



**2017
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CONFERENCE**

Data Analytics for Impact and Performance



September 12th, 2017

St Louis, MO



Free Socks

Fill your members' need before they do.



1. Establishing value
2. Offering a benefit that helps members choose the CU
3. Fit, durable & easy to maintain
4. Durable and available
5. Award-winning
6. Specific
7. Multibranch

Shelter

The home, not the mortgage.



1. Establishing value
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3. Fit, durable & easy to maintain
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6. Specific
7. Multibranch

Transportation

It is the Auto, not the loan.



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Travel/Play

The experience, not the credit card.



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CLINIC NATURAL GROUP

View what's possible here



Platform

Big new technical products that are important, but four words they work with the other products in the platform.



Business Model Operating Considerations

1. Change
2. Platform
3. Platform
4. Platform



Elements For Success

1. Platform
2. Platform
3. Platform
4. Platform



CONSIDERATIONS

1. Establishing value
2. Offering a benefit that helps members choose the CU
3. Fit, durable & easy to maintain
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Phase 1

Building the business case.

1

1. Executive
Offer business plan for all the accepted
2. Introduction
People
Money
Time
Skills
Set the process and benchmarks

Phase 2 & 3

Start small...

2&3

1. One product
Add more credit card
2. Build on success
What's the next?
What will be the next offering?
What will be the next offering?
What will be the next offering?
Building the business case for the next phase

Summary

1. Platform as a business model provides new and innovative ways to engage and retain members while also managing the existing interests and concerns of the existing members.
2. While the credit card is a great offering, it's not the only offering. It's a great offering, but it's not the only offering. It's a great offering, but it's not the only offering.
3. It's important to start with a tight business case, creating a single product to test the market.

PRODUCT 2 PLATFORM

Anne Legg
Director, Client Strategy

AdvantEdgeAnalytics

CUNA MUTUAL GROUP





Platform

It is not individual products that are important but how well they work with the other products in the platform.



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The Platform As A Business Model

Platform becomes powerful as a business model because it uses **technology** to **connect people, organizations, and resources** in an **interactive ecosystem** in which amazing amounts of value can be created and exchanged.



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Federation
Credit Union's United to Serve Our Customers

