CU*ANSWERS
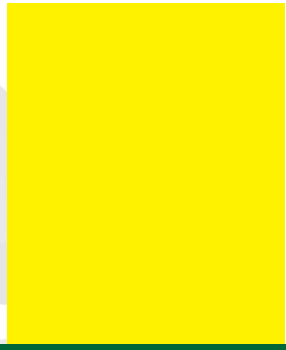*A Credit Union Service Organization*

CEO Strategies Week 2017

Scribe Notes

Thursday, November 9
9:00 a.m. – 3:00 p.m.
WaterMark Country Club

Group 1

Scribe Name

Barb Cooper

Name	Credit Union
Richard Preble	New Generations FCU (new client next month)
Kim Kniola	First Trust FCU
Vin Cerasuolo	Century Heritage
David Jezewski	CommStar
Carma Peters	Michigan Legacy
Randy Gailey	Horizon Utah
Vickie Schmitzer	Frankenmuth
Jami Weems	Serve CU

Group 2

Scribe Name

Esteban Camargo

Name	Credit Union
Don Mills	Alpena Alcona Area CU
Bill Daehn	Building Trades CU
Greg Smith	CU*NorthWest
Tracy Miller	Kellogg Community CU
Bill Burke	Day Air CU

Group 3

Scribe Name

Keegan Daniel

Name	Credit Union
Janelle Franke	River Valley Credit Union
Scott McFarland	Honor
Dave Keim	Western Districts Members CU
Barb Page	Kent County
Mary Matheson	Wakota
Thomas Flowers	Calhoun Liberty
James Phetteplace	My Pensacola

Group 4

Scribe Name

Kristian Daniel

Name	Credit Union
Christy Leslie	Bridge Credit Union
Barb Mills	Calcite Credit Union
Dean Wilson	FOCUS Credit Union
Peter Barnard	rkGoBig
Grant Johnson	TORO Credit Union
Matthew Selke	Pinnacle Credit Union
Carolyn Chevrier	Lakes Community Credit Union

Group 5

Scribe Name

Starla Honea (CU*South)

Name	Credit Union
Stephanie Sievers	ANECA FCU
Mark Richter	First United FCU
Jennifer Oliver	South Bay CU
Tom Gryp	Notre Dame FCU
Bret Weekes	eDOC
Kim Bourdo	Service 1 FCU

Group 6

Scribe Name

Annalyn Hawkes

Name	Credit Union
Paul Obermeyer	AAA FCU
Janet Borer	Members1st Community CU
Jacci Pothoof	North Central Area CU
Terri Maloney	Catholic United Financial CU
Kim Hall	Tri-Cities
Debie Keesee	Spokane Media CU
Jeff Jorgensen	Sioux Empire FCU
Scott Shelton	Members Source CU

Group 7

Scribe Name

Peter Meyers

Name	Credit Union
Linda Bodie	Element
Fran Godfrey	Blue Ox
Corrine Coyle	Advantage
Kris Lewis	Allegan Community
Adam Johnson	Safe Harbor CU
Bo Pittman	MUNA
Liz Winninger	Xtend
Pete Meyers	CU*Answers

Group 8

Scribe Name

Julie Gessner

Name	Credit Union
JoAn Sanders	Cheney FCU
Steve Kelly	Metrum Community CU
Leo Vaulin	CU*South
Philip Heinlen	Services Center
Chuck Papenfus	Inland Valley FCU
Andy Fogel	Affinity CU
Karen Browne	TBA Credit Union

2) Building a Data-Centric Culture
Discuss where you are in developing data analytics skill sets in your credit union today
- What do you see as the expected benefits from your approach?
- Imagine a 3-year budget as you accelerate into your plan based on success
- Predict your resolve should you not find what you're looking for over time – will you stick it out?
- Is this a keep-up-with-the-Joneses, best-practice response, or do you think it's critical to your success?

