



2019 SUPPLIER MARKET SHARE GUIDE →

CREDIT UNION CORE PROCESSORS

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CREDIT UNION CORE PROCESSORS

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Dear Credit Union Executive,

Welcome to the *2019 Supplier Market Share Guide: Credit Union Core Processors*. Once again, Callahan has put together an impressive collection of resources to help you explore core processing options.

I want to take this opportunity to tell you how much our company is inspired by what you do. Callahan data tells us that in 2017, credit unions:

- Provided 6,157 SBA loans
- Returned \$6.4 billion in dividends to members
- Helped more than 123,000 homeowners stay in their homes through restructuring troubled loans

That's why we are proud to be a technology partner in the credit union movement. And while you engage with members on a caring, individual level, we're working to make an equally personal experience possible across your entire platform.

Together, we can advance the value and importance of credit union membership.

Sincerely,
Ted Bilke
President, Symitar®
Vice President, Jack Henry & Associates, Inc.®



TED BILKE





SAM TAFT,
AVP ANALYTICS & BUSINESS
DEVELOPMENT,
CALLAHAN & ASSOCIATES

A CORE RESOURCE FOR EVERY CREDIT UNION

Welcome to the *2019 Market Share Guide: Credit Union Core Processors* from Callahan & Associates. This is the only publication designed specifically to help credit unions select a core processor that best matches their institution's distinct needs.

Advances in data collection, aggregation, and analysis have spurred a flurry of activity among participants in the core processing space in recent years. Core providers are working to keep up with the breakneck pace of innovation in the broader financial technology marketplace. As financial institutions become more specialized, so do their needs for increasingly agile and adaptable core processing solutions. Selecting a core processor is a measured process that must account for the value of the service as well as the ever-changing dynamics of the credit union business model.

Callahan strives to make this core processing publication the go-to resource for credit union leaders seeking valuable analysis and actionable insights in a rapidly changing world. The credit union company gathers the data in this publication from core processor providers nationwide and then secondarily validates it as needed with the credit unions themselves.

Callahan's *Market Share Guide: Credit Union Core Processors* breaks down the market share rankings at the national level and provides information about firms' experience with the industry, typical asset size of clientele,

“AS FINANCIAL INSTITUTIONS BECOME MORE SPECIALIZED, SO DO THEIR NEEDS FOR INCREASINGLY AGILE AND ADAPTABLE CORE PROCESSING SOLUTIONS.”

and a snapshot of differentiating service offerings among other variables. With this guide in hand, credit union professionals can identify the best ally to help them guide their institution into the future.

This year's guide also features an inside look at the core selection process, as well as additional commentary from the leading core processors CUProdigy, CU*SOUTH, and Symitar. We also include insight from the Samaha & Associates consultancy.

Use the *2019 Market Share Guide: Credit Union Core Processors* to find and enlist the best core processor available — not only for technology- and security-related concerns but also for all things concerning the member experience.

As always, Callahan sends a special note of appreciation to all parties whose assistance made this publication possible, and to you, our credit union readers.

THE CORE PLAYERS IN CREDIT UNION LAND

The annual Market Share Guide: Credit Union Core Processors from Callahan & Associates offers a valuable look at who's who in the credit union software space.

BY MAYA NEUMAN

The *Supplier Market Share Guide: Credit Union Core Processors* by Callahan & Associates offers an in-depth examination of the core processor market every year.

Credit unions have many options for a core processor, and choosing the right provider is essential for the stability and security of the institution. This market share guide contains information on the leaders in the core processor space as well as information about the credit unions they serve.

The book is designed to help credit union leaders make informed decisions about core systems and IT investments. For the most effective analysis, start with the market share tables and graphs that appear on pages 29 through 42. This market data provides an overview of performance from both the provider and platform perspective. The tables also offer core rankings based on number of credit union clients, by credit union membership, and by credit union assets. Platform Profiles appear on pages 43 through 57. They provide an aggregate overview of select providers along with minimum, average, and maximum financial performance metrics for credit unions on the respective cores.

THE GIANTS

Fiserv and Symitar remain the largest core providers with a combined market share of 42.9% of the credit union market, supplying core platforms to a total of 2,406 credit unions. This combined market share increased 1 basis point from last year's 42.8%.

Although Fiserv serves 31.7% of the credit union industry on its own, Symitar serves more of the industry's largest institutions. It

has added 10 credit union clients with more than \$1 billion in assets in the past 12 months to total 131 in that asset class as of June 30, 2018. Fiserv added seven clients in the same time frame to reach 123 credit unions served in that asset class. Together, Symitar and Fiserv serve 254 of the 305 billion-dollar credit unions, or 83.3% of that market.

Symitar maintained its competitive advantage with the larger institutions; however, Fiserv takes the lead across all other asset classes in terms of total number of credit union clients served.

THE MOMENTUM LEADER

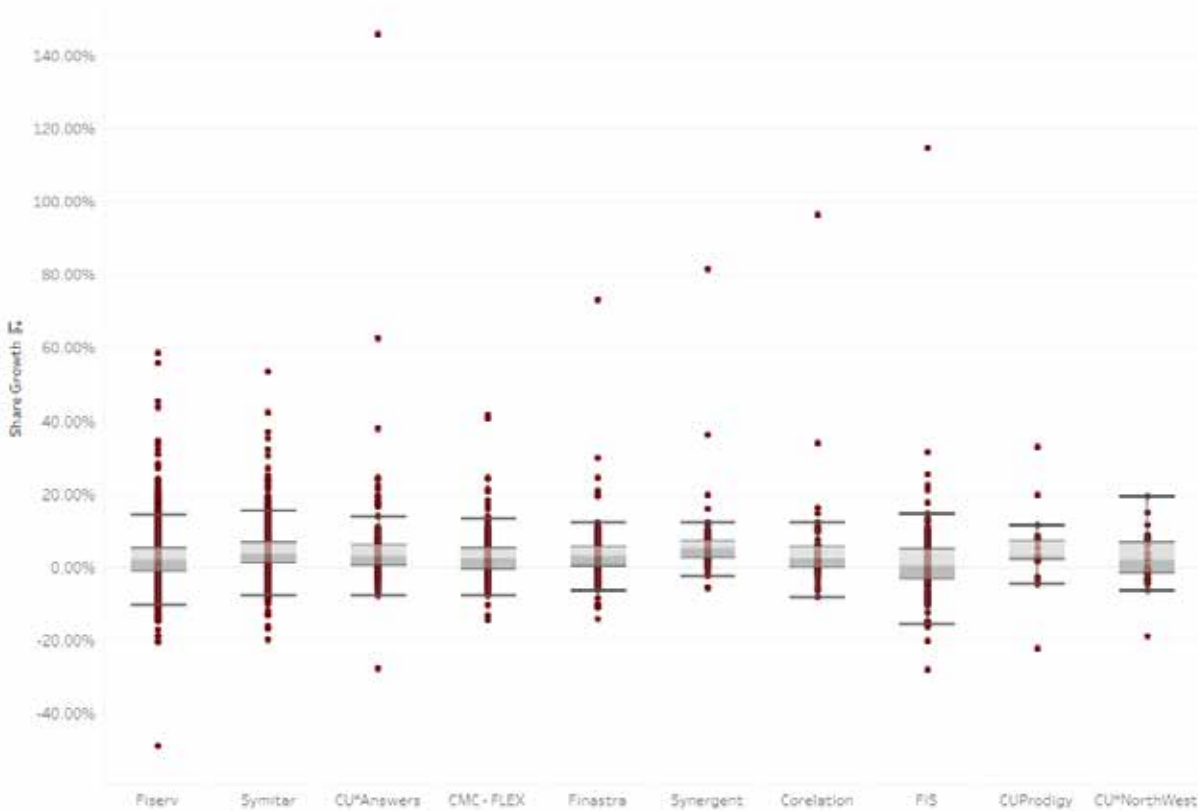
As the number of credit unions contracts each year — the number dropped 219 in the past year to 5,596 credit unions as of June 30, 2018 — the number of credit union clients per core provider likewise decreases. Whereas most core providers noted a dip in credit union clients in the past 12 months, there is a notable exception. Enhanced Software Products added eight new credit union clients, bringing its total to 46. Although Enhanced Software Products serves only 0.82% of the credit union market, its market share increased 17 basis points year-over-year, giving ESP momentum for 2019.