2017
ANN
CON





Platform As A Business Model

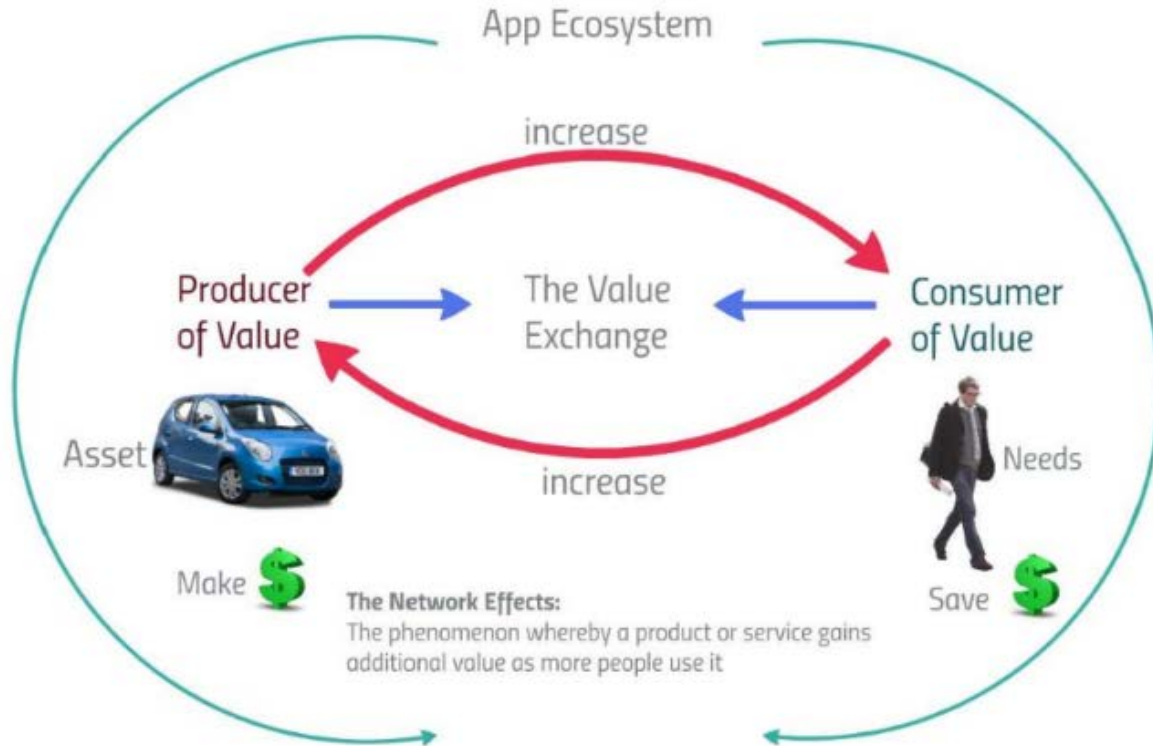


End Goal: To trade something worth significant value

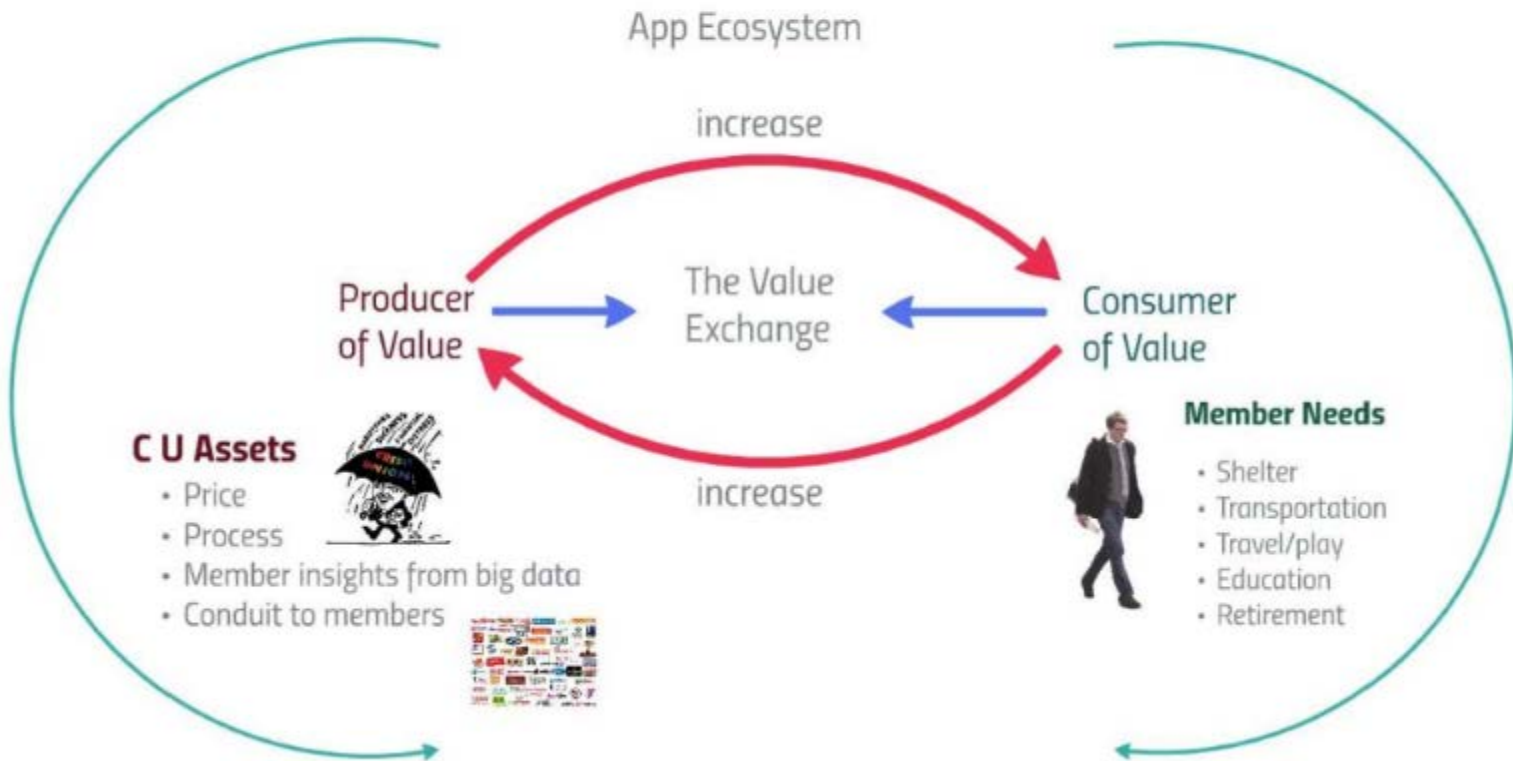


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Credit Union Platform As A Business Model







Business Model Operating Considerations

1. Channels

Need effective channels that help the consumer select the producer

2. Enrollment

Easy ability for both value producers and consumers of value to enroll in platform

3. Multihoming

Multihoming is the ability to use many solutions for single desired outcome. Acknowledge that the users will not be exclusive to one platform

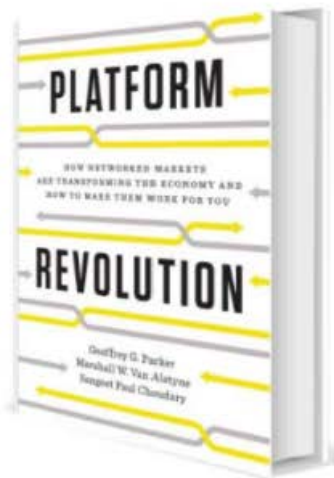


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Elements For Success



1. Frictionless Entry

This is the ability of users to quickly and easily join a platform and begin participating in the value creation that the platform facilitates. Frictionless entry is a key factor in enabling a platform to grow rapidly.

