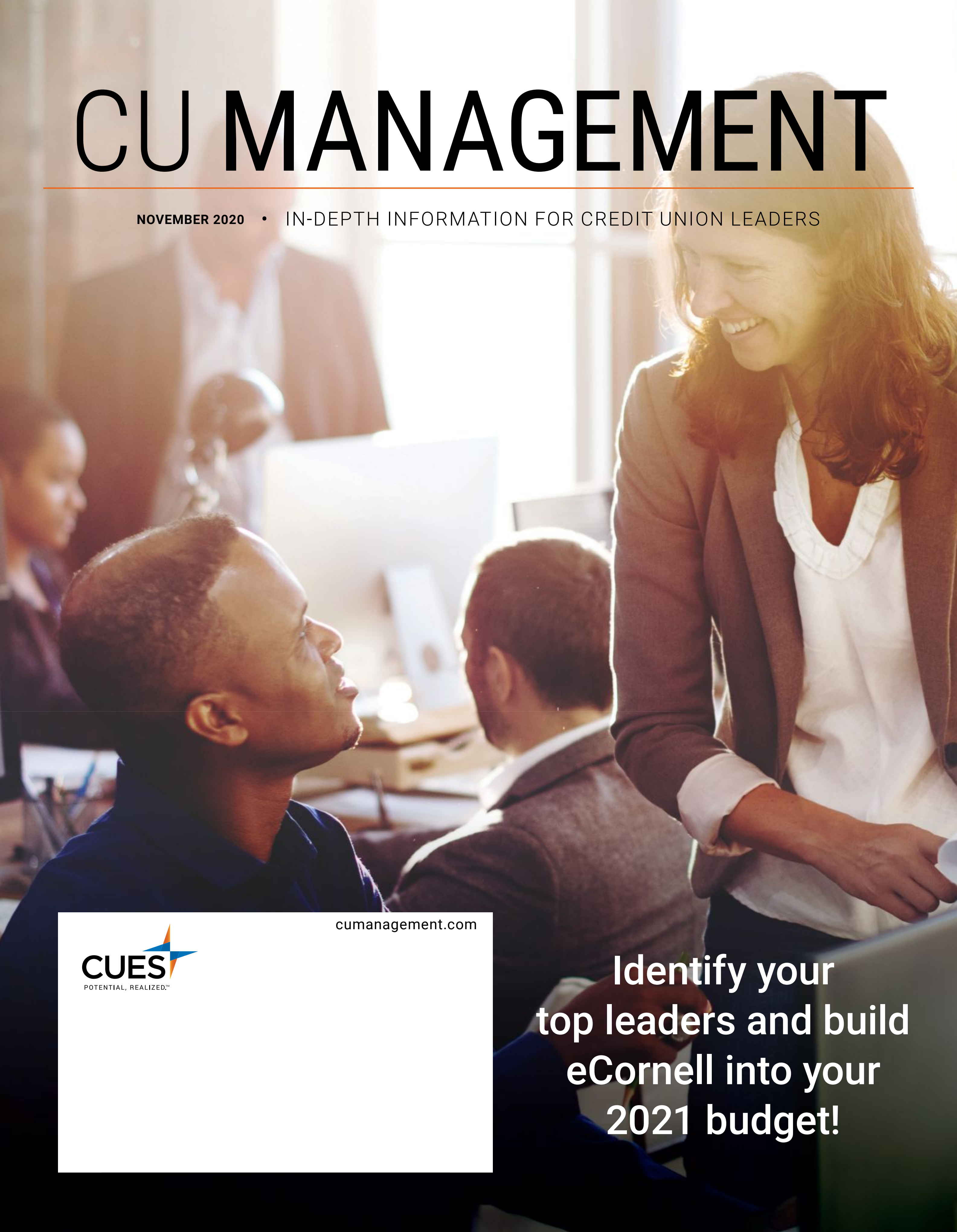
CU MANAGEMENT

NOVEMBER 2020 • IN-DEPTH INFORMATION FOR CREDIT UNION LEADERS



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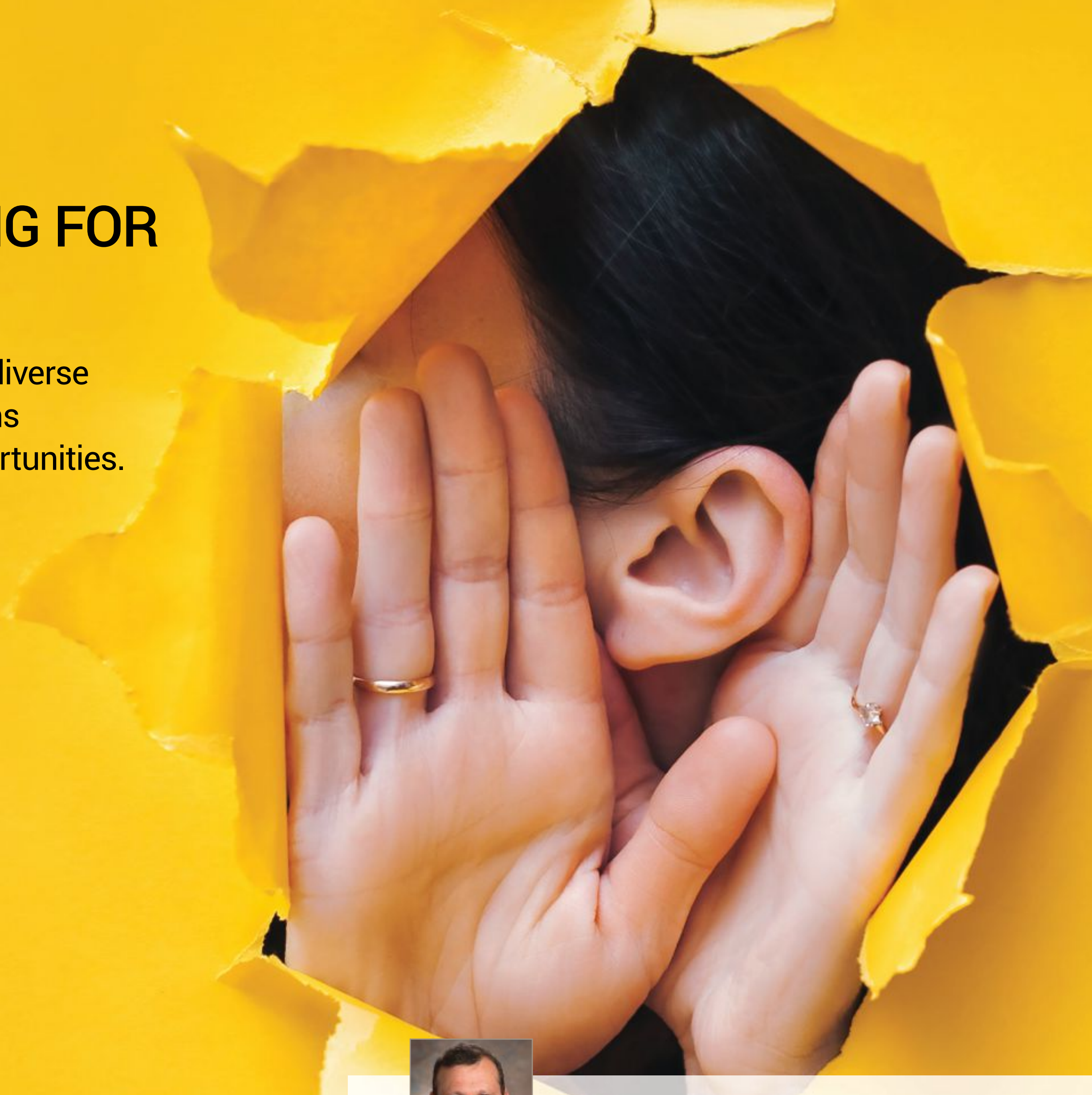

LISTENING FOR *Ideas*

Quietly valuing diverse viewpoints opens innovation opportunities.

NEW CUES BOARD CHAIR
Meet Kelly Marshall, CCE, CCD, ICD.D

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CUNA Brokerage Services, Inc.

[1]Making Wealth Management Core in Credit Unions, Kehrer Bielan, December 2018.

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Web-Only Bonus

Pandemic as Prelude to Payment Revolution

COVID-19 provided the impetus for a lot of members who had been reticent about digital channels and payments to try them out—and for their credit unions to start planning the next steps to streamline and improve the payment experience.

cumanagement.com/1020prelude

CUES Video

From Values to Action

Harry Kraemer, professor with the Kellogg School of Management, Northwestern University, Illinois, discusses his book, *From Values to Action*, and introduces four major principles of leadership: self-reflection, balance, true self-confidence, and genuine humility.

cumanagement.com/video100720

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How to Successfully Implement a Digital Solution

Now that COVID-19 has severely limited the ability to serve members in branches, credit unions can no longer turn a deaf ear to the "Digital is king!" message pundits have been trumpeting since long before the pandemic.

cumanagement.com/1020techtime

CUES Podcast

CUES Emerging Leader Helps Reduce Linguistic Barriers to Support Hispanic Members

2020 CUES Emerge winner Lindsey Walker describes what her credit union did to better serve Spanish-speaking community members. Spoiler alert: They are things your CU can do, too.

cumanagement.com/podcast102

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LET'S CONNECT

Comments, suggestions and letters can be sent to **theresa@cues.org**.
TWITTER: @tawitham
LINKEDIN: Theresa Witham
INSTAGRAM: tawitham

YOUR THOUGHTS

WHAT TIPS DO YOU HAVE FOR MAKING TIME FOR PROFESSIONAL DEVELOPMENT?

