

# CONNECTED



AN ELECTRONIC REPORT FROM THE CUNA TECHNOLOGY COUNCIL

## Have you defined your ATM strategy?

At the CTC Summit in August, Alan D. Falconer, Sr. Vice President, Paragon Data Services, a management consulting firm, outlined several issues that will affect how ATMs are used in the future.

The first area deals with the Americans with Disabilities Act (ADA). Several rules are currently being reviewed that require ATMs to have audio features to help the visually impaired receive services. Some of the issues that arise from this are retrofitting ATMs, volume levels, and privacy. Even highly directional speakers can be heard from others in the immediate vicinity. Consequently, how can privacy be guarded? Do you provide privacy kiosks? Does your strategy indicate how your credit union will address this?

Another area is in the expanding capabilities of the actual ATM itself. ATMs are rapidly becoming much more than the cash dispenser and deposit taker they have been. They are able to cash checks, take loan applications, provide internet access, dispense coupons and tickets, perform target marketing, and provide a myriad of other services to the credit union's members. How does your ATM strategy account for these advanced features?



More changes are also coming from MasterCard and Visa. They are requiring the use of new encryption standards. New machines will be mandated in 2002 and all machines will be replaced by 2005. How will this affect your deployment strategies? Which machines will need to be replaced and should they be replaced? What other items like this are in the pipeline?

Finally, has your business model changed? Are ATMs now considered more than a point of service? Are they a revenue source? If this change has happened, the CU needs to look at where their ATMs are located, the features installed, as well as the related fees. A surcharging ATM in the wrong location can have a significant impact in the revenue it produces. A strategy outlining the goals and objectives for ATM service can provide valuable information to the staff when dealing with member issues. In addition, it can provide sound criteria for what you are doing with the ATMs.

These are just a few of the points covered by Mr. Falconer that credit unions supporting an ATM network need to be prepared to address. So if you support an ATM network and have not developed or updated your ATM plan to cover these items, now is probably a good time. ♦

## e-Magine IT: CUNA Technology Council's Sixth Annual Technology Summit

*By Jim Morrell*

*VP, Information Systems, Clark County School Employees Credit Union, Vancouver, WA  
Vice Chair, CUNA Technology Council*

The Sixth Annual CUNA Technology Council Summit was held in August 15-18 at the Wyndham Palace Resort and Spa. Approximately 145 credit union technology professionals came to the Magic Kingdom to



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e-Magine IT and network.

The Summit began on Wednesday with a pre-conference workshop, "eSignatures and the PKI Resurrection." Wayne Varga, Vice-President, ARCANVS in Salt Lake City, Utah, explained the important of public key infrastructures (PKI) and why their failure has had more to do with business practices than the technology itself. He explained the role public key cryptography can play in the future if implemented correctly and the options that are available.

Opening the year's conference was a keynote address by the Disney Institute that compared Disney's approach to quality service and how we can "bump the lamp" in the service that we provide at our respective credit unions. Bumping the lamp refers to doing the little things that make a noticeable difference.

Breakout sessions at this year's conference included, "The Top 10 Technologies," "The Future of ATMs," "IP Telephony and Convergence," and "Account Aggregation." During the "Peer-to-Peer Interactives," CU practitioners explained how they have approached topics such as "CRM-Business Intelligence," "The Changing Role of Call Centers," "Happy Marriages Between IT and Marketing," and "The Alphabet Soup of XML" at their credit unions.

The "Top 10 Technologies" breakout session was one of the highlights of this year's conference. Mark Seivewright, President/CEO of the TowerGroup, shared what they viewed as the up and coming technologies. At the top of the list were the "Magnificent 7" technologies:

- Multi-Channel Delivery Distribution
- Multi-Media Call Centers
- Customer Relationship Management
- E-mail Goes Mainstream
- Account Aggregation
- Electronic Bill Payment/Presentation
- Mobile Wireless

The remaining three technologies he mentioned, but suggested were not quite ready for

mass distribution, were biometrics, electronic and digital signatures, and voice recognition technology.

Also present for a panel discussion were executives from Digital Insight, Online Resources, ViFi and Corillian, discussing the future of home banking and bill payment and presentment. Ray Crosier, President/COO, Online Resources Corporation, explained the biggest challenge to the future of electronic services is related to human behavior. His belief is that it will take a "focus on the high touch with high-quality customer care" to facilitate credit unions becoming trusted financial information brokers. To accomplish this, Peter Barnard, VP Business Development, ViFi, encouraged attendees to think of e-commerce as cutting across the entire organization. He recommended pulling together managers across the organization to explain the benefits and application of these services to our most valuable members.

