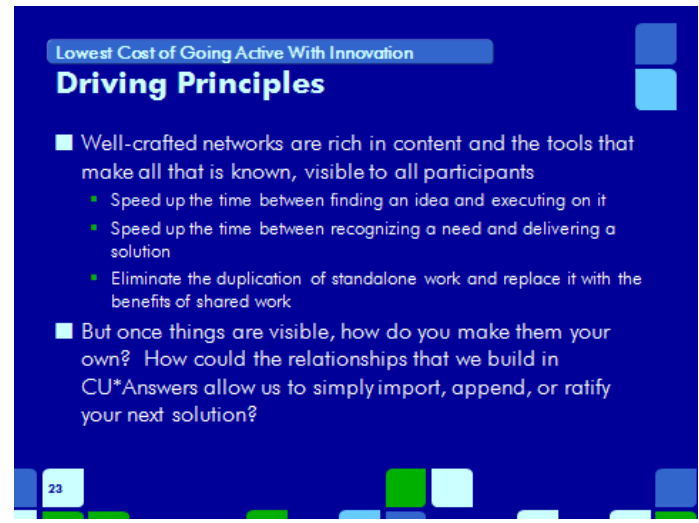


Learning from a peer is such a simple idea when you think of one person sitting down and calling another, *“Can you help me? I’ve been looking into _____, and you probably have, too. Here’s what I’ve found, here’s where we are, and I was wondering if you could share your experience.”*

The trick to learning from a peer on a large scale is figuring out how to avoid repeating that conversation hundreds of times. It’s clear that the Internet has solved this problem way beyond anything we might have envisioned 20 years ago. You can blog and people will respond almost instantly. You can Tweet and have thousands of 140-character replies within a day. You can join a social network and get more opinions than you know what to do with.



From the 2009 Leadership Conference

Automate Learning From a Peer to Reduce the Cost of Innovation

But how do we do it for business? Especially in an environment where we have a great many commonalities and the ability to leverage what our peers know into instant action for our own operations. Our commonalities are the tools we use within the CU*Answers suite of solutions. These tools use process configurations with dozens of parameters that allow a CU to configure their solution based on how they use the options. In other words, CU*BASE supports dozens of diverse solutions with a common set of parameters that easily can be understood. All you need is to be able to see what your peers have decided.

Learn From a Peer is not a single feature; it is a goal for all of the information we know about credit unions and believe they should share with each other at lightning speed. Learn From a Peer is the first step in reducing the cost of active innovation, allowing CUs to search for references and ideas at the lowest possible cost, via CU*BASE.

In the next few years, we hope you will *default* to looking for answers within the network, starting outside the boundaries of your own organization. We hope you will expand your partners for innovation to the limits of the network and beyond. Innovation starts with curiosity, but its playground and most effective opportunity comes from your ability to collaborate with others.

Two Ways to Learn

To start, there will be two basic styles of Learn from a Peer tools:

- **Aggregated views** showing all or a group of credit unions together, either in a list or report format or via an online inquiry. The first example of this will be the Tiered Service Peer Analysis, as illustrated on Page 2.
- **One-peer-at-a-time views** showing a specific configuration screen (or series of screens) from one peer credit union at a time. Our first foray into this style will be with all of the over-the-counter fee configurations, as illustrated on Page 3. Another alternative is to show a side-by-side comparison of you and a peer, as illustrated on Page 4.

A New Style of Aggregated Statistical Analysis

In both cases, the technique the programs will use to locate and display configuration or statistical information will be rather unique. Instead of drilling down into another credit union's FILEx library (like shared branching, where one credit union actually has to post to another credit union's files), we will create a new file that includes various configuration settings, refreshed once a month by taking a snapshot from all online credit unions.

This static **peer configuration file** will not only protect the actual configurations, but also avoid the difficulties we have with beta-testing new software when different credit unions are at different version levels for a time. More importantly, it allows us to do **data mining** across multiple credit unions (% of CUs that choose a particular option, etc.), enhancing our existing CU*BASE Peer Analysis publication and adding new online analysis tools.



Phase 1: Tiered Service Peer Analysis

Coming in CU*BASE release 9.4, the new Tiered Service Peer Analysis will let you evaluate how your members stack up against your peers when it comes to your relationship management goals. More than just seeing how people are using the CU*BASE Tiered Services software, this process will allow you to benchmark performance and find a group of potential partners for best practice innovation.