THE PLATFORM PLAYERS

Symitar Episys added 10 credit union clients in the past year, which bumped up its market share by 63 basis points. With a total of 655 credit union clients, Episys is the most widely used platform in the credit union industry. Three organizations offer Episys: Symitar has 500 credit unions on the platform, Member Driven Technologies has 90, and Synergent

TOP 10 CORE PROVIDERS IN AVERAGE ANNUAL SHARE GROWTH*

FINANCIAL DATA FOR U.S. CREDIT UNIONS | DATA AS OF 06.30.18
 CALLAHAN & ASSOCIATES | CREDITUNIONS.COM



*AVERAGE ANNUAL SHARE GROWTH AS LISTED IN THE PROFILE FINANCIALS SECTION.

has 65. Assets at Episys credit unions have increased 9.4% in the past year. The platform touches \$491.1 billion in total combined credit union assets.

FedComp serves the second largest number of credit unions. The core provider has 597 credit unions on its platform, 58 fewer than Episys. The aggregate assets that FedComp serves declined by \$45.3 million in the past year. The drop in assets is partially the result of FedComp’s continued focus on small credit unions.

CREDIT UNION PERFORMANCE

Share growth for the credit union industry slowed from 8.1% one year ago to 5.4% as

of the second quarter of 2018, leaving many credit unions searching for deposit growth strategies to boost liquidity.

The accompanying chart identifies the top 10 core providers according to annual share growth of client credit unions, showing the aggregate average and distribution among credit unions with a specific core processor.

This guide contains a range of data points that capture the interest of credit union leaders. There are many ways to assess the value of a core processor; this guide provides the necessary information for credit unions to make the most informed core technology decisions. 🧐

4 TIPPING POINTS FOR A CORE CONVERSION

Maintenance, integration issues, pricing, and even vendor disinterest can be cues that a new partner is in order.

BY MARC RAPPORT

Converting a core processor can be a silver bullet for credit union success, but knowing when to pull the trigger can be a moving target.

Tipping points that say now's the time to switch include concerns about platforms being in maintenance mode or even sunsetted, vendor support and pricing, and the ability to scale with a growing credit union both in terms of basic functionality and new offerings.

Core providers, consultants, and credit union leaders say there are multiple reasons to make that big decision, but it basically comes down to strategy.

"In the broadest of terms, we needed a modern architecture to improve daily system availability, reduce exposure to prolonged downtime in the event of outages, and provide an environment for improved interfaces with other systems, both current and those to come in the future as our business strategies evolve," says Rick Long, vice president of technology and information services at Pennsylvania State Employees Credit Union (\$5.3B, Harrisburg, PA).

A complete member view, reduced need for internal IT support and staff training, and integration between core banking and document management functions also were priorities for 450,000-member PSECU, which completed a two-year conversion process when it went live on the Corelation KeyStone system this past September.

For 20,000-member Co-op Credit Union (\$331.2M, Black River Falls, WI), the limitations of its legacy system had become stark.

"We weren't able to offer online account opening," says Kris Goetzka, vice president of operations at the Wisconsin credit union, which switched to the Symitar Episys system in June 2017. "We had been on the same system for more than 20 years, and more and more processes were requiring manual intervention and workarounds. The system was built for smaller credit unions, and we realized we had outgrown it."

Ryon Packer sees that in his work as senior vice president of marketing and strategy for Fiserv Credit Union Solutions.



"A lot of credit unions are seeing such substantial growth that they can't execute their operating strategy on their current cores."

Ryon Packer, SVP of Marketing & Strategy, Fiserv Credit Union Solutions

"It's like when the family grows and you have to go from that two-seat sports car to a van," he says. "A lot of credit unions are seeing such substantial growth that they can't execute their operating strategy on their current cores."

Packer says market and technology changes alike are motivating his client credit unions to make changes, especially in the hot spots of commercial offerings, business intelligence, and digital relationships.

Arriving at the decision to convert should come after much self-examination about service strategy and internal capabilities, and one seasoned specialist in serving small credit unions says such thorough self-reflection might reveal the pieces are there to execute a plan after all.



"Sometimes your current core is exactly what you need, but you need to see it perform to its maximum capability."

Anna Duff,
President/COO, FedComp

"A conversion is not as simple as painting your car a new color, it's an entirely new vehicle," says Anna Duff, president and chief operating officer of FedComp,

the longtime provider of core processing to hundreds of credit unions, most with less than \$20 million in assets. “If you would like to see certain efficiencies and products within your current core — ask your core provider. Sometimes your current core is exactly what you need, but you need to see it perform to its maximum capability.”

Bryan De Lilla also advises credit unions to first take a look at their functional and business requirements and complete a workflow analysis that matches operational procedures against the tools in place.

“The magic bullet is not always technology,” says the senior vice president and partner at ICI Consulting, specialists in core processor selection and contracts. “Examine your processes first and then map them to the new and better technology, if you will. Over many years of working with credit unions we’ve found that exercise to be helpful.”

Dozens of times a year, credit unions decide a conversion is worth it, once they decide how much they can no longer take.

“Candidly, there has to be a pretty fair amount of pain,” says Symitar president Ted Bilke. “Conversions are tough. They’re tough on the staff. They’re tough on the members. No one really wants to go through it unless they have to, and they don’t until they see there’s just no other path.”



“No one really wants to go through [a conversion] unless they have to, and they don’t until they see there’s just no other path.”

— Ted Bilke, President, Symitar

Here are some of those tipping points.

NO. 1. SUNSETTING AND MAINTENANCE MODE

“If a vendor announces or even hints that a product is being sunsetted, that should scare the daylights out of existing users,” Di Lilla says. “Although that does occur sometimes among ancillaries like lending platforms, we’ve never seen a vendor just walk away from a core platform. They want to keep you in the family.”

Whereas sunsetting is rare, what ICI calls “maintenance mode” is another issue. That happens when a core processing platform is no longer the subject of significant investment and development by the company.



“If you feel like you’re being comprised in account management, support, or capabilities, maybe it is time to convert.”

— Bryan De Lilla, Senior Vice President, ICI Consulting

That can be a problem for credit unions that want a lot of new products and services, but it might not be for those that are content with the status quo.

“If the support is OK and your needs are basic, some of these maintenance-mode core platforms might not be a good idea to convert from if they work for you,” De Lilla says. “But if it’s a painful relationship, if you feel like you’re being comprised in account management, support, or capabilities, maybe it is time to convert.”