2. Create Communities = Shared Learning

Value is created because of the communities that participate in their platforms. This is on both between consumers and between the consumer and producer.

3. Economies of Scale

Effective platforms are able to expand in size quickly and easily, thereby scaling the value that derives from network effects.



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Free Socks

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Shelter

The home, not the mortgage



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Transportation

It's the Auto, not the loan

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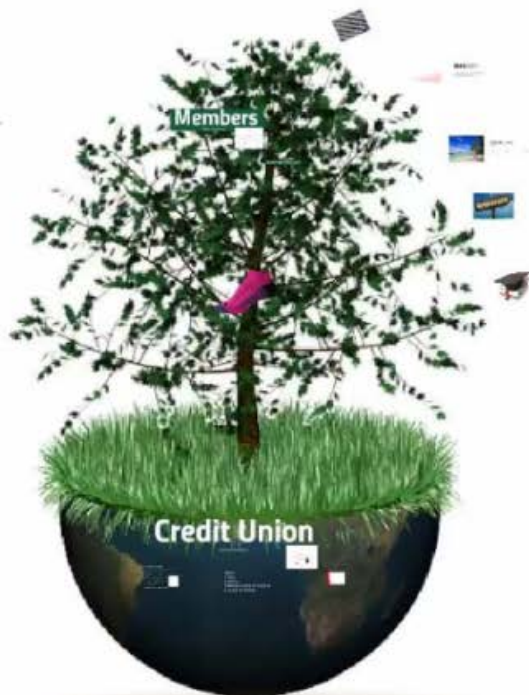
Travel/Play

The experience, not the credit card

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CONSIDERATIONS

1. Establishing value
2. Offering channels that fully members choose the CU
3. Trademarks & being a trademark
4. Create communities
5. Invest learning
6. Service
7. Multitasking

Phase 1

Building the business case



1. Objectives: What business start form will this accomplish?
2. Resources: People, Money, Time, Data
3. Success measures and benchmarks

Phase 2 & 3

Start small ...



3. The product: How low is credit cost?
3. Business: What will the cost? What will be the benefit? Who will be the buyer for this product? What will be the return for this product? Building the business case for next phase

Summary

1. Platform as a business model provides new and exciting ways to create sustainable member value. Don't keep trying to change markets and customer value rights.
2. Disruptive credit, under basic, new, different products by finding ways that create new member engagement and other business growth.
3. Implement the business case with a tight business case (building a single product for test markets)



Platform

It is not individual products that are important but how well they work with the other products on the platform



Business Model Operating Considerations

1. Strategy: How will the platform be used to create value for members?
2. Business: How will the platform be used to create value for members?
3. Marketing: How will the platform be used to create value for members?

Elements For Success



1. Platform as a business model provides new and exciting ways to create sustainable member value. Don't keep trying to change markets and customer value rights.
2. Disruptive credit, under basic, new, different products by finding ways that create new member engagement and other business growth.
3. Implement the business case with a tight business case (building a single product for test markets)

Credit Union

The Value Producers



from big data

Members' next vehicle & when they

to member's who have credit card or

to buy groceries or buy food

to watch, read & learn

to access

to help financing your business

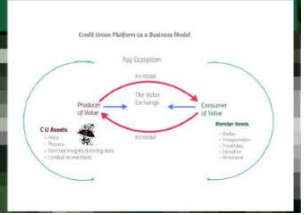


ASSETS

1. Price
2. Process
3. Member insights from big data
4. Conduit to members

Members

Value Consumers



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CREATING VALUE

WHAT IS IT?

Value

What is it?
How do we measure it?
How is it created?

It seems very complicated...



30 Elements Of Value



30 Elements Of Value

What does this mean to a PT?

- Value creation opportunities
- reduce anxiety
- saves time
- simplifies
- makes money
- reduce risk
- connects
- avoid hassles



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Value

What is it?

How do we measure it?

How is it created?

It seems very complicated.....



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30 Elements Of Value

Harvard
Business
Review

The Elements of Value Pyramid

Products and services deliver fundamental elements of value that address four kinds of needs: functional, emotional, life changing, and social impact. In general, the more elements provided, the greater customers' loyalty and the higher the company's sustained revenue growth.

