

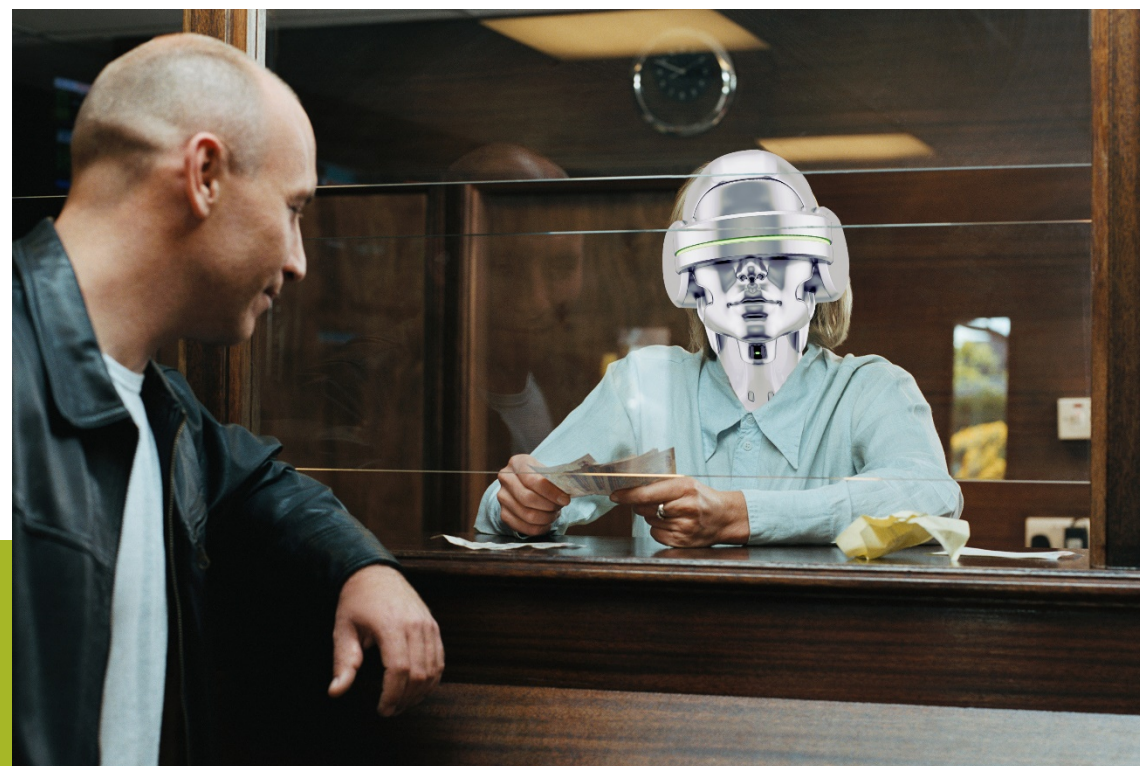
T3

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



WHAT ARE WE GOING TO DO ABOUT TELLER SOLUTIONS?

CAN YOU HOLD THESE CONVERSATIONS INSIDE YOUR ORGANIZATION?

