![CU*ANSWERS - A Credit Union Service Organization]

2018 Business Plan

What will we take into the future?

August 2017

What will we take into the future?

- We're packing the bus and heading to the future, and we need to know what we're taking with us – what we're counting on to sustain us for years to come

- It's not just philosophical

  - The 2018 business plan contains tactics that must be engaged now to ensure we only pack the bus for a new future

Why are we focusing on this question now?

- Many things are converging as we look to 2020
  - We'll be two decades into the 21st century – the people who "carry the water" are changing
- It's not youth per se, it's the emergence of new leaders
  - New faces on the EC
  - Creative Council
  - DIY/DHD efforts
  - Online products blending with tomorrow's progressive financial service leaders
  - **The next generation of leaders that will take CU*Answers into its next 50 years**

Addressing Expected Agendas

Getting on the Same Page as to What We are Targeting

- Can you correlate what we've been talking about and building lately with what you see here?
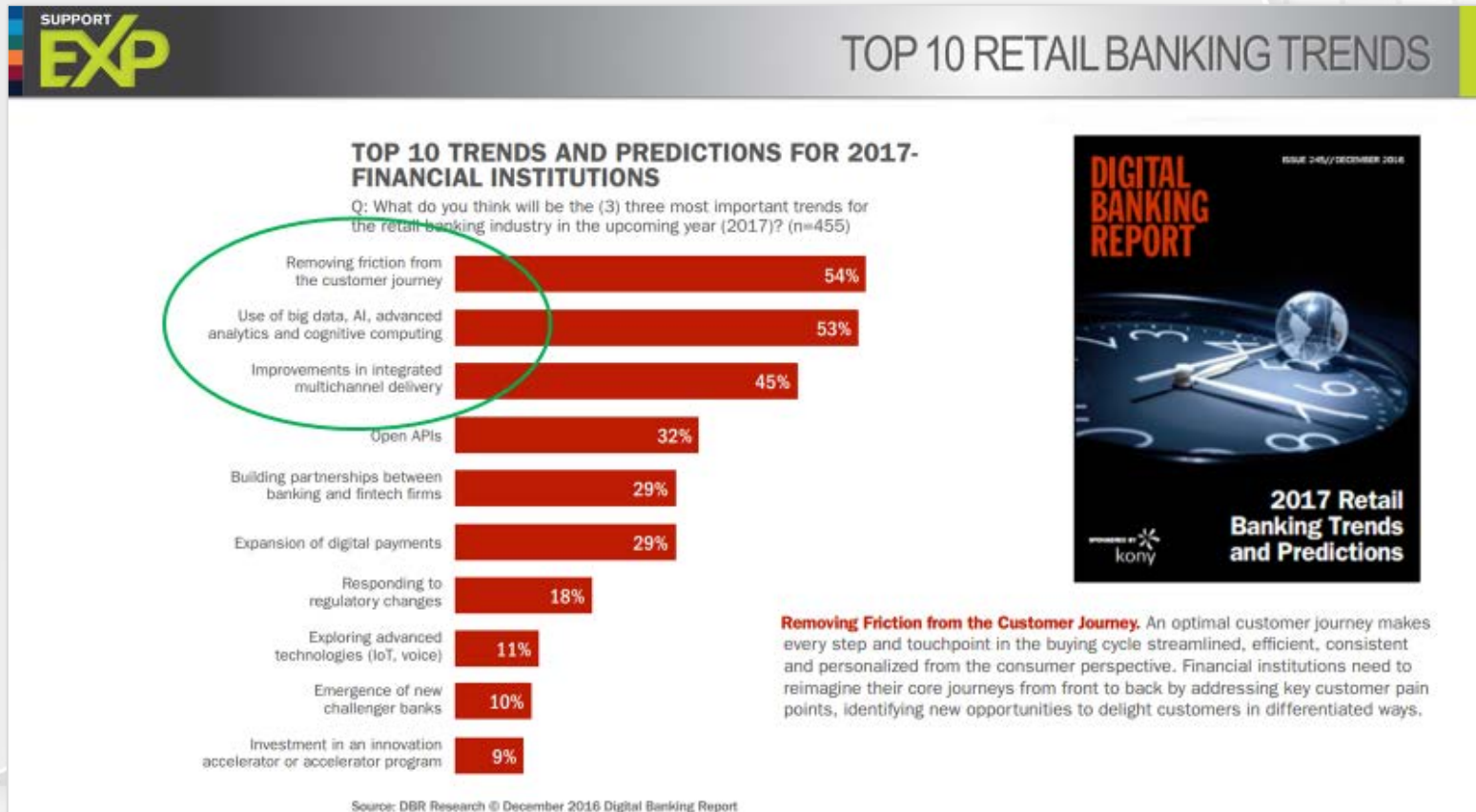
A Tech Firm, a Cooperative, a Builder of Network Coalitions

- A standing principle has been not to separate marketing targets based on lazy industry labels
  - Membership size, asset size, simple vs. complex, state vs. fed charter, relevant vs. non-relevant, winners vs. lowers
- We are builders of *communities* and aggregators of CU businesses

