

DESIGNING THE FUTURE OF INTERNET RETAILING



CEO STRATEGIC DEVELOPERS BOOT CAMP SEGMENT A: DESIGNING THE FUTURE OF INTERNET BANKING

WE'LL STUDY THIS THROUGHOUT 2019, ACROSS THE NETWORK

- What is the group's vision for **internet retailing** in 2020-2029?

CU*ANSWERS TEMPLATES FOR ACTION

- **Selling loans via internet channels:**
What should we build now?
 - Design for a 4th LOS engine
- **Internet store shelves**
 - How do we repeat the success of a fulfillment product like Skip-Pay for other internet-sold services?



CEO STRATEGY DEVELOPERS CAMP PART A: DESIGNING THE FUTURE OF BANKING

WE'LL STUDY THIS

- What is the group?

CU

- **Selling**

What should

- Design for a

- Internet strategy

- How to
of internet products
for other internet-sold

A CU*ANSWERS TEMPLATE

A proposed tactical approach and set of project ideas that support a strategic initiative or direction

A catalyst for collective action



WHAT'S YOUR VISION FOR INTERNET RETAILING IN 2020-2029?

45 MINUTES

- If you proudly declared, "I am an accomplished internet retailer," what **3 traits** would support that confidence?
- If you launched a project inside your CU so that everyone was confident about your internet retailing strategy, what would be your **first 3 steps**?
- If you hung your hat as an internet retailer on **3 tactical investments**, what would they be?

retailing noun

re·tail·ing | \ˈrē-,tā-lɪŋ  \

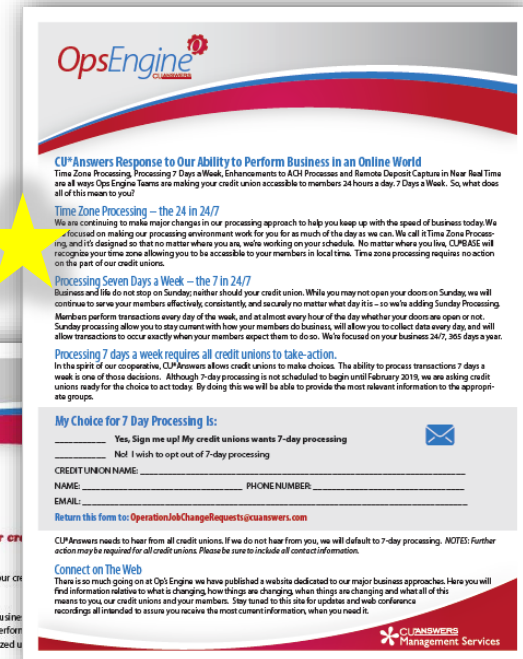
Definition of *retailing*

: the activities involved in the selling of goods to ultimate consumers for personal or household consumption