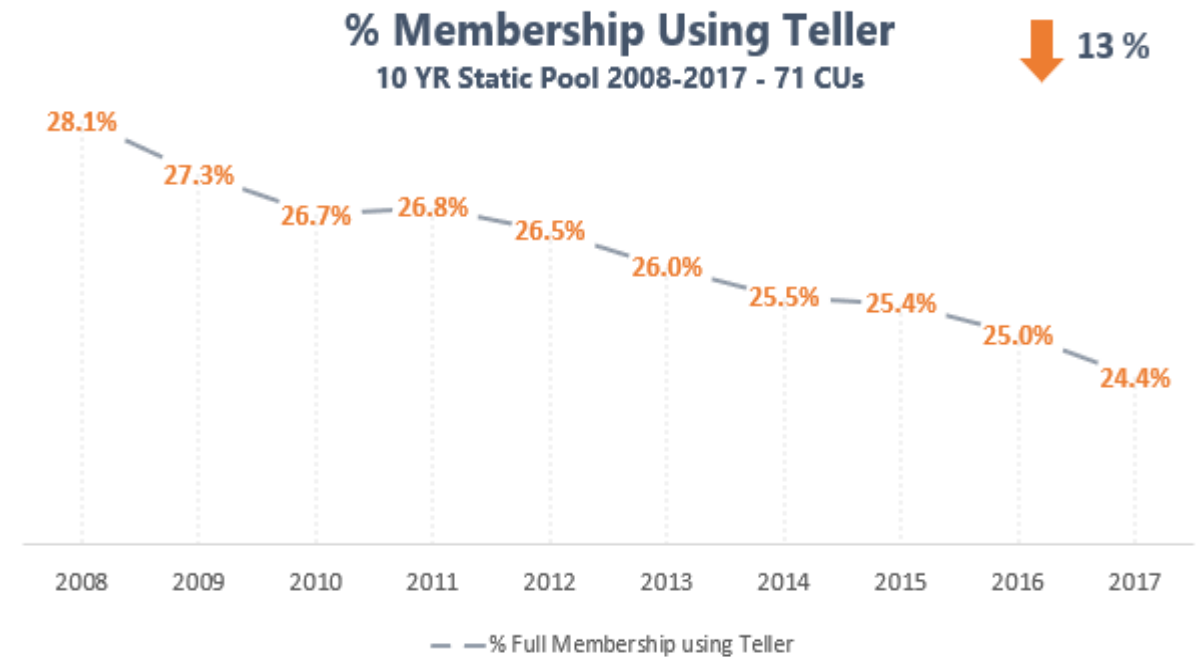


- Talking about long-term strategy can be uncomfortable if the conversation doesn't include the status quo and those who are vested in it
 - Balancing short-term investments with long-term designs might not add up
- Today's teller audience is different from ten (or even two) years ago
 - How have you 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



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…”

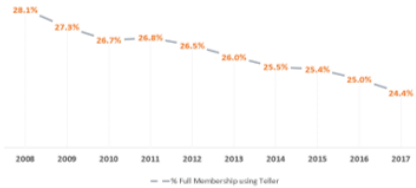
We studied several key statistics across a period of ten years using data from credit unions on the CU*BASE core processing system. The results represent a view of the entire network’s aggregate behavior in these time frames. The most recent full calendar year – 2017 – represents current behavior and 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	Items per Member
2017	160	63,465,531	17,893,865
2012	119	45,904,975	12,570,590
2007	76	32,876,703	8,316,666
	↑ 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.

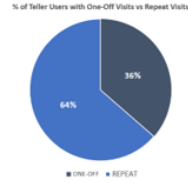
Today, 4 out of any 10 members may work with a teller. Ten years ago? 5 out of 10.



ASTERISK INTELLIGENCE

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?

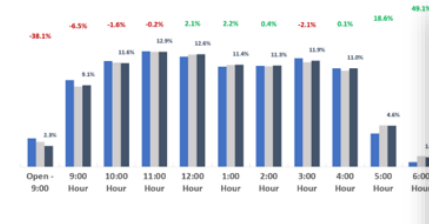


Daily Volume by Hour – Member Visitors and Transactions

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

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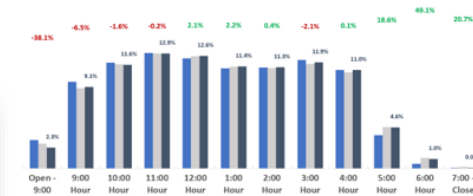
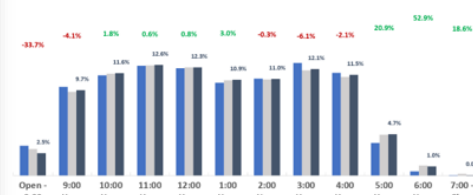


Chart 1.2 – Volume Distribution of Transactions by Hour



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



Honor Credit Union

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



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 2.15 teller line transactions throughout the month, totaling \$147,381,150.52 in total financial transactions.

