

When innovating, focus on the member

User-centered design can allow credit unions to serve more members.

As a board member, it's critical to have a strong understanding of innovation strategy and the role it plays while identifying, building, and creating dynamic solutions.

Consider three lessons our team learned while building a digital lending platform for the industry's most important stakeholders: credit union members.

1. Members deserve user-centered design

Our vision was to leverage digital technology to enable an unrivaled lender and borrower experience. We wanted lending teams and credit union members to feel credit union values like transparency, inclusion, and social responsibility without sacrificing an ounce of the personalized and intuitive experiences they could get from digital leaders in the space.

Our goal was to build a platform nimble enough to change with the times. Agility is key to our work. We had to create something that could easily evolve alongside technology and user preferences.

We settled on the principles of user-centered design (UCD), which is an iterative process during which builders focus on user needs in every phase of design. The idea is to address the whole user experience by having a strong grip on context.

We worked hand-in-hand with some of the industry's most progressive credit union chief lending officers and their borrowers. With their continual feedback, we built, beta-tested, and piloted our way

through multiple versions—and a pandemic—to bring our solution to market.

DIRECTOR TIP: When advising your credit union's various innovation teams, ask questions about the member personas most likely to use the new product or service. Have those personas been identified, and has the team considered how members will use the product and under what conditions? Ask them if they have uncovered pain points in the experiences members had the past. Suggest building in a user feedback loop so trends and shifts in user expectations become a natural part of the iterative process.

“Even with **BIG BRAINS** on a team, the real magic happens when developers stop to **LISTEN AND EMPATHIZE** with the member.”

Micheal HERMAN

Even with big brains on a team, the real magic happens when developers stop to listen and empathize with the member.

2. Digital and data are two sides of the same coin

As we created the platform, we found ourselves calling on the data scientists and business intelligence experts within CUNA Mutual Group.

To ensure our product delivered the high-touch, high-tech experience credit union lenders and borrowers deserve, we had to build analytics ignition into the experience. Data and digital are inextricably linked. To truly innovate in today's digital landscape, you must have your data house in order.

QUICK TAKE for your next board meeting

Financial health in America

The percentage of Americans considered financially healthy has increased from 28% in 2018 to 33% in 2020, according to the U.S. Financial Health Pulse Survey. But two-thirds of Americans continue to struggle financially.



42 million people
Struggling with all or nearly all aspects of financial lives



125 million people
Struggling with some aspects of financial lives



84 million people
Spending, saving, and borrowing in a way that allows them to be resilient and pursue opportunities

Source: U.S. Financial Health Pulse Survey

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The credit union partners building the lending platform alongside us experienced much of the same in other areas of their organizations. Regardless of the digital technology or solution they were hoping to implement, they found themselves hitting data governance and data engineering walls. That was when we had one of our brightest light bulb moments: To win with modern members, credit unions need consultation and solutions that are unified across data and digital.

DIRECTOR TIP: Consider establishing a data governance committee with a charter to put policies in place around data integrity, protection, availability, and use. Recruiting new board members with information technology or analytics experience may help get such an initiative off the ground and keep it moving forward in lockstep with market realities.

3. Credit unions need unified services

The longer our digital and analytics teams worked together, the clearer it became that our collaboration was exactly what credit unions needed from a digital transformation partner. With stronger bonds between digital and data, we could more fully live

out our purpose to help credit unions unlock their digital potential.

Now, under the singular umbrella of AdvantEdge Digital, we can take a strategy-first approach to guiding credit unions through the various guideposts along their digital transformation journeys.

DIRECTOR TIP: Investigate training or workshop options available to credit unions. Jumpstart a culture of analytics through cross-functional use of data and digital tools and methodologies.

As you research and guide the leaders of your credit union, consider injecting the principles of user-centered design into the conversation. Encourage them to think with a data-first mindset so digital integration is a much easier lift and support them in choosing credit union-centered partners who bring the same mindset to the table.

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Think of your legacy to credit union movement

CUNA Board Chairman Brad Green says credit unions need to consider four areas of focus.

Newly elected CUNA Board Chairman Brad Green began his tenure with a challenging question: what legacy will you leave for the credit union movement? Green, president/CEO of \$1 billion Listerhill Credit Union, Muscle Shoals, Ala., says the CUNA/league system is as strong as it is today because of the engagement of member credit unions.

Green offers four areas for credit union leaders to consider, starting with engaging in credit union advocacy.

He "cringes" when he hears CUNA or leagues referred to as "they or it" because "CUNA and leagues are as strong as they are because of the dues and engagement of our member credit unions."

