

Michigan Credit Union League & Affiliates

Annual Convention and Exposition

Helping Credit Unions Serve, Grow and Remain Strong

#mcuace

Trends in Technology
For Boards

June 5, 2014 | 1:30 p.m. – 3:00 p.m.

Ben Rogers | Filene Research Institute


www.mcul.org


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TWO LENSES FOR TODAY



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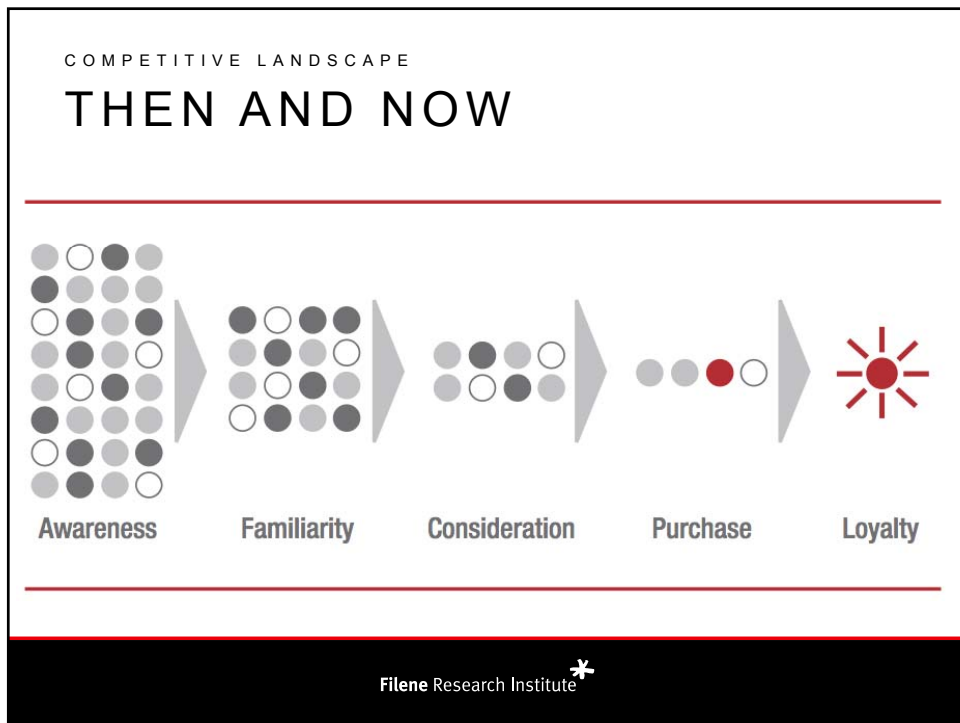
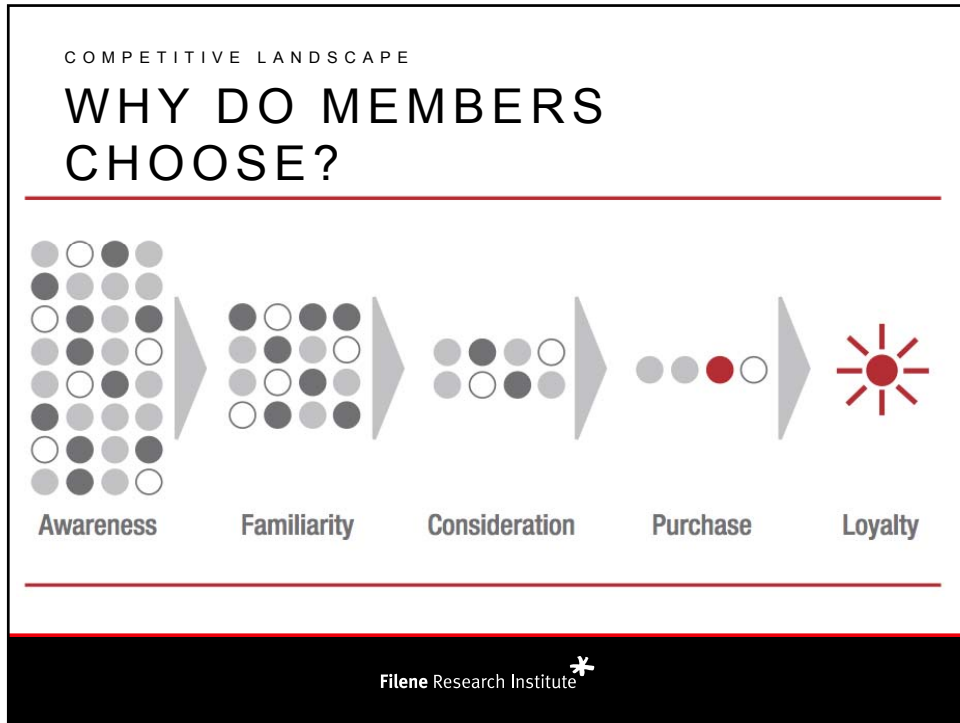


