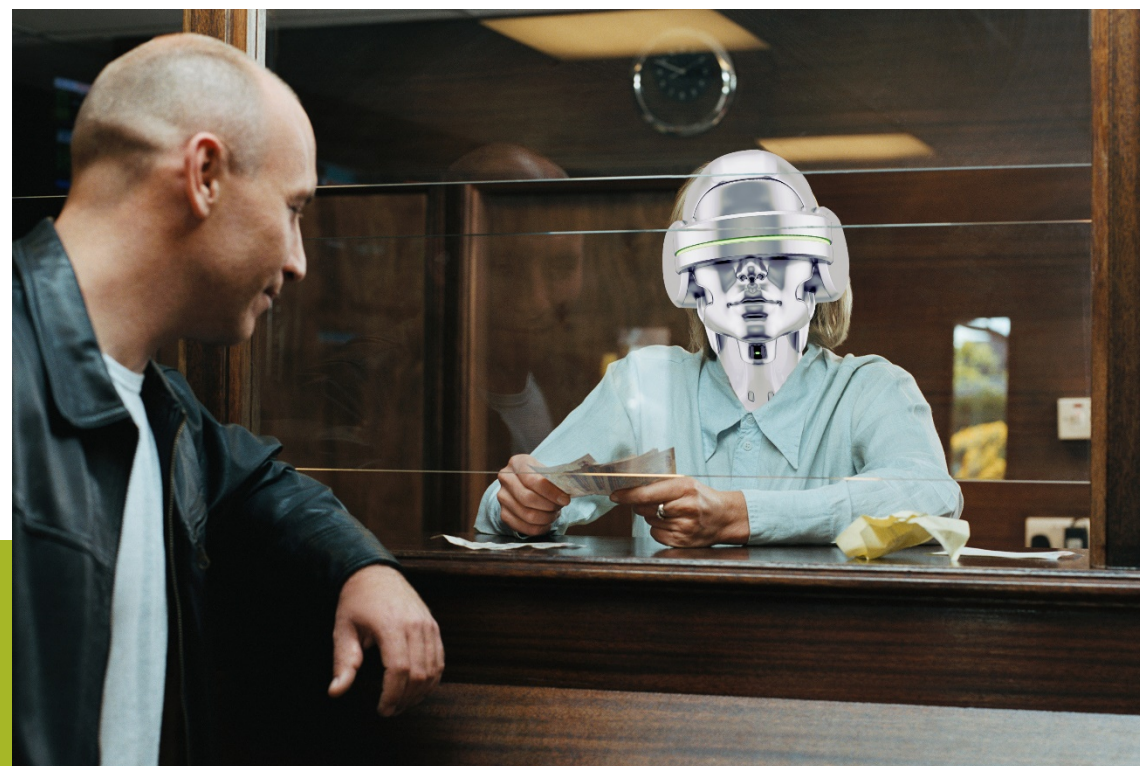# TAKING A NEW TELLER APPROACH TO THE FUTURE

Teller P3: Developing Three New Platforms for
CU*BASE Teller Processing

T3 (Floating/API) Status Update

February 14, 2019 – 1:30 p.m. ET

T3

WHAT ARE WE GOING TO DO ABOUT TELLER SOLUTIONS?

CAN YOU HOLD THESE CONVERSATIONS INSIDE YOUR ORGANIZATION?