"We must move beyond dues paid and lean in and engage collectively to see change and results that we desire or expect," he says. "CUNA and leagues are what we make them."

He also calls on credit unions to continue their legacy of being disruptive financial services provid-

ers that meet the needs of consumers.

"Reimagine financial services in innovative ways that enhance the financial well-being of our members. Our impact isn't in our asset growth, but in the growth and strength of our members' assets," Green says. "We should be purposefully finding ways to disrupt the frustrations of the mundane, traditional financial service providers of today."

He named members as a third area of focus.

"Members should grow financially stronger as a result of their relationship with the credit union. They should find themselves better prepared for their financial future. They should be encouraged in thrift and provided access to more affordable credit," he says. "They should have budgets that allow them to live healthy financial lives within their means. They should be able to save enough money to prepare and protect against life's financial contingencies. Are we managing member relationships and helping them to help themselves financially?"

Lastly, he calls on credit union leaders to be resilient, to lean into difficult situations, and to "engage rather than disengage."

"Our impact isn't in our asset growth, but in the growth and strength of our members' assets."

Brad Green



Tactical, straightforward tools for credit union *board members*

Credit unions are different, and board members are an integral part of creating that difference. While you're focused on improving your credit union, it's our mission to support you in broadening your industry knowledge and gaining a foothold in credit union advocacy.

Focus areas for board members:



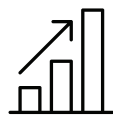
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CUNA CREDIT UNION BOARD OF DIRECTORS COMMUNITY

“The community discussions and shared files are a wonderful way to share wisdom and ideas across the industry. The community helps build remote but authentic relationships and serves as a jumping off point providing both expertise on-demand and knowledge archiving.”

- Ed Lis, vice president of
finance & compliance,
First Choice Financial FCU

Looking for a way to connect with your fellow board and committee members virtually? Join the CUNA Credit Union Board of Directors Community, an online platform for you to connect with your peers to solve problems and build knowledge to help you in your role.

What is it?

- // Online platform to connect you with your peers nationwide
- // Ask and answer questions that come up at board meetings
- // Participate in discussions on topics that matter to you
- // A space to access files for on-the-go resources

How do I contribute?

- // Start a conversation by posting a message or question on the discussion board
- // Share files that may be a helpful tool for others

Who to contact for help?

- // Reach out to hello@cuna.coop to help you get started

Get started at community.cuna.org

Strive for financial well-being for all

Effort will require an 'all-in' approach to adopt the mindset.

Financial well-being for all is how the credit union difference becomes tangible for members.

According to the Financial Health Network, 167 million people in America are struggling financially. Credit unions are positioned to address this challenge due to their core mission, affordable products, and member-centric service model.

The CUNA Board approved a Unity Statement on the credit union movement's commitment to advancing financial well-being for all. The statement defines financial well-being as, "the state of a person's financial situation, their degree of control, and how they feel about their money."

"When you think about financial well-being, I want to challenge the movement to go even deeper," CUNA President/CEO Jim Nussle said at the 2021 CUNA Governmental Affairs Conference. "I want to challenge you to look at your credit union bylaws, your business development plan, and your advocacy agenda, and make sure that advancing financial well-being for all is informing everything you do."

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To foster change, financial well-being for all has to involve everyone at the credit union.

Gigi Hyland

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The movement-wide effort will require equal parts empathy and strategy, says Gigi Hyland, executive director of the National Credit Union Foundation.

"It has to be up and down the spine of the credit union," Hyland says. "It's the board members, it's the CEO, and it's everybody in between. To foster change, finan-

cial well-being for all has to involve everyone at the credit union."

Hyland offers three ways to adopt a financial well-being for all mindset:

1. Know your people. "It's difficult to respond to a need unless you know the need," Hyland says. Many credit unions have measured member or employee financial well-being. The Foundation has a robust suite of resources to help credit unions measure financial well-being.

"Knowing where your people are is the starting point," Hyland says.

Credit unions should "double down" on empathy and walk in the shoes of their members and employees to better understand what's driving their financial needs and challenges.

2. Build your strategy. Review your credit union's mission and vision statements to determine if financial well-being is referenced or included. "If not, what would it take to incorporate financial well-being for all in your mission statement or as a key pillar of your strategy?" Hyland says.

Determine how to report and track improvement in members' financial lives. Team meetings and executive leadership should reflect this strategy, she says.