Aggregate Analysis of Statistical Data

Compare your CU to a peer in a side-by-side comparison of all Tiered Service scoring stats

Description	My Credit Union			CorePlus Federal CU			Avg %
	Members	%	Rank	Members	%	Rank	
BASIC	20,387	93.9	1	6,411	29.3	5	52.1
Avg Prod Per Mbr	2.60			1.20			
Avg Svcs Per Mbr	2.00			0.20			
Household Adj	17,505	86.5	1	3,844	17.8	5	40.0
Tier 1	1,208	5.6	6	7,301	33.4	1	17.5
Avg Prod Per Mbr	6.60			2.30			
Avg Svcs Per Mbr	5.40			1.10			
Household Adj	2,451	12.1	3	5,907	27.3	1	15.4
Tier 2	814	0.5	6	3,731	17.1	1	11.4
Avg Prod Per Mbr	9.20			3.60			
Avg Svcs Per Mbr	7.00			3.30			
Household Adj	289	1.4	5	4,101	19.0	1	10.1
Tier 3			6	4,434	20.3	3	28.5
Avg Prod Per Mbr				4.60			
Avg Svcs Per Mbr				5.10			
Household Adj				7,787	36.0	3	34.3

This Tiered Service Peer Analysis will be available with CU*BASE Release 9.4 via new commands on the MNMGMB and MNMRKT menus.

Choose a peer group by asset size or member count

Code	Description	Members	Assets	Score Method
AL	Alpena Alcona Area CU	21,799	192,338,684	H
BT	CorePlus Federal CU	21,877	168,106,263	H
DH	Detroit Municipal CU	21,262	313,088,316	H
FR	Frankenmuth Credit Union	21,682	112,548,817	H
OC	Ohio Catholic Federat CU	21,118	128,117,441	H
NO	Northwest Credit Union	20,998	132,449,706	H

Choose a peer

Phase 2: Sharing Fee and Product Configurations

In 2010 we will start work on a new process to accumulate system configurations into a shared file and begin adding the “Learn from a peer” button to various configurations. Since a picture is worth a thousand words, take a look at the illustration below:

The illustration shows a four-step process for sharing a configuration in the CU*BASE GOLD system:

- Phone Transfer Fee Configuration:** The initial configuration window. A button labeled "Learn from a peer" with the keyboard shortcut "F10" is highlighted. The configuration includes:
 - Service Charges: Fee amount 2.00, Purge M = Monthly, # of free items 4, Fee income G.L.# 180.00.
 - Fee Waivers: Low age 18, High age 60, Aggregate savings 9,999,999.99, Aggregate loans 9,999,999.99.
 - Options: Waive if OTB accounts present (Credit, Loan, Save, AIM, Debt), Allow fee to be manually waived.
- Peer Criteria Selection:** A dialog box where criteria are set. "Select peer by" is set to "A = Asset Range". The asset range is from 117,104,743 to 167,572,464. The range is set at +/- 10%.
- Select Credit Union for Peer Analysis:** A table of credit unions is displayed for selection.

Code	Description	Liab	Assets	Score Method
AL	Alpena Alpena Area CU	21,706	152,338,604	H
HF	CorePlus Federal CU	21,877	165,104,963	H
DW	Detroit Municipal CU	21,352	313,089,316	H
FR	Frankenmuth Credit Union	21,602	173,540,817	M
OC	Ohio Catholic Federal CU	21,118	126,117,441	H
KA	Unison Credit Union	20,998	132,449,705	H
- Phone Transfer Fee Configuration (Updated):** The configuration window is now in "VIEW ONLY" mode and shows the configuration for "ABC Credit Union".
 - Service Charges: Fee amount 1.00, Purge D = Daily, # of free items, Fee income G.L.# 150.00.
 - Fee Waivers: Low age 1, High age 999, Aggregate savings 9,999,999.99, Aggregate loans 9,999,999.99.
 - Options: Waive if OTB accounts present (Credit, Loan, Save, AIM, Debt), Allow fee to be manually waived (checked).

Here's another, slightly different take on this process where we would show both your CU and your peer on the same screen, side by side. It's a little more work to accomplish this style, but it will be a nice option for simple, one-screen configurations like this. (Multi-screen or more complex configurations would still be presented using the style illustrated on the previous page.)