Group 1 Notes
- Envision New Designs for our team at our infrastructures
- Find ways to identify and eliminate 'choke-points' at both the credit union and CU*Answers.
  - Examples of choke-points were:
    - Staffing to implement new features, contracts in place, costs, design of programming (Example: statements for business accounts with 10 credit cards – get 10 statements)
    - There are projects where the original request gets edited such that the results are not what the original request asked for.
    - There are times when what's good for all no longer meets the needs of an individual credit union.
    - Credit Union asset level does impact the needs of a credit union.
    - Slow implementation time from idea to final result.
    - Credit Union vendor contract restraints
- A solution might be to establish a 'nimble' reactionary service team made up of clients to monitor a project through its workflow.
- Have a way through a credit union CUSO to shared staff to reduce expenses.
  - Note* Comment from the room was that the key word here is 'nimble'.
- Our table did not discuss the 3-year budget acceleration, if they would 'stick-it-out', or keeping-up-with-the-Joneses.

Group 2 Notes

- Bill B – it's something we've been kicking around for a while, but we have no answers yet
- Don – we're trying to use the data on the system more and using outbound call center to capitalize it, but really, I'm waiting for Asterisk Intelligence to kick off so we can get more out of it
- Tracy – we've not done anything in depth other than using some of the data available on the system
- Bill D – we used Raddon for a time but I didn't find it valuable at all or a good use of resources. We're not sure where to start or if we even should.
- Tracy – we haven't done a lot of collecting data on our members or using the existing resources to their full potential. We should probably get more involved with that before diving into bringing in even more data.
- Nobody at the table as a dedicated data specialist.
- Bill B – we're not sure what that person should be. Are they IT? Marketing? Analyst?
- Tracy – too much pulling and accumulating data and not enough doing something with it.
- Greg – we're layering in data like real estate movement and census data.
- Greg – we're going to offer some free member segmentation. Trying to build on multiple lanes. Need to avoid slipping back into old ways of thinking and business. We know we have a silent majority building in our memberships, but we're not doing anything to understand them.
- Greg – micro targeting is more and more important, but what I'm hearing is "I don't know what questions to ask"

- Tracy – We like personalized service; gathering data about members like wedding and anniversary and personalizing service to that member.
- Greg – looking into training CU teams on how to harvest data from members; using experts like Disney to model after.
- Tracy – developing the skill set with staff is a challenge. We're just trying to get through the transaction without an issue, let alone slyly gathering information about the member while they're engaged.
- Greg – instead of developing ways to save staff time for the member, develop ways to save staff time for gathering more information in the gaps. Saving clicks should be translated into opportunities to ask questions.
- Tracy – gathering data via UDM and maintaining it with a dedicated staff member is all well and good, but when it comes down to it, it's still just data base management, not execution and profit. We're so excited to get new information that we haven't stopped to consider what tactics we'll implement to use it.
- Tracy - This is why we buy this from Raddon and Marquis, etc. Because we're not sure how we're going to put it all together. So we'll buy from AI or some other provider. It's too daunting a task to try to do on our own.
- Greg – we know we can find easy answers on CU*BASE. Maybe AI should be selling these micro-transaction questions because CUs don't necessarily know what questions to ask. E.g. what's the average age of online banking users, for $5.
- Members at the table are more interested in buying revenue generation; do the research, do the work, give me the revenue. Versus buying the data and opportunities for revenue generation.
- Bill D – For us the data that is really valuable, I don't care about member prospect lists that I can market to from a general perspective. Since we're labor unions, I need very specific lists from those unions. Targeted marketing to people in our field of membership.
- Credit unions at the table are largely budgeting to buy data services rather than budgeting to build. To do this right it has to be done collaboratively.
- Bill B – I don't want to go down the route that Scott is at Honor. I think it's a money pit. We don't want to start collecting data for the sake of collecting data. It's costly and there are privacy issues.

Group 3 Notes

- Data Analytics can help us to find our secret sauce and/or determine where we need to go to find our secret sauce.
- How can we help by turning employees and board members loose on data to see if they can begin to brainstorm on the right questions?
- Are the insiders/employees aware that they are managing/directing a $XX-Million-dollar cooperative?
- How do we show that we have grasp if we do not make an investment?
- Do we need to be selective about which data we share to ensure that we are not overwhelming the audience?
- We need to move the ball forward to have conversation points (analysis?) and interject these into our board meetings.
  - Ask the rhetorical questions.
- Switch our board meetings to ask all the right questions at the beginning.
- The time frame of the board meetings varies from 45 minutes to 3 hours.
- The approach is that we need to feed data to our board members.
- Are we taking a risk? Are we including data analytics into our budgets?
- Instead of spending money in other areas, we spend money in data analytics to feed to business operations.
- $500,000 is vendor I do not need to buy. It is a list I do not have to buy, etc.