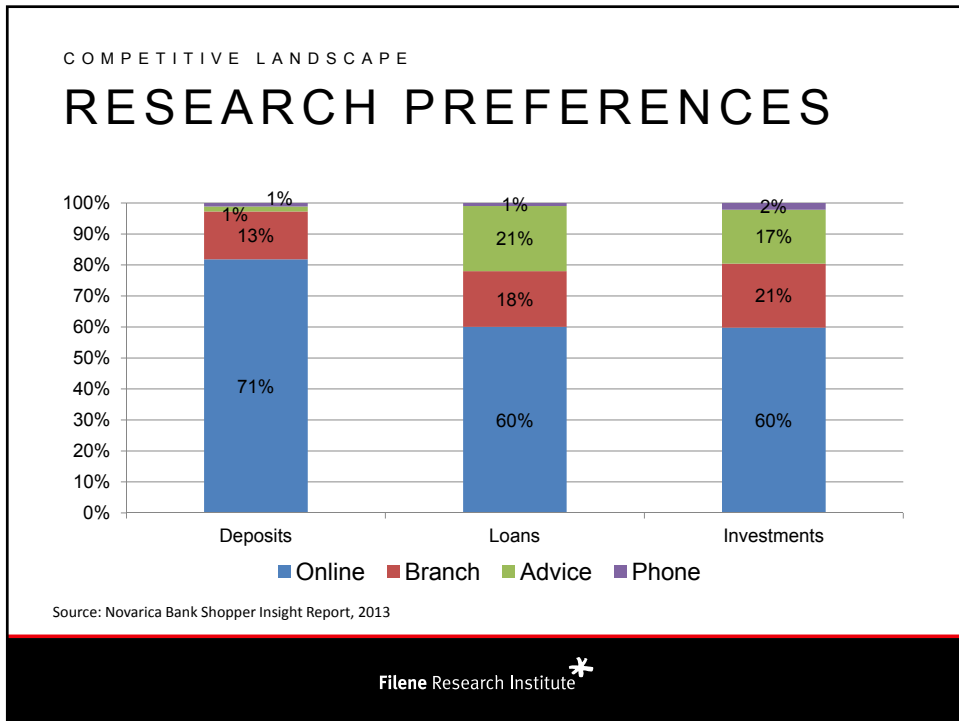
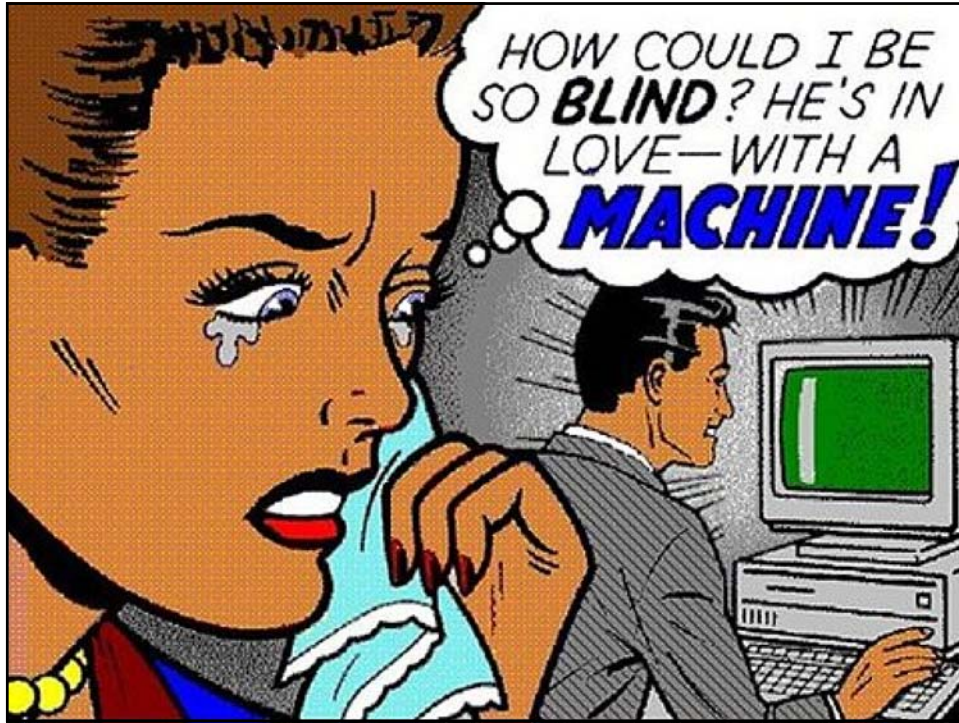
TODAY'S AGENDA

- The Competitive Landscape
- Disruptive Services and Technologies
- Managing the Technological Revolution

→ How do members choose?

