CU*ANSWERS

CEO Strategies Week "2.0"

Welcome to a brand-new format!

2015
CEO Strategies

CEO Strategies Week 2015

This Week's Events

Tuesday, November 10

1:00 – 5:00 PM ET
CEO Collaboration in the cuasterisk.com Network (Past, Present, and Future)

5:30 – 7:30 PM ET
CEO Strategies Open Networking Session *(Refreshments served)*

Wednesday, November 11

9:00 AM – 4:30 PM ET
CEO School: Driving Solutions & Execution

5:00 – 7:30 PM ET
"Thinking 2016" Networking Session *(Refreshments served)*

Thursday, November 12

9:00 AM – 3:00 PM ET
CEO Roundtable

CUSTOMER OWNER   SAME AGENDA   COOPERATIVE

Materials covered in today's session will be posted online on the Events > CEO Strategies page

http://cuanswers.com/events/ceo-strat/ceo-strategies-week-2015/

Round Robin Introductions

We'll be together for the next 3 days, so let's get to know each other

This is speed dating – quick answers that inspire others to get to know you more

- ☐ Your Name
- ☐ Your Credit Union Name, City and State

- ☐ How many CEO Strategies sessions have you attended?

- ☐ Name the # 1 thing you could use a hand with to enhance your career as a leader

Use your participant contact sheet to take notes!

CEO Collaboration Workshop

On the way to the future, CEOs need the chance to influence the final destination

What is the Collaboration Workshop?

KICKING OFF OUR 2017 PLANNING SEASON

- Peers working towards independent and collective strategies and tactics

CEO

- Collaboration as a business – collaboration to earn a yield on doing things *collectively*, with an advantage over doing things alone

Collaboration

- A unique space for doing work, different from the day-to-day but with the same goals: earn a return on our efforts

Workshop

In the past I've gotten carried away and made this a presentation more than a workshop... so be prepared to speak up

The Collaboration Workshop speaks to the essence of why credit unions own CU*Answers: so that **their voice is heard**, their ideas are worked on, and their priorities are considered as part of everything this CUSO tries to accomplish

CUSTOMER OWNER

SAME AGENDA

COOPERATIVE
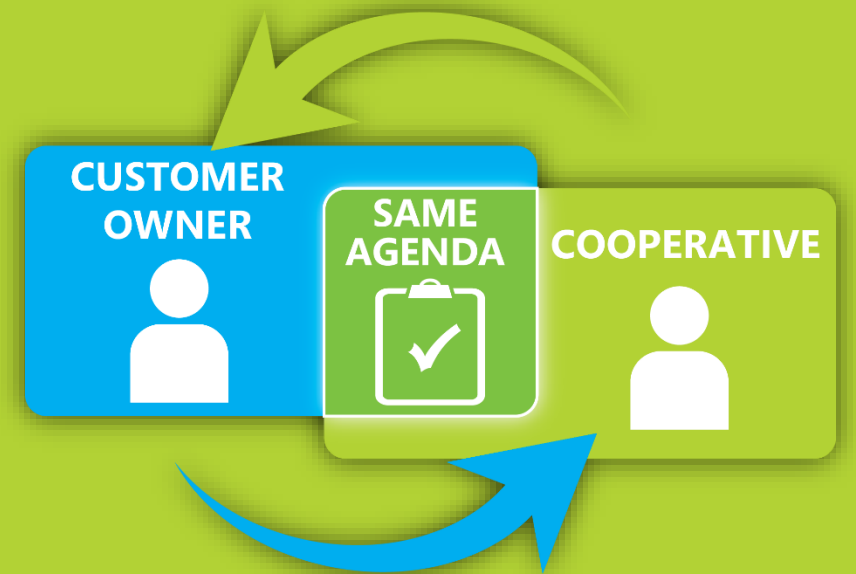
Today's Agenda

Using our Collective Brainpower to Envision New CUSO Customer Support Centers

- Investing to support new credit union inquiries and perspectives

Serving New Types of Clients

- Virtual Channel Architects
- Technical Solution Developers
- External Data Warehouse Designers