Classic businesses believe they can engineer new customer mixes to their benefit

Co-ops rely on living with their community, being part of a positive evolution for the community's benefit

Designing for the Progressive

Progressive: CUs that will engage new tactics and who will evolve with new ideas

- They are focused on innovation, and believe in executing on new ideas

- **They excel at evolution**

- These CUs could be any size, from any community, and by their actions declare their relevance

Designing for the Aggressive

Aggressive: CUs in it for the long game, looking for improved models, not just first-to-market splashes

- They cycle through new ideas quickly, looking for solid models built on the improved designs of those who go second or third to market

- **They excel at evolution**

- These CUs could be any size, from any community, and by their actions declare their relevance

Building Platforms for our Future Community

- As we build platforms for the future, we hope both **progressive** and **aggressive** CUs will respond to our priorities
  - Accept a lending opportunity from any outlet
  - Data analytics and data warehousing development projects
  - Our commitment to API and DIY concepts
  - Develop internet retailing cultures
  - A new approach to bill pay and payment solution vendors

Focus 2018

10 Projects That Will Set the Tone for the Future

Summary of 2018 Projects

① **Data for the Future: Asterisk Intelligence to Lead the Way**

Attracting the Progressive and the Aggressive Data-focused CUs

Tactics:

- Analytics as a CU Competency

- Data Warehousing as the Infrastructure Play that Highlights our Value

- New Tools for the Data Aware (AI and CU Teams)

- Audience Expansion – Adding New Users to Our Community

- Move from Compliance Monitoring to Fraud Prevention as an Active Feature of Our Network

Summary of 2018 Projects

② The DHD Store, Distributed Development

Building a Community of Builders

Tactics:

- A New Store and Client Support Department for CUs and Vendor Developers

- Expanding Programming Professional Services

- Guarantee the Voice of the Customer in our Development Prioritization Models

Summary of 2018 Projects

③ **API-95 and Online19**

CU*Answers Building Templates for Future Developers

Tactics:

- The Final Year of the It's Me 247 Suite of Desktop and Mobile Banking Platform Approaches (**API-95**)

- Preparing for a New Platform Approach (**Online19**)

- Removing the Barriers between Web Sites, Online Banking Sites, and Retailing Sites

- Building a Spanish Focus with CU*NW

Summary of 2018 Projects

④ **Driving the Internet Retailing Culture**

Declaring CU*Answers the Source for Direct Returns from the Web Channel

Tactics:

- Evolving Our Client Service Model with Online Stores

- Driving the Expansion of Micro Sales Sites

Summary of 2018 Projects

⑤ Building Multiple Approaches for Authentication

Making a 3-Year Commitment to a Front-door Vendor

Tactics:

- Complete the Daon Beta and Create a Builders Community

- Build an Economic Model Where CU*Answers and CUs Can Leverage Daon

Summary of 2018 Projects

6 **New Marketplace Development**

Moving from Leveraging Excess Capacity to Full Time Efforts

Tactics:

- AuditLink via Trust Exchange, AuditLink via Fortress

- New Market Relationships and a Team That Will Make the Introductions

Summary of 2018 Projects

7 **A Reset With the cuasterisk.com Community**

Driving for More Effective Returns from Investments in a Networked Community

Tactics:

- New Designs for cuasterisk.com Governance (Network Focus)

- Evolving Our Indirect CU*BASE Sales Distribution Network (CU*Answers Focus)

Summary of 2018 Projects

8 **New Approaches for Our Financial Engines/Activities**

Developing Plan B, Plan C, and New Approaches to Navigating the Future

Tactics:

- Plan for an Extended Period Where Net New Members Would Be Zero

- Plan for an Extended Period Where Net New Credit Unions Would Be Zero

- Planning for How a Cooperative Would (or Should) Respond to Financial Challenges

Summary of 2018 Projects

9 **Expanding Governance Opportunities for CU Stakeholders**

Building New Models for Cooperative Health through Expanded Owner Roles

Tactics:

- Activate the Processes to Identify, Recruit, Nominate and Assign CU Leaders to an Expanded Set of Governance Opportunities

Summary of 2018 Projects

10 **Marketing a PDLC for the Sustainability of our Co-op**

Leadership Transition Designs Enabled and Engaged

Tactics:

- Add New Designs for Fostering Senior Leaders – Recruiting, Supporting, and Retiring

Study Projects for the 2010 Planning Season

- Understanding Our Options for a Browser-based CU*BASE

- Can We Monetize Thought Leadership in the Future?

- Is It Time to Restate Our Strategic Foundation? ("Appendix A")

Old Game		New Game	
1	People Who Need Leaders	The Ultimate Client	10
2	People Who Lead and Need Processes to Run a Business	Professional Management Vendors	9
3	People Who Design Processes for People to Use Tools	Professional Service Vendors	8
4	People Who Use Tools	Shared Employee Service Businesses	7
5	Tools	Tool Providers	6

This business plan is not about predicting the future

It's more about being ready for the journey to our future (2018-2020)

We are planning to be in the game and leading the way for another 50 years