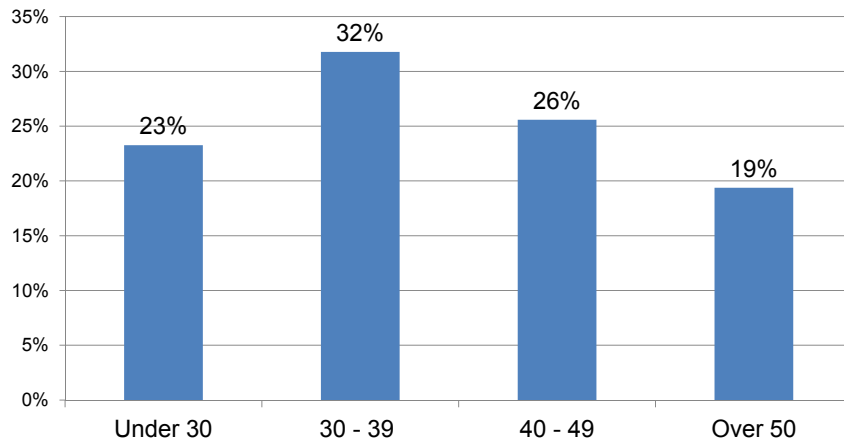






COMPETITIVE LANDSCAPE

ONLINE OPENING PREFERENCES

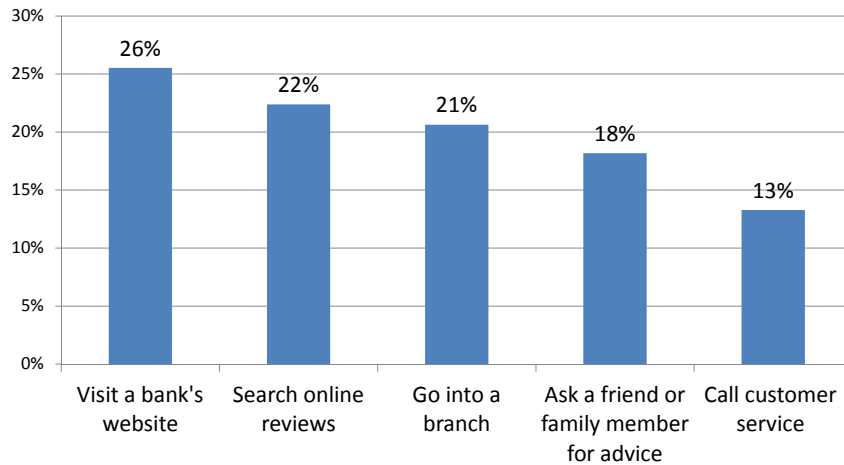


Source: Novarica Bank Shopper Insight Report, 2013

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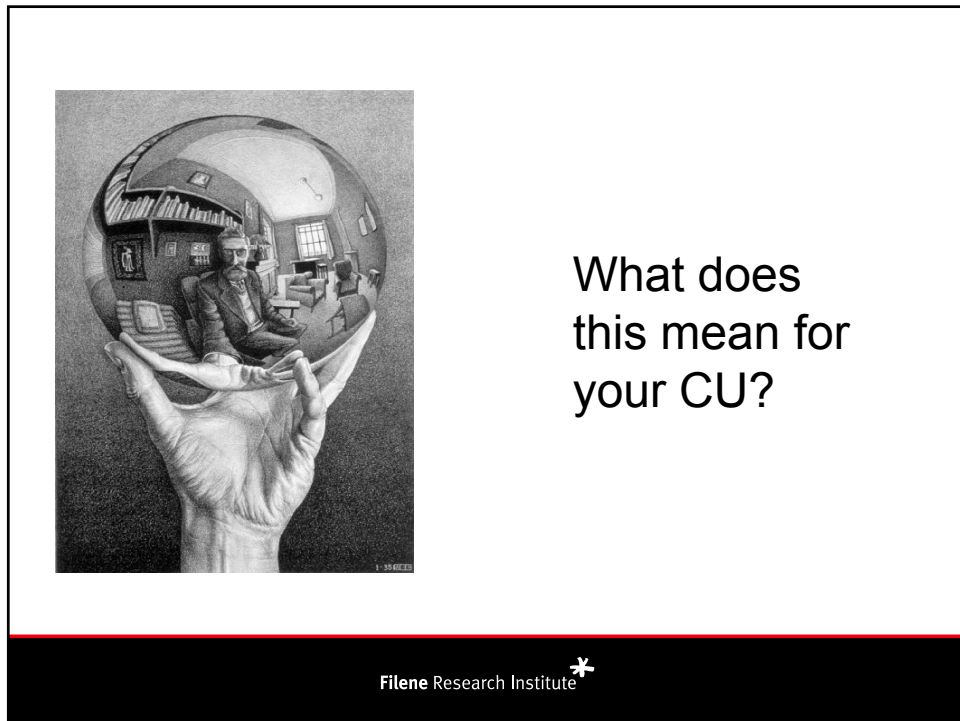
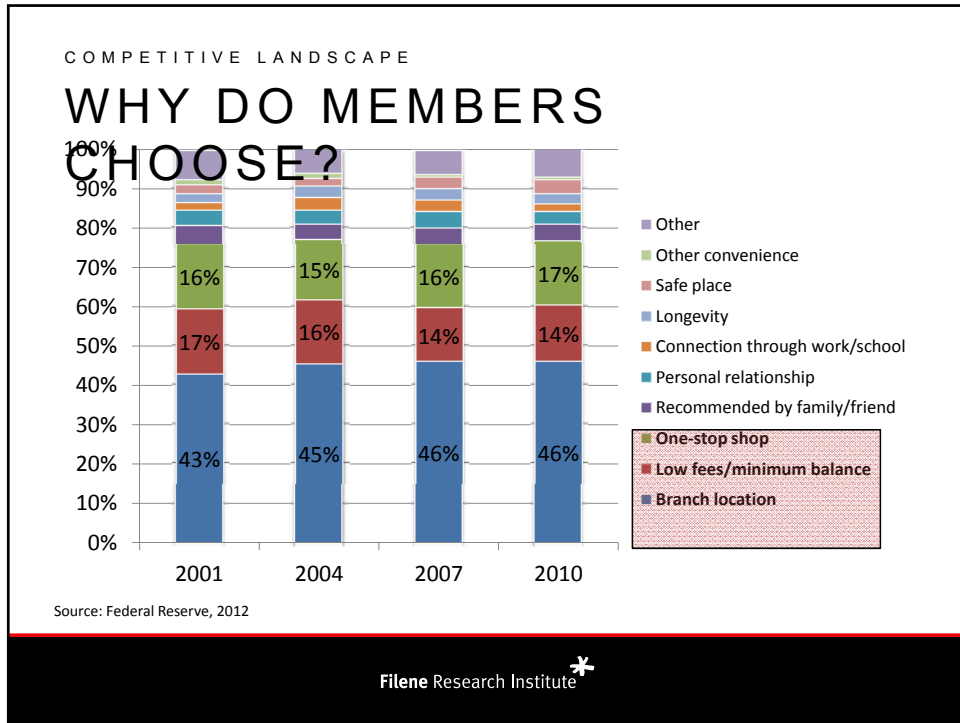
COMPETITIVE LANDSCAPE