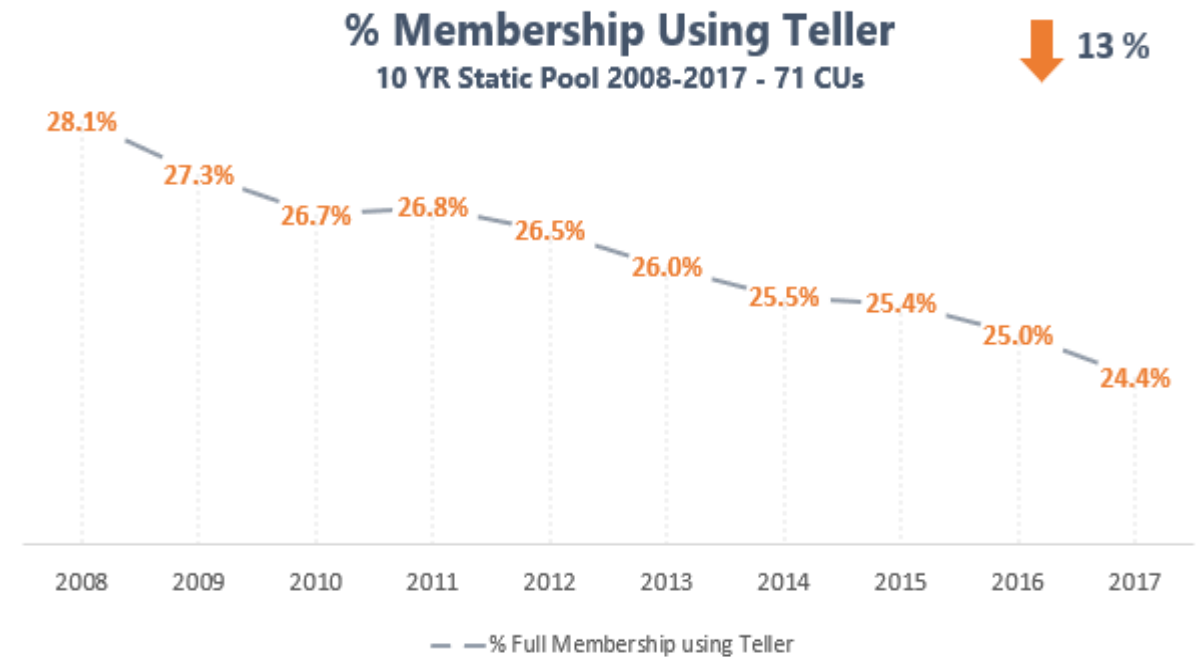| What should the CUSO do? | CU CEO | What will CUs do with it? |

- Talking about long-term strategy can be uncomfortable if the conversation doesn't include the status quo and those who are vested in it

  - Balancing short-term investments with long-term designs might not add up

- Today's teller audience is different from ten (or even two) years ago

  - How have you changed your tellers' expectations of the tools? Have you tried?

- Is it okay for your vendors to de-prioritize their investments in changing technologies, credit union strategies, and credit union tactics?

TODAY'S TELLER AUDIENCE IS DIFFERENT FROM TEN (OR EVEN TWO) YEARS AGO

HOW HAVE YOU CHANGED YOUR TELLERS' EXPECTATIONS OF THE TOOLS? HAVE YOU TRIED?

	Average Trx per Member	% of Full Membership doing Teller Trx	Average CU Membership Size in Year	% Change in Teller Activity Year to Year	Members doing Teller Trx Average per Month
2008	3.41	28%	8,287	n/a	1,809
2009	3.32	27%	8,388	-0.77%	1,767
2010	3.28	27%	8,486	-0.58%	1,728
2011	3.22	27%	8,519	0.11%	1,721
2012	3.18	26%	8,734	-0.35%	1,702
2013	3.14	26%	9,143	-0.51%	1,682
2014	3.11	26%	9,398	-0.44%	1,660
2015	3.09	25%	9,675	-0.09%	1,662
2016	3.06	25%	9,942	-0.44%	1,634
2017	3.02	24%	10,247	-0.60%	1,614
Grand Total	**3.18**	**26%**	**9,082**	**-0.41%**	**1,698**

% Membership Using Teller
10 YR Static Pool 2008-2017 - 71 CUs   13 %

28.1% 27.3% 26.7% 26.8% 26.5% 26.0% 25.5% 25.4% 25.0% 24.4%

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

— —% Full Membership using Teller

ASTERISK INTELLIGENCE

Ten Years at the Teller Line

A cuasterisk.com network analysis of transactions and the members who do them

Ten+ years of teller transactions – What can we learn from the changes we've seen over the past ten years. Will comparing today to yesterday help guide future decisions for software development, member service priorities, and staffing innovations? Our hope is that you will find value in comparing these findings to your own credit union for the perspective on how your membership's behavior compares to the network of your peers.

Today, Yesterday, and "Way back when…"

We studied several key statistics across a period of ten years using data from credit unions on the CU*BASE core processing system. The results represent a view of the entire network's aggregate behavior in these time frames. The most recent full calendar year – 2017 – represents current behavior and two prior periods are evaluated as well – 2012 for a mid-point comparison, and 2007 for our time machine to ten years.