At this year's conference, the CTC also awarded its first Best Practices award to Peggy Mowry, VP Information Systems, Chaco Credit Union, Hamilton, Ohio. She received the award for implementing thin client technology at her credit union (For more information please see the Conference Section of [www.cunatechnologycouncil.org](http://www.cunatechnologycouncil.org)).

The Dan Riley Scholarship recipient was Brad Kane, VP Information Systems, Wauna Federal Credit Union, Clastkanie, Oregon. Wauna Credit Union is a \$70.5 million credit union with 18,762 members and 36 full-time staff. The scholarship, named after Mr. Dan Riley who passed away at the first annual CTC Summit, provides funds each year for travel and conference registration.

Next year's summit will be held August 7-10, 2002, in Seattle, Washington. Additional information about next year's conference and the CUNA Technology Council can be found at [www.cunatechnologycouncil.org](http://www.cunatechnologycouncil.org). ♦

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## CTC to Select Best of Show for CUs at BAI Retail Delivery Conference

Your Technology Council will be more visible in representing the credit union movement at this year's Bank Administration Institute (BAI) Retail Delivery Conference. The BAI RDS, as it is referred to, is arguably the premier financial services conference in the country. It is being held the week of December 10, 2001, in



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Anaheim, CA. The conference generally attracts several thousand financial service attendees. It sports an exhibit hall featuring virtually all major and not-so-major industry vendors promoting just about any technology product or service imaginable, and some one might not even be able to imagine.

The RDS is of interest to more and more credit unions, with several hundred CU attendees at last year's conference. CUNA and BAI have a working arrangement whereby CUNA is able to offer extremely good prices for the conference. In addition, there is generally a CUNA-sponsored reception so that the credit union attendees have a networking opportunity. The CTC believes that, in order to take a more active role and to give even more value from this wonderful conference to credit unions, a "best of show" award would be in order. This is a win-win situation, in that a vendor with a valuable technology and/or service for credit unions will be rewarded, and credit unions will be made aware of this vendor.

During the conference, approximately eight CTC attendees will visit each vendor in the exhibit hall and analyze their product or service according to the following criteria:

- The product must be one that would benefit credit unions and/or their members generally (i.e., have a significant and

immediate general interest).

- The product and the company should demonstrate (if possible) a commitment to open standards and maybe open source.
- The company must be interested in the credit union market. Knowledge of our industry and particular problems we face would be a plus.
- The price point for the product must be at a level that credit unions of \$50M and above could tolerate. Willingness to establish special pricing for credit unions would be a plus.
- The product is currently in use and not just "vaporware."
- There should be some indication that the company is stable.

These criteria will, of course, be refined, prioritized, and a point structure assigned. It is hoped that the award may be presented in the exhibit hall a day prior to the end of the show so that the vendor can display the award prominently. Your Executive Committee will then make the results of the award process available to members and the press.

*For more information, please contact Dan Kinne at [dak@silverstatecu.com](mailto:dak@silverstatecu.com), (702) 697-8077. See you in Anaheim. ♦*

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## From Buzzword to the Bottom Line: How Business Intelligence Builds a Better Credit Union

Quick!!!!

What was the total dollar amount and number of foreign transactions processed through the new ATMs we installed 3 months ago? How does that compare to our existing machines?

Which members joined our credit union through our indirect lending program 6 months ago? What types of accounts do they have now?

Are we getting the desired results from that new member service training program we implemented last week?

Which of our SEGs provides the most value to our credit union across product mix and transaction channel use?

Our share growth is up this year. What impacts will this have on our balance sheet if it keeps up for the rest of the year?

To address our key organizational priority of determining member needs, we need timely

answers to questions like these. We can query our MCIF system for some things, but the data isn't current enough. We can query our host system, but writing custom reports from our host system will take too long. Neither option puts data in a usable format. Our managers and VPs have ideas for delivering on this priority and don't need to spend time preparing data for analysis. We need current data now to determine if our ideas are valid. We need to manage our data as well as we do any other asset on our balance sheet. What we need is better Business Intelligence.