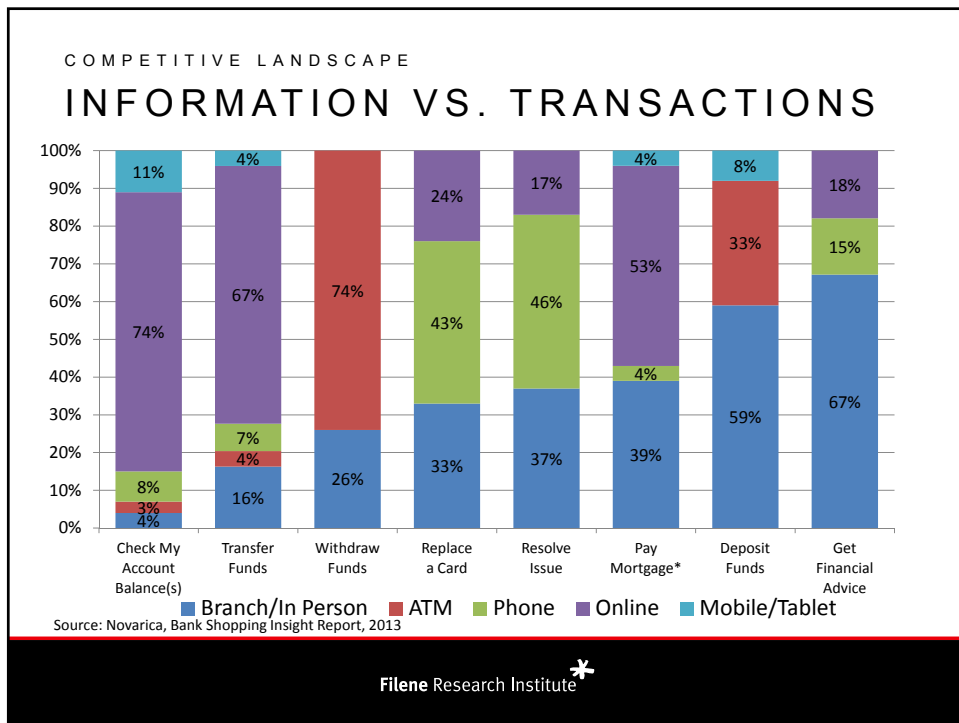
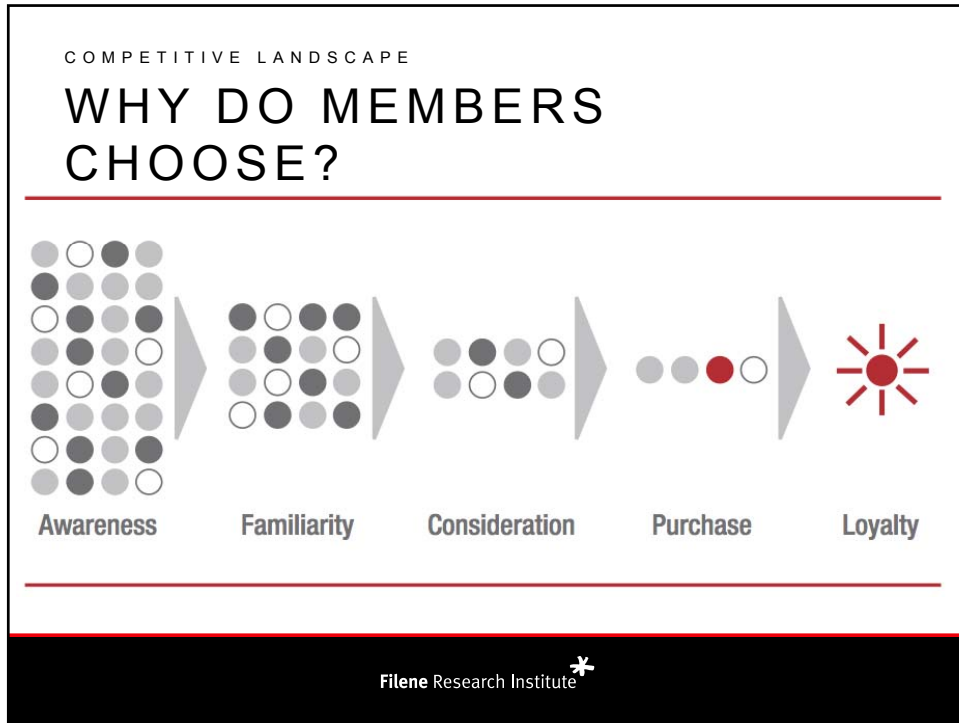
ACTIVITIES PRIOR TO OPENING



Source: Novarica Bank Shopper Insight Report, 2013

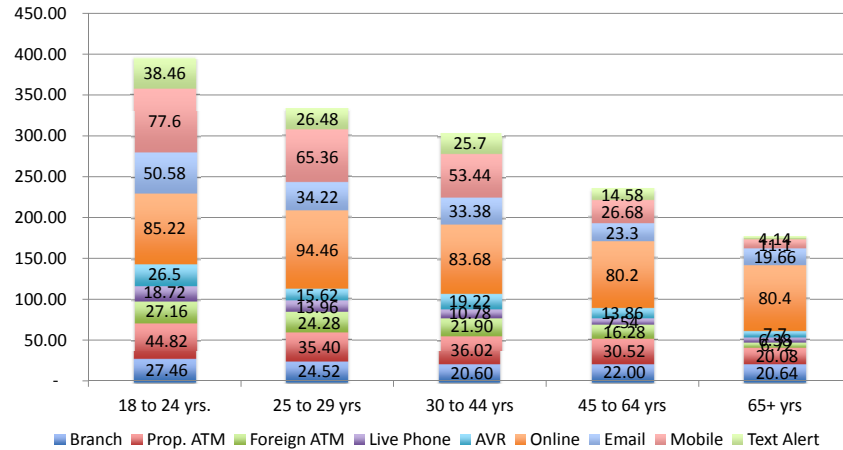
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COMPETITIVE LANDSCAPE

HOW DO MEMBERS TRANSACT?