- How do we know more about the operations of the business before we interact with members and staff?
- Do we think at the table that this is something we need?
- What if AI spent the time to tell the story of the daily data.
  - An AI employee's perspective on the daily data.
- What if AI started fed 3 bullet points each day?
  - Would I pay attention to AI's email? Is there an exercise routine that we can start to ensure we do?
- How do we get a behavioral therapist to inject a new mood about data?
- We need to get a grip to get grasp.
- If this is not on your radar, there is an innate peer pressure to get into the game.
- There are a lot of things we and others do that should not be copied.
- We are all in a different place, and we need to identify where we are at so that we can define a direction.
- It is much harder when you are the CEO, as we are defining the direction rather than reporting to someone/something that asks the questions.
- Serve all members, and serve members individually. Make marketing more relevant based on the data analytics answers that are provided.
  - Millennials want to feel and latch on to a message that is important to him
- How do we engage an army of consumers that may be unhappy with their current FI solution? Is there an opportunity for data analytics?
- Are we namby-pamby with our interactions with consumers to gain more members?
- Can we attack in a manner that says we want to be their community financial institution?
- Strategic marketing opportunities that are the result of data.
- Are we paying for the acquisition of members and loans?
- What do these people/consumers need to get them to move?
- I have board members who have only $5 in their memberships and they bank elsewhere.
  - Can we convince them? And can that effort be used to convince others.
- I do not have a budget for the next 3 years, and I need to let others figure out the secret sauce before I jump in.
- We chose last year that we needed to grow our membership, but I know pay someone to find members and bringing them to our credit union.
  - We are going to do some targeting with a company called Streamworks.
- Can we use promotions that attracts consumers?
- How can we use data analytics to compete with the store cards that provide rewards?
- We agree that we need a data centric culture, but we all need something different.
- What has each credit union discovered in the journey?
- We have used data to inject enthusiasm and activity into our ChatterYak campaigns.
- Because we have analytics/BI, other employees still need to be engaged with data.
- "Let's call BI and see what they can find for me"
- Marketing can become more intelligent and we are smarter in our outreach techniques.
  - Is there a dollar amount/ROI that we can calculate per campaign?

Group 4 Notes

- Currently we do not offer a business intelligence group, however we are trying to create a volunteer based program and looked-for people within the staff that are interested. We are trying to get staff working to get the data and have these individuals build their job descriptions, and make yourself valuable to the credit union.

- We have yet to determine what our ROI would be, and as of right now we are planning for no return. We want to create a plan, and it is better than where we were last year. We need to crawl for a while, and walk in the near future, and running forward with data in the future.
- The data is at our fingertips, but do we have the manpower to spend the time for us to make a business decision – we may need to partner with AI to do the analysis for us, and the credit union puts it in to action. It will help to have examples to provide that data analytics has succeeded, and collect this from the network, as all questions can help us.