Social impact



SELF-TRANSCENDENCE

Life changing



PROVIDES HOPE



SELF-ACTUALIZATION



MOTIVATION



HEIRLOOM



AFFILIATION/
BELONGING

Emotional



REDUCES ANXIETY



REWARDS ME



NOSTALGIA



DESIGN/
AESTHETICS



BADGE
VALUE



WELLNESS



THERAPEUTIC
VALUE



FUN/
ENTERTAINMENT



ATTRACTIVENESS



PROVIDES
ACCESS

Functional



SAVES
TIME



SIMPLIFIES



MAKES
MONEY



REDUCES
RISK



ORGANIZES



INTEGRATES



CONNECTS



REDUCES
EFFORT



AVOIDS
HASSLES



REDUCES
COST



QUALITY



VARIETY



SEXY/RY
APPEAL



NORMS

30 Elements Of Value

What does this mean to a FI?



Value creation opportunities

- reduce anxiety
- saves time
- simplifies
- makes money
- reduce risk
- connects
- avoid hassles



Credit Union

ASSETS

1. Price
2. Process
3. Member insights from big data
4. Conduit to members



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Profile: Inactive Savers (36%)

DEMOGRAPHIC



30% 18-34 yrs.
50% 50+ yrs.

EDUCATION & EMPLOYEMENT
College & High school
White & Blue Collar Mix

MEMBER LENGTH



31% 1-5 yrs.
37% 6-15 yrs.

BRANCH

99% Main office



HOME OWNERSHIP
Mostly Homeowners
Live in Shelton, Elma & McCleary

CHILDREN

Mostly without children

PRODUCT USE



CREDIT CARD SAVINGS

COMPETITION

Auto: Wells Fargo
Home: Wells Fargo
Credit Card: Capital One
Checking: CHASE

DISRUPTORS

Presence of:

- Lending Club
- Prosper
- PayPal

TECH USAGE

Cable/Satellite
- Comcast & Direct TV
Cell phone for emergency

MEDIA CONSUMPTION

Read

- American Hunter
- North American Hunter
- Bass Master

Watch

- Nascar
- Outdoor channel
- Country Music TV

VEHICLE PREFERENCE



GMC Sierra
Dodge Dakota
Chevrolet Silverado

GAS:
Shell & Chevron

FOOD

- KTP Express
- McDonalds
- Fred Meyer
- Safeway

PURCHASE BEHAVIOR



Retail

- Sears Hardware
- QVC
- Walgreens
- Walmart

Interests

- Hunting
- Crafting
- RV



A few vendors/merchants who have something to offer members



Members have 5 basic needs:



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Members have 5 basic needs:



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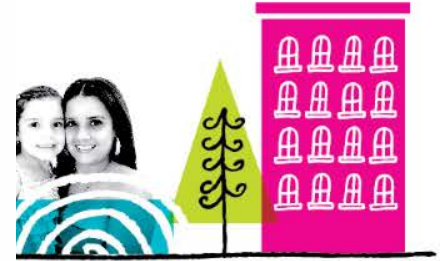
Members have 5 basic needs:



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Members have 5 basic needs:



Members have 5 basic needs:



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Free Socks

Fill your members need before they do

Free socks are a symbol for filling a member's need before they even know they have one. The "Free Socks" reference originate from an example in the fitness/health industry.



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Free Socks

Fill your members' need before they do

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 2014-2015
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 2014-2015



Shelter

The home, not the mortgage



Operational success for an industry requires credit to be available, accessible, and priced to fit the needs of the borrower, not just the lender's perspective.



Transportation

It's the Auto, not the loan

AdvantEdge Analytics
 2014-2015
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 2014-2015



Travel/Play

The experience, not the credit card



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 2014-2015
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 2014-2015

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Platform

It is not individual products that are important but how well they work with the other products in the platform.



Business Model Operating Considerations

1. Market
2. Customer
3. Marketing



CONSIDERATIONS

1. Establishing value
2. Opening channels that help members choose the CU
3. Productivity & asset involvement
4. Create community
5. Shared learning
6. Scale-up
7. Multiservicing

Phase 1

Building the business case



1. Objectives

1. What resources plan team will this accomplish?
2. Resources: People, Money, Time, Skills
3. Success measures and benchmarks

Phase 2 & 3

Start small...



1. The market
2. What are we doing? What will the value proposition be? What are the risks? How do we measure success?



Summary

1. Multiservicing is a business model, not just a financial tool to create additional revenue value from leveraging existing operations and services into a single
2. Start with what you can do best, offering members the best value and most meaningful engagement, and drive revenue growth
3. Implement multiservicing with a high success rate, creating a single source of future success

Elements For Success



1. Establishing value
2. Opening channels that help members choose the CU
3. Productivity & asset involvement
4. Create community
5. Shared learning
6. Scale-up
7. Multiservicing





WHAT NEXT?

A FEW CONSIDERATIONS TO MOVE FROM
PRODUCT TO PLATFORM...



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CONSIDERATIONS

1. Establishing value
2. Offering channels that help members choose the CU
3. Frictionless & easy enrollment
4. Create communities
5. Shared learning
6. Scalable
7. Multihoming



Phase 1





1

Phase 1

Building the business case

1. Objective:
What business plan item will this accomplish?
2. Resources:
People
Money
Time
Data
Success measures and benchmarks





Phase 2 & 3

Start small ...