>> Email your answer to **theresa@cues.org**.

Develop the Habit *of Regularly Learning*

This month, I am looking forward to taking some time for my personal professional development. I've learned that I need to be intentional with my learning and make a plan for it—or it won't happen.

This is a common problem. In fact, "too little time for training and development" was the top response across all credit unions to the question, "What are the biggest challenges your organization faces in terms of training and talent development?" posed earlier this year when CUES fielded its first-ever talent development survey among credit union CEOs, executives and HR managers.

The goal of the survey was to develop a baseline view of the most pressing human capital challenges facing credit unions. The findings are now available in a new report for all CUES members: The State of Credit Union Training and Development. Download it at *cues.org/TDreport*.

One way I am making time for professional development is by blocking an hour on my calendar every other Monday morning. But that won't be enough. I need to list out my goals for the month and share them with my supervisor, or it would be all too easy to put them off until later.

Therefore, this month my PD plans include:

Knowledge & Networking November: This online event features three of the highest-rated speakers in CUES history presenting on three Thursday afternoons throughout the month (*cues.org/knn*).

Strategy-focused pathway on CUES Learning Portal: Powered by Degreed, this resource provides CUES members with access to content to support the skill development of individuals at all levels within the credit union. The learning pathways are collections of curated content on a specific topic (*cues.org/clp*).

Harvard ManageMentor course: With 41 courses covering essential business topics, Unlimited and Unlimited+ CUES members now have an easy way to access management and leadership development resources (*cues.org/hmm*).

Making time for your own development and encouraging your staff to make time for theirs is especially important now. Another question the CUES Talent Development Survey asked was: Is your credit union able to develop the necessary talent needs expected over the next 12 to 18 months? Only 29% of credit unions said they are prepared or on schedule for this. In addition to the resources above, CUES has many more for your team at *cues.org/tdg*.

I'm always on the hunt for more good habits to build. I'm blocking time, making month-long plans for specific development and sharing it with others for accountability. What other habits should I try? Email me at *theresa@cues.org* with your best tips.

Theresa Witham

Theresa Witham
Managing Editor/Publisher

Managing Hybrid Work *For the Long Term*

BY KAL MAJMUNDAR

In the first days of the coronavirus pandemic, credit unions across the country faced enormous business continuity challenges as state and local governments initiated shutdowns to "bend the curve" and slow the spread of COVID-19. That initial scramble has given way to a new normal—a hybrid work environment, where flexibility and resilience are paramount to ensure CU workers can maintain productivity, effectively serve members and stay sane in the process.

With the crisis poised to drag into next year, CU leadership must consider how remote business operations can continue for months if not years into the future. Here are five core tips that $8 billion Patelco Credit Union has learned through managing the crisis.

Don't wait. Invest now in IT. Northern California was one of the first regions to experience community spread, and Patelco leadership realized that a single infection could shut down its call center of more than 80 agents, let alone back-office processing at its headquarters and its branches. Patelco recognized the need to scale its IT infrastructure and network, including sourcing and deploying new hardware and software for remote working, all while maintaining high cybersecurity standards. Social engineering threats increase as workers rely on virtual communication. Train remote employees on common hacker tactics, including the use of fake invoices or phishing emails stuffed with links to download malicious software. New IT environments also must have the right end-point and network security tools, including data loss prevention and encryption standards with all the necessary controls in place from the start.

Business continuity assessments are a process, not a means to an end. Not only has COVID-19 forced CU to reimagine how they support their workforces, that same thinking must extend to members. Patelco has experienced massive shifts in traffic across its operations. Some members are reluctant to return to branches, increasing call-center volume and digital traffic. As a result, Patelco continued to re-architect its network and security tools to support changing member needs. The IT infrastructure must be nimble and shift with those needs while maintaining scalability and resilience. This includes ensuring data bottlenecks are managed from the corporate level down to the branch environment, including shifting to software-as-a-service models and leveraging hybrid-cloud environments that use a mix of public, private and owned data centers.

Patelco has accelerated a program to provide member communication via two-way SMS, or text messaging. That workstream is planning additional capabilities to support members in new and enhanced ways such as SMS-to-video and chatbots, to help support the shift to more digital interactions.

Retrain your existing workforce to match member needs. With Patelco's 37 branches experiencing a drop-off in foot traffic, and consequently, a dramatic spike in calls and digital usage, Patelco quickly retrained part of its existing branch workforce in tandem with enhancing the contact center software to support those newly remote workers. Patelco transitioned one or two tellers at each branch to handle member calls and emails. Patelco now maintains more than 120 remote agents handling the pandemic-related volume, up from 80. This strategy is being instituted across the CU as work continues to shift. More recently, the volume of mortgages Patelco handles has exploded, requiring another reallocation of the workforce to ensure the CU can meet the expectations of its members.

Create a culture of resourcefulness with an agile mindset. The crisis has also forced Patelco team members to quickly adopt cloud-based applications, especially collaboration tools, including Microsoft Office 365, Microsoft Teams, Zoom and SharePoint. But technology by itself is not enough. Team members must be encouraged to be proactive while offering them easily accessible, intuitive tools, empowering teams and individuals alike to figure things out as they go. With effective agile methods where no question goes unanswered, communication can become real-time and collaborative.

Maintaining culture is worth extra effort. Pre-pandemic, few employees had experience working remotely. The executive team now takes care to have daily dialogues, typically over video conference, with their respective vertical teams. That ethic also extends to recruiting and hiring. Patelco has adopted new HR processes to interview and hire new teammates entirely virtually, including transitioning previously in-person initiation meetings to virtual events, which surprisingly have earned better ratings in post-event surveys.

Patelco leadership also encourages maintaining usual daily business activities as much as possible, including hosting monthly manager meetings along with regular all-team meetings. Conversely, maintaining a positive corporate culture means ensuring that remote workers can break away from work. Work with team members to ensure they don't get caught in the cycle of starting earlier and working later—an easy trap to fall into without the regular daily commute and personal events that filled off-hour schedules prior to COVID-19.

This hybrid work environment may not go away when everyone can return to the office or branch. Many CUs see value in maintaining aspects of a flexible work environment while encouraging digital collaboration and communication. As team members return, Patelco is reconfiguring conference rooms to make collaboration easier and simpler, including adding more and larger screens to ensure those joining remotely are highly visible. By putting in the work now to foster community, culture and improved business processes through new digital tools and policies, credit unions may find themselves stronger coming out of the crisis than going in.

Kal Majmundar *is SVP/chief technology officer at $8 billion Patelco Credit Union (*patelco.org*) based in Dublin, California. He is responsible for leading the technology function across the CU, which includes the alignment of strategic priorities across all lines of business.*

Listening *for Ideas*

INNOVATION REQUIRES PERIODS OF CALM AND VALUING DIVERSE POINTS OF VIEW.

BY ART CHAMBERLAIN

If you want your credit union to be innovative, don't focus too hard on that goal; if you do, it may make it tougher to succeed.

Instead, you should focus on listening to your staff, encouraging and developing diverse viewpoints, and ensuring your employees have some free time to do nothing but think.

Experts agree that this seemingly indirect, roundabout approach to innovation is the best way to actually find new ideas.

Innovation expert and author Alf Rehn (*alfrehn.com*), professor of innovation, design and management at the University of Southern Denmark (*sdu.dk/en*) in Odense, says he often runs into skepticism from top executives at Fortune 500 companies when he recommends this approach.

"A culture that is listening might sound like a fuzzy thing to start from, but I often emphasize to CEOs: You can run tons of innovation management workshops and you can run competitions, but if the organization sees that this is just a playground for the same people all the time—often middle-class white guys—you will fail."

In many cases, Rehn's job as an advisor is to persuade managers to do less, at least directly. He notes that many leaders realize innovation is important so "they shout downwards in the organization, demanding that somebody do something."

But instead of success, this approach "means innovation can quickly become just one more tool management has to beat their employees over the head."

IDEAS ARE PLENTIFUL, BUT …

There is no shortage of ideas for changes and improvements in the work we do.

"As human beings, we are innovators by nature," Rehn says. "I've worked with hundreds of organizations all over the planet, and I've never met a single organization that lacks ideas or lacks innovation. The problem is that organizations and managers are very good at trying to kill this instinct in us.

"Be it through bureaucracies, be it through complex budgeting systems, or simply through microaggressions, managers are killing a lot of the innovation potential that companies have."

A report by Gallup (*gallup.com*) says that for innovation to blossom, it must be embedded in the organizational culture. Unfortunately, it found just 38% of employees say their company asks for their input on changes affecting their work and only 20% say their job allows them to share and work on their most creative ideas.

"Quite often we see that organizations have become so browbeaten, so used to management not truly listening, or truly supporting new ideas, or innovation, that they seem to stop caring, they seem to stop bringing their innovative selves to work," Rehn says. "They channel that innovation energy elsewhere—be it the PTA meeting or just around the house."

WHEN IDEAS START FLOWING

Once you start gathering all the ideas generated by your staff, you'll need a system to collect, handle and prioritize them.

Author, consultant and fintech innovator Rich Turrin (*richturrin.com*) says a large bank once asked for his help. It had held a large innovation event and gathered thousands of suggestions.

"Surprisingly, they had no means of prioritizing the suggestions," he says.

Turrin's advice is that companies develop a way to evaluate and prioritize ideas at the start of the process.

"Telling everyone that their ideas are great will make them happy for 10 minutes, then make them depressed when they see nothing is done. Level with them as to why you can or can't use their suggestion."