Why our Network Needs the IRSC:
New Templates for CU Designs

- Internet stores for online retailing
- Fast-to-market membership opening pipelines
- Fast-to-market mobile pipelines

Using our Collective Brainpower to Envision New CUSO Customer Support Centers

Investing to Support New
Credit Union Inquiries and Perspectives

Technology vs. Service

DISRUPTIVE PRICE, ACROSS-THE-BOARD ACCESS, SHARED EXECUTION

☐ Every CEO in this room – CUSO or credit union – is facing the same challenge:

Transitioning existing organizational designs to respond to an online marketplace where solutions need new degrees of reach, range, and robustness

Can your organization reach members and customers beyond the walls of your own traditional delivery systems? ***Economies of scope:*** *How far outside of your boundaries can you reach people?*	Can your organization interact with members effectively with the speed they expect in today's networked world? ***Economies of speed:*** *How are your members' expectations changing as to the speed of closing the deal where they are at any given time?*	Can your organization act bigger than it is and appear competitively scaled to the challenge? ***Economies of scale:*** *Are you using the Internet and our cooperative to bulk up and impress your members?*

Technology vs. Service

DISRUPTIVE PRICE, ACROSS-THE-BOARD ACCESS, SHARED EXECUTION

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Activate online and mobile solutions that can deliver for your member anywhere, at any time	Activate new processes and solutions that complete the transaction virtually *(document transfers, signatures, etc.)*	Complete the projects in bunches and leap forward like every organization is 10x their actual size
Once we're in the business, *can we build a service department that helps CUs get to market with diverse and multiple solutions?*	***Once we're in the business,*** *can we build a service department that helps CUs get to market with diverse and multiple solutions?*	***Once we're in the business,*** *can we build a service department that helps CUs get to market with diverse and multiple solutions?*

It's Not a Tech Problem, It's a People Problem

- ☐ We need to build teams that can engage with credit union and third-party project managers to complete projects at an unprecedented rate
- ☐ We need to move beyond the theoretical and into production
  - ▪ Build several hundred mobile apps and bring them to market
  - ▪ Build several hundred new membership landing pages
  - ▪ Build new sales booster pages that deliver opportunities, for hundreds of organizations
  - ▪ Build dozens of new processes for document transfer, for hundreds of organizations
  - ▪ Drive a revolution in retailing for our network and **provide the confidence there are service resources available to get the job done**

As customer-owners and CUSO leaders, this group needs to see that we are the best resource to design this solution

As CEOs, this is our 2016-2017 collaborative project

Serving New
Types of Clients

- Virtual Channel Architects
- Technical Solution Developers
- External Data Warehouse Designers

Understanding Three Emerging Customer Personas

DO YOU SEE SOMEONE FROM YOUR TEAM IN ONE THESE SILOS? SHOULD I?

Virtual Channel Architects

- ☐ CU leaders tasked with activating new delivery channel solutions
  - ▪ Yesterday's web page designer on steroids
  - ▪ Marketing meets tech, over and over
  - ▪ A virtual facilities manager

Technical Solution Developers

- ☐ CU staff members and their coordinated contractors
  - ▪ CUs building solutions for themselves, beyond custom programming
  - ▪ Time for testing, processes for certification
  - ▪ High touch calls with CUSO tech resources

External Data Warehouse Designers

- ☐ CU staff members aggregating data beyond CU*BASE and CUSO solutions
  - ▪ Database designers
  - ▪ IT facility managers
  - ▪ Data analysts

Whether or not your strategy has overtly called out these new job descriptions in your business plan, we feel the frustration of your team members as they call with these intentions

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Understanding Three Emerging Customer Personas

DO YOU SEE SOMEONE FROM YOUR TEAM IN ONE THESE SILOS? SHOULD I?