Group 5 Notes

- Tom: Data is out there. But you need a mechanism to do something with it. We use the data with quarterly soft pulls, yearly hard pulls and new member analysis. Small CU's needs an approach from someone like Xtend.
  - Get parameters from CU's of people you want to market loans – have the CUSO call and get apps. Pay 1% of the loan application. Over time you bring in a full time, maybe late working person to make the calls for you.
- Jenn – asking Tom – what other types of data do you bring into the core? Student loans.
- Tom: It's cultural. Need to have a good script and make it easier on the member.
  - Jenn: Don't ask can I take an app – say "I can save you $100". Be prepared with an offer.
  - Jenn: We use where you members borrow and give 2% discount or give 1% cash back
- Tom: Have to be data centric – the tools are there. But we lack the execution.
- Jenn: Got pushback from members when they pull a full file.
  - Starla: is that in your membership agreement? Jenn, yes but some members still push back.
- Jenn: Have you started using FICO history so we can see where they were and when they improve.
- Mark: We are smaller but we try to reinforce the sales culture with our staff. Data can come from your member too! Hearing at the teller line that they just bought a car somewhere else.
- Jenn: Can we automate more the application process when trying to cross sell? I don't want to have to create application and go through each screen. Can we make it just ask me for the fields that are not filled out and not make me go through each screen to check each field to finish the app.
- Jenn: Even with Xtend, can we clean up the process – they ask too many questions.
- Kim: The app process does seem manual and time consuming.
- Tom: Call nights, after 5pm – pay staff a little overtime. Bring in people and get pizza
  - Steph: Pay commission instead of overtime?
- Kim: I have 3 branches in three different states and we have a hard time with certain branches being more marketing focused. Jenn – how do you cover three branches with such a small staff
- Jenn – We balance load and outsource most of our back office. We have TCR's at each location. (4th branch is a virtual branch). Modeled the branches to look like their communities. Branch managers responsible for community involvement.
- Jenn – I really need more proactive data. We need to be better at communicating to the CUSO what our triggers would be.
- Bret: It's a retail environment. Building relationships are important. Members have their favorite tellers.
- Jenn: we use member reach and we like it. But we need to get together, like a focus group, and come up with trigger points that can be automatically popped or created?
- Bret: What would that framework be?
  - Jenn: I don't know – there's so much that the data can tell us, but we need help acting on it.

Group 6 Notes

Staffing
- We have a marketing intern graduating college soon and believe an analytical role is developing with that person. He shows talent as he works to support his role - Finding marketing lists and evaluating the results of his efforts (Scott).
- I see potential in a staff person with very good presentation skills and able to communicate summaries of data/information quickly to executives (Janet)

Data Warehouse/Analytics
- A warehouse seems far out for me – we need to walk before we can run. We need to start from insights out of existing dashboards before building a data warehouse. (Janet)
- There are 92 dashboards and I'm very excited about that. Need to look much deeper and would be helpful to know what are the 7 giving me the best bang for my buck. (Debie) **I feel I have the data analytics already built into the system.**
- **You should have every single staff person given access to every single dashboard and Analytics Booth.** (Jeff) They find more stuff in there than we do! (Kim) Idea – staff@cu.com generic login to Analytics Booth for all front-line staff. boardmember@cu.com
- The toolset today is self-service and ready to support everyone who is asking questions on-demand (Jeff)

Reconciliation
- Member transactions vs Teller activity don't match – why? The reason is different data points being used…understanding the difference helped me better understand what I was looking at (Scott)
- I'm expecting to see numbers match and when they don't it's a challenge – I must know the logic behind the calculation of these numbers. (Kim) **Solution** – the data sources improvement on dashboards. (Janet) So crucial to understand the logic in the data.
- I struggle with finding the right questions to ask – I want Randy to compile a resource of these questions for me to launch upon. (Debie)

Query
- Query is great <u>if you have the time to get in there and understand it</u>. (Kim) Don't forget about canned queries (Jeff)

Other Notes
- I want CUA to spend more money on helping me get access to the data faster, and with better tools
- Alerts in Analytics Booth are very appreciated – It comes right to me and I don't need to do anything other than set it up (Janet)

CECL
- Preparation is key and need CUA to help us prepare on the data collection and tracking. (Kim)

What do you see as the expected benefits from your approach?

- Evaluated renew lease for a branch – Used transaction dashboard & shared branching reports to conclude ok to renew lease, but opened question of why putting money there since not performing as well as anticipated.
- Watch out – We can make the numbers say whatever we want so need to be cautious about clarity.