RESPONDING TO AN INTERNET RETAILING PERSPECTIVE

WE'VE BEEN WORKING ON THIS FOR A YEAR – IT WILL ROLL OUT IN 2019

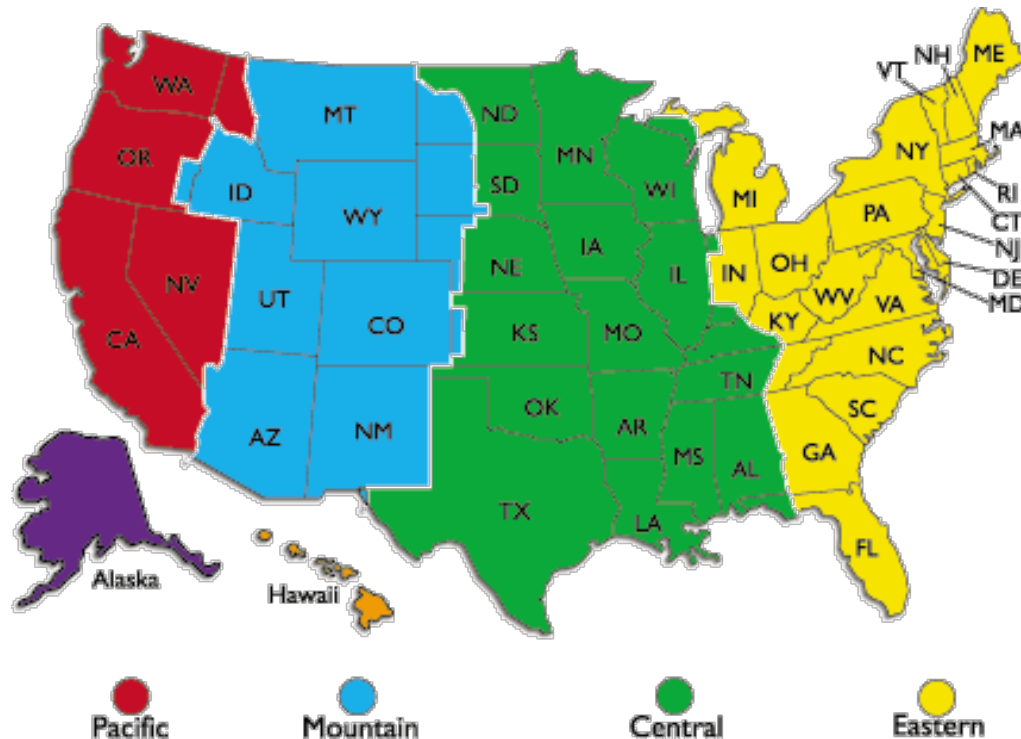
- We're ready to discuss the rollout plan for our 24/7 revolution
- By January 2019 you will need to declare your CU's intention
 - Default to 7-day/week processing, or opt out to a "banker's week"
- By no later than March 2019 we will all be living with a new awareness about how our network interacts **locally**, no matter where the member is or what day of the week it is



RETAILING IS ALL ABOUT THE SENSE OF “LOCAL”

THE CONSUMER IS ALWAYS LOCAL – CAN YOU MAKE THEM FEEL YOU GET THAT?

What will CU*Answers have to do so that you can feel our empathy for where – and when – you do business?



CU*Answers Operations Timezone Clock		
Eastern	Central	Mountain
Tuesday, June 19, 2018 10:35:17 AM EDT In Production	Tuesday, June 19, 2018 9:35:17 AM CDT In Production	Tuesday, June 19, 2018 8:35:17 AM MDT In Production
Pacific	Alaska	Hawaii
Tuesday, June 19, 2018 7:35:17 AM PDT In Production	Tuesday, June 19, 2018 6:35:17 AM AKDT In Production	Tuesday, June 19, 2018 4:35:17 AM HST In Production

Local isn't just geography...it's a sense that you are at the center of the world

A CU*ANSWERS TEMPLATE FOR INTERNET RETAILING

SELLING LOANS VIA INTERNET CHANNELS

WHAT SHOULD WE BUILD NOW?

ENGINES FOR THE FUTURE OF LOAN ORIGINATION SYSTEMS

WHY WE'RE GOING TO GO CRAZY WITH LOS OPTIONS FOR CUS IN THE NEXT 5 YEARS

Engine	Loan Origination System	Plans in 2019
1	CU*BASE native soup-to-nuts LOS solution	Invest, invest, invest – the foundation for all innovation, from start to finish for a loan
2	CU*BASE integrations for ready-to-look LOS solutions	Continue to evolve solutions with our 9 vendors, on the way to xx vendors
3	CU*BASE integrations for ready-to-book LOS solutions	Two new vendors going live in 2018 betas, launch network-wide in 2019
4	CU*BASE integrations for internet channel LOS solutions	Complete internal beta with Forms Generator, launch network-wide in 2019, find the audience that will spur big investment going forward

CU*BASE NATIVE SOUP- TO-NUTS LOS SOLUTION

LET'S BRAINSTORM

key success factors



The combination of important facts that is required in order to accomplish one or more desirable business goals. For example, one of the key success factors in promoting animal food products might be to advertise them in a way that appeals to those consumers who love animals.

Credit Union KSFs

- Know the native approach and its value proposition
 - Origin and proving ground for all lending capabilities
- Leverage the manufacturer's advantage
 - Charging here is the CUSO's option
- Rely on your creativity for building business processes
 - Fast-to-market options based on readily available tools

CUSO KSFs

- Stay vested in all things lending, build teams that respect how lending drives CU success
- Avoid cost accounting and stay focused on the package's ultimate value creation
- Be the nucleus for innovation, keep costs low by extending and leveraging over significant new investments before CU revenue models mature

S2N – LENDER*VP HINTS

ARE YOU CLUED IN TO THE DEVELOPMENT AGENDA?