NO. 2. FUNCTIONALITY AND INTEGRATION

Integrating ancillary software into the existing core has been a major pain point since the birth of digital banking. Partner that with the imperative to keep a legacy system up to speed on transactional and other data processing in the face of membership growth and cyber threats, and there can be some real enterprise pain.

Tim Maron, director of business development at Corelation, offers four red flags: Not being able to integrate with today’s new fintech vendors, slow and old technology, layers upon layers of tech patches that slow down the system, and constant, expensive fixes to old cores.

“When too much human action is required to complete simple tasks, or a core’s limitations block the ability of the credit union to serve members effectively and within their own institution’s policies, it’s time to go to a new platform,” Maron says.





“When a core’s limitations block the ability of the credit union to serve members effectively and within their own institution’s policies, it’s time to go to a new platform.”

— Tim Maron, Director of Business Development, Corelation

That was the case at Illinois Educators Credit Union (\$58.2M, Springfield, IL), where president and CEO Jody Dabrowski and her team came to the realization that their outdated core was a disadvantage in their market. The credit union went live on Fiserv Portico in February 2018, and it’s now able to more easily integrate credit and debit card and online banking functions.

“It allows us to serve our members a lot better and a lot more,” Dabrowski says. “We’re all in now.”

Bilke at Symitar says he hears that a lot.

“Prospects typically tell me that XYZ community bank or credit union down the street can get these new products and features to market very quickly, and that they feel constrained by their vendor.”

With 30 to 50 integration points needed to accommodate all that today’s credit unions typically want to offer, the lack of adequate APIs and other connective virtual tissues can indeed be enough to make a credit union look seriously at moving on from its current core.

NO. 3. SUPPORT INSIDE AND OUT

Internal support can be a pain point. It’s growing harder for credit unions running older legacy systems built on code and software languages that are no longer widely taught to find that good help.

“It’s just easier to hire kids out college who can run relational databases,” says De Lilla at ICI Consulting.



“We were growing more concerned about how much resources were really going to the platform we were on.”

— Michael George, SVP/Chief Marketing, Innovation, and Advocacy Officer, Kern Schools FCU

That’s just part of the reason credit unions changing cores tend to pick those kinds of platforms, along with choosing to run them remotely. De Lilla says the past eight years his firm has worked with only one institution converting from outsourcing to in-house core processing, and it was a large bank.

As far as external support, a lack of responsiveness from the provider of the core it had been on for more than a decade was part of the reason Kern Schools Federal Credit Union (\$1.6B, Bakersfield, CA) switched platforms, going live on Symitar Episys in April 2018.

“We were growing more concerned about how much resources were really going to the platform we were on, which wasn’t the one the company was really pushing, and we weren’t able to get a lot of information,” says Michael George, the credit union’s senior vice president and chief marketing, innovation, and advocacy officer.

Bilke at Symitar acknowledges that credit unions are at the mercy of the core vendor when it comes to enabling a third-party service.

“It can be very slow,” he says. “That’s typically when credit unions start talking to us and other major providers out there.”

NO. 4. YOU BETTER SHOP AROUND

Price is another reason to convert.

“Some credit unions feel they’re paying too much for core and ancillary systems and want to perform a very healthy, necessary exercise,” De Lilla says. “That is to shop around.”

The ICI Consulting partner compares it to shopping for a car or for home insurance.

“Think about how often you might not take the time to think about what you’re getting, how much you’re paying, what comparable pricing would be from similar services,” he says.

Kern Schools didn’t fall into that trap.

“Our contract was coming up, the pricing was high, and we knew we had to change things,” says SVP George. “The timing just seemed right.” 🙄

5 WAYS TO ACHIEVE CORE CONVERSION HAPPINESS

Credit unions share how they realized process improvements and encouraged culture changes through core conversions.

BY MARC RAPPORT

There are few situations more fraught with peril or packed with possibilities for credit unions than a core conversion.

The data processing system is the hub of the wheel that makes the modern financial cooperative go 'round, and the conversion process can be bumpy. Then, when it's over, credit unions must figure out how to harvest the potential of their new system.

But credit unions don't have to go it alone. Vendors provide guidance during and after the conversion process, and consultants weigh in with expert opinion. Plus, credit unions themselves are happy to share best practices emerging from their own experience. Here are five.

NO. 1. LAY THE GROUNDWORK AND COMMUNICATE OFTEN

Some best practices have become basic principles. For example, the CEO, senior management, and the board must buy into the conversion from the get-go if the project is to be more than just an IT venture. Another best practice is to take ownership.

"I suggest electing a point person to manage the project and let the vendor know the credit union, not the core banking vendor, will manage the project," says Rick Long, vice president of information technology services at Pennsylvania State Employees Credit Union (\$4.2B, Harrisburg, PA). "After all, the credit union has to live with the system when the vendor completes the conversion."

According to Long, PSECU recognized early on that its conversion to the Corelation KeyStone platform in September 2018 would touch every operational area. So, the credit union clarified lines.

"We brought in an outside consultant who helped sort through turf issues that came up to keep the project on track," says the 35-year IT veteran at PSECU.

In June 2017, Co-op Credit Union (\$325.7M, Black River Falls, WI) went live on the Symitar

Episys platform hosted through the Member Driven Technologies CUSO. According to Kris Goetzka, the credit union's vice president of operations, every department had input into the selection process.

The credit union created teams for each area of responsibility to spread around work and pressure. It also offered additional training for subject matter experts.

Like other successful credit union conversions, Co-op relied on weekly meetings to identify and address issues, including those that came up on the demo system in place at Co-op months before the conversion became real.

"Start the conversation early," Goetzka advises. Jody Dabrowski also stresses keeping all stakeholders informed before, during, and after a core conversion. She's the CEO of Illinois Educators Credit Union (\$58.2M, Springfield, IL), which converted to the Fiserv Portico platform in February 2018.

Illinois Educators sent its 7,200 members a two-page flyer detailing the timelines and expected benefits. PSECU, meanwhile, is providing post-conversion updates to its board for six months.

Langley Federal Credit Union (\$2.6B, Newport News, VA) went live on the Symitar Episys platform in April 2018. The process involved more than 20,000 man-hours and lots of back and forth communications.

"Understand the member and staff impact of a core change and communicate as often as possible to both," says Deb Vollmer, senior vice president and chief experience officer at the credit union.

BEST PRACTICE

Update stakeholders before, during, and after a core conversion. Co-op addressed issues during weekly meetings. Illinois Educators sent its members a two-page flyer with dates and benefits. PSECU is updating its board for six months post-conversion.





Jody Dabrowski
President/CEO
Illinois Educators
Credit Union



Michael George
Senior Vice President/Chief Marketing,
Innovation & Advocacy Officer
Kern Schools FCU



Kris Goetzka
Vice President of Operations
Co-op Credit Union



Rick Long
Vice President of Information
Technology Services
PSECU



Deb Vollmer
Senior Vice President/Chief
Experience Officer
Langley FCU

NO. 2. DECIDE: IN OR OUT?

One of the first decisions a credit union must make is whether to run the system in-house or remotely. The latter is increasingly the popular option for credit unions of all sizes.

“At our size, we can’t afford an IT staff that can support that,” says Dabrowski at Illinois Educators, which is running Portico in a service bureau environment.

Premier America Credit Union (\$2.5B, Chatsworth, CA) has resources and experience but also decided to go the remote route as it prepares to convert to the Symitar Episys platform next year.

