CEO Strategies Week 2017

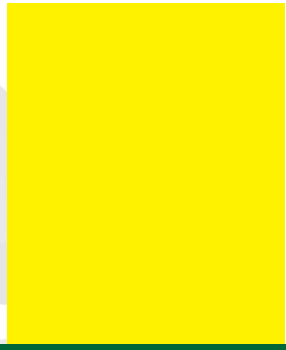# Scribe Notes

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

3) Retail Banking Trends
Discuss the Top 10 Trends list and determine your own priorities
- For <u>your</u> top 3 priorities, what projects will you do in 2018 to put your money where your mouth is?
- Of the 10 trends, what do you think will have the broadest appeal to all CU*Answers credit unions and might become a required core competency throughout our industry?
- Some of these are pretty trendy – are there any topics in this list that you would simply eliminate as a goal for the future?

Group 1 Notes
- The top 3 priorities:
  - Remove friction from the customer journey
  - Use of Big Data – AI advanced analytics
  - Open AP's – Need to place our credit union in APs that compare rates/services from all financial institutions as this is another marketing tool that puts credit unions in the consumer's mind.
- Eliminate
  - Responding to regulatory compliance
- Did not discuss which top priority trends would appeal to all CU*Answers credit unions and become a core competency throughout our industry.

Group 2 Notes
- Bill D – removing friction from the customer journey is top for me; we need to make sure we're using the right tools effectively and educating our staff to disseminate that information to the members clearly.
- Tracy and Bill B agree that's first and foremost.
- Don - Providing incentives like a $25 gift for using e-sign
- Bill D – Improvement in integrated multichannel delivery is my second
- Tracy – for data analytics, we're investing in training for our staff; we have a boot camper attending in 2018
- Bill B – Regulators need us to find the occupation of the prospective member, and currently that's not in the workflow.
- Don – the first (removing friction) probably has the broadest appeal to all CUs and should be a core competency of the industry or the industry will be left behind
- Table really looking forward to an indirect lending payment app that simplifies the way in which those members send digital payments to the CU, which also falls in line with removing friction

Group 3 Notes
- Friction from the customer experience, how can it be studied and removed.
- Build more relationships with our business members
- What is the B2B relationship that we can establish together
- Is there an amount of risk that we can take that makes it easier to say yes, more often?
- No one is teaching underwriting anymore, so we have had to centralize underwriting to have a focused educational effort
- Can we enhance the decision-making process/underwriting process so that we can ask for less and remove the friction?
- Are there concepts available for returning customers?

- Dealerships can move faster and quicker, and we need to compete with the consumer's mindset for instant gratification
- If there is good payment history, we will not pull credit again.
- Where is the effort for our teams to have more of an entrepreneurial mindset rather than a policy/procedure mindset?
- We have historically had exam/audit exceptions, and we will continue to do so. How does this impact our operations and thought processes in the future?
- If you do not get rid of member friction, everything else is useless.
- We continue to cater to the regulator and we should be catering to the members.
- We want to get our staff better at cross selling.
  - Cross Sharing is the terminology that we use.
- We are utilizing a solution that allows members to make payments to their loans, and will continue to perfect the science.
  - Are we the best traffic cop of our members money?
- Action on data, should be listed well before big data
- If we screw up member friction, no one will come to our party anyways
- Competition needs to have a focus within our organization

Group 4 Notes

- We are looking at big data and removing the friction from the customer journey and simplify things with products like RDC, MOP, and moving towards building a mobile branch.
- Credit unions need a toolset that is offered from the data processor, and working to make things accessible without members having to come into branch. Some credit unions are pushing for a teller less staff, is some of the technology too much hand holding, and are credit unions busy waiting for the next big thing?
- Will credit unions still have branches in 50 years, will we still have cash within these branches? As credit unions we need to determine what will be easiest to transition members to new technology.

Group 5 Notes

- Removing friction/Improvement in integrated tech
  - Steph: Text Alerts with link to pay in it.
  - Tom: reviewing processes to remove as much unnecessary process
    - Did Lending. Next process is membership opening. Biggest problem is staff
    - Using interactive teller machines in the drive thru
  - Jenn: taking away sig pads from staff
    - Use MOP even in the branch
    - No drawers for staff. Forcing paperless through culture.
    - Uses Video app Financial Town that pushes docs to sign too
    - We want to build data collateral – better presence and marketing.
      - Starla suggested using new custom fields for tracking info like fav sports team, high school/college, thinks they like, etc.

- Investment in Innovation Accelerator:
  - Steph: New building downtown (Innovative center)
- Topics we would eliminate:
  - Emergence in new challenger banks
  - Exploring advanced technologies

Group 6 Notes

For your top 3 priorities, what projects will you do in 2018 to put your money where your mouth is?