- Release Planning website
cuanswers.com/resources/doc/release-planning/
 - Ask us about monitoring our weekly Product Team “factory floor” meetings, Tuesdays at 2:30p
- Working Release Schedule (updated weekly)
cuanswers.com/pdf/release_summaries/CurrentReleaseSchedule.pdf
- Release Summaries
cuanswers.com/resources/doc/release-summaries/
- Client News
cuanswers.com
- Lender*VP webinars via CU*Answers University
cuanswers.com/resources/edu/
 HINT: Joint Pete at the Learning Café on November 20!



Recent Enhancements to the
CU*BASE “Soup-To-Nuts” (S2N) LOS

Prepared for the CEO Strategic Development Boot Camp
November 2018

Loan Officer Productivity Dashboard (18.10)
 This new dashboard (Tool #1670 *Loan Productivity Analysis Dashboard*) is based on the varied approaches to how our credit unions wish to calculate the total number of loans booked during a specific period of time by branch and Interviewer ID, Approval ID, Collector ID, and Opened by Employee ID. This will help credit unions to ensure that they have varied approaches to reviewing how many loans that were booked during a specific period of time and which employees were responsible for working them.

VantageScore Display (18.10)
 VantageScore is credit score model that is an alternative to FICO. It was developed in a combined effort by TransUnion, Experian and Equifax. The VantageScore uses an identical algorithm at all credit bureaus. In other words, the same member would have the same score from one bureau to the next. VantageScore 3.0 and 4.0 both boost the ability to score millions of previously unscored consumers. CU*BASE can now accommodate the upload of VantageScores with the recurring soft-pull process performed by Lender*VP. CU*Answers is also delivering the ability to display said scores online to members in *It's Me 247* online banking.

Paid-ahead Loans Dashboard (18.07)
 This dashboard (Tool #479 *Loans Paid Ahead Dashboard*) allows you to monitor next due dates on your loans to ensure they are not advanced too far into the future. While monitoring members, the dashboard allows you to jump directly into those accounts and make any necessary adjustment(s). This dashboard replaces the obsoleted Loans Paid Ahead Analysis report but uses the same tool number, so there is no need to learn a new tool number or adjust your employee security settings.

Indirect Dashboard & Reserve Calculation Report (18.07)
 Indirect loans are now listed in a new Indirect Dealer dashboard (Tool #438 *Link/View Dealer Member Loans*) where they can be viewed, updated or deleted. You won't need to run a report to see all your indirect loans in one place anymore. The process for linking indirect loans to a dealer is also simplified. The linking is done right from the new dashboard and you even can enter comments regarding the dealer-account relationship. The Dealer ID is now stored with the loan account after it is closed. This lays the framework for including the Dealer ID on various reports/dashboards.

Indirect Loan Reserves Report
 A new report (Tool #1150 *Indirect Loan Reserves Report*) is now available to assist credit unions with calculating the reserve amounts paid to indirect dealers and manually posting the monthly expense to the general ledger. You will be able to record a reserve %, term, and total reserve amount on each indirect loan. The report shows the loan open date, the original reserve amount and reserve term. It then uses those figures to calculate what the monthly expense should be and how much should have already been expensed based on how long the loan has been open.