Summary of Entire Year for Network

	# CUs	# Items	# Members	Items per Member
2017	160	63,465,531	17,893,865	3.55
2012	119	45,904,975	12,570,590	3.65
2007	76	32,376,703	8,316,666	3.89

↑ 111% ↑ 96% ↑ 115% ↓ 9%

Is Today's Member Using the Teller Line?

Yes, but not as many. The segment of membership using the teller line has decreased by 15% compared to ten years ago. For some credit unions, it was seen as high as a 25% decrease.

Today, 4 out of any 10 members may work with a teller. Ten years ago? 5 out of 10.
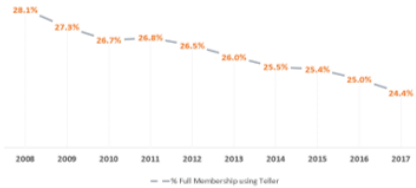
STUDYING MEMBER HABITS AT THE TELLER LINE

Have members changed their habits as they visit your branch tellers over the years? What is their favorite (or most convenient) time of day to visit and has that preference changed over time? Do they tend to bring the more complicated transactions (higher number of items) at certain times of the day?
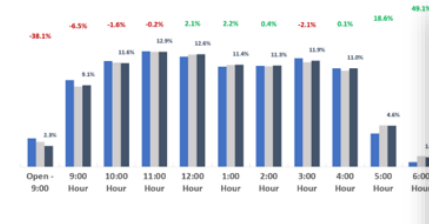
% of Teller Users with One-Off Visits vs Repeat Visits

■ ONE-OFF ■ REPEAT

Daily Volume by Hour – Member Visitors and Transactions

There are very subtle differences between these two visualizations. To help accentuate the bigger variances, percent change from 2007 to 2017 is charted at the top of each bar graph with decreases in red, and increases in green. Values for actual distribution across the entire day are given for only the recent full year, 2017.

■ 2007 ■ 2012 ■ 2017

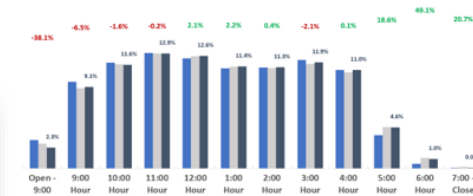Chart 1.1 – Volume Distribution of Member Visitors by Hour

---

TIME STUDY OF THE TELLER LINE PER HOUR

Have members changed their habits as they visit your branch tellers over the years? What is their favorite (or most convenient) time of day to visit and has that preference changed over time? Do they tend to bring the more complicated transactions (higher number of items) at certain times of the day?

Daily Volume by Hour – Member Visitors and Transactions

There are very subtle differences between these two visualizations. To help accentuate the bigger variances, percent change from 2007 to 2017 is charted at the top of each bar graph with decreases in red, and increases in green. Values for actual distribution across the entire day are given for only the recent full year, 2017.

■ 2007 ■ 2012 ■ 2017

Chart 1.1 – Volume Distribution of Member Visitors by Hour

Chart 1.2 – Volume Distribution of Transactions by Hour
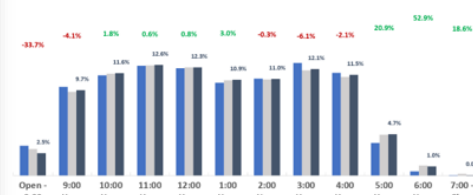
TRANSACTION VOLUMES AND MEMBERSHIP ENGAGEMENT

Transaction Keys (Items in the Transaction)

A Transaction key is a categorization of items or actions processed within single teller transactions. In the findings below, you'll see the left axis (columns) representing percent of entire transaction volume in one calendar month of 2007 compared to the same calendar month of 2017. Check the right-axis for reference following the line documenting percent change across this ten-year gap.

Chart 2.1 – PRIMARY Transaction Keys: % Distribution 10-Year Change

■ 2007 ■ 2017 —%CHANGE

Honor Credit Union
An Analysis of Teller Transactions and the Members Conducting Them - Oct-2018

Teller Line Transactions Per Day

42.9% of Active Members Utilize the Teller Line

In the month of October 2018, a total of 35,870 unique members utilized the credit union's teller line, representing 42.9% of active members. Of the members using the teller line at least once within the period, these members averaged a total of 3.19 teller line transactions throughout the month, totaling $147,381,150.52 in total financial transactions.