Members Development Company (*membersdevelopment.com*), a credit union service organization in Madison, Wisconsin, owned by almost 70 credit unions and credit union entities, runs NextUP (*tinyurl.com/mdcnextup*), an annual program that gathers one employee from each owner to create new ideas for products, services or processes. These ideas often become development projects for MDC after they are presented to the CUSO's owners for approval. Participants also gain innovation techniques and idea development skills they can take back to their credit unions.

The NextUP program used to be the Innovation Council, a smaller group largely consisting of a few credit union CEOs, but the CUSO finds the broader approach is a much more effective method, says Sarah Leitz, MDC's chief experience officer.

Kent Zimmer, the former SVP of MDC who led NextUP's transformation from the council, agrees. "The program's idea-generating sessions benefit from a diversity of backgrounds and insights from people across the country who share ideas."

Michael El Koubi, marketing and communications manager for MDC, says many of MDC's credit unions have dedicated innovation staff and programs to encourage all employees to participate in innovation by suggesting ideas that then go to a committee that is responsible for selecting what goes forward.

"It is a double-edged sword, you want everyone involved in innovation, you want everyone to be responsible for innovating, but you also want champions who lead the innovation in the organization, because if it is everyone's job, it becomes no one's job," he says.

BARRIERS TO INNOVATION

Leitz says a year and a half ago MDC surveyed its credit unions about the biggest barriers to innovation in their organizations. "The top two answers were at opposite ends of the spectrum: The first was culture, and the second was the need for the practical tools and skills to actually get something done."

> **"As human beings, we are innovators by nature."**
>
> — Alf Rehn

She says MDC is tackling both those issues. On the culture side, the CUSO has created a playbook that profiles companies with strong cultures of innovation and provides a six-step process for transforming a static organization into a more innovative one. On the skills side, the intense experience provided by the NextUP program gives each owner's staff the opportunity to experience innovation firsthand and learn how to take an idea from the back of the napkin to the presentation stage.

Turrin says he encourages managers to keep in close contact with their tech staff so they can be alerted to new products or technologies coming their way from outside the organization. He says this is particularly important for smaller firms, like credit unions, that outsource much of their technology work. "They need to drive them to learn what is available, as they are downstream of the innovation rolled out by the software vendors," he adds.

Rehn's latest book is called *Innovation for the Fatigued* (*tinyurl.com/innovationfatigued*). In it, he argues that in many companies the approach to innovation has become rote and mind-numbing. He says when he first started consulting 20 years ago, he would introduce himself to employees and be welcomed with open arms. The current reality struck him last year when he made his standard introduction at one company session, explaining what he was there to do, and people threw their hands up and said, "Not another one, not this again." Later, an employee asked: "Why are you here now? We usually do innovation in April."

He realized the whole approach to innovation was stale and had simply become something people plugged into their calendars.

"We had managed to turn innovation into routine, something boring that actually tired people," Rehn says.

One issue is the simple overuse of the term. He shakes his head and notes that cereal maker Kellogg's once called a news conference to announce its latest "innovation." Reporters turned up to learn that the innovation was a new flavor of Pop-Tarts—peanut butter. He warns credit unions not to think of innovation as their equivalent of a new flavor of Pop-Tarts.

WHAT LEADERS CAN DO

"Companies should think long and hard about how they can make innovation something that their people actually are proud of, not just one more management buzzword," Rehn says. "We need better innovation; we need deep innovation that would actually change the world. I see a tremendous opportunity for credit union innovation, but it needs to start solving the right problems. For example, I have many fintech apps on my phone that make my life simpler, but I don't need another one. But people really need apps that will solve the needs of the unbanked."

Boards and CEOs need to set the broad parameters and say: Here are the areas we want you to think about. "Raising the innovation bar—that should be something that CEOs and boards take very seriously, particularly when you look at the up-and-coming generations. They want to solve problems; they want to actually do meaningful work."

Rehn argues that innovation can be a source of stress if executives demand it without giving clear guidelines.

"At the same time, stress generally is the enemy of innovation because if people are pushed too far, if people feel that their entire lives are just one long Zoom call after another, they will not have that kind of space for imagination, flights of fancy, ideation, from which all innovation springs."

He warns that many companies "think innovation is a problem you can solve by throwing money at it. Money is far more rarely the problem than you think."

The key ingredient is time.

"Time is the magic essence," Rehn says. "Innovation demands periods of calm, periods where we can ponder, where we can allow our minds to wander, and think about some of the ideas that may be lurking in our subconscious that we don't pay enough attention to."

Art Chamberlain *is a writer based in Campbellford, Ontario, with almost 15 years of experience working with and writing about credit unions.*

MORE ON INNOVATION

A Crash Course in Design Thinking (*cumanagement.com/0620crash*)

A Road Map for Connecting Innovation With Strategy (*cumanagement.com/0520roadmap*)

Back to the … Status Quo? (*cumanagement.com/052720skybox*)

Pandemic Pushes Innovation *on Delivering Existing Promises*

The current operating climate is chaotic, so should you: a) hunker down (remotely) and try to carry on as close to normal as possible, or b) decide this is the perfect time to innovate and try something new?

Executives around the world have considered this question over the last seven months as they have struggled to cope with the COVID-19 pandemic and its continuing impact on their businesses.

Some credit union managers say the answer is definitely b. Now is the time for change, when everyone is open to new ideas and new techniques, so you should take advantage of this and try different ideas.

"The pandemic has given people the opportunity to come up with new ways to do things," says Kent Zimmer, who has managed the NextUP innovation program at Members Development Company, (*membersdevelopment.com*), a credit union service organization in Madison, Wisconsin, owned by nearly 70 large credit unions. "You have to be innovative right now, … and not just for the next one or two months. I think the pandemic has added to innovation."

Zimmer notes that some businesses are talking about not going back to working in the office, because they're shocked at how productive people have been remotely. "We didn't realize how productive people would be working from home," he says.

Innovation consultant and fintech expert Rich Turrin (*richturrin.com*) warns organizations should be careful during the pandemic and not bite off too much.

"This is not the time for big innovation challenges," Turrin warns. "Companies are better to focus their innovation on productivity problems they are having in this transitional period."

For example, Turrin, author of Innovation Lab Excellence: Digital Transformation from Within (*tinyurl.com/innovationlabexcellence*), recommends credit unions go now for easy wins and make changes that "put out any immediate fires that are causing stress for your staff or clients. This is not the time to take on long innovation projects."

Gallup's advice is to be creative, not innovative. Launching a whole new product or service during a time of crisis may confuse your customers and overwhelm stressed employees. For most organizations, now is the time to stay in your comfort zone and focus on consistently delivering on the promises you have already made to your customers, adapted to their current reality.

Innovation expert and author Alf Rehn (*alfrehn.com*) worries that the pandemic may in fact be killing innovation.

"We are staring at the possibility of a true innovation crisis because obviously in the next 12 months, we can survive without all that much innovation," he says.

But he fears companies and governments will cut their research spending this year, just as their staff face new challenges.

"If we shrink corporate investment in R&D, governmental investment in R&D and have a situation where a lot of people feel their mental health is challenged, we are eradicating the innovation pipeline," Rehn says, noting we may not recognize the importance of these developments for many years.

Paddling Faster Than *the Currents of Change*

NEW BOARD CHAIR KELLY MARSHALL LEADS CUES THROUGH A TRANSFORMATIONAL ERA FOR THE INDUSTRY.

BY DIANE FRANKLIN

Kelly Marshall, CCE, CCD, ICD.D, president/CEO of $345 million Summerland Credit Union (*sdcu.com*) in Summerland, British Columbia, has taken on the chairmanship of the CUES Board at a time of profound change in the industry. Adapting to these changes requires great agility, Marshall contends, especially since the rate of change is poised to accelerate.

"I believe the transformational change we've experienced over the past several years is about to grow exponentially," says Marshall. "We may be seeing a bit of a reprieve momentarily because of the pandemic, but anticipating what may occur with regard to innovations in technology, digitization, fintechs, big data, remote workforces, mergers and open banking, we have to be prepared to meet the challenges that will continue to influence and significantly change our business and economic models moving forward."

Marshall, an avid outdoorsman, cites an anecdote from his own life as a way to describe the need for quick and decisive action to face these challenges head-on. Several years ago, he was on a glacial whitewater canoe trip in the Rocky Mountains in Alberta. His three companions were rugged veterans of this type of excursion, but as a rookie, Marshall felt some trepidation.

"We put our canoes into the water, and the first three-quarters of a mile, we descended 1,800 feet," Marshall recalls. "I learned quickly that you had to paddle faster than the current in order to remain in control. I think the same can be said regarding the pace of change occurring outside of our organizations and how rapidly we must adapt to it from within."

Adapting to this change requires credit union leaders to deploy effective strategies and empower individuals at all levels of their organizations.

"Now, more than ever, we need to be deliberate with our strategy and pragmatic in its execution so that we may carve out our niche in this often confusing and crowded marketplace," Marshall asserts. "We'll need to innovate, collaborate and cooperate to ensure that we continue to provide value to our current members and future genera-

Szabo Photography

tions of members. Those strategic conversations should occupy a large space on board agendas—not just discussed at once-a-year retreats."

30-YEAR CU CAREER

Marshall's career in the Canadian credit union system spans three decades. The values he brought into that career were shaped by his upbringing in the small town of Smeaton, Saskatchewan, where he lived with his parents and two sisters and had a close-knit extended family of grandparents, aunts, uncles and cousins living nearby.

"I think you start out in life trying to construct a value system, and as you grow and mature, you begin to look for a community that shares those same values," Marshall says. "For me, that community was the credit union system and the people who are part of it."