“It’s no longer a competitive advantage to run it in-house,” says president and CEO Rudy Pereira. “Not doing that will allow us to redeploy resources to other much-needed value-building opportunities.”

Whether a credit union opts for an in-house or remote system, it must be ready to conduct practice runs during the conversion.

“Test, test, test,” says Michael George, chief marketing, innovation, and advocacy officer at Kern Schools Federal Credit Union (\$1.6B, Bakersfield, CA), a new user of the Symitar Episys platform as of April 2018. “If it says test three times, test four. Get the naysayers involved. Have them try to break the systems. Learn from them.”

BEST PRACTICE

Test the system. Kern Schools FCU gets the naysayers involved. They try to break the systems and the credit union learns from them.

NO. 3. SEARCH FOR EFFICIENCIES

Laying the groundwork for success helped pave the way to it at PSECU, which began realizing benefits from its new core system from the day it launched.

Among those benefits is the ability to fail-over to its recovery site within a few minutes, CIO Long says. The credit union has also reduced end-of-day processing jobs from 300 to 13, eliminated memo posting for digital banking services, and replaced both the former imaging and reporting systems and custom digital image repository with a new document management system.

To achieve such success, Long says PSECU abided by a few principles, which included digitizing workflows wherever possible, retaining only what’s necessary while moving from one system to another, and minimizing customization by using the system as designed.

Langley FCU, too, is using its new system as designed. According to SVP Vollmer, the credit union has noted process improvement across the organization and

“ THE BIGGEST MISTAKE I SEE IS BEING DISSATISFIED WITH THE CURRENT SYSTEM, SELECTING A NEW SYSTEM, THEN MAKING THE NEW SYSTEM MIRROR THE FORMER SYSTEM. I CALL THAT A FAR SIDE SOLUTION. ”

— RUDY PEREIRA, PRESIDENT/CEO, PREMIER AMERICA CREDIT UNION

has been able to shift its focus to interactions that drive greater value.

For example, the credit union is using Contact Event Manager, an Episys tool, to help develop and refine its member relationship management. The ability to relay information between branches and the back office is already showing in the improved ability to handle member service requests. Langley FCU is also using the OpCon solution interface to help automate daily and monthly processes as well as dealer reserve accounting and call reports.

All these improvements are on top of taking advantage of the ability of all new cores to more easily integrate with member-facing, third-party add-ons like mobile banking features.

Of that issue's role in Premier America's decision to convert, Pereira says, "First and foremost is the ability to integrate third-party solutions. Our current vendor did not have market presence to motivate third parties to integrate into our core."

BEST PRACTICE

Learn as much as possible about the new system's capabilities. Langley FCU put the right folks in place to develop automation to drive new efficiencies.

NO. 4. REDUCE RECIDIVISM

Recognizing that the new platform is just that — new — is critical to maximizing the system's potential.

"Establish a guiding principle that the organization is not trying to re-create the current core," Vollmer says. "Every practice, process, and system is on the table and subject to change."

A core conversion is about creating the future, not replicating the past, says Long at PSECU. Ensuring that attitude is pervasive across the enterprise goes a long way toward preventing people from being prisoners of previous processes.

Hanging on to the old ways of doing things can put the kibosh on a lot of progress, so management needs to take the lead role in embracing change.

"There's a reason we're converting," says Pereira at Premier America. "It's OK to give up how we did things before because we're going to do things better. This is a message leadership has to frequently communicate."

That message sometimes is that there's little choice in the matter.

"The system we were using was so manual and outdated that there really isn't an option for employees to go back to how they've always done it," says Goetzka at Co-op in Wisconsin. "Employees have embraced the new system and are excited about the opportunities it provides."

Illinois Educators, meanwhile, incents employees to take advantage of the new system and share the knowledge by paying \$10 for each process or procedure they create and submit to the Education Station, a procedures manual available on a shared drive. In the first eight months they have submitted approximately 100 items, including how to do a cashier's check or order cash from a vault.

Vollmer at Langley says credit unions should record changes from the beginning. She recommends designating one person to capture all process improvements and operational changes as they occur.

All this will help prevent what Pereira at Premier America says could be a cartoonish outcome.

"The biggest mistake I see is being dissatisfied with the current system, selecting a new system, then making the new system mirror the former system," he says. "I call that a Far Side solution."

BEST PRACTICE

Bring over only the data you need. PSECU removed more than 18 million redundant and obsolete records.



“

TEST, TEST, TEST. IF IT SAYS TEST THREE TIMES, TEST FOUR. GET THE NAYSAYERS INVOLVED, HAVE THEM TRY TO BREAK THE SYSTEMS. LEARN FROM THEM.

”

— MICHAEL GEORGE, CHIEF MARKETING, INNOVATION, AND ADVOCACY OFFICER, KERN SCHOOLS FCU

8 Pieces Of A Conversion Pie



Rudy Pereira
President and CEO
Premier America
Credit Union

Rudy Pereira is leading the way through the third core conversion of his career. The CEO at Premier America Credit Union (\$2.5B, Chatsworth, CA) has plans to convert to the Symitar Episys platform in September 2019. Pereira has advice for credit unions as well as his own team as they journey forth.

- **Don't outsource:** Hire a professional project manager if the credit union doesn't have one, the credit union will need one during and after the conversion.
- **Plan Ahead:** Have a detailed project plan and own it. The conversion is the responsibility of the credit union.
- **Communicate:** Create lines of transparency so anyone at any time can raise red flags and concerns.
- **Practice First:** Stage at least two mock conversions and do not go live until major milestones are reached and completed.
- **Communicate More:** Overcommunicate to members.
- **Clean House:** Spend time cleaning up the credit union's data.
- **Stay Consistent:** Do not change the organization's automated transactional voice response system menu.
- **Beef Up:** Overstaff the call center and prepare reps during the mock conversions.

NO. 5. MANAGE EXPECTATIONS

Kern Schools FCU converted 11 systems, including its core platform, in 2011, prompted by changes needed to meet NCUA concerns. Then it converted again this year.

“People have to understand that the conversion process is only halfway to two-thirds complete when you actually convert,” says marketing, innovation, and advocacy officer George, who began his career with the California credit union as a part-time teller in 1994. “You have to allow 18 to 24 months afterward to get things back in order.”

Also important is setting clear expectations from the beginning.

“A core conversion is the most complex project your organization will ever undertake,” says Vollmer, the SVP at Langley FCU. “Learn as much as possible about the system capabilities and put the right folks in place to develop the automation that will ultimately drive your efficiency.”

Illinois Educators is doing just that when it comes to having the right people in place. The new Portico system dramatically expands the range of tasks a teller can do for members, so it brought aboard three new people as universal employees.

The credit union calls them “member experience specialists.” Tellers who could not or would not adapt and learn are now either part-time staffers handling simple transactions such as cashing checks, or they have moved on.

“It was kind of touchy, but it's what we had to do to give good service and stay competitive in our marketplace,” CEO Dabrowski says. 🙄

BEST PRACTICE

Everyone understands the go-live date is a major milestone, but Kern Schools FCU underscores that the actual process of conversion might only be half- to two-thirds done.

THE KEY TO SERVING TODAY'S MEMBERS

Personalized service delivered on digital channels is within reach. Fintechs can be friends, not foes, in that journey.