Average Member Age | Online Banking Usage

Frankenmuth Credit Union
A Year over Year Review of Teller Line Transactions - October

Teller Line Transaction Volume
Year over Year Trend

■ 2018 ■ 2017

Year over year, member teller line penetration has changed by: -3.4%

A year ago, in October 2017, a total of 20,930 unique members utilized the credit union's teller line, representing 46.8% of active members, a year over year change in penetration of -3.4%. Average Teller Line transactions per member has shifted from 3.77 a year ago to a new average of 3.68 observed last month, with total teller line transaction dollars increasing by 6.8% or $7,151,154.

Average Member Age			Teller Transaction Volume		
	2017	2018		2017	2018
Teller Users	44.5	45	Deposits	35,864	34,538
Non-Users	40.0	41	Withdrawals	32,072	32,727

October-2017		October-2018	
Total Teller Transactions	79,528	Total Teller Transactions	79,329
Deposit/Payment Dollars	$73,695,623	Deposit/Payment Dollars	$75,217,768
Withdrawal/Disb Dollars	$22,791,685	Withdrawal/Disb Dollars	$28,540,773
Largest Daily Volume	5,057	Largest Daily Volume	3,793
Average Weekday Volume	3,302	Average Weekday Volume	3,706
Unique Members	20,930	Unique Members	21,522
Transactions per Member	3.77	Transactions per Member	3.68
Total Fees Assessed	$16,468	Total Fees Assessed	$19,723

Teller Transactions Per Hour
Year over Year

■ Oct-2018 ■ Oct-2017

Looking to do more with your data?
Contact us and get started today!
AI@cuanswers.com
800.327.3478 Ext 870

2018 | CEO Strategic Developers Boot Camp

Teller Analytics
A Network Study of Teller Line Utilization

ASTERISK INTELLIGENCE

open.cuanswers.com/TellerAnalytics

CEO STRATEGIC DEVELOPERS BOOT CAMP SEGMENT B:
DESIGNING TELLER PLATFORMS FOR OUR FUTURE

"TELLER 3P" THREE NEW PLATFORMS FOR CU*BASE TELLER PROCESSING

- A teller system with a single Swiss-army-knife or kitchen-sink approach will not fit enough credit union tactical units any longer – now is the time to design a new approach to take to the future

- Our goal is to envision three distinct teller segments, each with independent approaches:

  1. **Soup-to-nuts** (S2N) – The next generation of our existing comprehensive teller platform

  2. **Basic** (KISS) – Across-the-counter teller tool, streamlined and simplified for today's teller lines

  3. **Floating** – App for roving tellers, API-based to also support integrations to third-party teller platforms

open.cuanswers.com/Teller3P
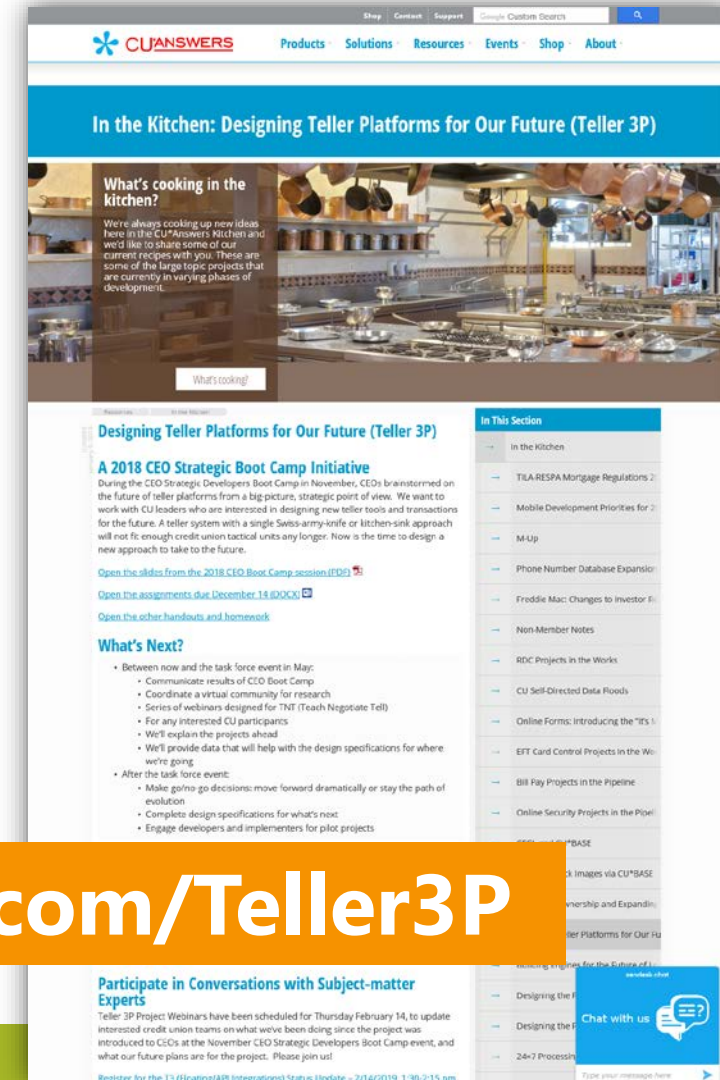
RATHER THAN START FROM A "BLANK PAGE", HERE'S WHAT WE'VE DONE SO FAR