Prior to moving into the credit union field, Marshall worked in roadway maintenance and construction while taking university-level correspondence courses to further his job prospects. At the time, he and his wife also were busy raising a family.

When Marshall was offered a job as a teller at a local branch of Prince Albert Credit Union, he accepted the position with an eye toward a career. Over the next 11 years, Marshall worked his way through the ranks at the credit union, eventually becoming manager of retail operations for the 10 branch locations and call center. (As the result of a 2006 merger, Prince Albert CU is now part of $6.5 billion Conexus Credit Union, *conexus.ca*, headquartered in Regina, Saskatchewan.)

Early in the new millennium, Marshall left Saskatchewan for an opportunity to become CEO at Edson Credit Union in Edson, Alberta. He spent five years as CEO at the credit union (which in 2019 became part of $17.3 billion Servus Credit Union, *servus.ca/life*, headquartered in Edmonton Alberta). In 2006, he relocated again—this time to become president/CEO at Summerland CU. Situated in the desirable Okanagan region of British Columbia, the locale proved an added draw for Marshall, who could enjoy such pastimes as hiking, swimming and fishing while also leading a larger credit union.

A CEO TRANSITION

Coming to Summerland CU as CEO, Marshall had to fill the shoes of a predecessor who had led the organization for 37 years. Taking over the reins from such a well-established figure in the organization was a daunting proposition, but CUES member Lorrie Forde, CCD, who was serving on the board at the time of the transition, reports that Marshall handled it well.

"Our staff—and the board too—were a little nervous when Kelly's predecessor retired, as he'd been there 'forever,'" recalls Forde, who currently serves as board chair for the credit union. "But within days of Kelly's arrival, he was able to win over even the most cynical."

Since then, Summerland CU has continued to benefit from Marshall's people skills. "No matter how busy his day, his willingness to take the time to listen fully leaves his people feeling valued and important," Forde says. "The emotional intelligence he brings to his role shows up in his ability to simultaneously lead and be one of the team. Kelly cares and isn't afraid to show it, but ... he never loses sight of the organization's strategic vision, the bottom line and his role. Being able to juggle these priorities is a masterful skill."

Using these skills, Marshall has been able to lead the Summerland CU to strong growth over the 14 years he has been with the organization. He attributes these results to a strong focus on collaboration and inclusivity. "I believe in empowerment, diversity of opinion, and using the strengths and skills of my team in tackling challenges," he says. "This type of approach yields better solutions and creates cohesion around those challenges. I think it's important for us to realize, as leaders, that we don't necessarily have all the answers."

Putting the focus on workforce empowerment has had a positive impact on how the 35 employees at Summerland CU view the organization. As verification of this, Marshall points to the organization being named in consecutive years as one of the Best Companies to Work for in British Columbia by *BCBusiness* magazine (*bcbusiness.ca*).

Another top honor that Summerland CU has received was the title of Best Credit Union and Bank for the South Okanagan Region, from *Okanagan Life* magazine (*okanaganlife.com*), an honor that Marshall attributes to the organization's high level of service coupled with competitive pricing.

"To have reached $345 million in assets with only 35 employees means we're ultra-efficient, and that allows us to pass those savings on to our membership," he says.

Forde, who has worked closely with Marshall on many projects, appreciates the stellar leadership skills he brings to the table to further the organization's growth. "His attention to detail, willingness to go above and beyond (every time), business acumen, personal integrity, ability to lead with heart, and creative and innovative thinking—even in a regulated and traditional field—are just a few of the strengths he brings to whatever role he's in."

All of this bodes well for the long-term success of Summerland CU, Forde adds. "Kelly always has one eye on the future. He considers trends and isn't afraid to embrace innovation but always with an eye for evidence of stability or enough authority to influence the development of that security. ... Kelly is a 'what-you-see-is-what-you-get' kind of guy. He is able to influence when

"Now, more than ever, we need to be deliberate with our strategy and pragmatic in its execution so that we may carve out our niche in this often confusing and crowded marketplace."

– Kelly Marshall, CCE, CCD, ICD.D

> **"No matter how busy his day, his willingness to take the time to listen fully leaves his people feeling valued and important."**
>
> – Lorrie Forde, CCD

needed. He's self-aware and empathetic, courageous and willing to have critical conversations, and he does all of it from a place of respect."

INDUSTRY INVOLVEMENT

Concurrent with steering Summerland CU to such positive results, Marshall has been active in many key industry organizations. He began serving as a director for CUES in 2016 before ascending into his new role as chair in August 2020. He additionally serves the organization as a CUES Canada Council member.

"Over my career, I've had the great fortune to be included and involved in the evolution of our system at the local, provincial and national level," Marshall reports. Currently, he serves as board chair of Stabilization Central Credit Union (*stabil.com*), a Vancouver-based organization in British Columbia that helps credit unions that face governance, operational or financial challenges.

Additionally, Marshall serves as a director of two CU-owned businesses: Kootenay Insurance Services Ltd. (*kootenayinsurance.ca*) and CUSO Wealth Strategies Inc. (*cuwealth.ca*) in Kelowna, British Columbia.

With this wide array of experience, Marshall has gained insights into the unique strengths of both Canadian and U.S. CUs—and the challenges they face. "I believe there's a lot that our two credit union systems can learn from one another," he says. "Each system has brilliant examples of successful business models, strategies and innovations that can help one another be stronger and more successful. I know of several credit unions on both sides that have gone on field trips to explore and research best practices across the border, and for some, that research has transformed their organizations."

AN ADVOCATE FOR LEARNING

Marshall sees great value in the educational and networking opportunities provided by industry organizations. An advocate of lifelong learning, he has completed several industry educational programs. Through CUES, he has earned his CCE (Certified Chief Executive, *cues.org/inst1*) and CCD (Certified CU Director, *cues.org/gli*) designations. He also graduated with honors from the Credit Union Institute of Canada (*tinyurl.com/ccuacuic*) with a specialty in lending studies, and is an accredited Canadian Credit Union Director and a graduate of the Institute of Corporate Directors Program (*icd.ca*), currently holding the ICD.D designation.

In his role as CUES chair, Marshall affirms that CUES will continue to emphasize its focus on education, even though the pandemic has necessitated creative measures for maintaining the educational experience.

"We will continue to evolve and adapt to delivering education digitally, but post-pandemic, I believe it will be important to continue to offer conferences and other educational opportunities that provide those in our industry with the opportunity to meet face to face and discuss common challenges," Marshall contends. "CUES is one of the critical vehicles in our industry for providing such opportunities."

Marshall also is appreciative of the networking opportunities that these programs afford, attesting from personal experience that they not only provide a forum for dialogue and learning but have also been the source of long-term friendships. "Many of the people I've met have been and continue to be a source of inspirational learning for me," he says. "This is a wonderful industry. We make a difference to people, and I love being a part of that."

As he leads CUES, Marshall will ascribe to the same characteristics of leadership that have helped him as CEO. "To me, honesty, integrity and emotional intelligence are foundational to leadership and are the characteristics of effective leaders that I value most and use as my bellwether," he says.

And just as CEOs must paddle quickly to keep up with the pace of change, Marshall will lead CUES with an eye toward responding to the changes and challenges that lie ahead.

"I think every industry is facing disruption, and CUES is not immune to that change," Marshall observes. "We have a great foundation with our focus on development for executives, employees and directors by delivering timely and pertinent educational experiences and opportunities. As an organization, much like credit unions themselves, we'll have to continue to adapt our strategy and our business model to ensure relevancy and value creation for our members."

Based in Missouri, **Diane Franklin** *is a longtime contributor to* Credit Union Management *magazine.*

MORE ON INDUSTRY LEADERSHIP

Leadership Profile: A Thirsty Mind (*cumanagement.com/0920mind*)

Leading With Integrity (*cumanagement.com/1219leading*)

Up to the Challenge (*cumanagement.com/1119challenge*)

Building a Culture of Collaboration (*cumanagement.com/0119building*)

CEO Institute I: Strategic Planning (*cues.org/inst1*)

CUES Governance Leadership Institute™ (*cues.org/gli*)

Agile and *Prepared*

CREDIT UNIONS DEMONSTRATED FLEXIBILITY IN THE PANDEMIC AND NOW ARE CLOSELY MONITORING THE REGULATORY LANDSCAPE.

BY RICHARD H. GAMBLE

A global pandemic, emergency legislation, wholesale branch closures, collapsing interest rates, a flood of mitigation payments, indiscriminate forbearance and a big spike in fraud! Staying in business, let alone staying in regulatory compliance, has been daunting this year. How are credit unions managing?

It's been wild. The biggest challenge is not any one regulation but staying ahead of the whole changing landscape, says Melia Heimbuck. "You have to monitor regularly because the target is always moving," notes Heimbuck, principal of risk management solutions at CU Solutions Group (*cusolutionsgroup.com*), Livonia, Michigan, a credit union service organization with ties to the Michigan Credit Union League. "Almost every piece of guidance from NCUA (National Credit Union Administration, *ncua.gov*) emphasizes the need for risk-based ongoing monitoring. You can't ever take your eye off the ball."

Dennis Dollar also suggests not to expect any kind of lull.

"Our credit union clients are expecting more regulatory compliance issues post-COVID than before," says Dollar, partner of Dollar Associates LLC (*dollarassociates.com*), Birmingham, Alabama, and former chair of the NCUA board. "New consumer legislation and regulation are also quite possible as more and more Americans lose their ability to pay on credit union loans—creating, for example, changes in how credit unions can collect loans and administer overdraft programs."