BY TED BILKE, PRESIDENT, SYMITAR; VICE PRESIDENT, JACK HENRY & ASSOCIATES, INC.

It's a double-edged sword: We love the ease and convenience provided by companies like Google, Facebook, and Apple, but they set a high bar for us. When consumers shift their attention from one of these services to yours, they expect the same experience.

That's why we can never rest on our laurels and say, "We offer good service, so why change?" The comfortable status quo can be an enemy if we aren't careful. The simple, integrated, and personal interaction that consumers enjoy today is part of the modern member experience. This is the key that makes credit unions relevant. Technology makes it possible, and it starts with the core platform.

What we might call "the technology of simplicity" is what's needed. To the member, it's a seamless experience across channels; for the credit union, it's using an open, flexible core platform as a foundation. If there's any doubt about how crucial it is to stay up-to-date, look at this telling fact from Callahan & Associates' Trendwatch 2Q 2018: "1.4 million new members found not-for-profit financial cooperatives an attractive banking partner in the second quarter of 2018."

More people than ever are looking at credit unions. The same report also found member usage is growing by 2.9% year over year, mostly due to an increase in average loan balance.

You want to capture your share of these people — as many as you can get. New members are looking for that modern member experience in every interaction with you — including in a digital environment. That's what you need to attract, serve, and retain today's member.

DIGITAL BECOMING PERSONAL

Let's take a closer look at this member experience. Today's credit union members value online financial relationships but still demand service with a personal touch. When considering a new service or product these days, credit unions must always consider it in terms of how it will improve member relationships.

Credit unions must bridge that tricky balance between an impersonal device and a warm partner relationship as best as they can. Fortunately, technology is beginning to offer answers.

What's personal and digital at the same time? Voice-driven banking provides a simple, natural way of doing business. Amazon's Alexa can temporarily become the voice of your credit union. Another example is targeted digital marketing that sends messages and suggestions based on an individual member's activities. Other personalized digital solutions are personal financial management, guides for life milestones, and customizable expense tracking options.

Don't forget social media, which is still very important. Your brand — your integrity, humor, community service, and whatever else you are most proud of — is carried far and wide to both members and prospects by social media. People make decisions based on your social presence. A recent article in *Credit Union Times* confirms this: "According to J.D. Power, 38% of direct bank customers who opened a new product in the past 12 months said they were influenced by social media to open the new product."

Keep your social communications active, and make them smart, engaging, clear, and personal. Use this opportunity to humanize your organization and community by highlighting members, employees, and the good you do in your neighborhood.

Another part of the new member experience is a unified look and feel across all channels. This is enabled by your technological framework. The core platform allows you to break down barriers between different applications and data sources and makes all relevant information, functions, and transactions readily accessible. Your members get enhanced convenience and self-sufficiency. In return, you get loyalty.

It's critically important to make the mobile and online "branch" a friendly and productive place to visit. Travis Frey, chief innovation officer at Dover Federal Credit



MODERN MEMBERSHIP

You work hard to engage with members on a caring, individual level. We're working to make an equally personal experience possible across your entire platform.

We call that *modern membership* - merging your people-helping-people philosophy with the world of instant communication and connection.

We look forward to our continued work to advance the value and importance of credit union membership.



“ THE SIMPLE, INTEGRATED, AND PERSONAL INTERACTION THAT CONSUMERS ENJOY TODAY IS PART OF THE MODERN MEMBER EXPERIENCE. ”

Union, says this: “The next generation of banking is on the very near horizon, and financial institutions must shift their business models to create a branch experience around where the member needs to be. The right system has to be at the core of this change.”

DON'T FEAR THE FINTECH

One way to enhance member experience is to partner with fintechs. Instead of being wary of these companies, consider that your credit union might be an attractive business partner for them. You have a loyal member base, and achieving that is a challenge for many tech companies. There's no reason you can't collaborate for mutual success.

For example, Technology Credit Union partners with a fintech called Happy Money that helps members pay off credit card debt. Arizona Federal Credit Union uses several fintech partners to provide the best possible member experience. Examples include OnDot Systems for payment card control, CUneXus for digital preapproved loan offers, BOLTS Technology (just acquired by Jack Henry) for digital account opening, and MX Technologies (through NCR) for personal financial management.

Some other opportunities for fintech collaboration are video banking, virtual AI assistants and advisors, and tracking and analysis of member behavior. All of these can contribute to creating personal experiences across channels.

WHERE YOU WANT TO BE

To stay relevant and serve today's member, your credit union needs options. You need the freedom to create new member opportunities, the ability to move where you want to move, and the capability to change and adapt with the times. That includes the option of partnering with not only a fintech but also a wide choice of reliable solutions pre-integrated with your core. You need the ability to integrate any number of third-party

products with minimal trouble. In other words, a core system ought to scale alongside your business.

A modern experience also requires the ability to customize the way the platform operates to fit your purposes. If you try to add new services to a core that's limited and not customizable, you can end up with disjointed, clumsy member and staff processes.

Progressive credit unions are moving to provide the all-important modern member experience — a personal, consistent experience across your entire platform. What are you doing to meet the demands of modern membership? 🤖



Ted Bilke joined Symitar in 2005 with more than 20 years of technology and financial services experience. He began his career with EDS, where he worked for 12 years. After EDS, he served as director of LAN management services for MCI Systemhouse, vice president of integration services for Bell & Howell, COO for Ascendant Solutions, and vice president of Lockheed Martin Space Operations. He holds a BSBA degree with a double-major in finance and marketing from Missouri Southern State University. Bilke joined Symitar as the general manager of Episys Operations and Development and was appointed president five years later. In 2018, he was appointed Vice President of Jack Henry & Associates, Inc.



Symitar, a division of Jack Henry & Associates (NASDAQ: JKHY), is the leading provider of integrated computer systems for credit unions of all sizes. Symitar has been selected as the primary technology partner by more than 800 credit unions, serving as a single source for integrated, enterprise-wide automation and as a single point of contact and support. Additional information is available at www.symitar.com.

WHEN SHOULD CREDIT UNIONS SAY “I DO” TO VENDORS?

Contractual oversight, language, and understanding will help ensure a happy partnership with a core processing provider.

BY SABEH F. SAMAHA, PRESIDENT/CEO, SAMAHA & ASSOCIATES

A couple readying themselves for marriage must understand their respective partner as well as they possibly can. As such, before they say “I do” on that joyous occasion, they must perform their due diligence. They have engaged with this person day-in and day-out, celebrating their strengths and supporting their weaknesses. Some couples opt for a prenuptial agreement, others place their trust in the bond of love.

In the credit union space, a core conversion is akin to a marriage. In many cases, an executive will live through one core conversion in his or her career. In rarer cases, an executive might experience two or three. Experienced consultants, however, immerse themselves in numerous conversions multiple times per year. As a result, they know with a high degree of precision what questions to ask and what language to include in a contract.

It’s no secret that credit union executives are continually courted by vendors. Unlike grooms- and brides-to-be, however, executives cannot place the wants and needs of their members and employees on a good-faith proposal. They need contractual language that will deliver exactly what the vendor promises. And whereas some executives know some of the questions to ask, rarely do they know all of the questions to ask.

Whether a core conversion, online banking conversion, or credit card conversion, credit union executives can benefit from partnering with a consultant whose intent and strategy is to work with subject matter experts — vendors — to ensure the proper execution of workflow processes and procedures.