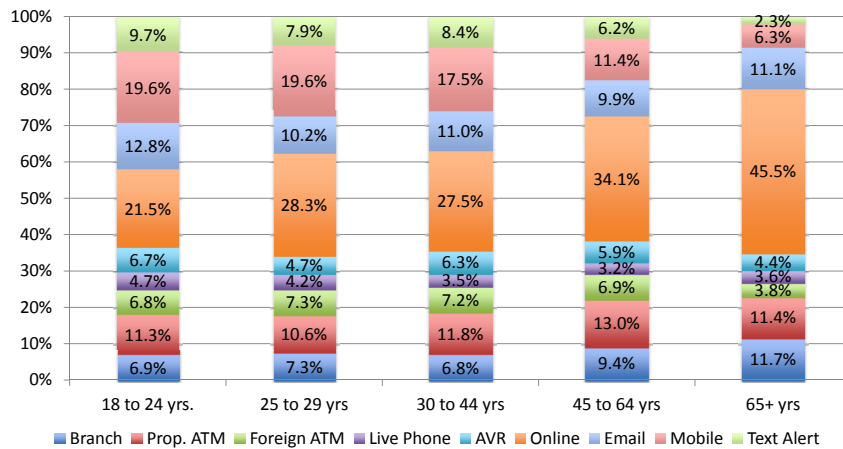


Source: McKinsey/Filene 2013

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COMPETITIVE LANDSCAPE

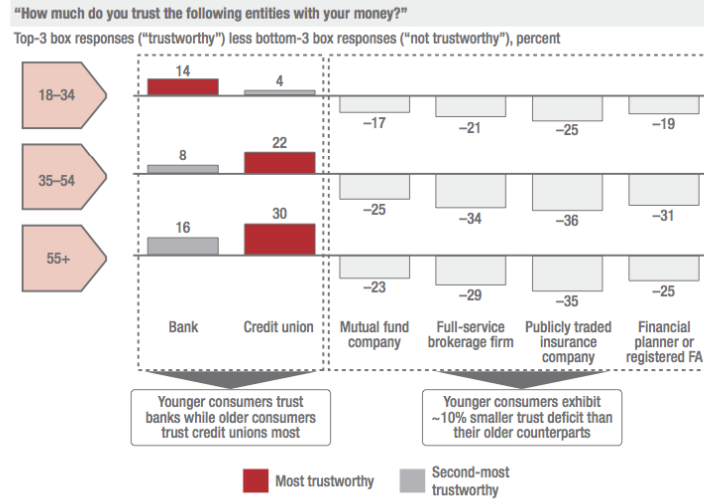
HOW DO MEMBERS TRANSACT?



Source: Novarica, Bank Shopping Insight Report, 2013

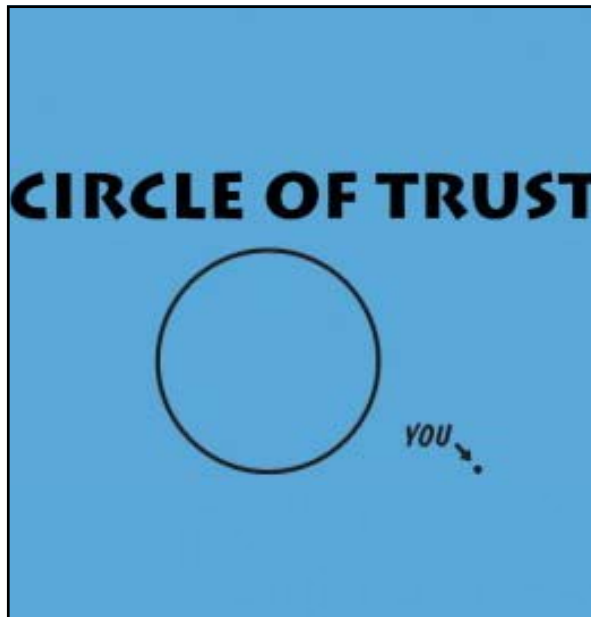
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Figure 8: Consumer Trust by Age



Source: McKinsey Financial Institutions Consumer Insights Survey, September 2009.

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→ Why the lack of trust among young adults?

→ What can credit unions do about it?

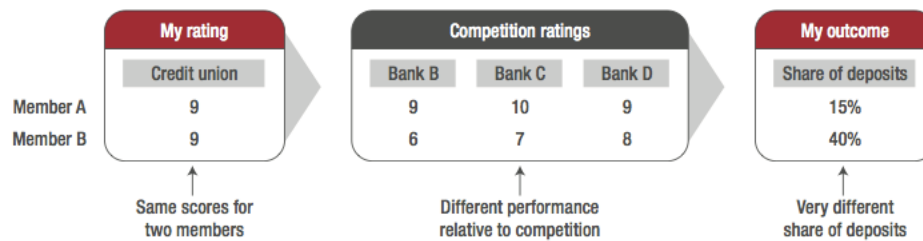
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BUT HOW DO CREDIT UNIONS STACK UP?



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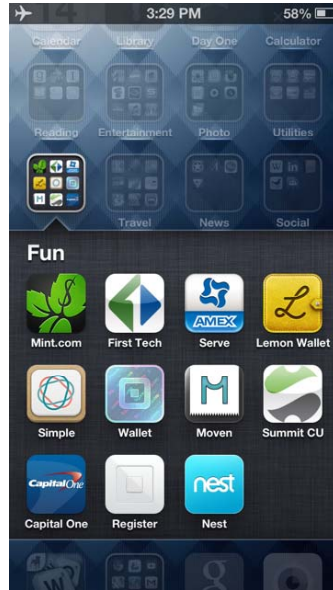
BUT HOW DO CREDIT UNIONS STACK UP?