Virtual Channel Architects	Technical Solution Developers	External Data Warehouse Designers
☐ 2016: Our response will be the **Internet Retailer Support Center**, driven by:	☐ 2017: Our response will be the **Developers Help Desk**, driven by:	☐ 2016: Our response will be to continue to drive the **Data Investment Symposium** agenda:
▪ Expansion of mobile app strategies ▪ Expansion of sales and fulfillment services via the web ▪ Need to create a foundation to deal with the at-large marketplace	▪ Marketplace opportunity created by an API library ▪ Special focus on services needed by developers to test and certify new solutions	▪ Next event: Feb. 24, 2016 ▪ My CU Today / My CU Today Plus ▪ New shared resource for data analytics

The trick for our CUSO is to match our investment with your responses and plans in the future

Why our Network Needs the IRSC:
New Templates for Credit Union Designs

- Internet stores for online retailing
- Fast-to-market membership opening pipelines
- Fast-to-market mobile pipelines

BUILDING NEW CLIENT SERVICE TEAMS FOR NEW CLIENT PERSPECTIVES

IRSC:
The
Online Store

What CUs can buy in the virtual channel

The first phase in developing a fast-to-market self-service toolkit to generate virtual opportunity sites

Driving the network to develop data intelligence assets to fuel CU activities on the Internet

IRSC:
The
Help Desk

A project management team with a "Just Turn It On" focus for generating virtual channel solutions

IRSC:
Business Development

Selling, consulting, and executing with CUs to design new service models via virtual solutions

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Our First Client Service Department Designed With An Online Storefront

THE INTERNET RETAILER SUPPORT CENTER

☐ We're designing the IRSC to be fronted by an online storefront

☐ We hope to template how a credit union would market products to a member, by marketing our virtual channel solutions to CU project managers

- Sell what's available
- Explain the process
- Fulfillment center
- Project management site
- Use CU Publisher tools to just turn it on

https://irsc.cuanswers.com/

Our First Client Service Department Designed With An Online Storefront

THE INTERNET RETAILER SUPPORT CENTER

☐ This storefront will eventually combine

- Classic CU*BASE configurations for virtual member service features
- Web Services product offerings
- Customized branding for online and mobile banking
- Mobile product creation
- Activating a MAP/MOP landing site
- OBC customizations
- Managing your online mobile app store
- Maintaining all of your virtual solutions provided by CU*Answers

https://irsc.cuanswers.com/

Why our Network Needs the IRSC

Internet Stores for Online Retailing

"CU Publisher" – a Content Management System for Virtual Solutions

- ☐ The best example of online retailing and the Amazon.com approach is the **It's Me 247** mobile app store – coming in the 16.04 release (April 2016)
  - ■ The IRSC will manage the pipeline by helping CUs publish content for the mobile app store using the CU Publisher
- ☐ This store approach will help ensure that CU members get exposed to a growing list of mobile apps offered by their credit union
  - ■ The IRSC will both drive and respond to CU virtual channel architects to make this a success

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Why our Network Needs the IRSC

Fast-To-Market Membership Opening Pipelines

"CU Publisher" – a Content Management System for Virtual Solutions

DESIGNED WITH A "JUST-TURN-IT-ON" INTENT

☐ To ensure that we can build online membership opening sites quickly and effectively, we needed to create a system that could publish new landing pages that were very specific and customized to the intent of the CU

☐ This CU Publisher has a dual purpose:

- Generate membership opening sites

- Generate mobile apps

Announcing the Project to Turn On MAP/MOP

- ☐ During the first calendar quarter of 2016, we will launching the first MAP/MOP landing pages with a reasonable beta group (10-15 CUs)
  - ▪ Today's demo is to get you excited about launching your first MAP/MOP landing page so that you will get in the queue beginning April 1, 2016
  - ▪ We hope to go to 2016 Leadership Conference with 50+ CUs having launched their first MAP/MOP lending page for potential members
- ☐ In June we will announce the sunset of the current membership app (anticipated to be 12/31/2016)
  - ▪ Over 200 CUs will need to launch MAP/MOP in 2016
- ☐ Throughout the year we'll work with CUs who have MAP/MOP to activate new modules as they are released
  - ▪ ID authentication, funding, online membership/account opening

Out of 200 CUs, I don't anticipate that even 30 will have a complete MOP process activated by 12/31/2016...help prove me wrong