The purpose of this article is to help credit union leaders determine when they should say “yes” to a vendor “dress.” Cases in which an existing contract is nearing expiration or a vendor is creating difficulties require consultant counseling. To this end, credit union executives, along with consultants, share vendor contract experiences as well as lessons learned and best practices.

CREDIT UNION CULTURE

To a great extent, a person’s culture and upbringing determine the type of partner they choose to marry. In a similar sense, a credit union’s culture determines the type of vendors it attracts and enters into partnership.

“We decide about technology and business strategies in the annual planning process, which includes the senior leadership team,” says Bay Federal Credit Union President and CEO Carrie Birkhofer. “We review the list — we always have a list — and then we decide the priority based on what will provide the most value to the organization.”

She adds, “Priorities are also sometimes driven by contract expirations.”

Like Bay Federal Credit Union, the \$805 million Wichita, KS-based Credit Union of America also has an annual strategic planning process with the credit union’s management team and board of directors, explains Chief Information Officer Richard Logan.

“We have had plenty of vendor issues over the years,” Logan says. “The first step is to try and understand the problem, and then escalate the issue up the food chain and try to resolve it. If it’s a long-standing issue, then you have to assess the actual relationship and possibly change vendors. This requires careful consideration and thought.”

The \$900 million Capitola, CA-based Bay Federal Credit Union supports 68,000 members and six branches. And like most credit unions, it maintains numerous third-party contracts. As such, there have been both successful and not-so-successful relationships.

“We are very transparent when working with vendors/partners. If we have a concern, then we voice it and work toward a solution,” Birkhofer says. “One of our internal values is collaboration, and we apply it also to our partners. If we find we can’t collaborate with a vendor, we often change vendors.”

When it comes to changing vendors or contracts, however, a multitude of issues can arise. And since

“ EXECUTIVES CANNOT PLACE THE WANTS AND NEEDS OF THEIR MEMBERS AND EMPLOYEES ON A GOOD FAITH PROPOSAL. THEY NEED CONTRACTUAL LANGUAGE THAT WILL DELIVER EXACTLY WHAT THE VENDOR PROMISES. ”

each vendor’s product is integral to a credit union’s operations, pulling one module out of rotation without proper oversight is tantamount to toppling a house of cards.

“Contracts are not our forte,” Logan says. “We have attorneys involved in the contracts, but even they do not specialize in core/technology-related projects. So, they might not know what language needs to be in the contract.”

A DAY IN THE LIFE

How many holes does it take to fill the Royal Albert Hall? According to the famed Beatles song, “A Day in a Life,” the answer is 4,000. What type of core processor does a credit union need? The only way to answer that question, not unlike The Beatles, is to live the experience.

“We are often asking our credit union clients to provide us with a ‘day in the life’ of all processes and how they go about their work,” says Samaha & Associates Senior Consultant Adam Denbo. “We go department by department, analyzing their workflows and understanding the multiple systems they are using today and then determine how we can optimize that into best-in-class standards.”

Samaha & Associates counts both Bay Federal Credit Union and Credit Union of America as valued clients. In most cases, Denbo says, selecting a consultant is more important than selecting a vendor as it makes no sense to place a cart before a horse.

“Consultants have the advantage of obtaining experience by working with many different clients,” says Birkhofer, who has hired Samaha & Associates for implementations, workflow studies, and vendor selection. “They often bring a perspective that is important to a team that has worked in one place for many years. In addition, they can save money by understanding negotiating opportunities.”

Credit Union of America hired Samaha & Associates to undertake the credit union’s core conversion as well as to assist in existing contract negotiations. On one of these contracts, Logan and his team realized a 20 percent savings over the course of the contract.

“We just don’t do contract negotiations every day, so we do not have the expertise,” Logan says. “Samaha & Associates provided a level of escalation with the vendor and conveyed what is important to us. The escalation process would have been slower without them.”

When it came to Credit Union of America’s core conversion, Logan says the process was streamlined by Samaha & Associates due to a comprehensive vendor rating system. This approach allowed Logan and his team to understand the limitations of certain solutions.

“The core solution is so incredibly complex with thousands of moving parts,” Logan says. “Determining what’s important and how to rate what’s important was critical to our success.”

VENDOR COURTING

Whether selecting a new vendor or negotiating a contract with an existing vendor, there are proven best practices and tools of the trade, such as a Request for Proposal (RFP) that coincides with the bidding process.

“We are both like quarterbacks and counselors,” says Denbo, who added that each Samaha & Associates’ client’s RFP is unique to the credit union and can contain upwards of 1,000 tailored questions. “Our job is to bring the best in the credit union’s personality at a strategic and tactical level. We seek their opinions and input to strengthen the platform and streamline workflow processes.”

Bay Federal Credit Union has benefited from this proven approach.

“We go out for bids and then we compare bids,” Birkhofer explains. “We work with consultants on big projects and assemble a cross-functional team to assess the product and services, and we make the decision based on the team feedback.”

To ensure there is always proper oversight, and not simply a willingness to elope with vendors, Birkhofer says an executive team member serves as the executive sponsor and is involved, along with the credit union’s attorneys, on all negotiations.

“We do what we need to do to remove as many uncertainties as we can,” she notes. “We go on site visits. We take our time, and we never feel forced.”





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“ NEW CORE SYSTEMS REQUIRE NEW APPROACHES. AS A RESULT, MEDIATING VENDOR RELATIONSHIPS AND MEASURING EXPECTATIONS IS CRITICAL. ”

Not feeling forced is essential to arriving at a winning contract and a longstanding fruitful relationship, explains Denbo. Equally important, he says, is understanding that new core systems require new approaches. As a result, mediating vendor relationships and measuring expectations is critical.

“Senior executives oftentimes are too trusting of what the vendor’s account representative says and promises. They are looking to sell an additional service or module,” says Denbo, adding that most sales representatives in the industry have upwards of 50 clients at any one time. “What executives do not always understand is the motivation of that account representative and their managers, which is based on sales and commissions. Solving problems is secondary to the sale.”

If a contract is signed without oversight and there is a problem down the line, that same sales representative is forced to go back to the company, which is often understaffed with customer service representatives, to hopefully address the credit union’s issue. And while Denbo says many vendors are upstanding and forthright, they are not always aware of how modules and services interface with a core processor or online banking platform. Consultants are well-versed in these intricate differences.

“These vendors are often stretched and taxed within their environment, so where is the incentive to fix the problem?” Denbo says. “Phone calls to vendors often are defined by a desperate cycle of reassurance and disappointment. The vendor’s goal is to diffuse, not solve, the problem. Credit unions need a trusted ally — a watchdog that will look over their shoulder for years to come.”

Proactive credit unions understand Denbo’s perspective. At Bay Federal Credit Union, for instance, every vendor is assigned a senior leadership team owner. If a contract is up for renewal, the business integration technology team is alerted.

“They build in time to review the contract well before we need to give proper notice based on the contract terms. Then we go out for bid and make a determination on whether or not to stay,” Birkhofer

says. “The senior leadership team member negotiates the renewal with the EVP sponsor and then the contract is presented to the CEO for signing.”

IN CONCLUSION

Like courting a potential mate for marriage, before signing a vendor contract, credit union executives must do their due diligence, which takes time, and also do a deep-gap analysis. When executed properly, a true bilateral agreement can be achieved.

