



WHITEPAPER

5 Things Credit Unions Are Doing To Transform Digitally



TABLE OF CONTENTS

Executive Summary.....3

Introduction.....4

1 Member Engagement.....5

2 Workplace.....6

3 Operations.....8

4 Products.....10

5 Compliance.....11

Summary.....12

About Imaginet.....13

Executive Summary

Credit unions exist to serve their members, so as consumers' needs and preferences evolve based on the technologies they use every day, so must the credit union adapt its offerings to meet these evolving expectations.

Technology allows credit unions to better utilize an already stretched workforce to be more active and effective in working with its members, while embracing new opportunities for the workforce to work from anywhere.

Too often, different applications and tools available to credit unions do not integrate with legacy technologies or on-premises architectures. Proper data protection is another major source of concern.

Credit unions begin and end with compliance requirements. The surface compliance requirements can hinder the progress of a credit union seeking to evolve its business, however technology can in fact address compliance roadblocks.

So what role do credit unions have to play in this digital game?

To remain competitive, relevant and to avoid disruption, credit unions are exploring new ways of leveraging technology to achieve more with less.

Modern productivity and customer engagement tools, and omni-channel tracking are only a few of the ways that credit unions are going digital to better serve their members.

Introduction

The term “digital transformation” is nebulous and daunting to most organizations, despite its rampant use in virtually every medium that focuses on technology or IT. At its core, the term digital transformation is used to describe business transformation that takes advantage of digital, and exponential technologies to provide new forms of value and efficiencies that can only be achieved digitally. Digital transformation can impact every aspect of an organization - from its IT systems, to its processes and its people.

Credit unions, however, run their businesses as “not-for-profit” - by the people, for the people - serving their members at their core. With this in mind, however, how can credit unions embrace digital transformation in a way that benefits its members? More importantly, how can credit unions remain competitive and relevant as consumer expectations evolve?

There are 5 areas in which credit unions can transform that will lead to exponential results; the transformation of member engagement, the workplace, operations, products, and compliance.

Credit unions can incrementally work to transform each of these areas digitally and over time as they adapt to changing economies and consumer behaviours.

1- Member Engagement

Credit unions exist to serve their members. Members, however, are also customers and continue to have evolving expectations in terms of engagement and value.

Today, members expect to have similar experiences with their credit union as they do with their insurers, retailers, service providers, and online tools. New technologies enable ways to personalize engagement and ways that members can engage in services.

Modern credit unions accept the fact that its members want to engage with them in various ways, and sometimes all at once. For example, some members want to engage credit unions in traditional brick and mortar offices, but more want to communicate through online web chats, through an app on their mobile phone, by telephone or through other online services.

This type of customer engagement is called omni-channel engagement, and must be as diverse as its members are. Instead of forcing members to engage in ways that are easiest for the credit unions, credit unions are engaging their members where they are, and exactly when needed to maximize convenience.

To understand how to engage members through each channel, credit unions are continually evaluating the journey they wish to take customers on. They are also examining the various ways its members want to engage throughout the lifetime of their membership and find ways to enhance those touch points with convenience and value, all while taking into account new opportunities that new technologies provide.

“Any faceless company with a mobile app can have customers.

Companies that have a difference have members.

Serving members well is what ultimately helps Credit Unions grow.”

Frank J. Diekmann
Cooperator in Chief
CUToday

For example, modern credit unions provide chatbots to members online to help answer inquiries about their accounts or transactions. Others provide members the ability to easily create a highly personal video calls to a customer support representative and other “at your fingertip” ways of engagement through their mobile devices.

It is difficult to know how much to invest into different engagement channels. What technology provides, however, are ways to provide digital value across multiple channels and measure impact and engagement. This allows credit unions to invest incrementally and rapidly. By using data gathered from measuring customer engagement and behavior, they fine tune further digital transformation investments.

Gone are the days of large IT investments fraught with risk and low adoption. Today's modern credit union invests minimally to reduce risk, and iterates on value quickly based on learning instead of hope.

2 - Workplace

At the heart of any credit union is its employees. The efficiency and effectiveness of this workforce directly corresponds to organizational costs, and ultimately to the value that credit unions provide their members.