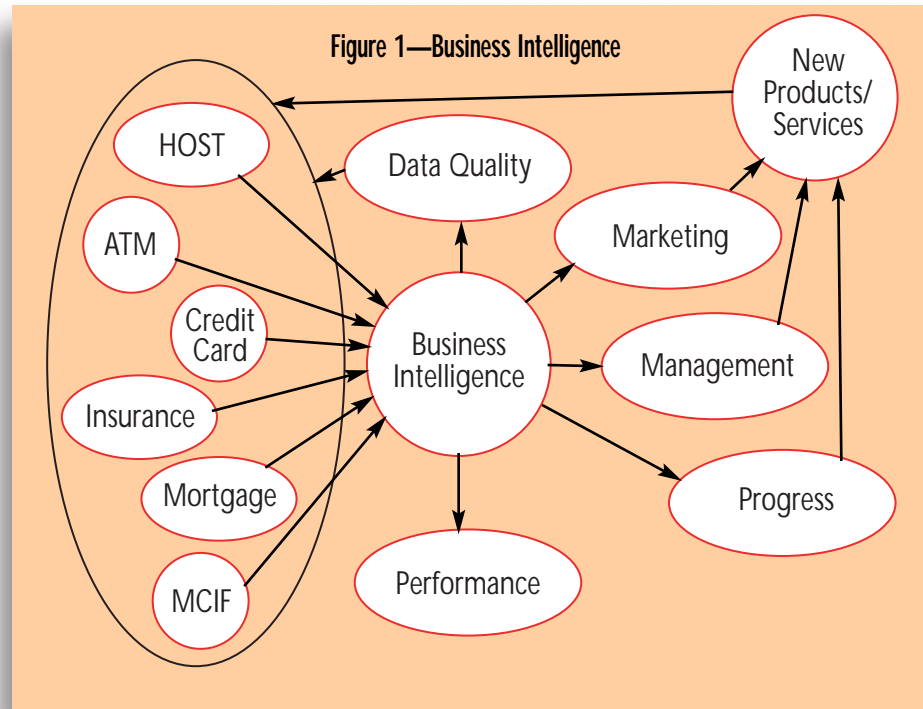
Business Intelligence! What is that? This popular buzzword has been used to describe a range of entirely different products and solutions. Business Intelligence is not an MCIF replacement or electronic copies of existing green bar reports. Business Intelligence is a decision support system delivered through a wide selection of specific reports accessing a

centralized database of member information. Figure 1 illustrates how Business Intelligence allows you to measure across five aspects of credit union business:

- Marketing: What are we providing to whom?

1. What did we learn?
2. What action did we take?
3. What difference did it make?

These steps can be applied to the most important thing to your credit union: your membership.



- Management: How can we improve operations?
- Performance: What have we done?
- Data Quality: Is the information entered accurate?
- Progress: How are we doing?

Fortunately, we have recently implemented a software product that does just this. It unlocks crucial information from our host systems and offers it in an easily analyzable online form. Previously unknown information is now at an individual's fingertips. Online modifiable formats allow people to examine the data from all angles. People can make quicker, more informed decisions, and can measure the effectiveness of their actions by looking at customized key performance indicators derived from the daily transaction volume, the number of new members, or the daily balance sheet.

But driving Business Intelligence to the bottom line requires more than a technology solution. The system is only the enabler to a process that can be thought of in these three steps:

Once the tool is in the hands of your decision-makers, the possibilities are endless....

By focusing on how members interact with your credit union by transaction channel and product mix, credit unions will be able to anticipate what the members need before they even realize it! Is there any better example of customer service? Your credit union may be offering a fantastic new service that your members may know nothing about. Business Intelligence will allow you to realize that no one is using this great new service, and you can take action: now — without wasting a lot of valuable time and money guessing at success rates and waiting for supporting information.

Credit unions are uniquely positioned to take advantage of Business Intelligence. Working with a quality vendor, most credit unions can have a Business Intelligence solution up and running in 6 to 9 months. Information then begins to flow freely between lending, marketing, finance and branch services. Branch managers and lending supervisors can become entrepreneurs.

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They can examine operations, streamline processes and measure results in days instead of months. Your credit union becomes an organization constantly thinking of a better way to do things because they have the information to act on their ideas. You can identify potential for new products and services. By

having better information expenses can be reduced by targeting products and services. This will free capital to take action on this new potential. Member retention and satisfaction is up and so is your bottom line.

The bottom line on Business Intelligence? It beats Business As Usual. ♦

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## NOTES FROM THE CHAIR

*By Mike Pytlik  
Vice President, Technology, Communications  
Family Credit Union, Saginaw, MI  
Chair, CUNA Technology Council*

### **CTC Summit Success Story**

Our recent annual conference held in Orlando in August proved to be one filled with outstanding educational sessions and future opportunities. Please see the article containing the conference review in this newsletter. While the idea is fresh, please plan on joining us in Seattle in 2002. This reminder is relevant now due to budget planning that takes place typically this time of the year. I would like to thank the 2001 Conference Committee for making Orlando one of our very best efforts to date.

### **BITS and Regulatory Input**

An exciting opportunity has now moved into a call for action from the CUNA Technology Council. The national BITS organization is calling for direct input from the council. BITS is a large group made up of organizations and financial institutions from around the country. The object of the BITS project is to set standards and criteria for a variety of topics ranging from Internet service providers to e-commerce initiatives.

