

## Remaining Relevant Roundtable

### How to Define Your Critical Risks and Opportunities for the Future

Anthony Demangone, NAFCU EVP/COO

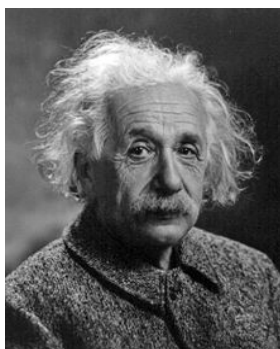
Jack Antonini, President of NACUSO

Guy Messick, General Counsel of NACUSO

## The Challenge of Remaining Relevant

- What are the problems we face?
- What are the potential solutions to the problems?
- What solutions do we choose to implement?
- What is our plan to make it happen?

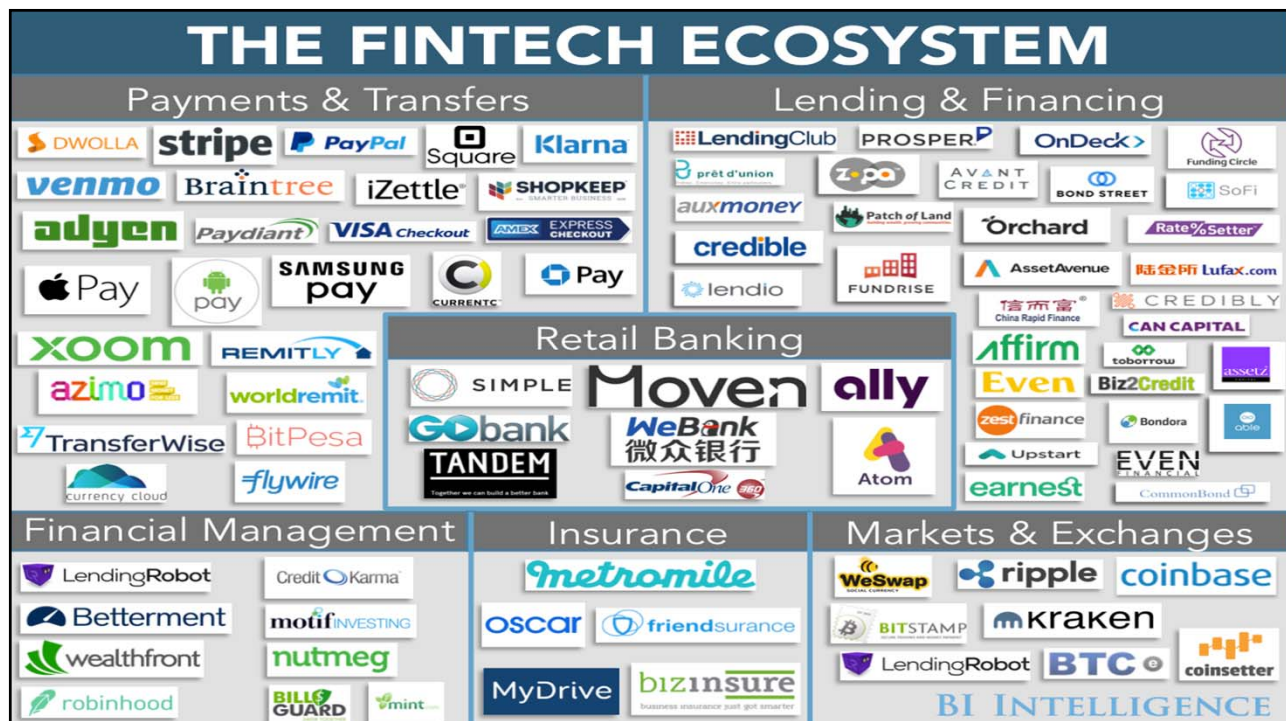
## The Problems



Problems cannot be solved  
by thinking within the  
framework in which the  
problems were created.

## The Problems

- More competitors
- Rising operating costs
- Shrinking net interest margin
- Changing lending needs
- Frictionless customer expectations – Using data and technology to provide greater convenience and significantly compress the time needed for payments, lending and financial advice



## The Coming Sea Change

- How will autonomous cars affect vehicle sales?
- What credit union services and employees will be replaced by artificial intelligence?
- How will artificial intelligence affect your members' employment?
- How will you compete against Amazon Bank, Paypal, Vemmo, Rocket Mortgage and the next big thing?