Just like most industries, credit unions are being asked to “do more with less” and must begin to think differently about the nature of work. Many are referring to this revolution in work as “Work 2.0” or “The Future of Work”, but regardless of how it's being referred to, this new way of working is a deep reflection of the fact that we need to enable and amplify human productivity through technology. This includes amplifying the physical workplace in a healthy, sustainable way that considers employee happiness.

The modern workplace is changing rapidly, being greatly influenced by technology such as mobile and cloud. However, more importantly, technology is changing our new understanding of how to enable higher degrees of productivity and engagement in the workplace.

Central to this workplace shift is the realization that credit unions need to ensure that they enable people to work from wherever they are. They must embrace the fact that different types of work can be performed in different places. The modern workplace is truly a blend of a set of physical workplaces, enabled through a common digital workplace. It is common for the modern worker to perform types of works from home, while in transit on their mobile device, in a collaborative group setting, in public areas such as coffee shops and malls, in isolation, or in more formal settings such as conference rooms and meeting spaces.

Modern credit unions enable all modalities of work through the use of a digital workplace platform and allow for a secure, seamless transition between each modality.

The Way People Work Best

Not all people work in the same way. Some like to work in an open floor plan, some need less distractions. Some thrive in group settings, while others do their best work individually.

Credit unions are slowly embracing this need for variation by providing a digital environment that allows employees the ability to transition work, and be productive from wherever they need to be. Having adaptive workspaces leads to much greater productivity, and to greater health and wellbeing for employees (which dramatically cuts down sick days and increases retention, not to mention a positive and thriving work environment.)

From a productivity perspective, context is everything. It has been shown that switching between work contexts greatly diminishes individual and group productivity. As credit unions embrace changes in where and how they work, they are also providing the digital platform that allows them to transition between environments and work modes, without rapid context switching. Modern collaborative platforms and tools, such as Microsoft Teams (which is part of the Microsoft Office 365 platform), is designed specifically for the modern worker.

Microsoft Teams naturally organizes communication, documents (via tight integration with Microsoft SharePoint), and tools within that same context. All people, information, documents, tools, and processes are naturally grouped together, maximizing productivity and minimizing the waste usually seen with email driven collaborative environments.

Perhaps the greatest way to motivate teams to achieve their maximum potential is to create a sense of autonomy. Strong, empowered, self-managing teams are critical to credit unions that are providing the most value to its members. To support workplace autonomy for individuals and teams, modern digital tools are being leveraged to promote this style of collaboration and engagement, tools such as Microsoft Teams and Microsoft Planner.

Microsoft Teams provides a work context for teams and individuals to work from. Microsoft Planner, which also ships as part of Office 365, fits perfectly into each team's context to help them self-organize and report upon their work.

3 - Operations

Taking an existing paper based form and digitizing it was extremely common in the early stages of digital transformation for credit unions. This method, however, rarely produced any positive results from the investment. What is important is to use digital transformation as an opportunity to completely rethink a process. Instead of automating a once analog process of paper and workflow, credit unions are stepping back and rethinking the operational process with a new set of digital tools and landscapes to get the exponential value that digital solutions provide.

Of course, there is a complete spectrum of digitization available to credit unions; from completely redesigned digitally enabled business processes, to digital aids that can help automate existing processes. Microsoft Flow is a platform that helps credit unions augment existing processes through quick to implement automations. Within a few minutes, credit unions create manager approval requests for vacation leave, send customized automated responses to new members once entered into the CRM, or automatically start a support case after a member tweet. Tools such as Microsoft Flow can be used to radically streamline existing processes and effectively, make a huge difference in operating costs and efficiencies.

Just like digitizing customer engagement, digitizing operations provides an opportunity to make changes rapidly and incrementally, and use captured data to help focus and steer future investment. Digitally enabled processes and operations make measurement and tracking natural. Modern credit unions easily obtain a 360-degree view of their operations and processes. This opens the opportunity to view and use operational dashboards with real-time insight into operations to aid in decision support, and future operational digitization.

Perhaps the most important aspect of digital transformation, as it relates to operations in a credit union, is to make transformation a habit. Modern credit unions continually focus on operational improvements realized by evolving digital technologies.

The digital landscape is changing rapidly, especially with organizations that are committed to continually providing value to their customers such as what Microsoft now offers through the Office 365 product.

Microsoft continually enhances products and adds new tools that can be used to continually solve challenges, and allows credit unions to safely and incrementally transform operationally.