Specifically, the CTC will be involved in four of the many initiatives that BITS is working on: IT service providers, fraud, privacy and e-signatures. CUNA itself has a seat on the BITS panel and CUNA is looking to the CTC to provide action and input on these topics. More initiatives will be made available to us in the near future. The list of participants in the BITS project is long and auspicious. The fact that CUNA has turned to the CTC for input on these projects means that your council has moved into a more mature role by helping set standards for the financial industry. Our newest Executive Committee member, Tom Kroen (First Tech CU, Oregon), will lead the

subcommittee. The CTC would like to thank Jeff Bloch, from CUNA's Washington, DC, office, and Peggy Lipps, a member of the BITS project, to speaking to us in Orlando about these opportunities.

CTC members can get involved in this and other projects, specifically regulatory concerns. When we are asked to provide comment on regulatory issues from CUNA's Washington, DC, office we will then, in turn, ask CTC members for their comments. Our members have already provided some input on very short notice by answering calls for comment back in July and August. I urge you to make your voice heard by responding to these comment calls as they are requested. In July we were under very short time constraints and several CTC members rose to the challenge. In the future, we expect to have a longer lead-time in which to gather your comments.

These are two very exciting initiatives, and we are proud to be involved with them. While we share information with each other about day-to-day problems and challenges within the council, we are also providing valuable information on a national level. This is one of the goals we set almost two years ago. I am pleased to see it come to fruition.

### **Best Practices Program Off and Running**

This is our inaugural year of offering the Best Practices program and the award for New Technology Implementation was awarded to Peggy Mowry, VP of Information Services at Chaco Credit Union, Hamilton, Ohio. Peggy's implementation of thin client technology was recognized in this category.

Next year we will open the competition in four areas: Delivery Systems, New Technology Implementation, IT Strategic Planning, and Web Strategies. To maximize the benefits of peer-to-peer networking we will create a breakout session for the annual conference and have our award winners discuss their projects. As you develop your projects for the upcoming year please consider entering in this competition next year.

## Web Site Update

More and more member benefits and services are being delivered through the CTC Web site ([www.cunatechnologycouncil.org](http://www.cunatechnologycouncil.org)). Please take a moment to visit the site and update your contact information in our online member directory. We have just added a section on the Listserv page where you can submit documents you'd like to share (see the article below, "Sharing Documents on the Listserv"). We are encouraged at the depth and variety of postings on the listserv, and we encourage you to participate.

## Membership Focus

We will be focusing on membership renewals and new members in the upcoming year. As always, your membership is vital to our success, so please be sure to renew soon as you receive your reminder notice. We have a lot to offer in the way of professional development and information. Please be sure to mention to your credit union peers about the benefits of belonging to the CTC.

We are already starting to plan for next year and the Seattle conference. We recently sent you an e-mail about the topics you would like to see addressed at the next conference. As always, your input is vital. ♦

## Sharing Documents on the Listserv

As you have discussions on the Tech Council listserv, often there will be times when you would like to share a document with another council member. Or perhaps you'd like someone to share a document with you.

Rather than sending lots of requests back and forth over the listserv, or e-mailing numerous individuals privately, here are ways to accomplish this quickly and easily.

### Don't Send Attachments to the Listserv

To prevent the unnecessary spread of viruses, the listserv cannot accept attachments of any kind. If you send a message with an attachment to the listserv, it will be rejected.

### Use the Attachment Archive on the Web

The Attachment Archive is located on the Listserv page of the Tech Council web site ([www.cunatechnologycouncil.org](http://www.cunatechnologycouncil.org)). Here you can post your shared files and view those that others have shared. To submit a file to the archive:

- Create a new e-mail message, addressed to [ctcattachments@cuna.com](mailto:ctcattachments@cuna.com).
- In your message, indicate the category into which your document

should be archived: Best Practices, Compliance and Regulatory, Compensation, e-Services, Organizational Structure, Policies and Procedures, Security, Systems/Network Management, Technology Planning, Telecommuting, or Other.

- Attach the file you want to share. Be sure it is in MS-Office, PDF, or TXT format.
- Send the message. Attachments will be virus-scanned, converted, and posted to the archive usually within one business day.
- Send a new e-mail message to the listserv indicating that your document has been submitted.

### Or Simply Cut and Paste

If you have a document that many people have expressed interest in, often it's faster to just cut and paste the contents of that document into the body of an e-mail, and post that to the listserv. Then, those who are interested can save your message; those who are not can simply disregard it.

If you cut and paste text, remember to avoid using a lot of formatting or sending HTML messages. Some e-mail programs cannot interpret this, and those recipients will see a lot of code around the text.



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