3. Take action. Determine how many of your products and services truly advance members' financial well-being.

Review your website with a critical eye. "If you think you are all about improving financial well-being for all but your website says nothing about those efforts and members don't make that connection, you might need to make some changes," she says.

To provide financial well-being for all, credit unions need to adopt these strategies, says Nussle.

"By taking our stories to the next level, by turning them into undeniable portraits of what the credit union is capable of, that's how we start to turn our hard work into impactful policies that will help credit unions make real progress toward achieving financial well-being for all," Nussle says.

Resources



▶ **CUNA board and committee solutions:**
cuna.org/board



▶ **Financial Well-Being For All:**
cuna.org/credit-unions-improve-financial-well-being/



▶ **CUNA Credit Union Board Accelerator Virtual Conference, April 6-8:**
cuna.org/bodc



▶ **CUNA Environmental Scan resources:**
cuna.org/escan

Elevate your strategic plan: 4 steps

The coronavirus pandemic provided lessons on how to approach future strategic planning.

Credit unions continue to cope with the impact of the coronavirus (COVID-19) pandemic as well as social unrest and economic uncertainty.

Amid these events, sticking to your strategic planning timetable may seem like putting too much on your plate. Yet many credit unions remain committed to their strategic planning cycles and, in the process, turn the lessons of an eventful year into a guide for their post-pandemic future.

Consider these strategic planning strategies:

1. Think 'digital first'

Many credit unions hit the "pause" button on some strategic priorities in the past year, says Jeff Rendel, president of Rising Above Enterprises. When strategic projects resumed, digital strategies often moved to the top of the list.

Strategies include providing digital tools that meet member needs as well as back-office support for operations.

Credit union strategy sessions can benefit from more scenario planning, Rendel says. For example, boards can explore what might happen if deposits rise rapidly again in 2021 due to further federal stimulus payments.

Rendel highlights lessons to consider during strategic planning sessions:

► **Credit unions can be nimble.** The pandemic proved credit unions can quickly adopt new technology and adjust operations, making tighter timetables feasible for other projects.

► **A strong capital base is the ultimate service to members.** Capital makes it possible to survive hard times, retain employees during a temporary earnings drop, and pursue new lines of business.

► **Never stop marketing.** Marketing should move beyond promotion to include ongoing communication, as well as delivering relevant financial information to members.

2. Be flexible

A "nimble" strategic plan will allow Moun-

tain America Credit Union to adapt in the coming year, says Sterling Nielsen, president/CEO of the \$11.4 billion asset credit union in Sandy, Utah. The pandemic and other events showed "credit unions can change a lot faster than they say they can," he adds.

"We often cut our abilities short as an industry," he says. "This highlighted what we can do. Credit unions can adapt rapidly and make good decisions, and the level of teamwork between credit unions can be helpful to the whole movement."

3. Adjust priorities

The Mountain America board approved overspending the budget in some areas, underspending in others, and redirecting employees as needed during the pandemic, says Scott Burt, board chair. The board also used social distancing to meet safely in person when possible and relied on videoconferencing to meet remotely when needed.

By the time strategic planning began in summer 2020, the board had a new appreciation for the need to review the disaster recovery plan annually as part of its strategy session.

"It came to the forefront that those disasters aren't going to happen 50 years or 100 years from now—they happened this year," Burt says.

4. 'Monitor and pivot'

PSECU in Harrisburg, Pa., held virtual planning sessions via Microsoft Teams so the board and executives could reexamine the five-year strategic plan, which was developed in 2019. The plan focuses on long-term investments in growth capabilities, talent optimization, and sustainable efficiency and scalability.

"We came to the conclusion that investments in future growth, talent, efficiency, and scalability were even more relevant than when we first envisioned the need for them in late 2019," says George Rudolph, president/CEO of the \$7 billion asset credit union.

PSECU also shifted from quarterly to monthly forecasting as part of an ongoing "monitor and pivot" strategy to navigate uncertainty.

CREDIT UNION DIRECTORS NEWSLETTER

(ISSN 1058-1561) is published monthly for \$150 per year by the Credit Union National Association, 5710 Mineral Point Road, Madison, WI 53705-4454. (Multiple-copy discounts available.) Also available as a downloadable PDF for an annual subscription rate of \$737. Periodical postage paid at Madison, Wis.

POSTMASTER

Send address changes to CREDIT UNION DIRECTORS NEWSLETTER, P.O. Box 461, Annapolis Junction, MD 20701-0461. Advertising is accepted only from reputable firms, but inclusion of advertising does not imply endorsement by the newsletter or CUNA Inc.

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