Naming off a long list of relevant regulations, Dollar adds: "The COVID-19 era has brought changes—in addition to new regulatory requirements associated with the CARES Act (*tinyurl.com/treascaresact*) and FFCRA (the Families First Coronavirus Response Act, *tinyurl.com/familiesfirstccra*). Credit union compliance will be watched closely. Examinations will be an area of concern for credit unions because the numbers, post-COVID, are just not going to be as good as they were going in.

"There is little doubt," Dollar says, "that COVID has been a major disruptor in the American economy. Historically, significant crises such as this will generate more—not less—regulation. More regulation always results in more compliance pressure."

"You try to anticipate what could happen, but when it comes, things nobody could have foreseen pop up and have to be dealt with quickly."

— Dale Scott, CCE

Just to make matters more complicated, hackers have been seizing the coronavirus day, so to speak. Efforts to perpetrate fraud are on the rise, right as typical payments patterns are shifting.

"With all the virus dislocations, fraud is thriving, and individuals are deviating from their usual spending patterns," notes Amber Sutherland, SVP/sales at Silent Eight (*silenteight.com*), a regulatory technology company with locations around the world. "So that puts a lot of extra pressure on fraud-detection systems and generates a lot more alerts."

The good news, according to Gaye DeCesare, VP/compliance at Aux (*auxteam.com/about-us*), a compliance-focused CUSO with Denver headquarters and a Washington, D.C., office, is that responding to a need for steady and good compliance isn't a new thing for credit unions.

"Change is the air we breathe," she notes. "We've always had to be nimble." The compliance problems lately have mostly been tactical hitches around things like getting timely access to key documents. "Some have been locked in branches, not yet scanned," she explains. "Or the person who could retrieve them is not available. When a lot of compliance had to move off-site, there were delays."

A lot of compliance involves creating, storing, retrieving and distributing documents around all sorts of activities, notes Bryan Boynar, financial services solution marketing manager for Hyland Software (*hyland.com*), Westlake, Ohio. "We provide enterprise content management capabilities," Boynar explains, "and we partner with the major core business vendors to avoid system silos that can occur with niche compliance vendors." For example, Hyland partners with Iron Mountain (*ironmountain.com*) to offer Governance Rules as a Service (*tinyurl.com/hylandgraas*), which tracks and applies new regulations and guidance for subscribers.

For the high-volume transaction monitoring part of compliance, COVID-19 has made it both easier and harder for CUs, observes Marcus King, VP/audit and compliance for Credit Union Audit and Compliance Group (*myleverage.com*), based in Birmingham, Alabama. The hard part has been detecting and preventing all the fraud that blossomed around claiming government mitigation payments, he notes. The easy part has been that suspicious cash deposits at branches dried up when CUs closed their physical locations. But they could surface again as branches reopen, he warns.

PREDICTING THE UNPREDICTABLE

COVID-19 fallout has confirmed credit unions' ability to be responsive, but how about their ability to be prepared? A potential pandemic has been a foreseeable threat, so good risk planners had pandemic plans in place. Now COVID-19 has presented a real test of just how useful pandemic planning can be.

"You try to anticipate what could happen," says CUES member Dale Scott, CCE, director/risk services at $5 billion ConnectFirst Credit Union (*connectfirstcu.com*), Calgary, Alberta, "but when it comes, things nobody could have foreseen pop up and have to be dealt with quickly. I think we all got caught by the unexpected in some areas.

"We anticipated events that could disrupt member access to branch services and were able to activate remote working for our staff pretty quickly," he reports. "We were the first CU in Alberta and one of the first in Canada to roll out appointment-only visits for members across all of our branches for the protection of our members and staff. We didn't anticipate all the financial activity around government support programs or the ramifications of a very contagious airborne virus and sanitation protocols." So you can plan for a pandemic usefully, but that doesn't necessarily mean you are fully prepared, he concludes.

While strategic planning needs to guide compliance, there will always be a need to react to legislative and regulatory changes, notes CUES member Marie Campbell, in-house counsel for $2.5 billion GTE Financial (*gtefinancial.org*), a federal credit union based in Tampa, Florida. "Most of the time we can see regulatory changes coming down the pipeline and can adequately prepare and plan for their impact," she says. "But even final legislation sometimes is amended, and that may require the credit union to change course."

Planning for compliance monitoring is absolutely necessary and feasible under normal conditions. "You have to be proactive," DeCesare says. Being ready means addressing nuts and bolts like communicating with data processors and forms providers, she points out. "The data processors and the forms providers can't be shooting for the same effective date as the credit union. They need to give the CU lead time."

GEARING UP FOR COLLECTIONS

Some things are fairly easy to anticipate. In light of the weak economy, compliance pros should prepare for stepped-up collections, Heimbuck warns. "There are a lot of mines you could step on, like when and how you are allowed to contact a delinquent borrower," and a lot of reputation risk if a novice collector strays into "abusive practices" territory. "There could be major problems once delinquencies start to rise, if a credit union doesn't have the proper processes and protocols in place," she notes.

Collections activity is still low at this point but bound to grow due to COVID-19 and its economic impact, Scott says. Those proceedings may be less adversarial, he adds. "This is hitting a lot of conscientious, reliable members, and they are victims of developments beyond their control. We'll be trying extra hard to work with members to find constructive solutions."

CUES member Alan Stabler, CCD, EVP/CAO and general counsel of $1.8 billion America's First Credit Union (*amfirst.org*), Birmingham, Alabama, says his CU knows credit problems are coming—and it will be ready. "We remember the financial

> **"Change is the air we breathe. We've always had to be nimble."**
>
> — Gaye DeCesare

carnage of the Great Recession," he says. "I think we're adequately staffed, so I don't anticipate adding new collection people, but we'll review compliance requirements as delinquencies and charge-offs increase."

COLLABORATION PAYS OFF

Canadian CUs are famous for their sophisticated and aggressive collaboration, and it's paying off in regulatory compliance monitoring, too.

"We work together to find efficient solutions and to keep us competitive with the big banks," Scott suggests. "Our Canadian and provincial centrals have a lot of resources we can tap into. Our provincial central hosts a regulatory compliance network where all Alberta-based credit unions call in monthly to discuss compliance issues—new trends in fraud, new software tools, tweaks to policies and procedures, volume pricing for new potential solutions. If any credit union finds a better solution for a specific process or workflow, it is shared through the network quickly. We don't share individual member data, but we share almost everything else in terms of policies, processes or workflows. We go as far as we can to build effective generic solutions, and then each credit union can fit it into its particular circumstances."

The biggest pain point, Scott says, is "just keeping up with all the changes in regulation and legislation that keep coming. "We know new requirements are in the pipeline, and we feel the pressure to keep up and be prepared," he adds. "We'll try to be efficient and figure it out together and then apply it at the individual level."

DeCesare thinks collaboration among U.S. credit unions has declined in recent years as competition has increased and CUs have started to see each other as rivals. Rather than sharing directly, credit union to credit union, select CUs have collaborated more through CUSOs where they get the benefit of collective effort. But only a few CUSOs have focused primarily on compliance, she notes.

DON'T JUST LOOK AHEAD

It's natural in a crisis to focus on the hot spots, but that can be dangerous if it takes attention away from the familiar tasks. What is not new can still bite a CU, DeCesare warns. "There are a lot of regs like Reg B that haven't changed for years, but the people who built the compliance procedures have retired, and the new people don't have insight and can approach compliance without historical context. If you don't know why things are done a certain way, it's easy to think they're not important.

"As issues like BSA (Bank Secrecy Act, *tinyurl.com/occbsa*) and now COVID-19 have attracted a lot of attention, staffs may become complacent about settled routines," she points out. And that can cause trouble.

"We had one credit union," DeCesare recalls, "whose data processor changed a field and the staff didn't notice. That led to them omitting a key field on their adverse action notices and not informing members why their requests had been denied. They didn't catch the oversight for years. It was very costly and time-consuming to fix."

BSA requirements may not be new, but the situation has changed with COVID-19, Heimbuck insists. Take elder abuse, for example. It was hard enough when the elder and the potential abuser would come into a branch to make a withdrawal and staff could visually assess the situation and slow things down. Now the potential abuse is more likely to occur virtually, leaving staff blind to important clues. And with more people feeling financial distress due to the virus, there may be more cases of family or friends wanting to get the elder's money, she adds.

A thorny issue arises when a member with a loan in default receives a mitigation payment, King points out. "It's legal to garnish it, but it may not be wise. Credit unions ask us about this, and we tell them they have to weigh the reputation risk against the value of the payment."

Of course, you must recognize priorities, Heimbuck concedes, which is basically knowing the cost of noncompliance and making sure you first take care of the regulations that can really hurt you. That would probably start with BSA, which can bring the biggest monetary fines and cause the greatest damage to a credit union's reputation.

Because compliance keeps changing and comes at credit unions from all directions, Heimbuck notes, it's critical to have the familiar processes buttoned down and automated as much as possible so that the CU has "the resources to focus on new things as they crop up. You have to be on your toes at all times."

Richard H. Gamble *writes from Grand Junction, Colorado.*

MORE ON COMPLIANCE

Buttoning Down Compliance Using Automation (*cumanagement.com/1020buttoning*)

Compliance Staff on High Alert (*cumanagement.com/0420compliancestaff*)

On Compliance: Will a COVID-19 Recession Lead to Supervisory Enforcement Actions? (*cumanagement.com/0520oncompliance*)

Efficient Compliance Staffing
as the Pandemic Plays Out

Getting the most compliance value for the least cost will be even more critical than usual as credit unions head into a time that's likely to feature reduced revenue. How will they do this?