Announcing the Project to Turn On MAP/MOP

Phase I

1 Eligibility — 2 Information — 3 Complete

NEW MAP
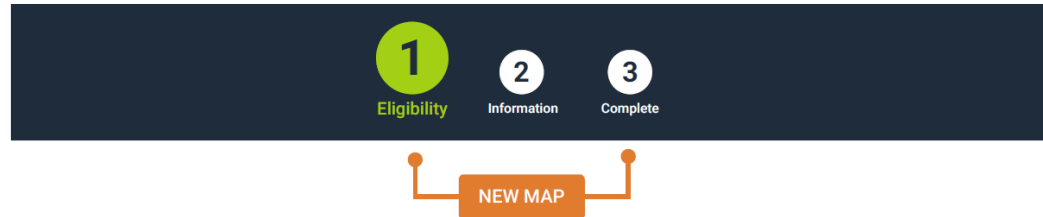
Everyone will be on this version by end of 2016

Phase II

1 Eligibility — 2 Information — 3 Verification — 4 Enrollment — 5 Fund Account — 6 Complete

NEW MAP / MOP
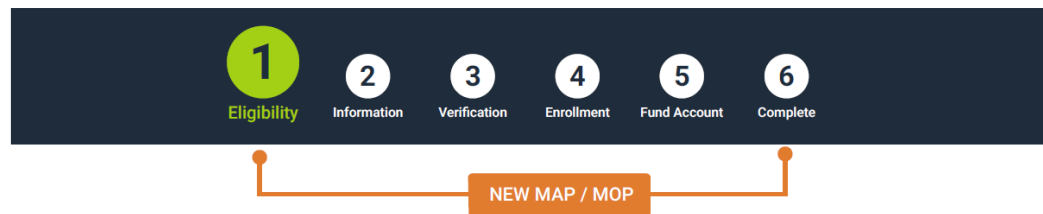
Maybe 30 CUs might be on this version by end of 2016 – not for the lack of a technical solution, but for want of internal policies and procedures to embrace automatically opening memberships online

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Let's take a test drive...