1. One product
 - Auto loan or credit card
2. Build on Successes
 - What was learned?
 - What will be done differently?
 - Who were champions?
 - Who will be the team for next phase?
 - Building the business case for next phase.



Free Socks

Fill your members need before they do:

Free socks are a great way to show your members you care. It's a simple, low-cost way to provide a service that's always in demand. Free socks are a great way to show your members you care. It's a simple, low-cost way to provide a service that's always in demand.



Shelter

The home, not the mortgage



The challenge here is not to lose sight of the member's needs. It's not just about the mortgage, it's about the member's overall financial well-being.

Transportation

It's the Aola, not the loan

Focus on the member's needs, not just the loan. It's about the member's overall financial well-being.

The challenge here is not to lose sight of the member's needs. It's not just about the loan, it's about the member's overall financial well-being.

Travel/Play

The experience, not the credit card

Focus on the member's needs, not just the credit card. It's about the member's overall financial well-being.

The challenge here is not to lose sight of the member's needs. It's not just about the credit card, it's about the member's overall financial well-being.

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Platform
It's not individual products that are important that how well they work with the other products in the platform.



Business Model Operating Considerations
1. Channel
2. Distribution
3. Marketing



Elements For Success
1. Platform Only
2. Platform + Products
3. Platform + Services
4. Platform + Ecosystem

CONSIDERATIONS

1. Addressing value
2. Offering benefits that help members chase the CU
3. Proven ways to earn credit
4. Credit alternatives
5. Shared learning
6. Scale
7. Rollout

Phase 1
Building the business case

1. Objective
2. Metrics
3. Risks
4. Costs
5. Data
6. Success metrics and benchmarks

Phase 2 & 3
Start small ...

1. Start small
2. Start with a pilot
3. Start with a focus
4. Start with a goal
5. Start with a plan
6. Start with a budget

Summary

1. Prepare to be successful: consider time and resources early to create sustainable member value. Use technology to help members and increase their engagement.
2. Focus on the member's needs: focus on the member's overall financial well-being, not just the product. Focus on the member's overall financial well-being, not just the product.
3. Implement a business case: with a clear business case, building a sustainable business is possible.





Summary

1. Platform as a business model provides new and innovative way to create sustainable member value from leveraging technology channels and connected data insights.
 2. Shifts the credit union focus from delivering products to creating value can provide new member engagement and organizational growth.
 3. Implementation can occur with a tight business case featuring a single product to test (auto/cc).
-



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CU Analytics Platform

September 12th, 2017

St Louis, MO





Banking on Disruption: Digitization, FinTech, and the future of retail banking

By: Subhajit Das





Name This Company?

2008

2017

\$2.83

\$196.23



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2008



2017



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#1 Challenge for CU CEOs.....