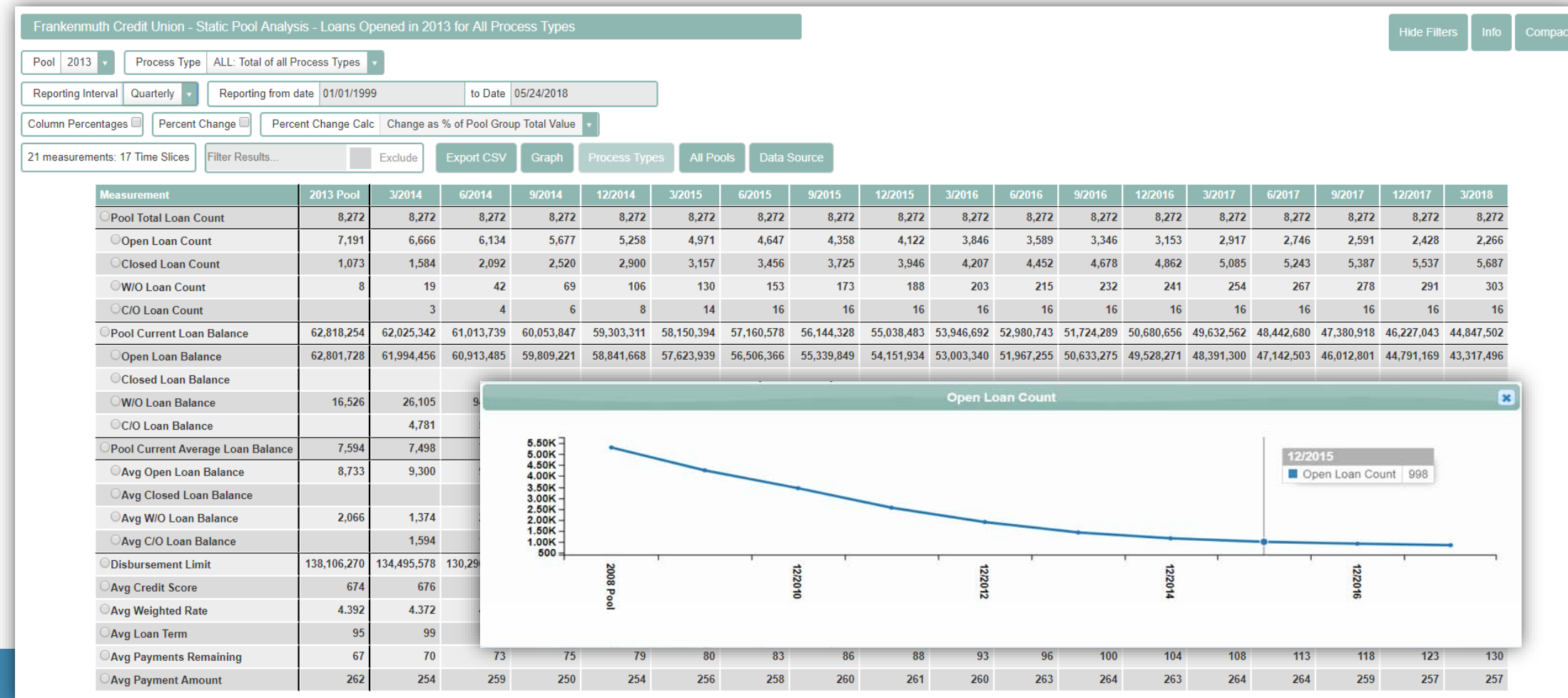
Contact: Pete Winninger, VP Professional Services
 P: 616.285.5711 x 280 | T: 800.327.3478
pete.winninger@cuanswers.com



S2N: WHY IT IS IMPORTANT IN THIS INTEGRATED WORLD?



ORIGIN AND PROVING GROUND FOR ALL LENDING CAPABILITIES



S2N: AUTOMATED DECISION

IN 2019-2022 CU CREDIT

Are we selling tickets to a party the world may never attend?



choices in J*BASE in 2019, and a new
vis...se anyone...to-decision to close a deal

CU*BASE INTEGRATIONS FOR READY-TO- LOOK LOS SOLUTIONS

LET'S BRAINSTORM

key success factors



The combination of important facts that is required in order to accomplish one or more desirable business goals. For example, one of the key success factors in promoting animal food products might be to advertise them in a way that appeals to those consumers who love animals.

Randy's hints at key success factors (what are yours?)

24

Credit Union KSFs

- Adopt a mindset to use the tool where the member is
 - Location and process convenience over monolithic control
- Selling products is the gateway to relationships
 - Location and process convenience over monolithic business plans
- Balance process specialties with your own SOP
 - Compromise for the opportunity but not on the approval

CUSO KSFs

- Drive throughput as our #1 priority
- Amplify our skills at finding loan opportunities
- Extend our network reach and innovate at the edge

OUR READY-TO-LOOK VENDOR RELATIONSHIPS



CU's need to make the choice on whether indirect lending is their forte

But the marketplace is becoming less focused on finding you when they need something

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CU*BASE INTEGRATIONS FOR READY-TO- BOOK LOS SOLUTIONS

LET'S BRAINSTORM

key success factors



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Randy's hints at key success factors (what are yours?)

