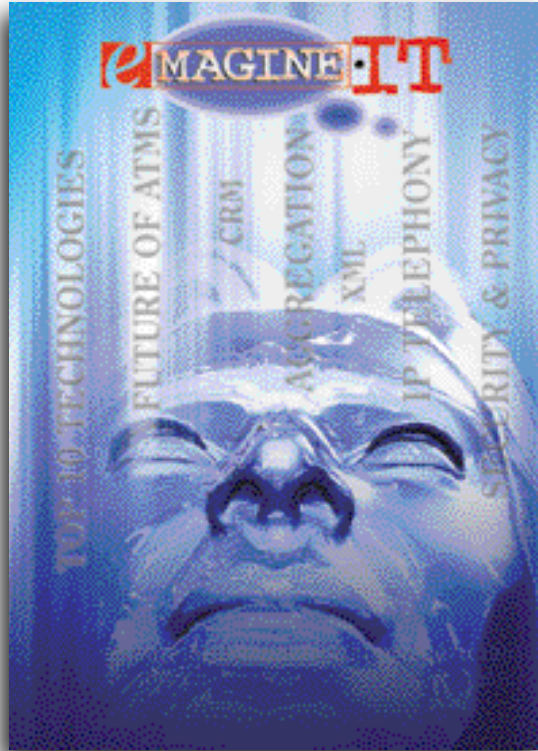


CONNECTED



AN ELECTRONIC REPORT FROM THE CUNA TECHNOLOGY COUNCIL

Sixth Annual CTC Summit Plans Moving Ahead!



Mark your calendar for the next CTC annual Summit "eMagineIT" to be held at the Wyndham Palace Resort & Spa in Lake Buena Vista, FL from August 15-18, 2001. You won't find a better technology conference agenda anywhere, not to mention the first-rate conference facilities and close proximity to the many attractions and activities for which Lake Buena Vista is famous.

Here are some of the conference sessions you will enjoy:

- Top 10 Technologies
- Account Aggregation in Credit Unions
- Home Banking/Bill Presentment Vendor Panel Discussion
- The Changing Role of Call Centers
- Security and Privacy Issues
- Mini workshop on a variety of "E" topics from E-Lending to E-Marketing presented by credit union experts from around the country.

These are just a few of the many great sessions available to you at the upcoming conference. Watch your mail and consult our Web Site www.cunatechnologycouncil.org for more information on registration.

Why not plan ahead and make this a wonderful family vacation as well? ♦

CTC Announces Best Practices Program

Beginning this year, the CUNA Technology Council has developed Best Practices 2001—an opportunity to recognize our members for their hard work and innovation.

Technology Council members are invited to submit their Best Practices entry to this first-ever recognition program. In 3-5 pages (double-spaced), you will describe the challenges you faced and the solutions you developed to achieve success. There are 5 categories. Each scenario will be judged on the strategy, process, application

and results achieved. One first-place recipient will be selected from each of the five categories listed below and presented with an award.

Entries will be judged by a panel of technology-minded CEOs and IT professionals from across the country. Winning entries will be shared with conference attendees and awards presented during the Technology Summit membership lunch on Thursday, August 16, 2001 in Lake Buena Vista, FL.

Call
For
Entries!

Visit our web site, www.cunatechnology-council.org for all of the details. You will find the Best Practice information under the conference icon. Remember, the deadline for submitting entries is June 1, 2001.

Here are the categories:

Delivery Systems: What has your credit union done to change member behavior to use automated or on-line services rather than costly staff-assisted transactions? Or, what improvements in technology has your credit union made to increase convenience to your members?

New Technology Implementation: What new technology (outsourced or in-house) has been implemented that has resulted in reduced costs and/or added efficiencies? Describe how you figured the return on this technology investment.

IT Strategic Planning: Share why your technique for IT Strategic Planning is successful. Who is involved and what is the process? How does your IT Strategic Plan relate to the organizational Strategic Plan?

Web Strategies: Explain how your credit union has made its Web Site function more efficiently for its members. What sets your Web Site apart? Is it a "full-service" site for your members, how so? What technologies are used to make a member's visit to your site efficient from a business point of view?

Entry Criteria:

- You must be a current member of the CUNA Technology Council
- Project(s) must have occurred prior to May 2, 2001

- Entry(s) must be received no later than June 1, 2001
 - Entrant must be in attendance at the Sixth Annual CUNA Technology Council Summit, August 15-18, 2001.
 - First place recipients in each category will receive recognition and a Best Practices Award at the Summit.
 - If applicable, the entrant may submit an entry in more than one category; however, the entrant must complete the appropriate entry forms for each category.
 - One entry form each category will be selected to receive a Best Practices award; recipients will be selected without regard to credit union asset size and will be notified by June 30, 2001.
 - Limit your entry to 3-5 pages double-spaced. Indicate the category for which you are entering.
 - Explain in detail a specific project/activity that provided extraordinary results for your credit union. List the specific goals and the results of the project.
 - List 3 specific examples of how this practice contributed to the success of your credit union
 - Provide any additional relevant information to support your entry
 - There is no entry fee.
 - You may obtain the entry forms and rules at our Web Site www.cunatechnologycouncil.org
- In 2002 we will incorporate the Best Practices program into an educational session at the annual conference. Winners will share their best practices with attendees of the conference. ♦

Top Ten Technologies

What are credit unions' Top 10 Technologies? Opinions differ, but Rae Miles, CUNA's former vice president of business development has an inside track on trends based on her work with many of the nation's largest credit unions. Here we reprint excerpts from Rae's Top 10 Technologies (2000) article that appeared in the July issue of *Credit Union Magazine*.

