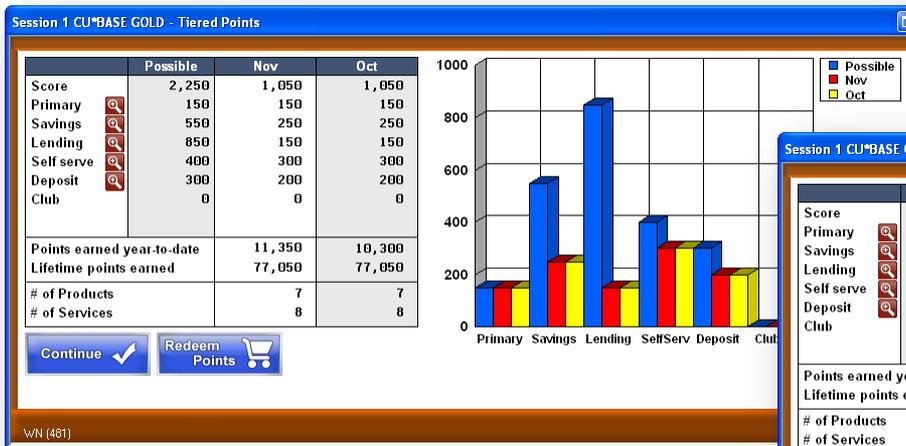
Homework Assignment #2: “Losing the Love”

What facts, figures, stats, or trends do you want on a dashboard to indicate you need to take action to keep at-risk members in fold?

- Frequency of borrowings
- # of debit transactions per month
- Overall product penetration #
- # of credit transactions per month
- ACH deposits with no trans. for 30 days
- Accounts with no transactions for 30 days
- Accounts with no debit trans. for 30 days
- Triggers on large \$ money movement
- Capture reason for movements (staff-dependent but attached to move trans)
- Loan payoff triggers over certain \$
- Branch inflow/outflow of services
- Services/mbr stats by branch/employee
- Check clearings declining on a checking acct
- Zero balance on sub-accounts
- Early payoff on loans
- Non-renewal of CD
- Changes in account activity levels over specified time periods
- Changes (of lack of changes) in # of prod/svcs per mbr (by demographic) over specified time periods
- Product-specific demographics (age, gender, usage type)
- Closing share draft account
- Decrease in bill pay transactions/un-enrollment from online bill pay
- Tiered Service scores decline x% in x months
- Online banking activity declined/ceased
- Large decrease in balance

Remember this?

- The Tiered Services database is an excellent example of trending a member over time for their overall relationship with the CU as well as things such as products and services used
- When using Query, the file **TIERDL** can show how a member is trending for an extended period of time





Collaborating on New Software Design

Ideas for EFT Enhancements

Projects for the new Gividends EFT Team

Gividends

EFT Projects Are a Moving Target

- Over the past two years, we have worked at a feverish pace on EFT processes
 - At this point, we have converted 4 vendor switches and have 7 more to do
 - When we complete the CO-OP transition in December 2009, we will have converted 80% of all credit unions using CU*BASE
- 2010 will be a big year for EFT departments come to grips with new capabilities and start to analyze the possibilities for future changes
- Revisit the Kitchen with your team and see how they are planning to attack the 2010 business year with new software



<http://www.cuanswers.com/kitchen/>

Homework Assignment #3: EFT Enhancements



What work could the Gividends EFT team do to improve the success of your credit union's EFT offerings?

- Turn-key solutions for Tiered Service implementation, result expectations and best practices to develop strategy (watch for CU*PERKS coming soon!)
- Offer a “keep the change” program that rounds to the member’s savings (coming in 2010!)
- In ATMD, immediately increase limits much like hot-carding
- In ATMD, the ability to change the cardholder’s PIN
- Assistance on where and how we are making our money on cards/EFT – best practices management
- Instant issue for cards (coming in 2010!)
- A2A system enhancements (like what?)
- What is the future of this area with mobile phone technology, smart cards, etc., and how do we make money using them?
- Better understanding of the transaction flow from point to point and associated fees to the CU
- Relationship between fees and transaction \$ amounts or # of transactions
- Shared marketing efforts to boost card numbers and usage
- Shared card portfolios and BINs to reduce cost
- Interchange income by user and merchants
- Debit/Credit card interface to FIS should be enhanced so it is rarely necessary to log into FIS; there are several functions you cannot perform in CU*BASE

You Surprised Us!

- We expected a lot more input related to how Courtesy Pay and EFT configurations interact

MNCNFA #9 NSF/OD Transfer Configuration

| Origin/Process | Overdraft Protection | Anr/Courtesy Pay | Fees Regular | Charge NSF |
|---------------------|---|--|--|--|
| 01 Tr Inhouse | | | <input checked="" type="checkbox"/> DD | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | <input checked="" type="checkbox"/> DD | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | <input checked="" type="checkbox"/> DD | |
| 13 PIN ATM/debit | <input type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> DD | <input checked="" type="checkbox"/> Fees |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> DD | <input checked="" type="checkbox"/> Fees |
| 20 CU*EasyPay! | <input checked="" type="checkbox"/> Posting | | <input checked="" type="checkbox"/> DD | <input checked="" type="checkbox"/> Fees |

| Overdraft Transfers | NSF-Returned Items |
|--|----------------------|
| O/D transfer increment (shares) 0.00 | NSF fee amount 25.00 |
| <input checked="" type="checkbox"/> Allow transfer of exact amount | NSF fee G/L 131.30 |
| O/D transfer fee (from shares) 3.00 | NSF fee per I = Item |
| O/D transfer increment (LOC) 100.00 | |
| <input checked="" type="checkbox"/> Allow transfer of exact amount | |
| Maximum % of disbursement limit 100 | |
| O/D transfer fee (from LOC) 3.00 | |
| Transfer additional amount 0.00 | |
| Overdraft transfer fee G/L 131.00 | |
| Combined O/D protection fee 3.00 | |
| <input type="checkbox"/> Allow negative after fee | |
| Charge O/D fee if total transfer amount is more than 0.00 | |