Source: Member Age Follow: Breakdown Month

Teller Non-Teller

Large Small

Average

Unique

Transactions

Volume

Year over Year

2018 2017

2018 2017

2018 2017

2018 2017

2018 2017

2018 2017

2018 2017

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Teller Analytics

A Network Study of Teller Line Utilization

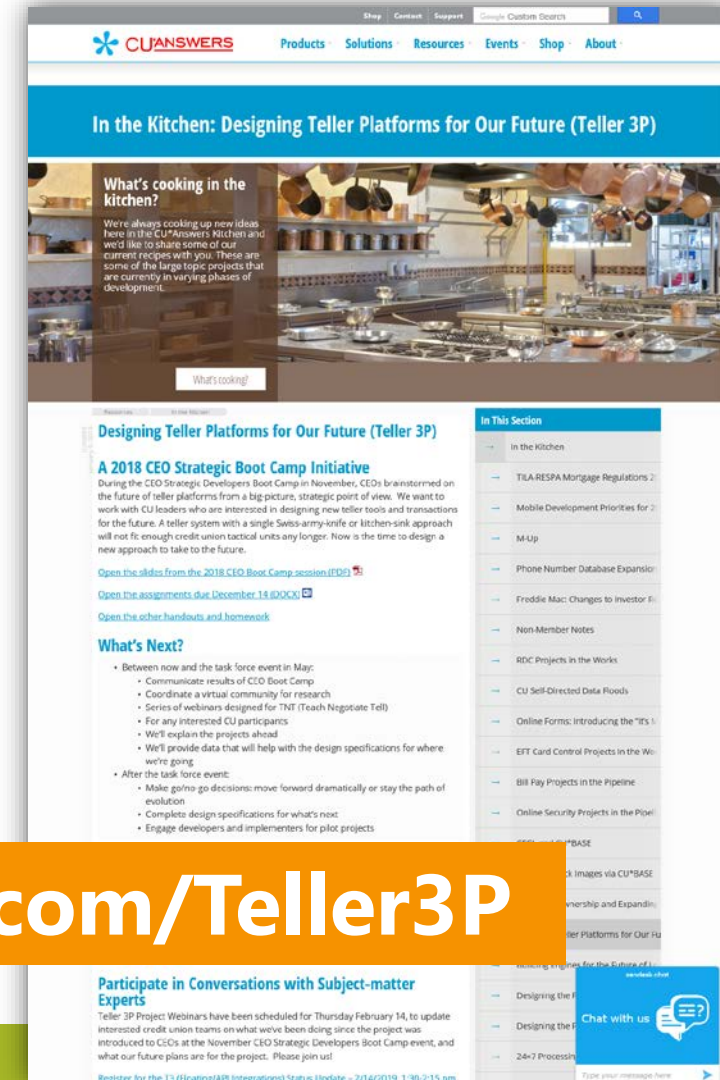


CEO STRATEGIC DEVELOPERS BOOT CAMP SEGMENT B: DESIGNING TELLER PLATFORMS FOR OUR FUTURE

“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

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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?

Teller 3P: Taking a New Teller Approach to the Future
T3 Automation Research

7

Their Desired Features for our APIs

The respondents also shared the features they wish our APIs should support:

Feature	Horizon	Frankenmuth	RVA	Northern Colorado	Michigan Legacy
API					
Funds Deposit					
Cash	Y	Y	Y	Y	Y
Checks	Y	Y	Y	Y	Y
Coin	N	N	N	N	N
Cash Withdraw					
Cash Disburse	Y	Y	Y	Y	Y
Coin Disburse	Y	N	N	Y	N
Cash Check	Y	Y	Y	Y	Y
Advance a line of Credit (ALT to an account?)	Y	Y	Y	Y	Y
Account payments / On Us Loans					
Auto	Y	Y	Y	Y	Y
Mortgage	Y	Y	Y	Y	Y
LOC	Y	Y	Y	Y	Y
HELOC	Y	Y	Y	Y	Y
Credit Card	Y	Y	Y	Y	Y
Printing					
Print Receipt	Y	Y	Y	Y	Y
Print Statement	N	N	N	N	Y
Print Cashier's check	Y	N	N	N	Y
Starter Checks	Y	N	N	N	Y
Money Orders	Y	N	N	N	Y
Member login					
Biometrics	N	N	N	N	Y
Card / Pin	Y	Y	Y	Y	Y
DL	N	N	N	N	Y
Teller Confirmation	Y	Y	N	N	Y
User/Pwd only	-	-	-	-	Y
Other					
Balance Transfer	Y	Y	Y	Y	Y
Scan ID	N	N	N	N	Y
View account history	N	N	N	N	Y
Make Change	N	N	N	N	Y
Can do a prestaged Transaction	N	N	N	N	Y

Teller 3P: Taking a New Teller Approach to the Future
T3 Automation Research

9

The Top Features that Align with Equipment Capabilities

This table shows a cross reference of desired features that align with equipment capability. For each highlighted peach-colored cell, all chosen equipment supports it and all credit unions that bought the equipment indicated they want support for that feature.

It may be a good starting point for our APIs to support these features. To write APIs for features that equipment can't support would probably be a misguided use of resources.