Check Cashing Fee Configuration

Member Cashed Checks

Flat Fee	Or	Percentage of Checks Cashed
3.00		0.0

Charge type: I = Per item

Non-Member Cashed Checks

Flat Fee	Or	Percentage of Checks Cashed
0.00		0.0

Charge type: N/A

Fee Waivers

Aggregate savings: 3,000.00

Aggregate loans: 0.00

High age: []

Waive if OTB accounts present: [] Credit [] Loan [] Savings [] ATM [] Debit

Learn from a peer F10

Peer Criteria Selection

Select peer by: Asset Range

Asset range: 137,104,743 to 167,572,464

Range is set at +/- 10%

Select Credit Union for Peer Analysis

Code	Description	Members	Assets	Score Method
AL	Alpena Alcona Alcona CU	21,106	152,338,604	H
NT	CorePlus Federal CU	21,077	166,104,963	H
DM	Detroit Municipal CU	21,352	313,088,316	H
FK	Frankenmuth Credit Union	21,602	173,540,817	H
OC	Ohio Catholic Federal CU	21,118	128,117,441	H
KR	Unison Credit Union	20,998	132,449,705	H

Check Cashing Fee Configuration

My Credit Union

Check cashing fee activated

Receipt/inquiry description: CASHED CHECK FEE

Member cashed checks:

Charge flat fee of \$999.99 per transaction

3 free items

Miscellaneous receipt code: CCF

Charge fee if deposit or MR: []

Allow fee to be manually waived: [x]

Non-Member cashed checks:

Charge 10% of checks cashed

Miscellaneous receipt code: CCD

Allow fee to be manually waived: [x]

Fee waivers:

Aggregate savings: \$3,000.00

Waive if OTB accounts present:

[] CRDT [] LOAN [] SAVE [] ATM [] DEBT

Success Credit Union

Check cashing fee activated

Receipt/inquiry description: CHECK CASHING FEE

Member cashed checks:

Charge 10% of checks cashed

Miscellaneous receipt code: 015

Charge fee if deposit or MR: []

Allow fee to be manually waived: [x]

Non-Member cashed checks:

Charge 10% of checks cashed

Miscellaneous receipt code: 015

Allow fee to be manually waived: [x]

Fee waivers:

Aggregate savings: \$9,999,999.99

Aggregate loans: \$9,999,999.99

Low age: 18

High age: 62

Waive if OTB accounts present:

[] CRDT [x] LOAN [x] SAVE [] ATM [] DEBT

Cancel F7
Bypass F8
Choose a Peer F10

Learn From A Peer

- Deposit Item Fee Config
- Cashed Check Fee Config
- CU Printed Check Fee Config
- CU Printed Money Order Fee Config
- Phone Transfer Fee Config
- Self Service Fee Config
- ...and more!

Other Ideas for Future Phases

- Compare **rates** for savings, certificates, and loans across multiple credit unions in a peer group
This would be a great place for an aggregate style of analysis with controls to compare “apples to apples” (similar dividend calculation types, terms, etc.) and select CUs according to location or size.
- View **product configurations** such as loan products, savings dividend applications, and certificate types
- Copy paragraphs or complete forms from a peer’s library of **Misc. Member Account Forms** (TIS disclosures, etc.)
- View configurations for special features such as **Tiered Services** (points and rewards) and **Marketing Clubs**
- View configurations for **service charges**, including minimum balance, transaction, and account service charges

...what other tools can you think of where you would like to be able to learn from a peer? Let us know!

To Participate or Not...Should Peer Analysis Data be Optional?

One discussion point that is still being debated is whether to include a mechanism that allows a credit union to **opt out** of participation in these new peer analysis tools. So far the consensus seems to be that since so much of this information (rates, product features, marketing programs, etc.) is already available with a bit of research on a website, that we do not need to build in a way for credit unions to choose whether or not to participate.

Do you have any concerns with our aggregating these details and allowing other CUs to take a peek at what you are doing? One idea that was suggested was to hide the credit union’s name and simply list the data itself. But since the idea is to promote collaboration and benefiting from shared work, that might defeat the whole purpose. What do you think?

*NOTE: If we do end up including a way to opt out, this would control both the credit union’s input into the aggregate data file as well as that credit union’s ability to use any of the Learn from a Peer analysis tools in CU*BASE.*

For further updates on this and other ongoing projects, visit CU*Answers in the Kitchen:
<http://www.cuanswers.com/kitchen/>. The chef for this recipe is Dawn Moore (dmoore@cuanswers.com).