What do you think of all the hoopla about Courtesy Pay regulation changes and how it might mean to how you configure EFT processes in CU*BASE?



Collaborating on New Software Design

Next Suggested Product

Developing an engine that will allow us to move forward with a “Next Suggested Product” promotion tool for CU*BASE and **It’s Me 247**

Homework Assignment #4: NSP Engine

- It's easy to be a dreamer:
 - *"If they don't have a checking account, why can't you just pop a message that says 'ask the member about opening a checking account' to promote it on the spot?"*
 - ...but what if they aren't qualified to have a checking account? Or we just closed their checking account due to excessive NSF's?
- Our challenge as software designers:
 - To give the computer the right guidelines so that it will suggest the product when appropriate, but not if the member has already said no, or if they aren't qualified, or if they've already been turned down, or if they already have the product, or...

We need an engine, where a "dumb" computer can make "smart" decisions to promote products and services to your members

Developing an Engine: Ideas to Consider

1. On-the-fly Evaluation of Specific Configuration Settings
2. New NSP Configuration Based on Presence or Absence of a Condition
3. New Prompts Based on Cross Sales Tracking
4. NSP “Scoring Engine” and Calculation Formulas

There’s also a new service coming soon from e-info: online banking promos based on a Query control file (\$\$ fee service)



What method(s) should we pursue?



Another Project On Everyone's Mind...

An update on Mobile Banking since the
June Leadership Conference







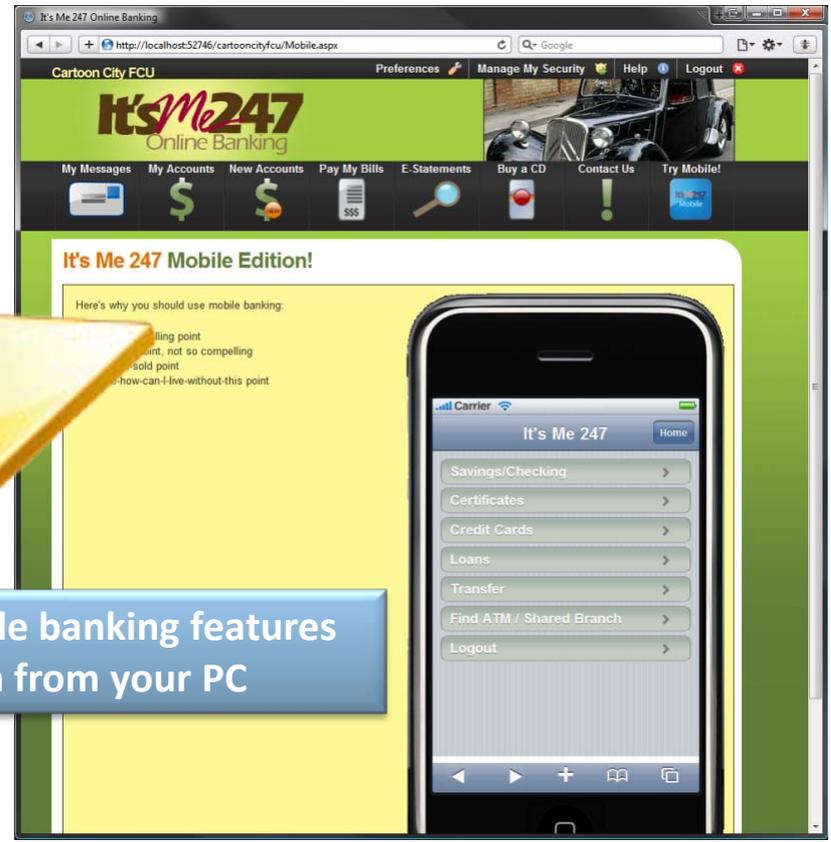
Accounts | I'm a Basic member.

are accounts

| Name | Available Balance | Actual Balance | Accr | Divide |
|-----------------|-------------------|----------------|------------|--------|
| OWNERSHIP SHARE | \$10,450.00 | \$10,450.00 | | |
| CHRISTMAS CLUB | \$10,115.00 | \$10,115.00 | | |
| BASIC SHARE DRA | \$8,480,344.38 | \$8,480,344.38 | 12 | |
| SECONDARY SHARE | \$2,100.00 | \$2,100.00 | 12/31/2007 | \$0.00 |
| SECONDARY SHARE | \$1,000,179.85 | \$1,000,179.85 | 12/31/2007 | \$0.00 |
| SECONDARY SHARE | \$10,530.00 | \$10,530.00 | 12/31/2007 | |



Use mobile banking features even from your PC



Blackberry



iPhone