Removing the Friction

- **Get everything into digital form** – Objective is to get it truly possible for member to do everything they need without coming into a branch. Eliminating as many forms as we possibly can.
- A current challenge is my staff require up to 6 initials on one loan application. I need to make the change to stop this since staff find it hard to justify why they're asking for all these initials (Jacci)
- Why do you need an eSign policy? You don't (Jeff) When the auditors/examiners come in and review loan files one of the things they look for is whether or not the member signed the document. (there's no need to have a policy, just matters that they signed)
- eSigning – even if they're in the branch, send it to them on phone or sign in on tablet so their first experience eSigning is in person and supported…. they're more likely to do it independently next time, or even ask for the option up front. (Janet)
- Think internally as well as externally – All of it. There's sometimes a perception that we are clunky, difficult, or unprofessional in the experience (Janet)
- Members don't compare us to how hard it is to buy from other banks. They compare us to how hard it is to buy *anything!* (Janet)
- We are doing a lot of different projects, but underlying element is analysis inside each of these. Do I have a direction, but do I think the direction will change? Yes. (Kim)

Of the 10 trends, what do you think will have the broadest appeal to all CU*Answers credit unions and might become a required core competency throughout our industry?

- Integrated Multi-Channel Delivery - this one feeds into the top trend (removing friction from customer journey) – (Jeff)
- All 3 of the top topics should be required core competencies (Debie)
    - Removing friction from customer journey
    - Use of big data, AI, advanced analytics and cognitive computing
    - Improvements in integrated multi-channel delivery
- I think they're all really about efficiency (Janet) – How do we do any of these things with the least pain. CUA can be an industry leader if they can make things that are less intrusive on our (credit union staff) time. I am really attracted to people who can do things for me, or put it in my face to address right then. (Janet)
- CECL – CUA is big enough that they are able to integrate it and should to save us time instead of make us go elsewhere. (Kim) Don't make me go elsewhere to a different vendor (Janet). Remember percent enhancement of write-offs – you HAVE to fill out those fields. All that information feeds upon each other and we cannot use it if we do not have it.
- Are you utilizing the write-off/charge-off program fully – input all fields? (Jeff)

Some of these are pretty trendy – are there any topics in this list that you would simply eliminate as a goal for the future?

- Regulatory changes (everyone)
    - But… I am still spending more and more money on regulatory changes (Janet).
    - CECL <u>is</u> regulatory changes (Jeff)
- Building Partnerships between us and FinTech firms
    - Remember, Randy says we're considered a fintech firm already.
    - I have "partners" where we will sit down with them to talk in our annual planning and address their piece of the pie. Then I have vendors which are not even close, occasionally you get a box of cookies. Working on phasing those ones out. (Janet)

- Need to trust vendor in the way that you know they won't sell you something just for the sake of selling something. (Kim)
- They have my interests in heart/win-win. (Jeff)

Group 7 Notes

- Remove Friction
  - Streamline account opening process
  - Too many documents
  - Using loan liner
  - Want to spend 10 minutes on data entry & questions and 20 minutes on education
    - It's clunky and fumbling
    - Spend more time getting to know your member
  - It's not intuitive
  - Why can't we have it simplistic?
  - (Bo) New members are walked through:
    - Setting up account
    - Set up CU*Talk pin
    - Setting up passwords in it's me 247
  - MOP could solve a lot of these troubles
- Lending feels like it takes too much to get through the screens
  - Plan for the worst-case scenario
- Forms generator will allow forms
  - We don't want to have to get into GOLD
  - The forms should be able to connect directly into GOLD
- Give the member loan forms that are already approved and let the member go
- If we can see if a loan payment is approved or denied it will allow us to be more nimble
- Xtend sometimes struggles with clients not knowing to put in rapid codes
  - Trackers need to be left when a member has been contacted
- Make short video clips of what you can do
  - Make them under 2 minutes
  - 30 seconds
  - Not too much detail
- Try to remove barriers
  - Give the member information and let them make decisions
- Biggest priority at Xtend
  - Developing staff
    - Three new leaders
- Putting money and time into programs
  - Finding mentors
  - Developing a 3-year plan
  - Making sure they want to develop
    - Maybe they're comfortable where they are at
- Going outside the CU*BASE network
  - Same 3-year plan

Group 8 Notes

- Top 3 priorities

- o **Data**
- o **Removing friction**
    - Digital Payments
- o **Building Partnerships between banking and Fintech firms**
    - If we all had to start fresh would we do it the same way?
    - Alternative ways to approve loans to different market segments
    - Build mini fintech firms that are more agile
- o **Integration**
    - MOP
    - Daon
    - MAP
    - Authentication
    - 1 click initiatives
- **Removing Friction- Required Competency**
- **Eliminate**
    - o Responding to regulatory changes verbally (Standard Maintenance)