How to stay relevant to your most
valuable members

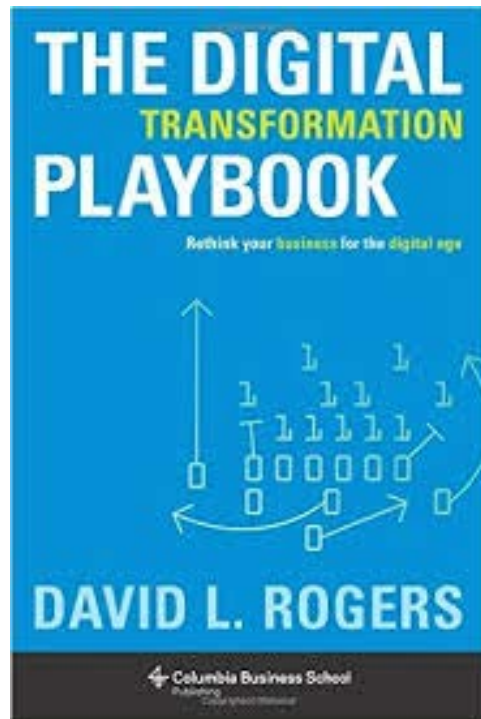


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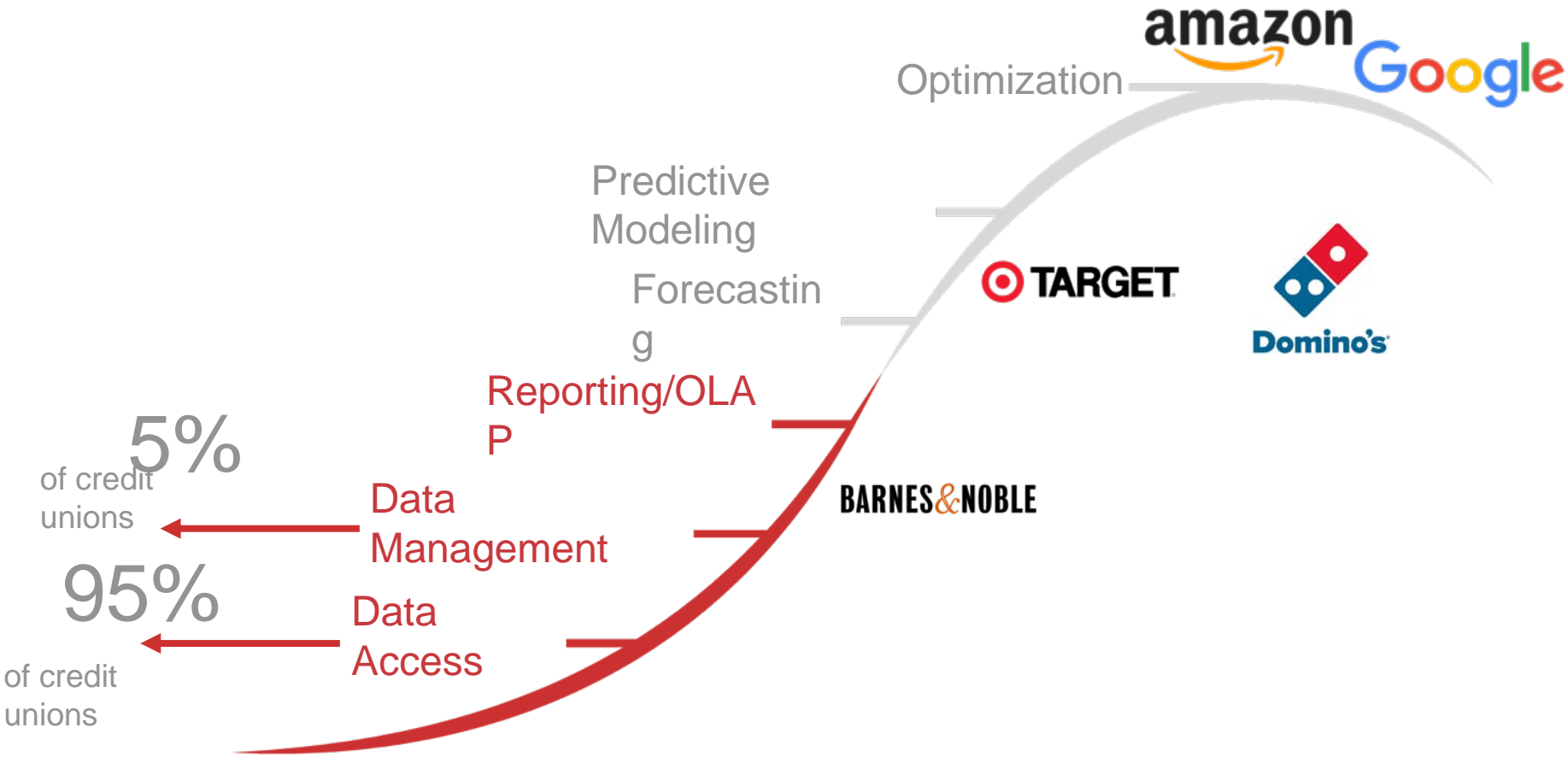
Digital Transformation