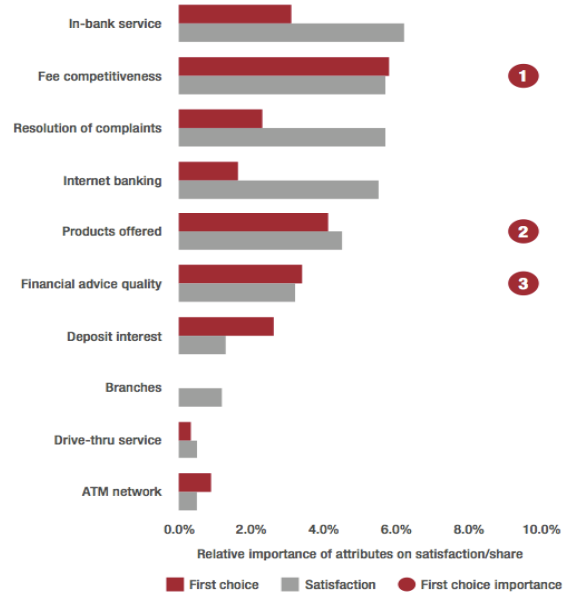
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THE GREAT UNBUNDLING

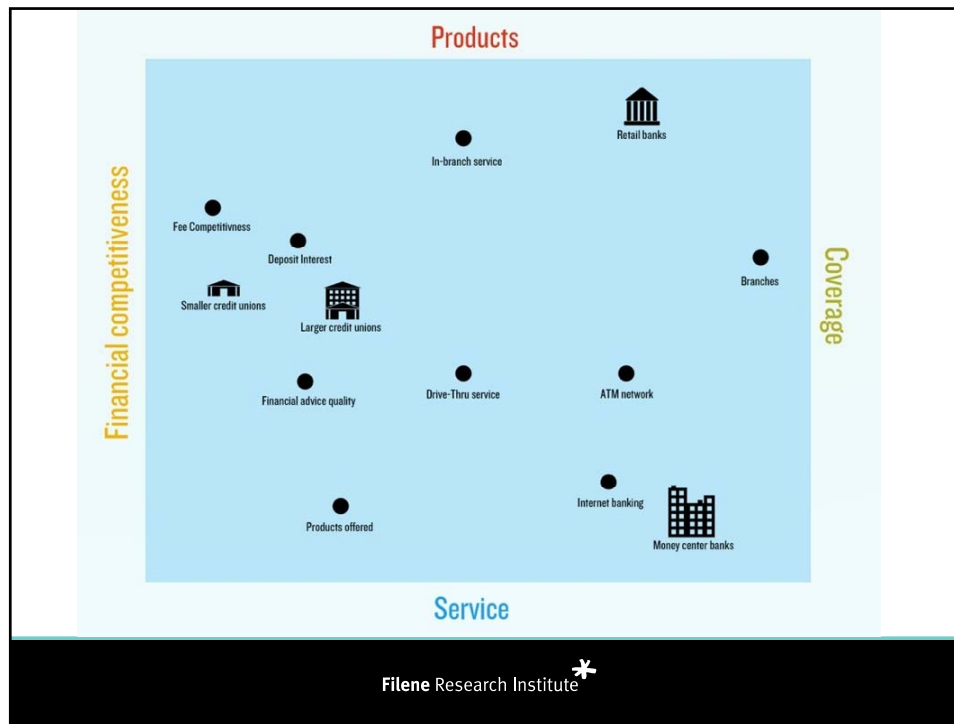
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BUT HOW DO CREDIT UNIONS STACK UP?



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TODAY'S AGENDA

- The Competitive Landscape
- Disruptive Services and Technologies
- Managing the Technological Revolution



WHO WANTS TO DISRUPT
YOUR BUSINESS?

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THE GREAT UNBUNDLING

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DISRUPTIVE SERVICES AND
TECHNOLOGIES

MEMBER-FACING TECH



How should credit unions plan their member-facing technology spending over the next five years?

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DISRUPTIVE SERVICES AND
TECHNOLOGIES

STRATEGY FIRST

→ Operational Excellence



→ Customer Intimacy



→ Product Leadership



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PERSONAL FINANCIAL MANAGEMENT

- Educational/advice-oriented
- Rewarding and Fun
- Social
- Mobile

Figure 18: PFM Will Go Mobile



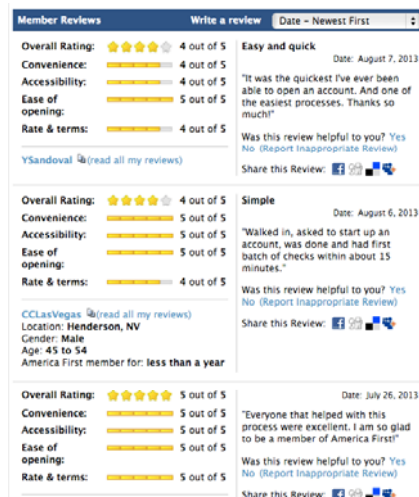
Source: Citibank.