Database Tools for Mass Customization

Mass customization of information, products, and services is becoming the new value proposition of the millennium. Better tools are becoming available for extracting and analyzing member information from stored data. Personalization tools enable credit unions to set database parameters to send a customized marketing message to each member or membership segment. Anticipating member needs also means having the infrastructure in place to be responsive to their inquiries.

The Internet

The Internet is forcing everyone to re-evaluate traditional business models. Now that everyone's online, where do we go from here? The Internet is becoming more about activity and relationships and less about access and eyeballs. The battle for competitive advantage will center on whom you reach, the richness or value of the information you provide, and how you go about making that affiliation into something more than a contact with a financial

institution. One strategy that will take place in financial services over the next five years is the shift from individual product sales to configuring customized solutions based on a unique mix of products and services. The Internet shifts the focus of the buying process from the seller to the buyer. Because member relationship management depends on enterprise-wide collaborations, the most important investment organizations will need to make is the re-engineering of functions, processes, roles, and responsibilities to facilitate coordination.

Wireless Internet/Broadband Access

Wireless will be to this decade what data networking was to the 1990s. Add to this emerging standards and broadband access and you have a recipe for rapid growth. Consumers won't be conducting financial planning on their cell phones anytime soon, but they will be transferring funds, checking balances, and pulling up stock trades. If you're getting tired of hearing "e" everything; just wait. Soon you'll hear m-business, m-services, m-mail, m-wallet—mobile everything.

Internet Appliances

Computers are built into everything—soon it will be possible to connect everything to everything. We're beginning to see and entirely new industry focused on linking things to the Internet. The significance of this trend to the financial services industry is that it will help new entrants establish themselves as infomediaries, and these entities will offer financial services.

Aggregators and Intelligent Searches

During the past year we've seen portals positioned as an integral component of a financial institution's Web strategy. Now we're seeing the emergence of aggregators, processors, and gateway hubs. Aggregators and intelligent searches are combined in this section because we're not far off from seeing aggregators become intelligent search agents for their users. Two business models are emerging for aggregators. The first are sites for comparing specific products and services, such as Quickenmortgage for mortgages and Insweb for insurance services. The second model facilitates the consolidation of specific information, such as a person's financial affairs. With competition putting the squeeze on margins, credit unions increasingly will have to reach beyond their walls to obtain the best

products and services from strategic partners.

Kid Power

Young children account for a large percentage of online purchases. Children are learning about commerce and technology early on and are using it to their advantage. They realize there's no such thing as a standard product and face-to-face interaction isn't necessary to build trust. Credit unions already serve a community of users. How can credit unions further this notion of using communities to further strengthen the trust they have with their members? Learn members' interests. Traditional segmentation may not be as relevant as it used to be.

Middleware

The often-touted open finance model means you bring anything your member needs from wherever. Standards and technology are emerging to help facilitate this, but are you ready for it? It means partnering with organizations you never dreamed of doing business with. It means selling products and services you never imagined. Once you've adopted the open finance model, how do you make it work? Building interfaces the old way won't work anymore. Credit unions will need to deploy several techniques to open their legacy systems to e-business.

Standards

Standards are emerging as rapidly as technology. Emerging standards will affect the sharing of financial data among organizations. As it relates to business applications, we're likely to see standards focused on bill presentation, electronic checks, and digital currency. Watch for XML. XML is significant because it's a driver of wireless transcoding technology and it promises to provide a more secure and less cumbersome means of sharing data between organizations.

Online Security and Privacy

Credit unions need to evaluate and redirect their security initiatives. Virtual private networks provide speed and an added level of security. Privacy concerns are rising. It will become even more difficult for credit unions to safeguard member privacy as they pursue some of the exciting innovations in technology.

Smart Cards

Don't count them out. Recent developments could spark some movement. First, Visa announced it will replace 22 million credit and debit cards in Canada with chip cards over the next four years. Second, smart cards are helping to address security and privacy issues, sparking growth in industries such as trans-

portation and health care. Third, after many failures, there's a resurgence of digital currency. And fourth, the costs associated with issuing smart cards have fallen dramatically during the past year. ♦

What Your Council Is Working On

These are some of the projects we are working on this year. Often, your assistance is required to make these projects happen. If you would like to volunteer for any committee or help with a certain project, please contact Mike Pytlik at mikep@commfamily.org

Projects for 2001

- Initiate association with The Tower Group
- Work with CUNA to update Top 10 Technologies
- Initiate a presence at the BAI conference
- Formalize a CTC Best Practices program

- Develop and complete 2001 White Paper series
- Establish presence at local/regional events such as league meetings, etc.
- Finish the CTC Web site with threaded discussion, education corner, etc.
- Establish presence on technology standards projects
- Membership development/growth
- Formalize volunteer recognition program
- Complete 2001 Conference ♦



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CUNA Technology Council Connected is a web-based newsletter published four times per year. Send news and CTC information to: Mike Pytlik, manager of technology, Communications Family CU, Saginaw, MI, e-mail: mikep@commfamily.org, phone: 517-249-8221, fax: 517-791-0281. For Council membership and administrative information, contact Cheryl Sorenson, manager - council administration, e-mail: csorenson@cuna.com, phone: 800-356-9655, ext. 4393, fax: 608-231-4061.



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