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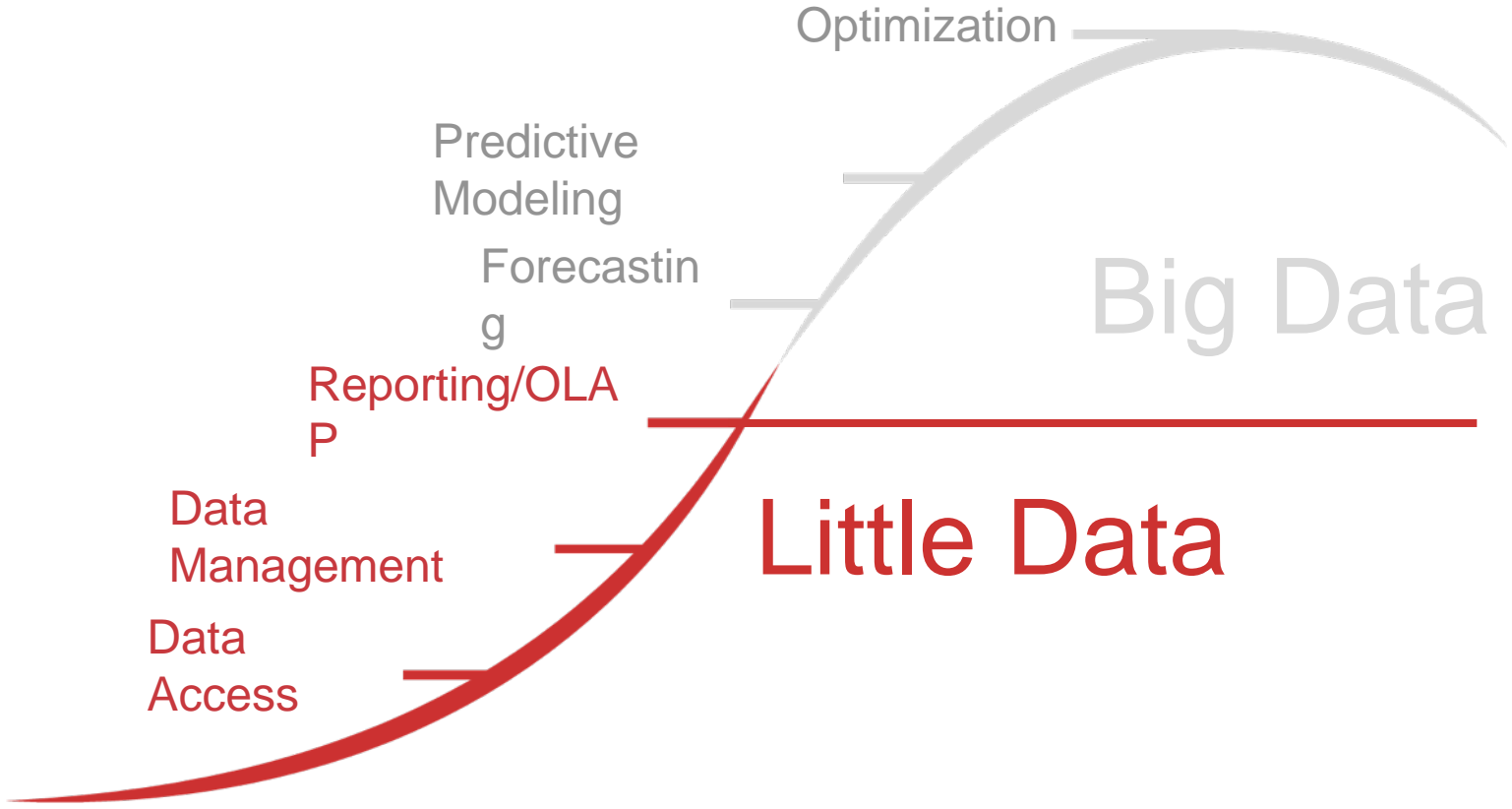


The Digital Transformation Journey





The Digital Transformation Journey





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PARTNER CONTENT ARVIND SINGH

IS BIG DATA THE NEW BLACK GOLD?



Image: verifex/Flickr

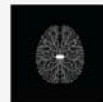
MOST POPULAR



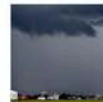
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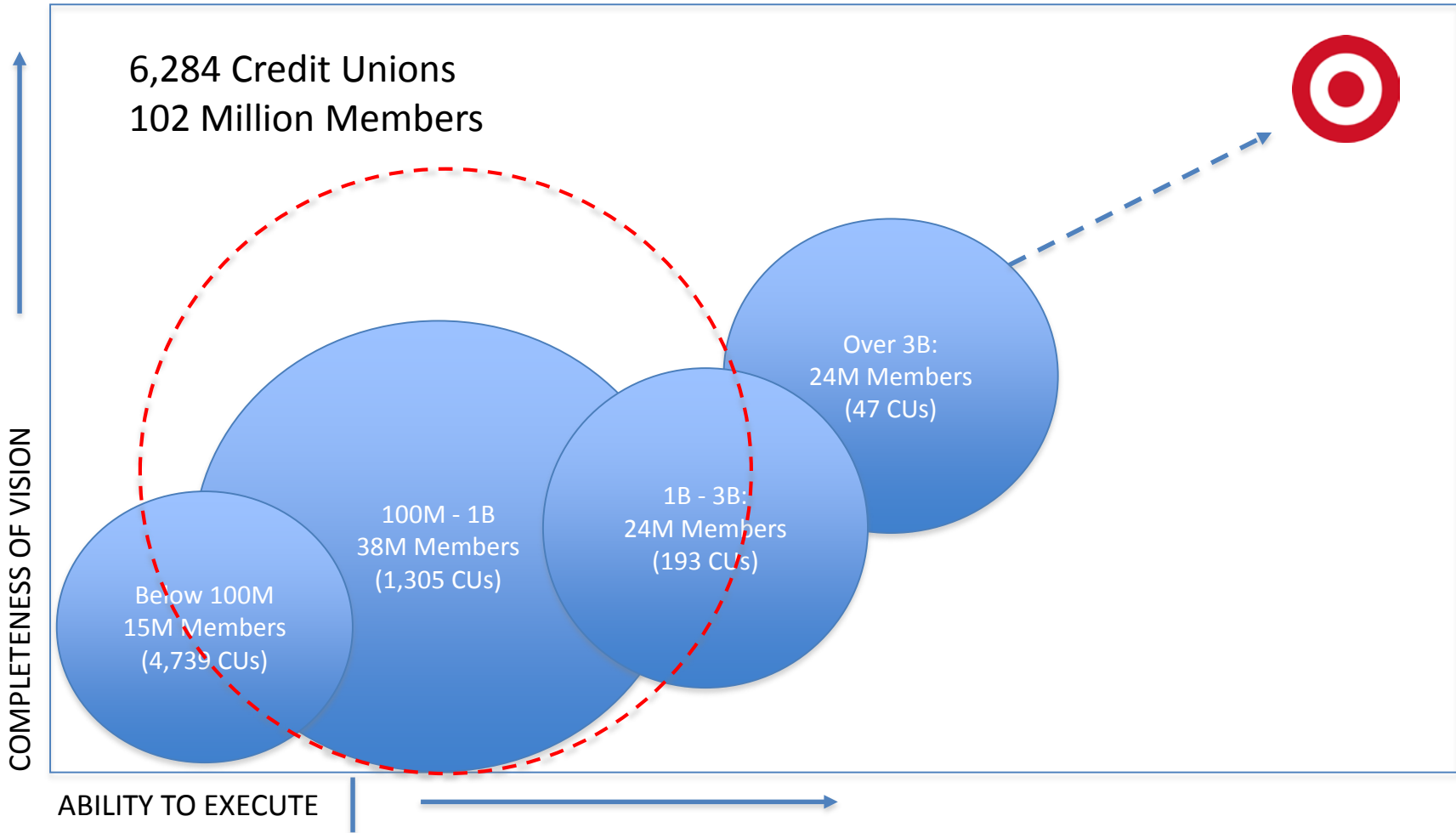