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DISRUPTIVE SERVICES AND
TECHNOLOGIES

SOCIAL MEDIA

- Generate Awareness
- Influence Preference
- Increase Engagement
- Provide Support



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DISRUPTIVE SERVICES AND
TECHNOLOGIES

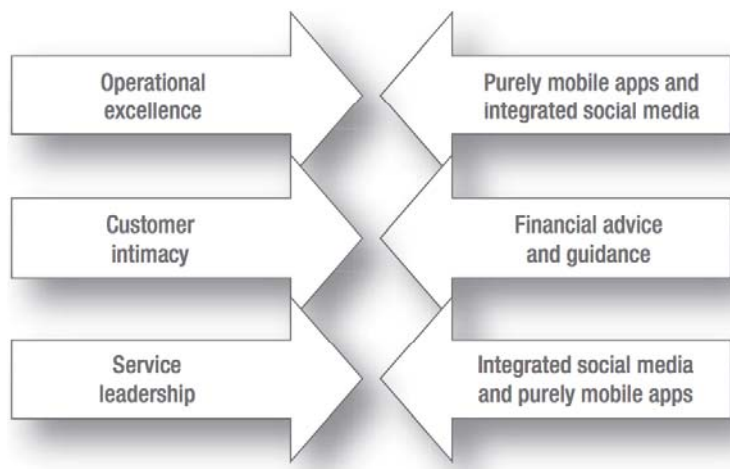
PURELY MOBILE APPS

- Location Awareness
- Augmented Reality
- Mobile Payments

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DISRUPTIVE SERVICES AND
TECHNOLOGIES

STRATEGY THEN SOFTWARE



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TODAY'S AGENDA

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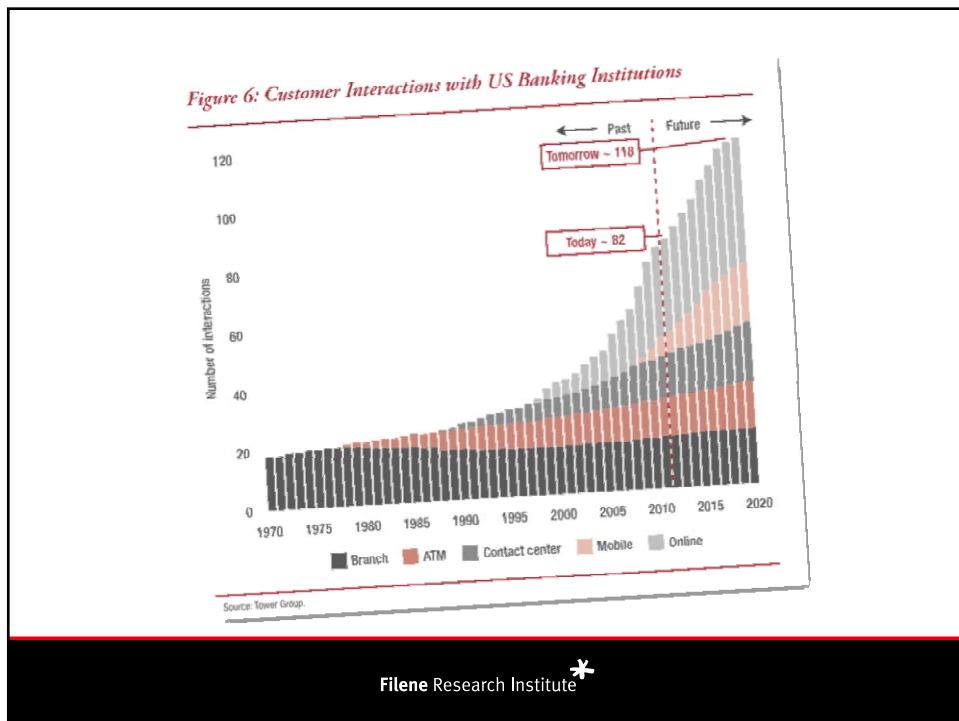




Figure 7: Three Dimensions of IT Management

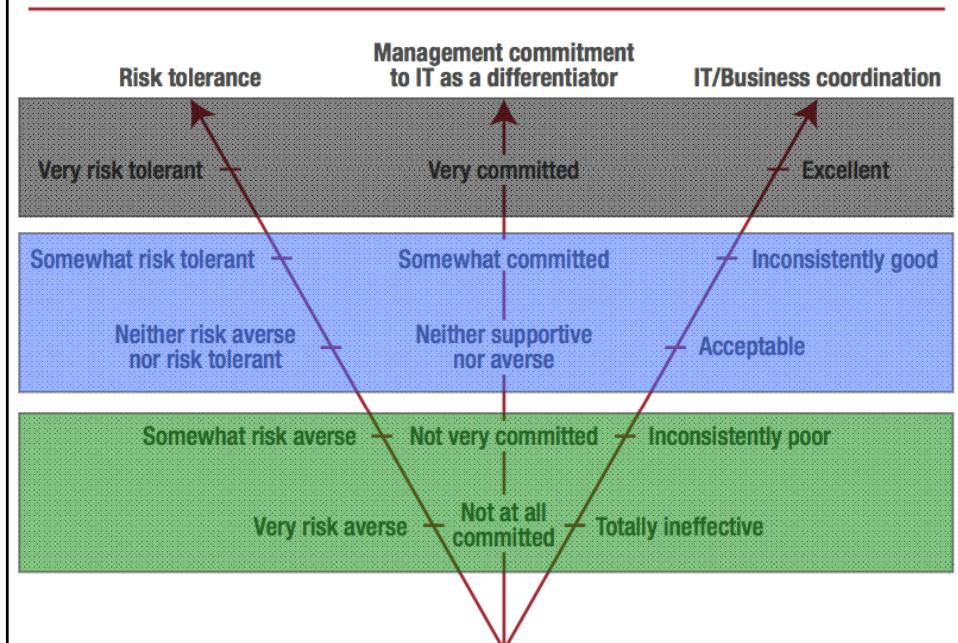


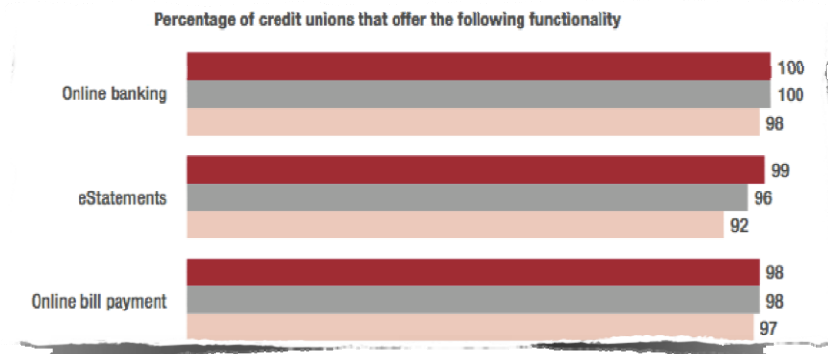
Figure 9: IT Management Dimension Average Scores by Segment