Today's Membership App, Tomorrow's "MAP"
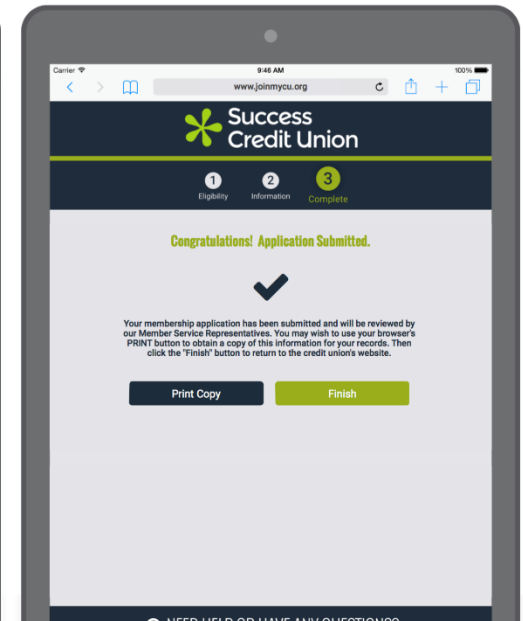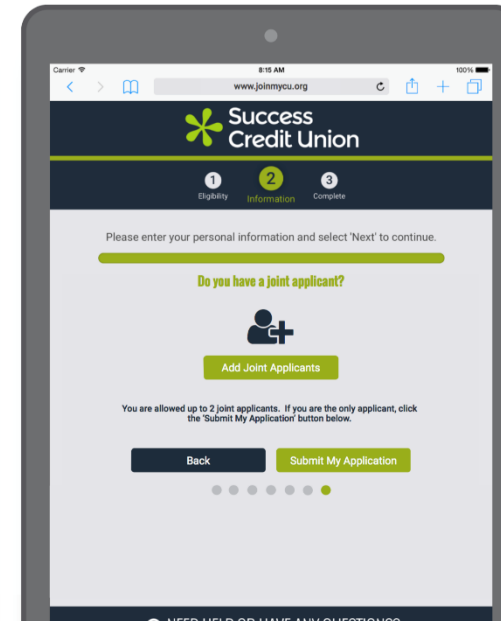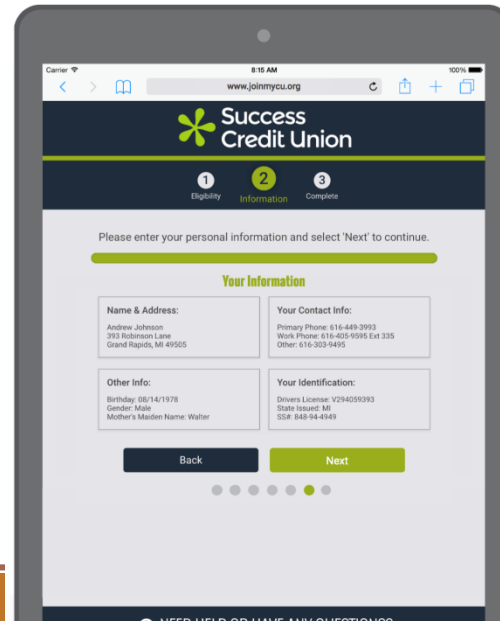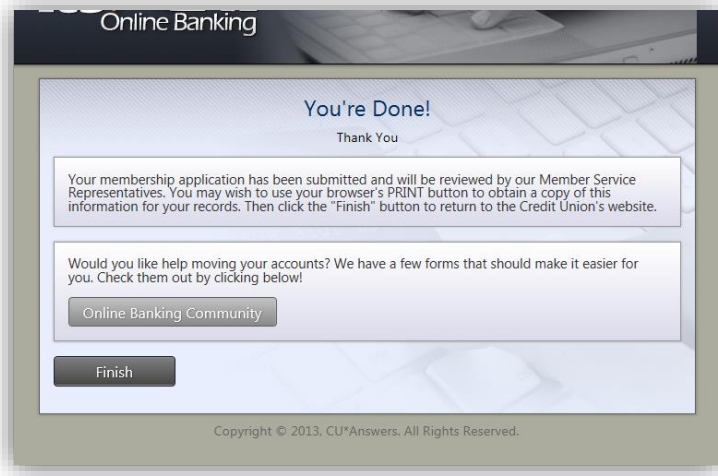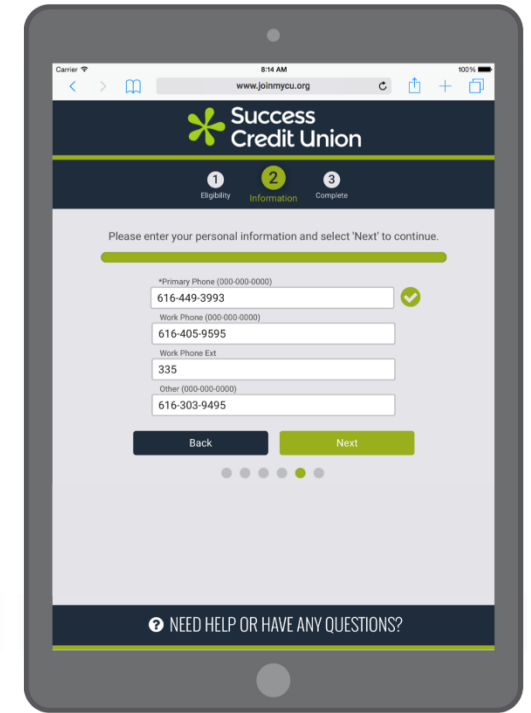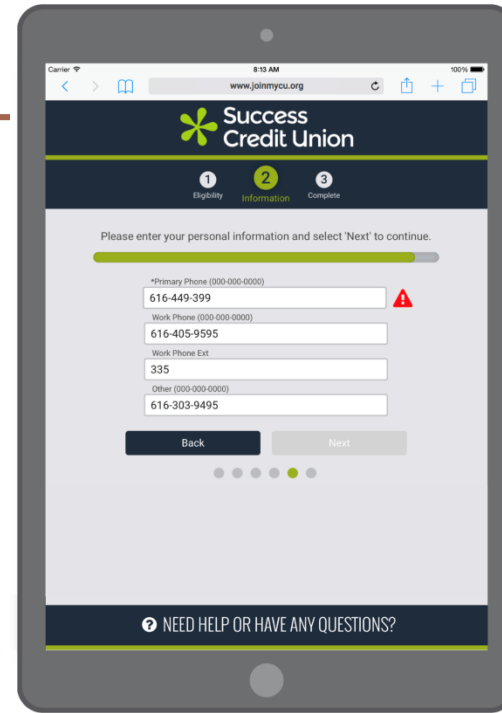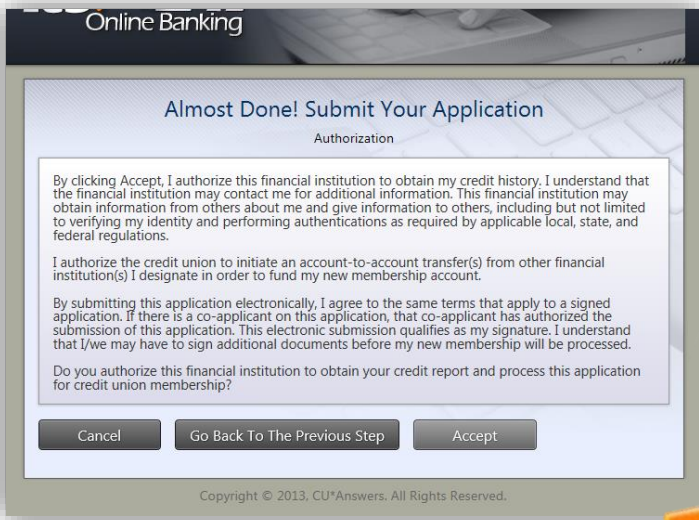
Sidebar: It's Me 247 Landing Pages for New Members