TRANSPORTATION
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AARIAN MARSHALL



MORE STORIES

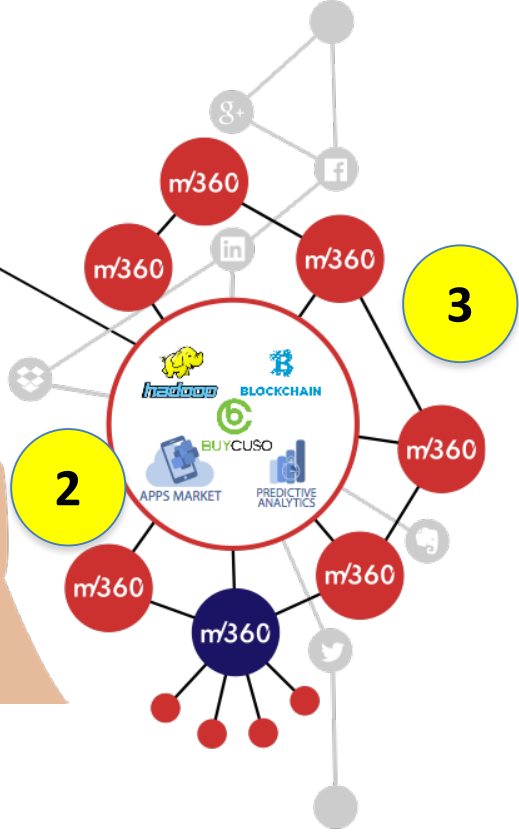
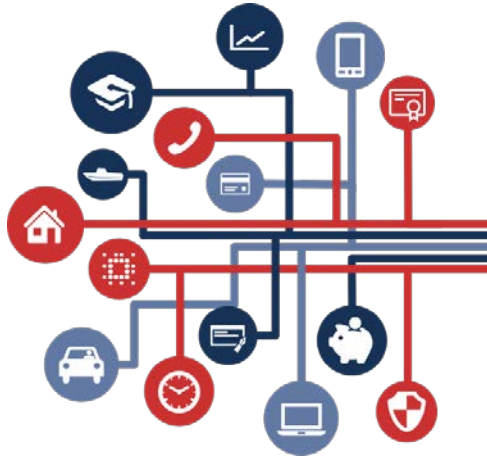




Collaborate

The image features the word "Collaborate" in a playful, rounded font. Each letter is a different color: 'C' is red, the first 'l' is light blue, the second 'l' is yellow, 'a' is blue, 'b' is light green, 'o' is red, 'r' is light blue, 'a' is yellow, 't' is light brown, and 'e' is blue. Below the letters, ten hands of different skin tones and wearing various colored sleeves (light blue, green, orange, grey, blue, yellow, white, plaid, grey) are visible, each holding up a letter. The background is plain white.

1





15%+ Growth of “VIP”
Members
Member Profitability +
Loyalty



\$8,000/Month Saved
Shared Branching
27% Increase in Net
Return on Investments
Creating Value for
Members



\$9.1 Million in Auto Loan
Recapture in 6 Months
Loan Recapture



Low Income Census

Appending
Demographic and
Product Data

Identifying High Risk
Loans

Loan Portfolio Vintage
Analysis

Re-Scoring Member
Credit Risk

Predictive Analytics on
Historical Loan Data