26

Credit Union KSFs

- Avoid jumping out of the frying pan and into the fire
 - Avoid the long trek towards moving everything to one solution
- Set realistic expectations for the lift and the return on specialty spending
 - Buying over building is a short-term high
- Process capacity is not opportunity – know the difference
 - Be ready to invest to put people to work, not to find time

CUSO KSFs

- Open the network to alternative solutions, and learn
- Create opportunities for credit union reorganizations and consolidation
- Expand CUSO opportunities to sell our packages without alienating special relationships held by prospects

OUR READY-TO-BOOK VENDOR RELATIONSHIPS

OPEN THE NETWORK TO ALTERNATIVE SOLUTIONS, AND LEARN



John Beauchamp
CU*Answers Imaging Solutions



Meet **Charlie Dean**, our new
LOS Coordinator

store.cuanswers.com

Just make it work
You can't enhance what
you don't understand

CU*BASE INTEGRATIONS FOR INTERNET CHANNEL LOS SOLUTIONS

LET'S BRAINSTORM

key success factors



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Credit Union KSFs

- Know the difference between a member request without the need for automated underwriting, and a loan origination system that requires it
- Affinity and targeting your audience are more important than the tool
- More is more – build throughput and chances to aggregate small audiences

CUSO KSFs

- Build factories that generate endpoints and multiple channels, not a one-size-fits-all approach
- Avoid complicated models that emulate the employee's job – build what the member needs for their job
- Focus on zero-cost models to extend our outreach, over professional service models that do not share the risk

REENGINEERING INTERNET LOS FOR 2019

WE'RE GOING BACK TO THE DRAWING BOARD

Weaknesses to address

- What do we do to with data provided by **non-authenticated members**?
- How far should we go in asking for data while still maintaining a pleasant member experience?
- What does a CU want to handle via a CU-designed form vs. a classic application underwriting process?

Goals

- Envision and design from Sept.-Dec. 2018
- Begin coding new solutions by March 2019
- Release solutions throughout the year

Make the call: CU*Answers specializes in authenticated services for credit unions

The wildcard: When we open the gates for 3rd-party LOS integrations, who will CUs pick?

le247
e Banking

My AccountsNew AccountsPay & TransferMy DocumentsPersonal FinanceGo Mobile

HomeToolsHelpChat

Increase your credit card limit!

My Full Name is: *

Member Account Number: *

My Telephone Number is: *

My Current Monthly Income is: *

Increase My Credit limit to (max \$10,000):" *

Submit

FORMS GENERATOR AND THE REQUEST CENTER

Request Center

29:49

My Requests

323

Assigned

0

Working

0

Pending

0

Complete

0

All Requests

13

Complete

0

Search

Show 15

Show 30

Show All

Form Name	Applicant	Assigned	Status	Timeline	Submission Date
<input type="checkbox"/> Travel Alert	Kristian Daniel			Request submitted 5 days ago	Tue, Jun 5, 2018 1:14 PM EDT
<input type="checkbox"/> Report Fraud				Request submitted 1 week ago	Wed, May 30, 2018 10:21 AM EDT
<input type="checkbox"/> Travel Alert	Kristian Daniel			Request submitted 1 month ago	Mon, Apr 30, 2018 9:55 AM EDT
<input type="checkbox"/> Travel Alert	Kristian Daniel			Request submitted 1 month ago	Tue, Apr 24, 2018 3:43 PM EDT
<input type="checkbox"/> Travel Alert	Kristian Daniel			Request submitted 2 months ago	Thu, Apr 5, 2018 2:39 PM EDT
<input type="checkbox"/> Sample FOM Form				Request submitted 2 months ago	Wed, Apr 4, 2018 2:43 PM EDT
<input type="checkbox"/> Sample FOM Form				Request submitted 2 months ago	Wed, Apr 4, 2018 1:19 PM EDT
<input type="checkbox"/> Sample FOM Form				Request submitted 2 months ago	Wed, Apr 4, 2018 1:13 PM EDT

Request Center

29:45

My Requests

323

Assigned

0

Working

0

Pending

0

Complete

0

All Requests

13

Complete

0

Back

Edit Form Data

Request submitted 2 months ago

New Request

Input Request

Data

APPLICANT	George Costanza
FORM	Travel Alert
SUBMISSION DATE	Wed, Apr 4, 2018 4:34 PM UTC
First Name *	George
Last Name *	Costanza
Account Number *	55564654654654654654654654
Enter Email *	mirmillo@gmail.com
Cell Phone Number *	616-555-1234
Trip Start Date *	12/22/2555
Trip End Date *	05/04/5454

CUANSWERS

INTERNET RETAILER

SUPPORT CENTER

26 CREDIT UNIONS

73 CREDIT UNION STAFF LOGINS

153 CUSTOM FORMS CREATED

OVER 1,300 MEMBER REQUESTS

ARE YOU AN INTERNET RETAILER?