☐ What features should be presented to brand-new members in **It's Me 247**? Here are some ideas we have on the drawing board:

What are your ideas?

What this will mean to you and your credit union's business plan in 2016

1. Agree to replace your current online membership app product with the new MAP/MOP solution
   - We can't just turn off the old one and turn on the new one – it's customized for each CU
2. Get in the queue and work with the IRSC to build your MAP/MOP solution
   - You have to provide the materials for the promotions: images, logos, links
   - Set up eligibility rules and other customized content and images
3. Complete the work and have the IRSC publish your new MAP/MOP solution live for your potential members to use
   - Launch a new landing page off your website(s) for your potential new members
4. Throughout 2016, track the progress of new modules and prepare to turn on Phase II
   - Go from a membership app process (MAP) to membership opening (MOP)

If I were you, I'd work on changing the culture of your CU to accept the risks related to online retailing and be ready to openly declare how you mitigate them

Why our Network Needs the IRSC

Fast-To-Market Mobile Pipelines

"CU Publisher" – a Content Management System for Virtual Solutions

DESIGNED WITH A "JUST-TURN-IT-ON" INTENT

- ☐ To ensure that we can build membership apps quickly and effectively, we needed to create a system that could generate apps that were very specific and customized to the intent of the CU

- ☐ This CU Publisher has a duel purpose:
  - ■ Generate membership opening sites
 - ■ Generate mobile apps

Announcing the Project to Turn On Wrapper-style It's Me 247 Mobile Apps

DEVICE STORE APPS AUTHORED BY CU*ANSWERS

- In August we worked through our first mobile app launch with Parkside CU
  - A prototype for designing the CU Publisher requirements for launching mobile apps
- Parkside's app was built directly by our app team – a prototype built by hand
  - That work set the stage for building a factory (CU Publisher) that can quickly turn out mobile apps in the future
- The IRSC will use this CU Publisher to work with CUs that are ready for CU*Answers mobile app solutions for the Apple and Android device stores
  - Interested CUs are currently working through the prerequisites to get into the mobile app development queue
  - Starting November 1, the IRSC team is beginning to work with other CUs, first come, first served
- New features will be added to the app throughout 2016
  - Track along with the IRSC and the Kitchen to see when this solution may fit your strategy for mobile apps