	Black Belts (n = 173)	Blue Belts (n = 166)	Green Belts (n = 142)
Management commitment	4.9	4.5	3.7
IT/Business coordination	4.5	3.8	2.8
Risk tolerance	4.1	3.3	2.4

High
 Moderate
 Low

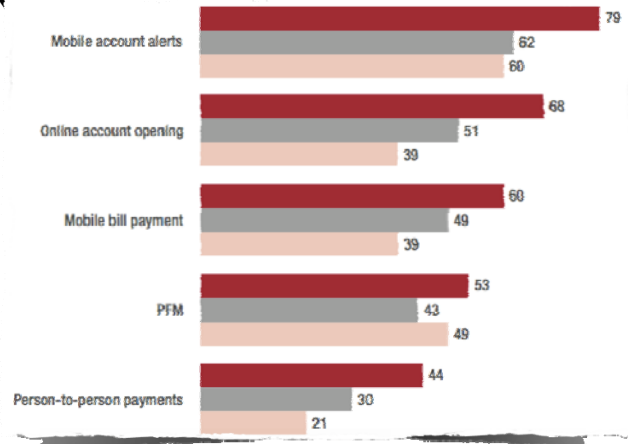
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TABLE STAKES



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TOMORROW'S TABLE STAKES



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VENDOR SELECTION

Figure 25: Rank Ordering of Vendor Selection Criteria

Criteria	Black Belts (n = 173)	Blue Belts (n = 166)	Green Belts (n = 142)
Best-in-class technology	1	2	7
Breadth of technology offered	2	3	5
Ongoing cost	3	4	2
Initial cost	4	1	1
Technical support	5	5	3
Customer support	6	6	6
Peer recommendation	7	7	4
Opportunity to consolidate vendors	8	8	8
Analyst/media review	9	9	9
Marketing support	10	10	10

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MANAGING TECH REVOLUTION

OBSOLESCENCE VS. INNOVATION



Resource



Processe

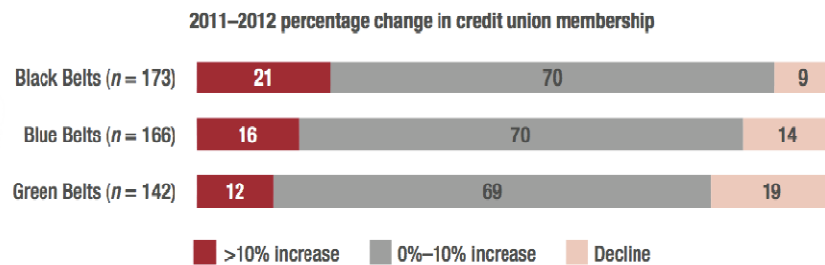


Priorities

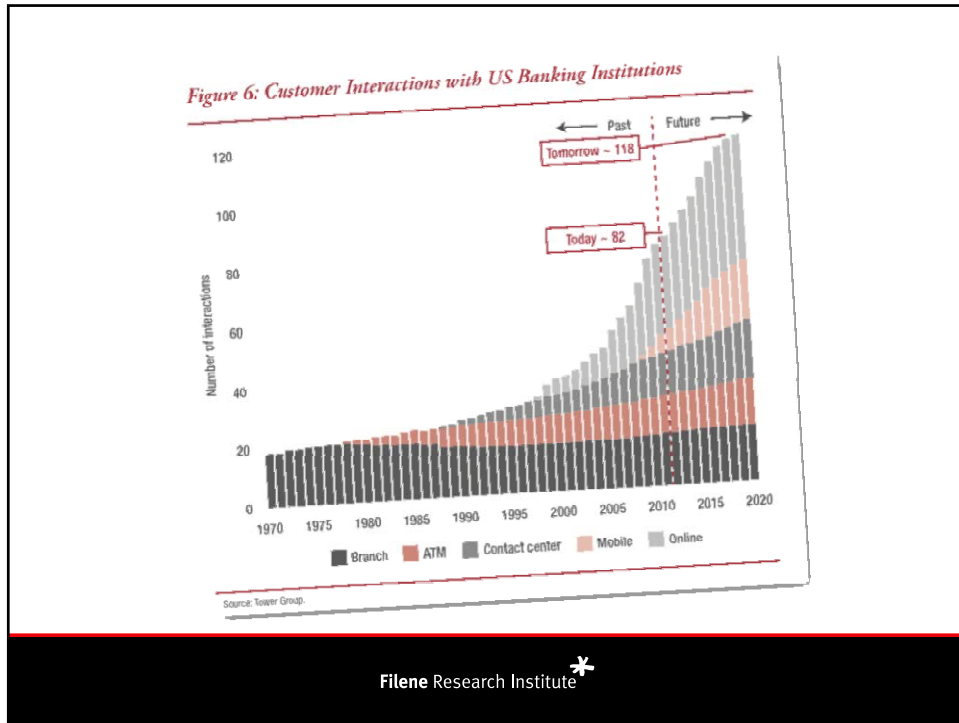
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WHAT'S AT STAKE

Figure 10: Membership Growth by Segment



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QUESTIONS?

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THANK YOU!

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