4 - Products

Today's financial institutions are adopting products that are greatly enhanced with digital tools. For the most part, these digital abilities have been greatly commoditized making it relatively easy for credit unions to compete.

For example, most financial institutions leverage mobile technology to provide their products conveniently and in a way that provides value to customers. These institutions leverage mobile apps that allow their customers to do things like deposit checks, transfer money, view banking transactions, set up budgets and alerts, or even pay for merchandise right through their smartphone or smart-watch.

How a credit union augments their existing products digitally is largely influenced by the journey they wish to take their members on. Modern credit unions are continually rethinking their customer journey as new technologies present themselves, and so they can adapt to the needs of members.

Just like operations, credit unions should turn product evolution into a habit rather than an exception. Digitization of products also provides credit unions with the ability to easily experiment with, and measure, the impact of new products and services. This allows credit unions to safely, effectively, and continually transform the value they provide to members.

5 - Compliance

When it comes to any form of business transformation, compliance requirements are typically the most important and unmovable constraint credit unions need to deal with. Credit unions need to begin and end with compliance requirements when considering digital transformation in any form, and this process typically begins with the underlying digital platform.

All Microsoft products meet the compliance requirements of the financial sector. Even as regulations change, Microsoft is the first to react and demonstrate how its platform complies within the financial industry.

When it comes to compliance, however, it turns out that digital transformation can actually make compliance easier for credit unions. Credit unions with antiquated systems find it more difficult to be compliant in many situations, especially when it comes to reporting and auditing. Digital platforms lend themselves well to these requirements.

Security is a large part of any credit union's compliance requirements. Maintaining an effective security strategy is part process and part technology. From a security perspective, risk increases as systems age or are poorly maintained. For this reason, many credit unions are turning to cloud based platforms that are always up to date. Microsoft, for example, provides advanced protection services called Office 365 Advanced Threat Protection (ATP). ATP is a cloud-based email filtering service that helps protect credit unions against unknown malware and viruses. It provides a robust zero-day protection, and includes features to safeguard credit unions from harmful links in real-time. ATP is always up to date and has rich reporting and URL trace capabilities that provide administrators insight into the kind of attacks happening in the organization.

Compliance must be addressed everywhere that members and employees interact with the credit union. Unifying the employee productivity platform with one that supports a modern workforce is an important first step to prevent situations such as shadow IT (where employees use online platforms to do their jobs that are not in the control of the credit union.)

It is common for credit unions to reduce risk by engaging with platform specialists that know how to extend technology platforms to both employees and members while still remaining compliant.

Summary

Credit unions that embrace constant change and make incremental and measured investments in digital transformation will be able to keep up with member expectations. They enable their workforce with exponentially powered tooling and work environments.

At the center of digital transformation for credit unions is human engagement; for both employees and members. Credit unions that adapt to changing working conditions as well as evolving expectations from members use incremental and measured digital approaches.

Digitally transforming operations and products will also give credit unions an edge with regards to compliance and tracking, as long as they engage with a technology partner who can help ensure their security and compliance requirements are continually met, as both technology and engagement evolve.

Finally, credit unions can make transition and enhancement a habit by always exploring new ways to leverage exponential technology, to achieve more with less, to remain competitive, relevant and to avoid disruption.

About Imaginet

Imaginet is your trusted technology partner and Microsoft Gold Partner. We offer end to end technology consulting services. From ideation to implementation to maintenance, we deliver innovation to our clients across a variety of industry verticals and geographies.

With 20+ years of experience, 1200+ satisfied customers and 2500+ successful engagements under our belt, Imaginet has a proven history of helping customers nationally, and globally to maximize value from their Microsoft investments and navigate the complexities of digital transformation.

How can Imaginet help credit unions transform digitally?

Schedule your Free Discovery Consultation TODAY!

The **Free Discovery Consultation** is tailored to address your business challenges and priorities, and to offer recommendations that will maximize value for your credit union. Ask us about our assessment and quickstart services to help you go digital.

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Contact us at info@imaginet.com
or call one of our offices across North America.

Imaginet Canada
1-204-989-6022

Imaginet US
1-972-607-4830

Imaginet Southwest
1-480-935-6992



1-800-989-6022
info@imaginet.com
www.imaginet.com