Feature
API
Funds Deposit
Cash
Checks
Coin
Cash Withdraw
Cash Disburse
Coin Disburse
Cash Check
Advance a line of Credit (ALT to an account?)
Account payments / On Us Loans
Auto
Mortgage
LOC
HELOC
Credit Card
Printing
Print Receipt
Print Statement
Print Cashier's check
Starter Checks
Money Orders
Member login
Biometrics
Card / Pin
DL
Teller Confirmation
User/Pwd only
Other
Balance Transfer

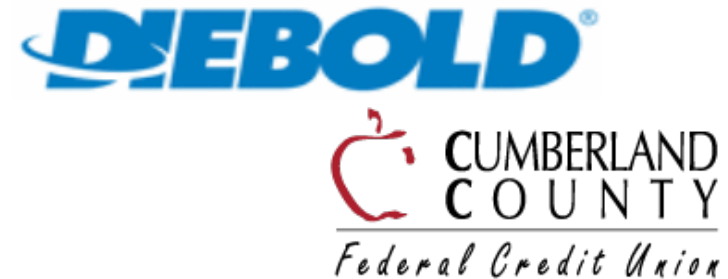


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WHAT WE'VE BEEN UP TO SINCE NOVEMBER

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!


Session 0 CU*BASE GOLD Edition - BEDROCK COMMUNITY CREDIT UNION


File Edit Tools Help

Individual Account

Comments on File

Cash **500.00**

Outside checks  0.00

Inhouse checks  0.00

Total funds in 0.00

Loan Payoff or Current Balance	Loan Payment or Net Available
2,759,954.31	2,684,894.30
7,145.92	7,145.92
137,509.23	137,509.23
58,603.28	58,603.28
9,066.27	9,066.27
3,825.00	3,825.00
24,174.00	20,614.93
0.00	0.00
6,920.00	6,920.00
0.00	0.00
3,514.90	3,514.90
3,575.43	7.90

☐ Suppress receipt ☐ Suppress balances

Verify Member	Bal Forward/This Mbr	Phone
Trans Override	Unlock # Items	Show
Post	Sales Tools	Show
Misc Receipts	In-House Checks	Proc
Bal Forward/New Mbr	Outside Checks	

Name **TODD I FLINTSTONE**

Member Receipt

Sample Credit Union

Member Number 1000-100
Member Name Doug Manne
Date/Time 01/26/2019 02:53 PM
Previous Balance 275,000.51































Transaction Description	Amount
Cash In	100.00
REG Shares Deposit	100.00
Checking Deposit	1000.00
Cash Back	0.00
Balance	276,200.51

Thank you for using Sample Credit Union.
For questions, please call 1-800-SAMPLECU

Todd Flintstone

Save Print Send To Member Scan

I'm a BRONZE member!
(click for more info)

Account	IRA HSA	Proc Code	JO
0.00			
			
			
			
0.00			
			
			
			
			
			

Post
Refresh Cash Back
Deposit Calculator

0273-WARNING: Member has either a negative or delinquent account.

TR (3104) 1/30/19

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**

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In the Kitchen: Designing Teller Platforms for Our Future (Teller 3P)

What's cooking in the kitchen?

We're always cooking up new ideas here in the CU*Answers Kitchen and we'd like to share some of our current recipes with you. These are some of the large topic projects that are currently in varying phases of development.

What's cooking?

Resources In the Kitchen

Designing Teller Platforms for Our Future (Teller 3P)

May 29 & 30
DESIGNING TELLER PLATFORMS FOR OUR FUTURE (TELLER 3P)
A CEO Strategic Boot Camp Initiative

A CEO Strategic Boot Camp Initiative

November 2018: During the CEO Strategic Developers Boot Camp in November 2018, CEOs brainstormed on the future of teller platforms from a big-picture, strategic point of view. We want to work with CU leaders who are interested in designing new teller tools and transactions for the future. 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.

[Open the slides from the 2018 CEO Boot Camp session \(PDF\)](#)

[Open the assignments due December 14 \(DOCX\)](#)

[Open the other handouts and homework](#)

REGISTER TODAY!
SPACE IS LIMITED TO 25 PARTICIPANTS

DESIGNING TELLER PLATFORMS FOR OUR FUTURE (TELLER 3P)
TASK FORCE EVENT | MAY 29 & 30
[VIEW THE INVITATION](#)

In This Section

- In the Kitchen
- Mobile Development Priorities for 2019
- Freddie Mac: Changes to Investor Relations
- RDC Projects in the Works
- CU Self-Directed Data Floods
- Online Forms: Introducing the "It's My Turn" Form
- EFT Card Control Projects in the Works
- Bill Pay Projects in the Pipeline
- Online Security Projects in the Pipeline
- CECL and CU*BASE
- Viewing Check Images via CU*BASE

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