Answers from Data
- *Tell me what from these 7 dashboards can I put into my business plan?*
- *I'm curious – I want to learn something new today*
- *I wonder…what does this tool do, what are my loan numbers today, etc.*
- *Prove to me why….*
- *Tool XYZ – look at it and tell me what you see*
  - Data can address all of those very powerfully. **Data can cut expenses, saving loss moving forward, and generating more revenue in future.** (Jeff)
- I challenge us and say WE DON'T KNOW OUR MEMBERS. (Jeff) Data is good looking backwards to see what happened, but most important will be predictive for our future, specifically compliance and catching bad people doing bad things. Our system has all the transaction data – we can do this!
- **Analytics can answer the questions of why something wasn't successful** (Jacci) Defining successful is elemental to determining if something ended successfully (Debie)
- If it doesn't work, don't not do it – Just tweak it and try it again! (Jeff) Data analysis paralysis is going to be a challenge because 1) so much data and 2) we want to spend too much time getting it *perfect*
  - Approach 1: You say what you want to do and then find someone who can do it
  - Approach 2: Let the data prove your hypothesis and then go make it happen

Imagine a 3-year budget as you accelerate into your plan based on success.
Predict your resolve, should you not find what you're looking for over time – will you stick it out?
- We're going to have an internal data analyst person within 3 years (Jeff)
- Interns are possible solution (Jeff – Kim). Interns provide flexibility to end the relationship and move to another person if they aren't demonstrating talent or interest. (Scott) Example – had to get college credit for internship and required our intern to also present to me and my board on operational efficiencies

Is this a keep-up-with-the-Joneses, best-practice response, or do you think it's critical to your success?
- Data is valuable if have time to analyze, plan to use it, and it's clear what parameters are used for any specific group. (Paul – Kim)
- We are not going to be able to ignore data in the future. If we aren't looking at it someone else is. (Debie)
- One of the reasons we chose this core, was the reporting capability. (Scott)
- Data is:
  - Critical to my success (Jeff)
  - Survival (Scott)
  - Where it's at (Jeff)
  - Valuable (Paul)
  - Data doesn't take the place of focus groups or talking to your members of course. (everyone)

Other Notes
- *Idea* (for strategies event format) – 2 laptops where we sit down at lunchtime and immediately sign up for these great products we're hearing about in these events.

Group 7 Notes

- Use the data to predict buyer action
- We're trying to know our members but if the predictive data is not accurate, it is a sloppy result
- How do we get the social piece into CU*Answers data?
    - what can we predict from the data we have in gold
        - do we need to build in more metrics?
            - interest based information
- How can we analyze the data?
    - where they shop… does this say something about their personality?
- What would the reports look like?
    - What would we do with the results?
        - we're not Amazon - how do we serve?
- We need to allocate money to data analytics
    - But how do we turn that into $... what is the ROI?
- It would be very helpful to know what the Credit Unions are doing
    - Can we pick three things that other credit unions are doing
        - let's do them and know that there is a tactical advantage
- Why aren't we having a best practice conversation
    - round tables
    - like going to the doctor for an annual checkup
- Data Analytics is raising the iQ - raising the grasp
- How do we be more than we are right now

Group 8 Notes

- Send a team to data boot camp
- Watch all webinars on Asterisk Intelligence
- Still trying to learn what data is available and building data governance teams
- Comparison of dashboards – second order of data analytics a system that tells me what the correlations are. Build affinity groups and people/platform that can tell us how to capitalize on them.
- Using data to tell more about members who are not using debit cards/loans and why not?
- Using the data, we learn to market to members who fit in the same demographic - "Here's what others just like you bought" – Using this information and apply it to the Amazon approach
- Discover ways to bundle services – package deals – This works
- Companies are doing things to capture markets – Signing up for credit cards – what can we do to create value
- Determine if we are being active or reactive with data
- Can't predict member behavior individually – discover ways to overcome today's perceived challenge in today's member mindset – Where are the challenges in their minds and change what we do to make things easy for the member
- **Budgetary**
    - we have to consider what to give up – To be in keeping with our mission

- o   Understand that everyone is impacted and make it part of the culture
- **Resolve**
    - o   Maybe we are looking for the wrong things
    - o   Stumble upon – You are always going to find something and able to take action
    - o   Understand that success is not accidental – we work on plans for a long time – the success is evident at the end of the 3 years. It was strategic and planned, never accidental
- **Best Practice**
    - o   Turning data into actionable results
    - o   Being focused is critical to success. Cannot move along to the next big idea to quickly.
    - o   Must rely on Asterisk Intelligence and Xtend to work cohesively to do some of this work for us.