It's Me247
Mobile App Banking

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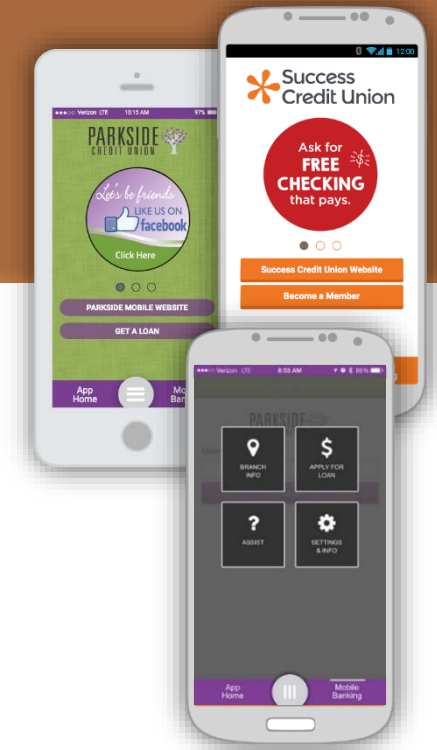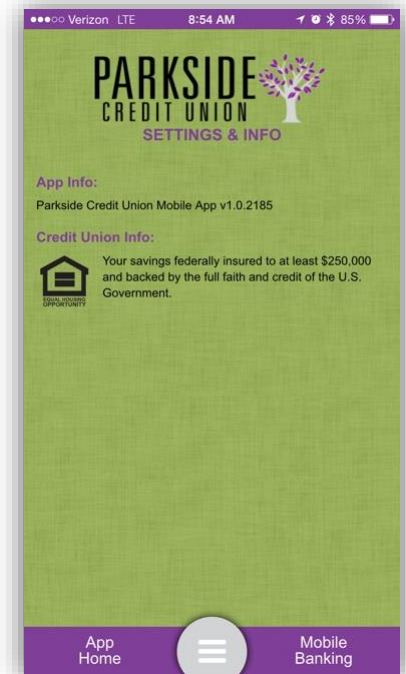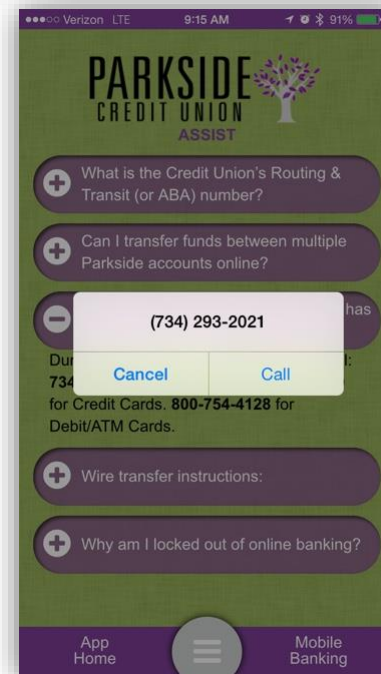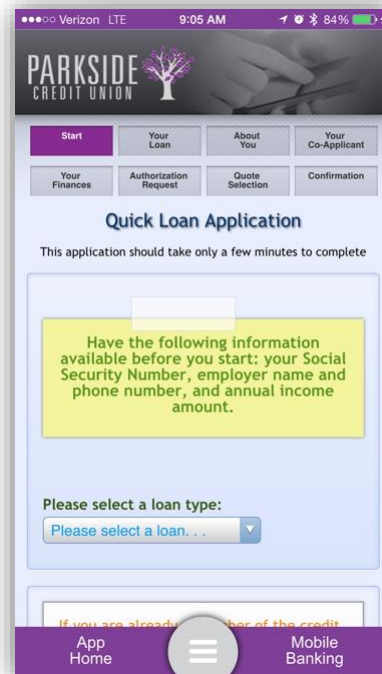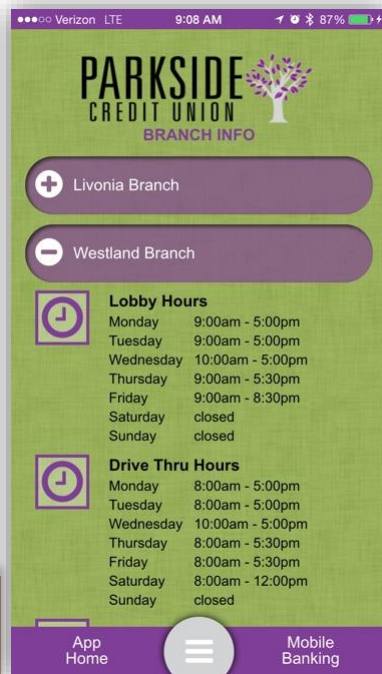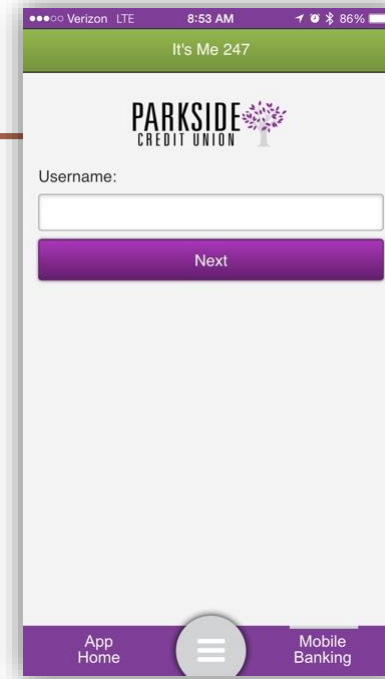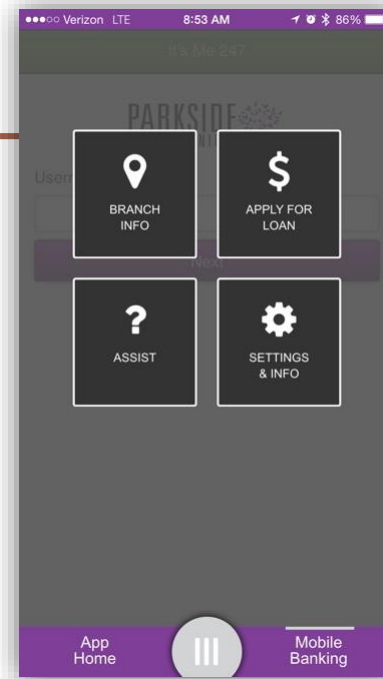
What we learned from our internal prototype