“In most cases, consultants know whether a solution is the right choice without getting the vendor involved, which helps to streamline the process and ultimately results in selecting the most appropriate vendors and contract terms,” Logan says.

Although a couple never assumes divorce is in the cards when they say “I do,” the fact remains that more than 50 percent of marriages in the United States end in divorce. In many cases, it might prove more difficult and take longer for a credit union to separate itself from a vendor contract than spouses from a fractured marriage.

“Once the ink dries on the vendor contract it’s too late to turn back,” Denbo says. “The more time credit union executives afford for self-awareness and processing, the more predictable will be the outcome.” 🧘



Sabeh F. Samaha is president and CEO of Samaha & Associates Inc., a Miami, FL-based consulting group that works collaboratively with financial institutions to help improve business processes by optimizing efficiency and increasing revenue opportunities. Whether it is vendor contract negotiations, system conversions, or mergers, Samaha & Associates understands what gets the job done from beginning to end. Sabeh can be reached toll-free at (855) 772-6242 x2020, sabeh.samaha@ssamaha.com or www.ssamaha.com.

MODERN TIMES REQUIRE MODERN CORE TECHNOLOGY

Delivery models, underlying technology, and nimble connectivity separate the must-have from the used-to-be good enough.

BY BRET WEEKES, PRESIDENT/CEO, CUPRODIGY

How well do you execute on your strategies? An honest answer to that question is a strong indicator for future success; that much is obvious. However, not all points of execution are framed by your talents, skills, and processes. What about the tools you need to execute your strategies? Do you languish in your execution with inferior tools, or do you have state-of-the-art tools to contribute to your success?

The mobile member-focused, data-driven economy of today demands flawless execution. You simply can't afford to have inferior tools connected to your strategy. That starts with your core processing platform.

At CUProdigy, we put a tremendous focus on execution, beginning with the products we develop and implement in the core conversion and extending to the service and support we provide after the conversion. In short, we execute better so our credit union partners can execute better. That deliberate and intense focus produces a level of expertise that enables us to advise you on how a core platform should look from a technology standpoint.

That expertise starts in our cloud delivery model, which is specifically designed to leverage capacity and drive execution success. In the competitive landscape of financial services today, credit unions cannot afford to be in the business of making sure the right server lights are blinking. The likelihood of future success for credit unions increases when delivery strategies are harnessed to technologies that are mobile-friendly and agile.

Today, fast, efficient, and nimble third-party connectivity is absolutely critical to credit union success. When the topic of third-party connectivity comes up, the value of an open architecture cloud-based delivery model is exposed and the advantages starkly visible. One advantage is that a cloud-based solution is intentionally designed to interact with the outside world and — through ultra-reliable high-speed connectivity — ensures that credit unions and third-party partners are serviced and have the access they need.

Another advantage of a cloud-based core is that it offers a standard delivery for technology in a familiar browser-based environment that offers maximum efficiency for release of new features with optimal education cycles. As a bonus, with a cloud-based core, you never have to worry about your servers or their software becoming out-of-date and hindering your ability to connect. This is all taken care of for you in the cloud.

As strong as these advantages are, even more valuable is the delivery model and underlying technology on which the core platform is based. CUProdigy, as a cloud-based core, offers an open architecture and



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“ TO INCREASE THE PROBABILITY OF SUCCESS IN EXECUTION, WISE CREDIT UNIONS ARE CHOOSING A CORE PURPOSEFULLY DESIGNED WITH A ROBUST API LAYER. ”

API (application programming interface) infrastructure, which can scale to support diversity in solutions and outlook for delivery. To increase the probability of success in execution, wise credit unions are choosing a core purposefully designed with a robust API layer, providing access that enables connectivity to third-party applications that allow them to execute at maximum capacity.

For example, CUProdigy recently partnered with Quattro Processing Services (QPS) to integrate a full suite of fraud detection and prevention tools directly into the CUProdigy core. The integration was efficient and effective, but that’s not all. Because of the open nature of the CUProdigy platform, the integration was also much deeper than would have otherwise been possible, creating a deeply integrated workflow that provides a truly unified solution. The result: better tools for our community of credit unions to leverage. Speed and responsiveness of fraud detection on our core will be truly unprecedented.

What’s next? Everyone is trying to figure out big data — how to use it effectively and where to invest. Artificial intelligence in banking is emerging and advanced analytics are rapidly increasing credit unions’ understanding of member behavior and habits. Will voice recognition take off? It’s difficult to see into the future, but there’s one thing for sure: CUProdigy’s intense focus on execution and building a network of resources that our community of credit unions can leverage is the best way to position our credit unions to succeed in their strategies. Now might

be the right time to explore the value of shared execution and how it can drive the technological future of your credit union. ☺



Bret Weekes is the president/CEO of CUProdigy. Based in Layton, UT, CUProdigy is a technology-focused CUSO that offers its own modern, cloud-based core processing platform as well as core-agnostic, cloud-based IT infrastructure services that include a robust disaster recovery solution. Prior to joining CUProdigy, Weekes was the longtime CEO of eDOC Innovations, a Vermont-based CUSO that specializes in mobile enterprise digital transaction management solutions.



CUProdigy is a CUSO that blends the combined power of an adaptable, user-friendly, and modern core architecture, with full-service cloud managed services. The CUProdigy community exists to empower our credit union owners to participate in the direction, evolution, and design of our innovative products and services.

THE WISDOM OF MEMBERS — THEY'RE SMARTER THAN US

Members communicate their needs and what they value in their credit union. We need to respond.

BY LEO VAULIN, CEO, CU*SOUTH

Credit unions constantly strive to deliver impactful member service and shape what that means in real time. There's a vital need for connection, and credit unions serve as a kind of economic town square where service, collaboration, and community cross paths every day for the betterment of individual and shared financial health.

Design shapes the way members engage — how much, how often, and how meaningfully. The majority of members join the credit union because they were referred by other members who promoted it. This industry was a social network before the internet was imagined. Members are always communicating how they want the credit union to serve them better. It's the job of the credit union to recognize and deliver that experience to them.

CU*SOUTH aggregates expressed member preferences to build and refine a smarter core platform — a core that's designed by credit union visionaries, members, and managers like you. CU*SOUTH listens to our owners by inviting credit union CEOs to lead us and credit union employees to collaborate with us on a constant process of designing a better experience for the members we serve.

We disrupt the tired Big Software tactic of interfacing endless modules. We build on a single, integrated solution and add features that are missing from the most expensive banking platforms. We share these tools with credit unions of all sizes and create collaboration pathways so that a billion-dollar credit union can share capacity with a two-employee credit union without the need for mergers and at a per-member price model that improves operating ratios.

CU*SOUTH provides a seamless solution that streamlines the member retail experience through both self-service and staff-assisted channels. We eliminate the friction of interfacing multiple vendors and multiple processes. When your staff no longer needs to enter

data into multiple systems, operating costs go down and member satisfaction and trust go up.

New members can apply online, verify their identity, and fund their new account — anytime, anywhere.

Biometric identification eliminates the need for members to use log-in credentials to access their account. Instead, they can use their choice of facial recognition, fingerprint, voiceprint, or protected PIN to log in within three seconds.

Phone optics and member service trackers give MSRs the member's complete story — when they last contacted the credit union, what they called about, what the next cross-sales opportunity might be. Our “Why Members Call” dashboard provides an overview of all the reasons members call — including whether to check balances, transfer funds, or respond to a credit card fraud alert.