Specialized, technical expertise is essential. $1.8 billion America's First Credit Union (*amfirst.org*), Birmingham, Alabama, gets the expertise it needs from a staff of 10 people who undertake legal, risk and nuts-and-bolts compliance activity, says CUES member Alan Stabler, CCD, EVP/CAO/general counsel. The group of 10 includes three people devoted to Bank Secrecy Act (*tinyurl.com/occbsa*) compliance.

"Compliance has always been important," he notes, "but the passage of Dodd-Frank and the Patriot Act and the advent of the Consumer Protection Financial Bureau (*consumerfinance.gov*) made it essential to have a dedicated compliance staff. In addition to regulators, class-action lawsuits are always a risk."

$2.5 billion GTE Financial (*gtefinancial.org*), Tampa, Florida, has an internal regulatory compliance council comprised of the leaders of the business units that deal primarily with CU operations, explains CUES member Marie Campbell, CSE, in-house counsel. The council discusses new and impending legislation that will impact the organization.

"The council plans for the impact of new laws and regulations and how to absorb and implement changes," she says. "It involves educating and training staff on the rules, providing guidance and confidence that the credit union as a whole will act and perform knowledgeably. This council and our compliance program help the credit union to move faster and with confidence in preparing for regulatory changes and examinations."

In the same vein, $5 billion ConnectFirst Credit Union (*connectfirstcu.com*), Calgary, Alberta, fields a team of seven people who deal with regulatory compliance and fraud, explains CUES member Dale Scott, CCE, director/risk services. They are primarily generalists, most with front-line experience, who follow all the regulations.

Compliance justifies a full-time specialist, says Marcus King, VP/audit and compliance for the Credit Union Audit and Compliance Group (*myleverage.com*), Birmingham, Alabama, but many small CUs—most of those under $100 million in assets—can't afford even one dedicated compliance professional, so the responsibility falls on the executives to juggle with all their other responsibilities.

He could be describing $66 million Community Choice Credit Union (*communitychoicecreditunion.com*), Commerce City, Colorado. It can't afford a dedicated compliance staff or officer, but the work still has to be done, explains CEO Rainy Thoen, CPA. The answer is outsourcing and two officers who add this to their regular duties, she reports.

Community Choice CU uses Mountain West Credit Union Association (*mwcua.com*) for compliance reviews and executive summaries. The CU also uses hosted software from AffirmX (*cusolutionsgroup.com/affirmx*) and features of its Prodigy core system (*cuprodigy.com*) for BSA transaction screening and suspicious transaction identification.

It's not easy and takes more than an hour a day, Thoen says. Neither the regulators nor the fraudsters give her CU a pass because it's small. But their efforts are working.

"We spotted a large check being deposited into a member account, investigated, determined that it was fraudulent and canceled the deposit before the funds could be withdrawn," she reports. "We protected the credit union and spared the member some trouble because he happened to be getting ready to buy a dozen gift cards.

An experienced compliance officer "knows a little bit about a lot of activities," King notes. To make the position productive, a CU needs to invest in keeping the person up to speed by supporting conference attendance and subscribing to compliance aids, he adds.

One of the best tools for streamlining compliance, Stabler says, has been e-signatures. "Now that they are widely accepted, we can eliminate the need to mail, fax or email documents. That was a lifesaver during the restrictions of the COVID-19 environment. It enabled us to execute compliant documents in minutes."

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Payment Lessons *From the Pandemic*

BE WHERE MEMBERS ARE ON THE CONTACTLESS AND PEER-TO-PEER FRONTS—AND LOOK TO THE FUTURE.

BY KAREN BANKSTON

Members learned a lot about their payment options over the course of the COVID-19 outbreak. They discovered which of their cards are contactless—and which store terminals support tap-to-pay. Some tried mobile wallets for the first time and started splitting bills with friends and family via person-to-person payment apps instead of cash. Even previously technology-averse members started learning about digital channel options to manage their cards and accounts.

Like other card issuers, credit unions saw their members collectively log a decade's worth of shifting toward contactless and online card transactions in just the first few months of the pandemic, notes Chris Harris, senior director at Ondot Systems (*ondotsystems.com*), Santa Clara, California.

These new payment preferences will likely settle in as habit for many members. "One of the reasons that paying by phone with a mobile wallet hadn't taken off is that people don't know where they can use that," Harris notes. "As people have had more impetus to figure out where those payments are accepted, ... they have become more comfortable paying by phone on a regular basis."

The past few months have been a learning experience for card and digital channel managers as well. They can apply their own lessons gleaned from the pandemic to stay ahead of members' evolving payment inclinations.

SUPPORT MEMBER PREFERENCES

With the shift toward favoring contactless payments, CUs that started planning to swap out EMV for contactless cards in the midst of the pandemic are now standing in line as processors are deluged with requests. At the time of writing, the lead time to roll out tap-to-pay plastic could be six

"Providing self-service options is great for members who can resolve those issues quickly and on their own time, and it is great for other members in that it should reduce wait times at the call center and branches."

– Chris Harris

to 12 months, notes Libby Calderone, president/COO of CUES Supplier member LSC Inc. (*lsc.net*), Naperville, Illinois.

Promoting Apple Pay, Google Pay and Samsung Pay—with the credit union's debit and/or credit card as the preferred payment method, of course—is a quicker transition, Calderone suggests.

Marketing campaigns to communicate that members can use their credit union cards in these wallets are a great start. Short video tutorials or email campaigns to show members how to enter their cards can be helpful, along with reminders that if they have an Apple watch, it's an extension of their phone and can be used for payments as well.

Contests—such as entering members in a drawing whenever they make tokenized wallet payments—are another means to showcase support for contactless. CUs should be able to track payments made at contactless point-of-sale terminals, she notes.

Another way to encourage members to position their credit union cards at the top of their mobile wallets is through "push provisioning," an option built into Ondot's and other card management apps to facilitate adding a debit or credit card to a mobile payment app with just two or three clicks. Once the card is enrolled, the next step credit unions should promote is for members to answer in the affirmative the question, "Do you want to make this card your preferred card?" Harris suggests.

MAKE YOUR CARDS HABIT-FORMING

Reflecting nationwide trends, many members of $1.2 billion Farmers Insurance Federal Credit Union (*figfcu.org*), Burbank, California, have relied more on their debit cards than on credit and favored card payments over cash throughout the pandemic, says President/CEO Laura Campbell, a CUES member. Like many other credit unions, Farmers Insurance FCU has been experiencing a large influx of deposits into checking accounts. As such, the shift toward paying out of pocket using debit over paying with credit cards "seems to make sense. ... It will be interesting to see if that continues."

Farmers Insurance FCU continues to roll out service upgrades and promotions to win new credit card business and ensure that its cards stay top of wallet. Its new rewards credit card offers 3% cash back with no annual fee for the first year.

The credit union also launched an "on us" campaign, randomly selecting and paying for debit card transactions. "We've been trying to go where the members are—and since they've been using their debit cards more, we try to encourage that" through promotions and a high-yield checking account for members who swipe their debit cards at least 10 times a month and sign up for e-statements and direct deposit, she says.

"And we're making sure members know their credit cards are contactless so they can just tap and go," she adds. "Some people don't pay attention to those things until they need them."

Fraud prevention is also a key element on the payments front during the pandemic. Farmers Insurance FCU has been working with its debit card processor, CUES Supplier member CO-OP Financial Services (*co-opfs.org*), Rancho Cucamonga, California, to roll out text alerts for transactions flagged as potentially fraudulent, so members can verify whether they authorized those payments. While the goal is to avoid shutting down members' cards over valid transactions, achieving a wider reach will require member buy-in to supply their cellphone numbers to receive the alerts.

For credit unions that are planning to roll out contactless cards soon, managers should consult with processors on adjusting fraud rules appropriately for contactless transactions, Calderone recommends. Those adjustments aim to reduce false negatives, which allow fraudulent transactions, and false positives, which deny valid purchases.

PROMOTE SELF-SERVICE PAYMENT MANAGEMENT

Pandemic or not, "we're constantly looking to improve the members' payment experience," says CUES member Julie Linch, SVP/retail delivery with $1 billion Directions Credit Union (*directionscu.org*), Toledo, Ohio. Those efforts include offering Ondot's card management app as "a more robust, encompassing way to look at transactions between statements, to be able to put stops on lost cards, to watch for payments and to get instant alerts on transactions."

Directions CU introduced the new mobile card app in the middle of the pandemic, "and fortunately, our members seem to be embracing it," Linch says. The credit union has seen a steady increase across remote channels since restricting access at its 22 branches in Ohio and southeast Michigan in March. Remote deposits are up 22%, and incoming calls are up 36%.

Drive-thru lanes were backed up when the branches first closed. "We were surprised at how many members stayed in line when so much of what they needed to do could be done remotely. I think they still like that contact, and they wanted to know we were still there," Linch says. "But we did see that volume drop off once they realized there were other ways to get those things done."

A majority of member calls involve payments, "so any self-service tools we can offer are a big win for us. We get a lot of calls about balances and transactions on their cards. Being able to encourage them to use the app has been very helpful," she adds.

Directions CU offers short videos on its website (*info.directionscu.org/video-resources*) on how members can use its remote services, including the new card app, and members and staff have masked up for one-on-one guidance in branches as well. Employees have been using the app themselves so they can share that firsthand knowledge with members who request guidance.

Reducing call volume at busy member service centers is an additional benefit of promoting card management apps, Harris agrees. A survey conducted by Ondot and a card processing partner indicate that 11 out of 12 calls to service centers are related to debit and credit cards—questions that could be easily answered through an online or mobile app.