SECURE FORMS

THE PROCESS WORKS!

Step up your member self-service and Internet Retailer strategies. Build a single form and embed it in your website, mobile website, mobile app, It's Me 247 Desktop Online Banking and It's Me 247 Mobile Web Banking.

POPULAR FORMS

DISCOVER MORE ON THE BACK →

Check out the most popular forms your peers are using. Visit the IRSC store today and buy forms developed by credit unions in our network.

NEED FORM IDEAS?

CHECK OUT OUR GALLERY

irsc.cuanswers.com/forms-gallery

SHOP THE IRSC STORE & GET STARTED TODAY!

irsc.cuanswers.com
irsc@cuanswers.com

NEWLY RELEASED ON IRSC.CUANSWERS.COM:

Membership Eligibility Verification for MAP & MOP
Developed in the 2018 DHD Project Boot Camp!

A CU*ANSWERS TEMPLATE FOR INTERNET RETAILING

INTERNET STORE SHELVES

HOW DO WE REPEAT THE SUCCESS
OF SKIP-PAY FOR OTHER INTERNET-SOLD SERVICES?

INTERNET STORE SHELVES

LET'S BRAINSTORM

key success factors



The combination of important facts that is required in order to accomplish one or more desirable business goals. For example, one of the key success factors in promoting animal food products might be to advertise them in a way that appeals to those consumers who love animals.

Credit Union KSFs

- Recognize that everything is data, even your value proposition
 - If people can't see it, it doesn't exist
- Digitize your value proposition and make it the center of commercial exchanges
 - Members need it, employees need it, your next opportunity needs it

CUSO KSFs

- Heed your own advice – build a template and machine that everyone in the network can emulate and use
- Build new capabilities into CUSO intellectual properties that facilitate exposing members and employees to digitized value propositions on the way to transactions
 - The word “data” does not adequately evoke the type, intent, or value of the content – data isn't always statistics

CU*ANSWERS INTERNET STORES AS A TEMPLATE

IT'S NOT WHAT YOU EXPECT, IT'S WHAT YOU INSPECT

- Every third Tuesday we coach/learn together
- The scorecard exercise forces us to focus on the details of our products
 - Think consumer experience, cut the jargon
 - From the web to the back office, you improve it all

You're constantly asking us to improve our retailing, and that will never stop

Internet retailing is where it's at...invest in the future, don't just try to fix the past