THE CU*ANSWERS MOBILE APP

☐ We created an app for our own employees that allowed them to conduct business with their own CU and see content specifically related to their CU*Answers employment

    ▪ In essence, a mobile intranet for CU*Answers

☐ We believe the IRSC will be able to generate apps at such a low cost that you might consider doing the same thing

    ▪ Not only for your employees but also for member communities where you think an affinity app would be an advantage

What this will mean to you and your credit union's business plan in 2016

GET FIRED UP, FIRE UP YOUR TEAM, AND ORGANIZE TO BE FAST TO MARKET

1. Evaluate your strategy related to mobile apps presented via device stores
   - Do you currently have a solution such as CU Mobile or Nitro? Does it make sense to switch?
   - What's the bare-bones minimum you expect from an app presented via a device store? RDC?
   - Know the reasons you would choose to use a free **It's Me 247** mobile app while tracking along until any missing pieces are filled in
2. Evaluate your strategy related to smart phone banking via mobile web
   - Have you marketed two solutions: device store apps and a mobile web solution?   You should!
3. Evaluate your future strategy for API navigation mobile apps (not wrapper-style)
   - These will be expensive, custom-designed apps, either by another vendor or the CU*Answers development team
   - Understand why you would spend the money and how you would make the return
   - Track along with the IRSC as to when the CU*Answers API library will be robust enough to attack your project

CU*ANSWERS

Wrap-up

Conclusion

- How do you judge the market opportunity in building organizational responses to what customer-owners are saying they must do and have?
  - This question fell flat at the June 2015 Leadership Conference when I asked CUs to define how much they plan to spend on mobile apps
- As CEOs, we have to figure out how to lead this CUSO in investing credit union resources based on...?
- Our conversations today are about what leaders do when they know they have to do something with very little analytical ROI information available

opportunity.

Cooperatives, by their very nature, respond to customer-owner intuition in unique ways

In a world full of accountants, regulators, and nay-sayers, sometimes you just have to go with your gut