3 KEY TRENDS

1. *The shift to a gig economy.*

Traditional full-time employment is being replaced by contingent work. By 2020, more than 40% of American workers will be independent contractors. Small businesses are developing into networks of contingent workers, minimizing fixed labor costs and expanding the available talent pool. CU*SOUTH is developing new underwriting models to better understand the risk of multiple-income borrowers and microbusinesses and spread that risk over multiple credit unions.

2. *The power of niche consumers and producers.*

There is market opportunity in the rise of local, community-supported contractors and microbusinesses. CU*SOUTH helps perfectly position credit unions to leverage their close connection to local economies and promote the growth of these niche producers.

3. *The rise of cooperative businesses.*

Credit unions are uniquely positioned to become cooperative incubators, combining the culture and



We Grow Credit Unions.

When credit unions collaborate to design a frictionless experience for members,
good things happen.

The credit union serves as a kind of economic town square; where service, collaboration, and community cross paths every day for the betterment of individual, and shared, financial health.

We recognize that design shapes the way members interact with their credit union, so we create an experience that always puts your credit union in the right place, at the right time, for members.

You and your management team have real-time visibility to these interactions, with customizable dashboards that keep you connected. At the macro level, color-coded highlights point out areas for attention – or accolades. The software allows you, as a manager, to drill down; it provides heightened insight into your relationship with each member, each household, and each business you serve.



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“ CREDIT UNIONS ARE UNIQUELY POSITIONED TO BECOME COOPERATIVE INCUBATORS. ”

experience of living the cooperative principles with the market position and micro-awareness required to nurture the development of new cooperative businesses.

THE CREDIT UNION RESPONSE

1. Demand more from your core.

Today's best core systems include everything you need to operate your credit union. If you're opening one app to serve members, another to work on your budget, and a third to prepare reports for your board, you're wasting time and risking working with incomplete data. Fintech concepts thrive within this fully integrated data environment and your member-consumers expect it.

2. Demand more, but pay less.

Our market is dominated by vendors that leverage their legacy reputations to assert unrealistic prices and use new fintech to upsell modules.

Here's a simple test: Add up the price you pay each month for member servicing, loan origination and servicing, home banking, imaging, back office, and operations — all the elements of a truly integrated solution. Add in the cost of a robust disaster recovery plan. If you're paying more than \$1.50 per member each month, overspending on core is doing a disservice to your members.

3. Demand a smarter solution.

CU*SOUTH uses the collective experience of our credit unions to create big data-driven analytics, using IBM's Watson AI to find correlations, and show you opportunities you might not have imagined.

Members who shop Amazon using their credit union debit/credit cards have 2.5 times the wallet penetration in their credit union than the typical member. They're also 1.9 times more likely to have a loan with the credit union. And their primary reason for joining the credit union was member referral — these members are socially more engaged. Members are constantly sending messages about how we can better serve them. They

use our mobile apps, debit cards, and loan applications, and each member action results in a data point that we can use to learn how to improve our service.

4. Demand a cooperative solution.

Does your core vendor make it easy for you to promote collaboration?

CU*SOUTH brings credit unions together in a resource-sharing model that allows them to do the work for one another — marketing, call center, underwriting, collections, compliance, IT. We leverage the surplus capacities of each credit union to create operational savings for all.

The core of our core? Shared ownership is at the heart of who we are as a CUSO. We're aligned with your core values to help you thrive in a new economy led by members. 🤝



Since 1983, **Leo Vaulin** has worked with credit unions as a software developer, business founder, consultant, teacher, and student. Please reach out and start a conversation at leo@cusouth.com



CU*South is building a collaborative, peer-to-peer network of credit unions who support one another's growth through the shared development of technology and service offerings powered by the CU*BASE integrated core platform.

Finding The Right Core Provider For Your Conversion

The Problem

Your current core processor isn't meeting your credit union's needs, but switching core providers is a complex, time-intensive process with long-term ramifications for your organization and your members. With every provider putting their best foot forward to earn your business, how do you determine which one is truly the best option for your credit union?

The Solution

Knowledge is key and understanding how similar peers are tackling the same problem is imperative for a successful conversion. Get an overview of which cores are thriving by reading through the included Market Share Guide. Once you understand the marketplace, identify which core processor credit unions like yours are using to ensure the platform you choose will lead to greater efficiency and ultimately help you thrive.

How To Choose The Right Core Option For You:

- ➔ Analyze which core processors credit unions like yours are employing and pinpoint any gains they've made in relevant performance categories such as efficiency, operating expenses, and loan originations.
- ➔ Pull contact information for credit unions using the core you're investigating. Reaching current users who haven't been hand-selected by the core provider provides an unbiased picture of user experience.
- ➔ Refer to documents like conversion guidelines, vendor management policies, and vendor risk-rating worksheets from your peers that streamline the process and help you make the right decision.

Want to learn how we can help you gather this information during your core selection process? Visit [Callahan.com/Core](https://callahan.com/Core).

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ONE PARTNER TO MANAGE YOUR SERVICES

Looking for an end-to-end core conversion, complete with onsite staff training, customized job aids, and release and upgrade management? Want to launch a personalized marketing campaign using Transactional Data Mining with proven ROI? Need an experienced provider for ATM/debit card processing?

Credit unions perform better with Synergent as their trusted managed services partner. We become an extension of your team, providing Episys® core processing and the most in-demand payments, marketing, and technology solutions. No matter the product, our team knows how to choose it, install it, integrate it, and help credit unions get the most out of it so they can focus on best serving their members. Our innovation is your competitive advantage.

We've been helping credit unions with core conversions for over 40 years – and have a 100% core client retention rate. Let's connect. Please visit www.synergentcorp.com, or call 800-341-0180.



RIGHT TIME. RIGHT PLACE. RIGHT SOLUTION.

Build a Network Community.

CU*Answers is a network that is driven by customer-owners in the credit union industry to make cooperative business charters prosper. We're a technical network where one owner-one vote governance ensures balance, win-win outcomes, and that every participant's agenda is good for the community. If your agenda is to build communities with credit union organizations then take a look at cuasterisk.com's community builder programs. In an industry where starting a credit union is getting harder, why not start a network to foster more than a customer? Inspire customers to own it all and build something bigger as vested peers.




CU*ANSWERS
A CREDIT UNION SERVICE ORGANIZATION



INSPIRED BY CREDIT UNIONS

Last year, you helped more than 123,000 homeowners stay in their homes by restructuring troubled loans. That's just one reason we are proud to be part of the credit union family of institutions, technology partners, and caring individuals.

We look forward to our continued work to advance the value and importance of credit union membership.

A photograph of a man with dark hair and a mustache, wearing a blue and white plaid shirt, carrying a young child with blonde hair on his back. The child is wearing a grey long-sleeved shirt and dark pants. Both are smiling and looking towards the left. The background is a bright, indoor setting with a green plant in the foreground.

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The background of the page is a complex network of interconnected nodes and lines, resembling a social or organizational graph. The nodes are represented by circles of varying sizes and shades of gray, some with concentric circles. The lines are thin and gray, connecting the nodes in a dense, web-like pattern. The overall aesthetic is modern and data-driven.

CALLAHAN

& ASSOCIATES
the credit union company

We hope you enjoyed this preview of Callahan's *Market Share Guide: Credit Union Core Processors*. The full version is available to Callahan subscribers. Learn more about unlocking this and more [by contacting us here.](#)