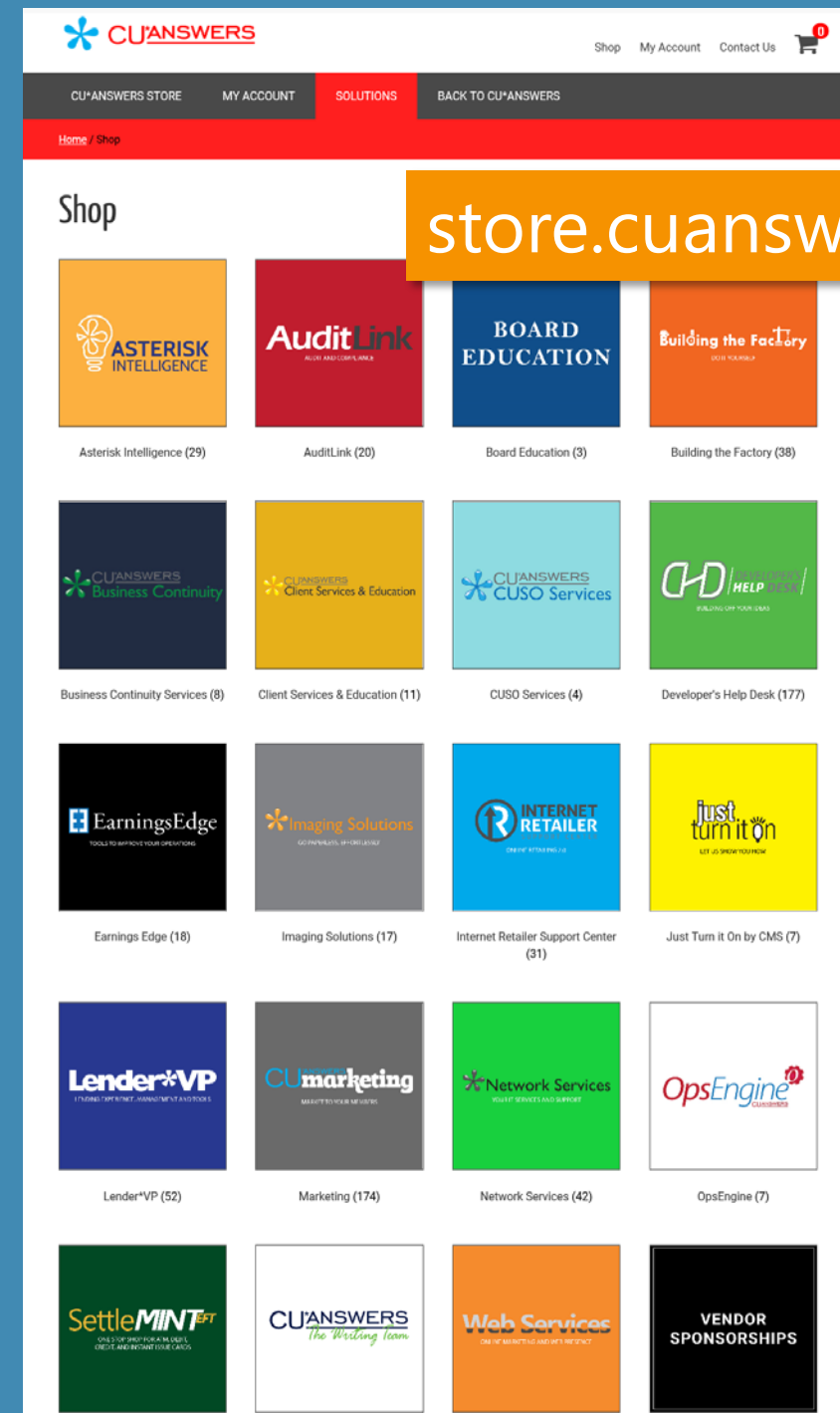
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YOU'LL KNOW US BY OUR ONLINE STORES

A NEW AND LONG-TERM PLAN OF ATTACK TO
IMPROVE OUR RETAILING

The approach to service, support, and the
intent to do a good job as a vendor to any
market has changed forever

As you encourage and challenge us to be
the vendor that best serves the CU
marketplace, understand that we'll
respond with an internet retailer's tone,
tactic, and best intentions





SAVE
THE
DATE

**BOOT CAMP
TASK FORCE**

During the CEO Strategic Developers Boot Camp, CEOs brainstormed on the future of Internet banking from a big-picture, strategic point of view. Now we want to get credit union subject-matter experts involved. Join this Boot Camp Task Force and help us determine a vision for Internet retailing. Imagine new ways for credit unions sell loans via Internet channels, and figure out how to stock the shelves of a credit union Internet store.

**FUTURE OF
INTERNET
RETAILING**

This Boot Camp Task Force will merge the tactical players at credit unions into a unit to solve today's questions surrounding retailing, lending, Internet channels, and more.

This will be a 1.5 day event at CU*Answers.

In addition to recruiting your subject-matter experts, we're looking for credit unions who are willing to engage the Lender*VP and Forms Generation team and enroll in online apps, forms, etc. Applicants will take an entrance test prior to admission.