What does it mean for a service to be convenient,  
quick, secure, and competitively priced?

What will it mean in 3, 5 and 10 years?

## Frictionless Expectations

- Amazon Go Store
- Authentication by other means: Face, fingerprint, voice, geo positioning, typing patterns, challenge requests, block chain system
- Mobile lending, payments and identity authentication
- Robo-Financial Advisors

## Frictionless Expectations

- Voice initiated transactions
- One click (or word) shop-order-pay-delivery
- On-call transportation
- Timely and welcomed offers
- Financial coaching tools

## The Current Solutions

### Developing More Lending Opportunities

- Auto Loans – CU Direct
- Mortgage Loans – CUMAnet & CU Realty
- Business Loans – Michigan Business Connection
- Student Loans – CU Student Choice
- Time Share Loans – Quorum FCU

## Fee Income & Service Opportunities

- Investment Services (B/D & RIA)
- Insurance Services
  - P & C – Gateways Services Group
  - Title – Land Bound
  - Trust Services – Members Trust
- CU Certified

## Reducing Operational Costs & Increasing Expertise

- Compliance – Northwest CU Collaboration
- Collections – CU Revest
- Back Office IT Support – Open Technology Solutions
- Full Back Office Support – Shared Services Solutions & Member Support Services
- Developing Financial Services Apps - Constellation Digital Partners

## Lending Solutions

- Q-Cash
- QuarterSpot
- Lender Close
- CU Rate Reset

## Big Data Solutions

- On Approach
- Deep Future Analytics
- Member Loyalty
- AdvantEdge
- Saylent
- Tethr



## Other Solutions

- Authentication
  - CU Ledger – My CU iD
  - Daon Identity X
- Financial Coaching
  - Q-Cash
- Payments
  - Mastercard, CO-OP & PSCU all developing enhanced payments solutions
- AI
  - Payjo, Celero Solutions, CO-OP, PSCU are all developing AI systems

## CUSO Difference

- CUSO has perfect alignment with its owner/users
- CUSOs offer credit unions a seat at the table
  - Product development
  - Service levels
  - Financial impact
- Risk and reward sharing
- Partnering with non-credit unions

## Choosing and Implementing Solutions

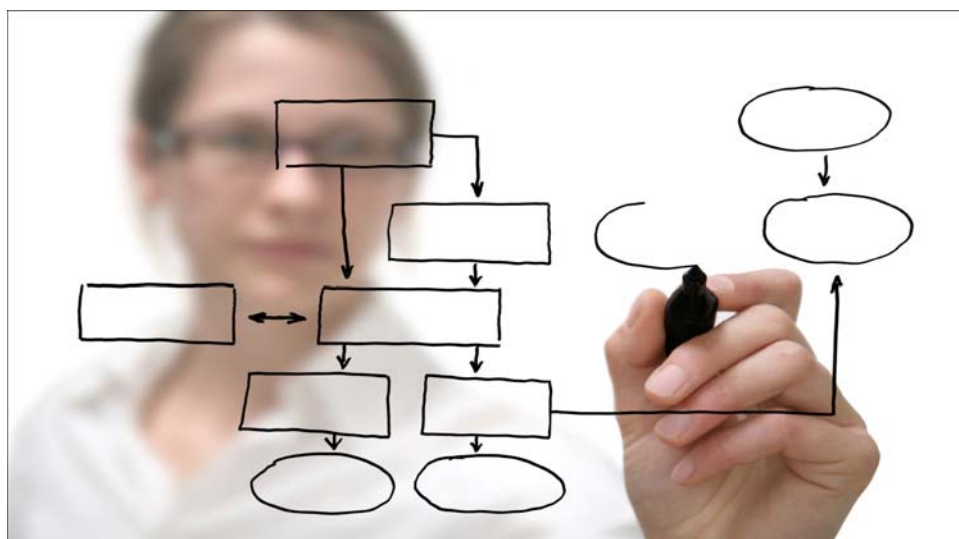
### The Process of Choosing and Implementing

- Create the vision of success
- Develop a strategy
- Explore your options
  - Buy from a third party or CUSO
  - Build solutions within the credit union
  - Build solutions collaboratively within a CUSO
- Just do it

Don't be an organization that failed to adapt to a changing world.



Resolve to Face the Challenges and Adapt



There is safety in numbers.  
Collaborate



Questions for the Distinguished Panel