WE STARTED BY SPLITTING THE PROJECT INTO TWO PIECES

- Brainstormed on what to do with **CU*BASE native code toolsets**

  - Formed an internal team of about 10 key leaders from the Programming, Writing, QC, and GOLD development teams

  - Declared there are no sacred cows – everything is on the table

  - Focused on the KISS platform and on writing new software as the catalyst

  - Asked everyone to blue-sky dream and use their specific skills to create some prototype ideas

- Started market research to build a middleware platform for **third-party teller integrations**

  - Prepared data to discuss with CEOs for this week's session

Our focus for this session

BUILDING A PLATFORM FOR THIRD-PARTY TELLER INTEGRATIONS

MARKET RESEARCH

WHERE DO WE TAKE THIS RESEARCH?

open.cuanswers.com/TellerAutomation

WHAT WE'VE BEEN UP TO SINCE NOVEMBER

PROGRESS REPORT

- We've signed an NDA with Hyosung and are working on spec'ing out integration efforts for RVA Financial for a kiosk-type ATM solution

  - What features does Hyosung support? What features does RVA Financial want?

  - What's required of CU*Answers? What's required of Hyosung?

- We are engaged with Cumberland CU for a similar project for Diebold ATMs

  - Still in the early stages
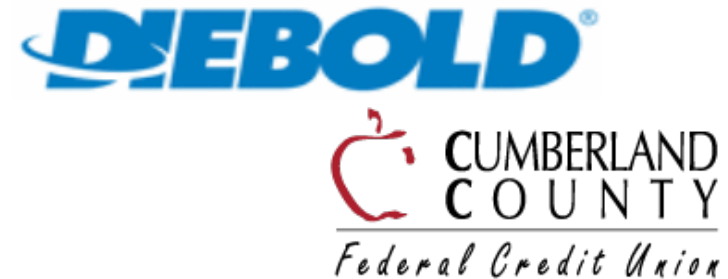
We're looking for champions!

What's your project? Are you ready to engage?

WHAT WE'VE BEEN UP TO SINCE NOVEMBER

NEW RESEARCH PROJECT:
NATIVE TELLER RECEIPTS!

2019 BOUNTY PROJECT

EARN UP TO $30,000!

It might look like one of our usual occasional contests, but it's based on a belief in including everyone in the economic benefits of doing the work

Engage your most creative teams to earn up to $30,000!

- $7,500 each for the winning vision of how platforms 1, 2, and 3 should look and function
- $2,500 for one honorable mention for each platform

But for anyone to win, we must receive at least 5 submissions for each platform

Proposals will be accepted
January 1 to March 31, 2019

open.cuanswers.com/Teller3P

WHAT'S NEXT?

JOIN THE TELLER 3P TASK FORCE!

May 29-30, 2019

Wednesday
3-5pm   Defining the Task Force
5-6pm   Networking cocktail hour

Thursday
9-4pm   Envisioning and Building Teller Platforms for our Future

Register now:

open.cuanswers.com/Teller3P