CONTACT
800.327.3478
cuanswers.com

TENTATIVELY SCHEDULED FOR:
April 23 & 24

LOCATION:
CU*ANSWERS
6000 28TH STREET
GRAND RAPIDS, MI 49546

LOOK FOR SIGN-UPS
IN JANUARY



Look for all of the emails to be posted by mid-January 2019

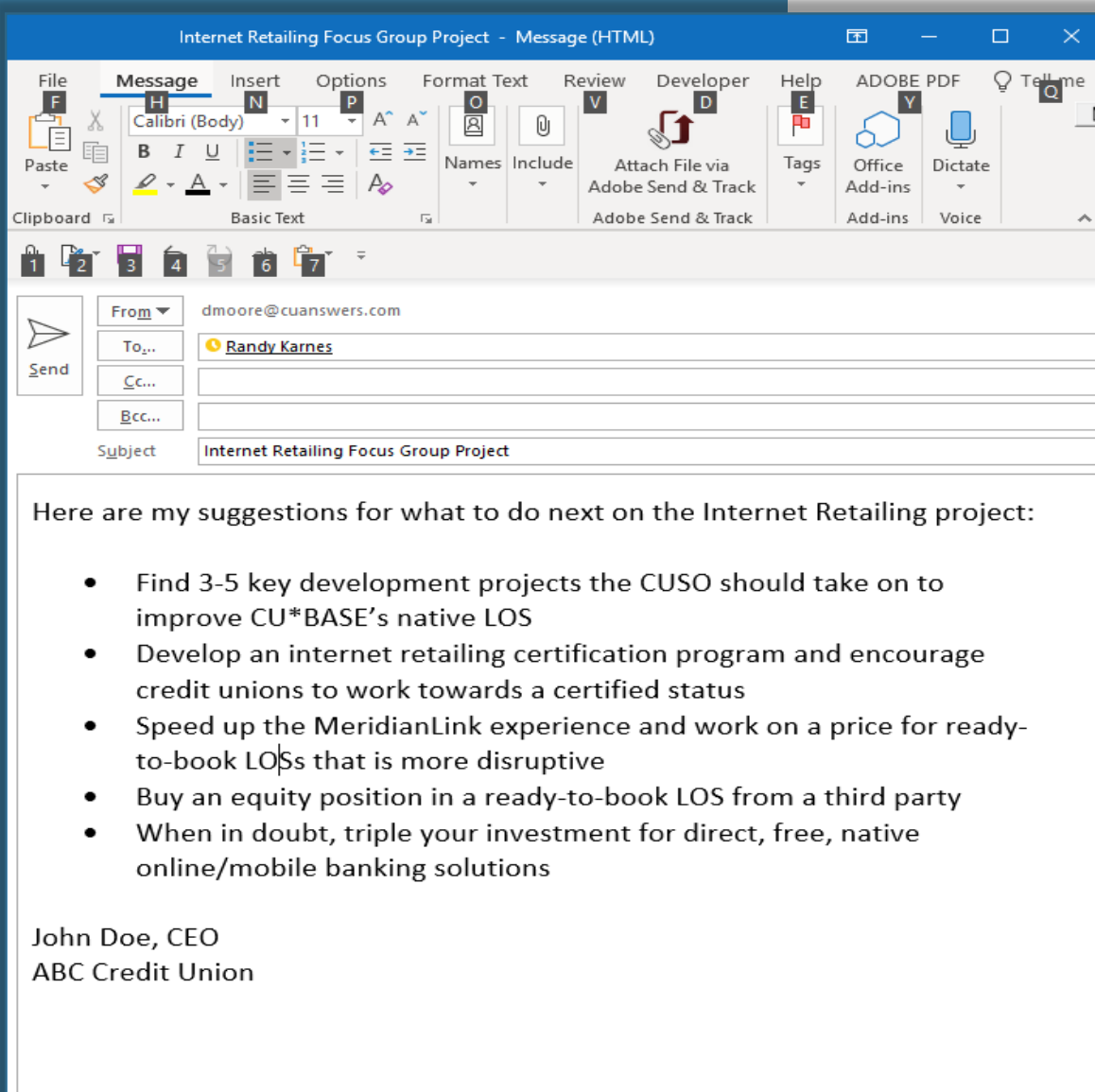
WHAT'S NEXT?

BOOT CAMPS ARE ALL ABOUT ASSIGNMENTS...

Your assignment today is to send me an email on your takeaways from this early conversation

We're going to work with 25-40 CUs who will take this to the next tactical level and drive some key projects in our CUSO in 2019-2020

What would you focus on?



LET'S TAKE A FEW
MINUTES AND ENVISION
YOUR EMAIL

...OR MAYBE YOU CAN GET
STARTED AT TONIGHT'S
NETWORKING SESSION



2018 CEO Strategic Developers Boot Camp