"Providing self-service options is great for members who can resolve those issues quickly and on their own time, and it is great for other members in that it should reduce wait times at the call center and branches," he says. "Augment [service] with digital to deliver that differentiating experience, so members can handle quick transactions on their own and you can free up more time for those richer in-person and phone interactions when members need them."

To aid members in monitoring payments and account activity, $1 billion Amplify Credit Union (*goamplify.com*), Austin, Texas, in 2019 rolled out a new feature through its mobile banking app designed for Apple Watch wearers. Members can enable an icon on their watch that allows them to view the 10 most recent transactions on up to 20 accounts by swiping left or right, says VP/Payments and Operations Lisa Larson.

The feature itself is not transactional but complements Apple Pay capabilities available on the watch, she notes. More than 600 members signed up for the service in the first few weeks following its introduction.

ADD PAYMENTS TO THE FINANCIAL ED SYLLABUS

Marketing and education are critical to "let members know about what you already have," Harris says. "If you say, 'Did you know you can use our card to pay with Apple Pay?' people are going to put their card information in Apple Pay. People who've never used mobile banking before are suddenly downloading those apps and interacting with them—including a lot of older people. A little bit of education can make them more comfortable with that."

In what turned out to be lucky timing, Amplify CU rolled out its online help center (*help.goamplify.com*) early this year to give members readily accessible answers to common questions, including uploading their credit and debit cards into Apple Pay. (Instructions for Google Pay and Samsung Pay will be added.)

The twin goals of the help center are to offer members 24/7 guidance on account management, online banking, payments and transfers, and identity theft and fraud and to reduce call center on-hold times by offering the self-help option. The online help center has garnered a strong response from members, says Marketing Communications Manager Matthew Monagle.

One of the most popular help center articles explains submitting a mobile check deposit, a service that has picked up volume significantly since March, Larson says. Enrollment for that service has grown from an average monthly 80 to 90 members to 200.

To help members manage their finances during the pandemic, Amplify CU increased same-day funds availability on remote deposits. Transfer limits involving both internal accounts and accounts at other financial institutions were also increased to give members more flexibility in managing funds.

"As we're planning for 2021, some of the changes that we thought would be temporary we're now thinking might be permanent, including some of those limit changes," she notes.

When branch traffic begins to rebound at credit unions that offer instant issue of plastic cards, contactless or otherwise, employees can also guide members through the process of entering their new cards in mobile wallet apps and demonstrate digital channel features to manage and monitor payments in person.

"Sit down with them and show them how to tokenize the card—how to put it in one of those wallets," Calderone advises. "Help them set up their new card as their primary payment with Amazon and for recurring payments with Netflix. ... Then it immediately becomes their everyday card."

RECOGNIZE THE RISE OF P2P

P2P, or peer-to-peer, payment apps epitomize the digital transformation of banking, suggests Harris. "The old ways of paying people are cumbersome—getting cash, writing a check and transferring money to other people's accounts. P2P asks for your phone number and a copy of your card, and then you can pay friends, family, landlords, etc. It's super easy, and that's the experience consumers are looking for from their credit unions."

$13.4 billion America First Credit Union (*americafirst.com*), Ogden, Utah, rolled out Zelle (*zellepay*.com) in November 2019, an unintentionally well-timed introduction of a new digital payment option just months before the pandemic began.

"Real-time payments are the trend of the future, and they're imperative for member satisfaction. We knew we had to put Zelle in place to remain competitive, but also to provide a better payment experience for our members," says CUES member Mike Salerno, director of digital operations.

Since making Zelle available through its mobile app and online banking channel in partnership with Fiserv (*fiserv.com*), Brookfield, Wisconsin, America First CU has logged an almost 500% lift in P2P payments over its previous offering, Popmoney (*popmoney.com*). The volume of Zelle transactions has increased 63% since the pandemic started, Salerno says. As of late August, about 5% of its 1.1 million members were active Zelle users.

"We attribute a lot of that adoption to the ease and speed of Zelle," he notes. "It's as easy to use as any P2P solution out there, and payments are transferred within minutes."

This service does not generate the interchange income produced by card transactions, he acknowledges. "But we were committed to offering a peer-to-peer payments system, and we wanted to have a best-of-breed solution that would integrate with our online and mobile banking, and Zelle did that. So it was a no-brainer for us."

Customer research indicates that providing services like Zelle can get members more deeply engaged with the full range of a credit union's digital services, resulting in reduced attrition and a higher rate of products per household, says Megan Pannier, VP/marketing and analytics with Fiserv. "And we're starting to see the impact of Zelle on reduced check processing and less ATM usage, so there are some cost benefits," she adds.

Plus, members are using P2P apps even if their CU doesn't offer the service, Calderone notes. "I tell credit unions, 'Look at your ACH transactions and see how many times Venmo comes up.'"

Member education about these apps is important, she adds. "I always want to stress with members that when the money's gone, the money's gone. Members need to be very vigilant in their fraud protection with these apps. Their credit union really can't do anything to stop these transactions. Members need to monitor their statements and set up alerts so they know when money is

"As we're planning for 2021, some of the changes that we thought would be temporary we're now thinking might be permanent."

– Lisa Larson

moving in and out of their accounts."

Therein lies another opportunity for CUs to steer members toward their own mobile apps to sign up for text or email notifications, she adds.

Farmers Insurance FCU also rolled out Zelle in the first quarter of 2020. The timing was "pure luck," Campbell says. Access to the popular P2P payment service, available through the CU's mobile platform, has been helpful in giving its members across the country an alternative to stopping by an ATM or shared branch to withdraw cash.

"We want to make sure we're meeting the needs of our members, particularly our younger members, and those payment options are really popular with young people," she notes.

Card and P2P payments are so ubiquitous in some countries, like Sweden and China, that commerce is nearly cashless. "I can't imagine that here, but who knows? In 2020, it seems like anything is possible," Campbell observes.

TARGET REWARDS AT NEW PRIORITIES

Offering rewards to encourage members to use their CU cards for online purchases makes a lot of sense, given the coronavirus-driven increase in card-not-present transactions and the likelihood that many members will continue to appreciate the convenience even after the pandemic eases.

"Rewards programs have changed quite a bit—not so much whether you're offering rewards but what you're rewarding," Calderone notes. The emphasis in recent years on points for travel and leisure spending are being replaced with double points or cash back for grocery runs, home improvement purchases and take-out meals.

Making the most of card rewards involves data analytics to identify how members' payment habits are evolving and marketing offers that reflect their current preferences, Calderone recommends.

At Directions CU, for example, offering extra rewards for using the credit union's debit and credit cards for groceries, online shopping and recurring automated payments has helped to keep its cards top of wallet, Linch says.

Credit card rewards programs are critical for staying in the race with other card issuers, Harris says. "You have to offer rewards to stay somewhat competitive, but you don't necessarily have to win—as long as you make up for it in that relationship with members. That's why people come to credit unions, because they want to feel like they're treated like a person, not a number."

LOOK TO THE FUTURE

Farmers Insurance FCU has invested in credit union initiatives to keep the movement on the forefront of financial services, such as Constellation's digital services platform (*constellation.coop*) and CU Railz (*payrailz.com/curailz*), a credit union service organization founded by CUES Supplier member Payrailz, Glastonbury, Connecticut.

"We really think that digital is the future, and we want everything to be seamless and simple for our members," Campbell says.

There is the potential for smart payment systems that select the most efficient option instead of requiring consumers to choose between card, bill-pay or P2P methods, and for artificial intelligence to assist with timely bill payment. Campbell offers the example of a service that proactively nudges members when they haven't yet paid a monthly phone bill or annual insurance premium and even offers to set up those payments on payday.

Some people might find that type of assistance a bit invasive, she acknowledges, but speaking for herself and others like her, "something like that would be nirvana for me. I want things to be easy. I want to know that things are being taken care of. With credit scores being everything for all sorts of products and services, making sure that bills are paid on time is really important. That's what Payrailz is working on, and I'm very excited about anything like that—because then we truly are making things easier for members."

Investing in payment innovations is imperative for CUs to remain relevant and to keep pace with big banks and fintechs, Campbell adds. "And as net interest margins get squeezed and we're looking to reduce expenses and increase non-interest income—not on the backs of our members—the best products we can offer are going to be really important."

Karen Bankston *is a long-time contributor to* Credit Union Management *and writes about membership growth, operations, technology and marketing. She is the proprietor of Precision Prose, Eugene, Oregon.*

MORE ON PAYMENTS

Pandemic as Prelude to Payment Revolution (*cumanagement.com/1020prelude*)

Contactless Gains Steam (*cumanagement.com/0820contactless*)

Credit Union Card Success in a Post-Pandemic World (*cumanagement.com/0720card*)

Has Consumers' Interest in Contactless Cards Reached a Tipping Point? (*cumanagement.com/0720tipping*)

Show Your Members How to Adopt Contactless Payments (*cumanagement.com/0620contactless*)

Providing a Seamless Payments Experience (*cumanagement.com/061720skybox*)

Strengthen Employee Relationships *Across Generations*

WHY CREDIT UNIONS SHOULD TAKE A PERSONALIZED APPROACH TO HELPING THEIR EMPLOYEES REACH THEIR FINANCIAL GOALS

BY MICHAEL CONTE

Understanding how baby boomers, Gen X, millennials and now Gen Z view finances and the events that shaped those perceptions may help you break down barriers and build trust with your employees. Further, proactively connecting with the various generations through specific life events will allow you to provide personalized retirement plan guidance, and that can build long-term employee loyalty.

BOOMERS: STILL TIME TO IMPROVE RETIREMENT PLANNING

Baby boomers, the post-World War II generation born between 1946 and 1964, were raised believing that money was a taboo topic. Talking about money was rarely done, and it was not uncommon for them to believe that they didn't have the level of wealth necessarily to participate in advanced financial planning activities (*tinyurl.com/yxeftw3b*).

