

# Developing an Online and Mobile Persona for Your Credit Union

Going Beyond a Simple Branding Project, Moving Towards a New State of Mind for Your Teams and Your Organization's Long-term Strategies

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February 14, 2014

With the recent introduction of new branding options for **It's Me 247** online and mobile web banking, we are starting to see some examples of teams rallying towards a new online and mobile persona with their members. Certainly the look is slick and impressive, and gives a cohesive appearance to how the credit union is presented to online users.

But is that all it does? Are these same credit unions using the completion of this simple branding task to kick-start a move towards an even loftier goal?

## Developing a New Model for Your Future

The loftier goal in this case is a state of mind that says you are open for business online. It's the difference between using online or mobile channels to respond to members who happen to choose to do business that way, and taking a stand that your credit union is *open for business* via these channels.

One is order-taking, the other is business development and building new models for your future.

## Deciding Who Can Apply: Turning Instinctive Judgments Into Automated Rules

When a member walks into your lobby and sees an "Apply for a loan!" poster, that's just advertising. What evaluation do you go through before you'll hand them the application?

Even if it's just a mental checklist, you automatically run it down. Are they an adult? Check. Are they already a member? Check. We haven't had some prior bad experience with them? Check. If they pass your mental checklist, you hand them the application and get them moving toward the next

step. Even if you need a few more details before the deal is sealed, you've started the ball rolling.

When that same member clicks into your online lobby, can they get the same experience?

One problem with thinking like an order-taker is getting caught in the trap of waiting for online tools that are exactly like the lobby: "If it can't automatically print out TIS forms and our brochure, well, then I don't

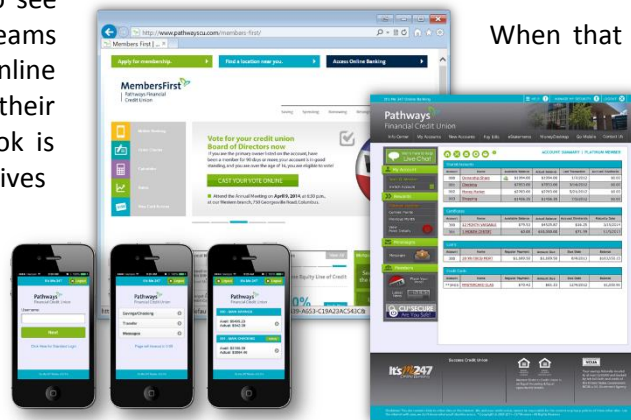
want them to open the account!" Think like a business developer instead: "As long as I get a chance at the business, I'll let the member do as much as they can online. Then my team can jump in to handle the rest."

## An Alternative Underwriting Model

Let's think about what we mean by "applying" for something. The first thing that comes to mind, of course, is a loan application: a member *applies* to be able to borrow money. But you handle hundreds of applications every day that are far less formal than that.

In many cases a member just asks for something – like a new checking account. The only "application" is a quick look at what you already know about the person (their age, membership status, delinquency problems, and so on), none of which require the member to tell you anything. If they are asking for something more complex, like an IRA or an HSA checking account, you might need a few more details to close the deal, but you can get a lot done before you need to get into the nitty-gritty.

So if you don't offer something like an HSA checking account online, what's stopping you? Is it that you can't get all the way through those nitty-gritty details, so you don't even want to start? If your



mindset is developing a new business model for your future, you would engage any channel you could to get things started.

Take every online or mobile contact *as far as you can* via a self-service channel, *any time you can*. Use your traditional methods to do the rest. That's an **alternative underwriting model**, and it can work if you are committed to a mindset that says your self-service channels are more than just a way to shave some steps off an employee's task list.

### Automating the Mental Checklist

With **Smart Messages** (*in online banking now, coming soon for mobile*), we can evaluate a member's enrollment in a service and pop a suggestion with a link to sign up. **Smart Offers** would take that idea one step further.

Think about that mental checklist you run through, given what you know about the member. A Smart Offer would run through the same tests and display a banner that encourages the member to *apply*. It's a soft offer that gets the ball rolling.

So what's on that mental checklist? At the Leadership Conference last summer, I asked for a list of 5 conditions that could be quickly evaluated to pop a smart offer in **It's Me 247**. Out of 175 participants, I've received nothing to date.



So how about it? Imagine a smart offer banner displayed in online or mobile banking, with a click to a related "apply" or "open

now" page. What's on your checklist to allow us to display that banner for a particular member?

*We invite you to apply for a loan!*

- They're already a member
- They're over age 18
- They have a credit score of at least x on file
- They don't have any delinquent loans or recent denials
- They \_\_\_\_\_

*You should consider opening a checking account!*

- They're already a member
- They're over age 18
- They \_\_\_\_\_
- They \_\_\_\_\_
- They \_\_\_\_\_

*We invite you to \_\_\_\_\_!*

- They're already a member
- They're over age 18
- They \_\_\_\_\_
- They \_\_\_\_\_
- They \_\_\_\_\_

What other smart offers could we make? How can we make the system do the evaluations that would give the online or mobile member the same yes they would get in your lobby? Remember, we're not necessarily talking about an *unqualified* yes, just a *yes to get started*, to move on to the next step with your member-owner.

### Starting New Relationships Online

Now let's think about taking alternative underwriting concepts all the way to fulfillment for existing members. In most cases, if people don't open accounts online it's not because they lack the tools, it's because they lack the risk tolerance to start new relationships online...even with members they already know.

Take me as an example. I know I can get a new checking account opened over the phone with an instant decision, using underwriting standards that are far different from what is used on a perfect stranger. But online, I can't get to the checking product that I want. It's like my credit union's never seen me before.

Most CEOs I talk to say that if they can verify that what a person says online is true, then they'll say yes. So what stops you from saying yes even to members who have already proven who they are by logging in? Same idea, what tests do you need so that you'll start using the tools you already have?

*We invite you to open a checking account!*

- They're already a member
- They're over age 18
- They don't have a negative balance
- They \_\_\_\_\_
- They \_\_\_\_\_

*We invite you to open an overdraft line of credit!\**

- They're already a member
- They're over age 18
- They have a credit score of at least xxx already on file
- They don't have any delinquent loans or recent denials
- They \_\_\_\_\_

*\*Sidebar: We already have a decision model for loans. Do you use it effectively, so that at least 70% of members get a green light to the next stage? What alternative underwriting standards could you use to say yes all the way to closing the deal? How about just getting the application *started* online?*

In most cases, online and mobile lending don't lead to closing the deal online, although it certainly could for credit card and signature loans. But you could give your loan factory a real boost just by approving more online and mobile members to move on to the next stage.

This is not a matter of a tool kit, it's a matter of your culture and mindset. Are you ready for what your members are starting to expect?

### **Send Me Your Checklists**

I could go on, but my immediate goal is to make a dozen or so simple adjustments that could double, triple, or quadruple your performance online.

Send me your checklists. I'd like to do more at the 2014 Leadership Conference than just talk about this.

*Send input to [rkarnes@cuanswers.com](mailto:rkarnes@cuanswers.com) or call me at 800-327-3478, ext. 101. I'd love to hear from you.*



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