Boomers grew up with an awareness and understanding of traditional pension benefits. Pensions served as a primary source of retirement income for many of their parents and were a passive source of income from the standpoint of planning. In their parents' era, active financial planning as we understand it today did not exist, and the associated retirement savings skills were not learned.

When 401(k) plans were introduced in the 1980s as a supplementary source of retirement income—and one that relied on active planning—boomers had to learn how to maximize this benefit on their own with no learned history from their parents. Later, this generation was impacted by the Great Recession in 2009 and has had less time than younger generations to financially recover before they retire.

Assumptions that there's no need to discuss money matters or that there is always "plenty

of time for that conversation" and related planning could be detrimental for baby-boomer employees. That's especially true when considering, according to the PwC 2019 Annual Employee Financial Wellness Survey (*tinyurl.com/yytu8dda*), the top financial concern for baby boomers is not being able to retire when they want to. Boomers have not been great savers, and only one-third of them expect Social Security and savings to be sufficient to support them in retirement.

Although about 10,000 baby boomers reach age 65 each day (*tinyurl.com/y3b4fylh*), the tail end of that generation is still five to 10 years younger than that—and many are planning to work beyond that age. In other words, many boomers still have time to make significant retirement planning decisions. Take these proactive steps to help improve your boomer employees' retirement strategies:

- Encourage boomers to clarify when they expect to retire, and build a strategy to meet that goal.
- Create a sense of urgency around next steps, but not so much that it alarms employees.
- Introduce baby boomers to tools that help them understand and measure their post-retirement income needs. Choose tools that help them track whether they're on target to meet their needs, so they can address any financial gaps before they retire.

It's also important to note that over the course of the next 25 years, 45 million U.S. households will transfer a staggering $68.4 trillion in assets from one generation to the next, specifically from baby boomers to Generation X and millennials, according to a Cerulli report (*tinyurl.com/y68yj6q6*).

GEN X: SANDWICHED BETWEEN THE NEEDS OF CHILDREN AND PARENTS

Wedged between boomers and millennials, Generation X—born between 1965 and 1980—are often overlooked and underestimated. At about 65 million, Gen Xers comprise a smaller group than boomers and millennials, who both numbered about 72 million as of 2019, according to the Pew Research Center (*tinyurl.com/yyksn89f*).

This disparity in size sometimes leads to errant assumptions that Generation X carries less social influence, despite being the first generation to represent significant diversity in ethnicity, household (the first "children of divorce") and lifestyle. It also ostensibly translates to being more easily ignored than the larger groups. Perhaps this is why Gen X is defined by core characteristics that speak mainly to individualism.

But what does this mean for Xers planning for retirement? They are more naturally inclined to "go it alone" when developing a retirement plan. But unfortunately, so far their success in doing so has been limited. Only 34% of Gen Xers from the 2019 PwC survey mentioned above said they're confident they'll be able to retire when they want to, down from 41% in 2018. Less than half said they and their spouse/partner had saved as much as $50,000 for retirement, and 30% have already withdrawn money from their retirement accounts.

On the plus side, 70% of Generation X employees are actively saving for retirement. What they need is guidance as to how to get their knowledge, instincts and savings working for them as they move toward retirement.

Of the generations now in the workforce, more Gen Xers are likely to face the competing financial pressures of simultaneously raising children, supporting adult children and caring for elderly parents—all while trying to save for their own retirement. Consider this in your communication strategy with them.

- Given the complicated paths of Generation X, take the "big picture" into consideration when building relationships with your Gen X employees. Get to know their unique situation and how it can impact their plan for retirement.
- Help them focus on important financial decisions, not just for the future but the "now"—maintaining cash flow, growing assets and protecting what they've saved.
- Listen to the financial challenges they face, which may include college tuition for children, supporting aging parents, pursuing new skills or careers, and a myriad of other responsibilities they are balancing with their own needs.

MILLENNIALS: VALUE ONE-ON-ONE ADVICE

Millennials—born between 1981 and 1996—are the biggest generation in U.S. history and will make up 50% of the U.S. workforce by 2030. Millennials are better educated than prior generations and although they are often stereotyped as lazy and entitled, 52% report having some type of income-generating "side hustle" in addition to their full-time job (*tinyurl.com/yy9uaz22*).

The millennial generation is focused on both short- and long-term goals. They are risk-conscious and aware of the social capital they hold with their assets. Much like older generations, they will need help from the financial industry to successfully navigate today's complex markets and achieve long-term financial success.

Although 72% of millennials describe themselves as self-directed with direct control over their wealth, they also tend to lack financial knowledge compared to older generations, according to the Deloitte "Millennials and Wealth Management" report.

Millennials consult peers and media before acting; less than 10% of investment decisions are made alone. Millennials value traditional media and face-to-face meetings for advice; 82% would even appreciate more personal meetings with an investment advisor Consider the following when working to build a successful relationship with your millennial employees:

- A retirement benefit platform with a great digital experience, transparency and customer-centric models will help engage millennials.
- Millennials would benefit from education on industry averages for typical financial advisor fees and what investable assets are needed to work with a typical financial professional.
- Present retirement strategies that are easy to monitor and maintain, freeing millennials to focus on short-term strategies and lifestyle demands.

GEN Z: PRAGMATIC, IDEALISTIC CHILDREN OF THE GREAT RECESSION

Born between 1997 and 2012, Generation Zers are not all kids—they range from age 8 to 23. As more members of this new generation enter adulthood, there's increasing interest in their behaviors, lifestyle and financial habits.

For instance, adult members of Gen Z witnessed their older friends (millennials) struggle to land well-paying jobs while amassing significant debt. Plus, by coming of age during the Great Recession, older Gen Zers have a pragmatic view of the world of personal finance (*tinyurl.com/ybx9gf7y*). They focus on preparation and being financially responsible (*tinyurl.com/yyg7ocsg*).

MORE ON EMPLOYEE BENEFITS

Four Reasons to Reassess Supplemental Executive Benefits Now (*cumanagement.com/0920fourreasons*)

Two Different Benefits Pre-Funding Programs That Work Well Together (*cumanagement.com/0821prefunding*)

Start Planning Post-COVID-19 Investment Strategies Now (*cumanagement.com/0820covidinvest*)

What 401(k) Admins Need to Know About the SECURE Act (*cumanagement.com/041520skybox*)

Three key values held by Generation Z are vigilance, resourcefulness and openness. Although they're careful with their money, they like to donate and get involved in social issues (*tinyurl.com/yy7qt4u7*). Like most young people before them, they want to change the world (*tinyurl.com/yale7a7m*).

A majority of Gen Z employees (71%) say they are moderately to very stressed about finances. The top financial stressors for older Gen Zers are purchasing a home and living paycheck to paycheck (*tinyurl.com/y6dmvdpq*).

But Gen Z already wields a purchasing power of between $29 billion and $143 billion annually, and 89% say planning for their financial future makes them feel empowered (*tinyurl.com/ybx9gf7y*).

Some strategies for you in looking to connect with Gen Z employees:

- Create communication efforts that align with their values. Focus on how your credit union is doing its part to make your community and the world a better place.
- Offer financial management and planning resources that operate on their preferred digital platforms, remembering that speed and privacy are key factors.
- Prepare to connect with a widely diverse and often outspoken group. This is a confident group when it comes to their financial futures.

LIFE EVENTS AFFECT FINANCIAL ATTITUDES & BEHAVIORS

While it's good practice to personalize your approach based on the generations, it's equally as important to focus on life events that may be impacting your employees' current goals, attitudes and behaviors.

Here are nine life events that may force employees to seek financial advice:

1. Graduating from college
2. Marriage
3. The birth of a child
4. Divorce
5. Job and income changes
6. Buying a new home
7. Illness or hospitalization
8. Retirement
9. Death of a spouse or partner

Unfortunately, less savvy employees may not immediately recognize the connection between such events and the need for financial advisement. That's why it's crucial to keep a good relationship with them and to give them the tools and frequent reminders to take care of their financial well-being.

It's also important for credit unions to think about the impact of current global events on employees and how you can tailor your communications to meet their immediate needs. The recent global pandemic is a clear example.

Credit unions had to quickly respond to an outpouring of employee questions and fears and try to prevent them from making emotional decisions that could damage their investment strategies. Some had to help employees get by and provide them with constant education on changing loan regulations and financial aid options.

The bottom line is this: More and more credit union employees are seeking personalized financial service from someone they can trust. They expect their employer to be able to meet their unique needs, wherever they are in their lives.

To fulfill that desire as a credit union, one of your main focuses should be on creating connections and building relationships. Care about your employees—stay updated on their goals, values and life events—and your financial knowledge should fill in the gaps.

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Generational Interests *in Financial Topics*

Looking at 2019 data from a limited-scale financial fitness program run by Financial Fitness Group (*financialfitnessgroup.com*), in conjunction with the CUNA Mutual Retirement Solutions 401(k) website, here are the top three financial topics that millennial, Gen X, and baby boomer plan participants are most interested in:

Millennials: Living within your means, building a budget and managing debt.

Gen X: Living within your means, building a budget and managing debt.

Baby Boomers: Social security, paying for healthcare in retirement and determining your retirement needs.

The primary topics consumed by millennials and Gen X indicate they are faced with financial challenges related to building and maintaining their financial lifestyle. While boomers are also grappling with their financial challenges, their focus is naturally turning to how they will transition and manage their finances at and through their retirement years.

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The Connective Power *of APIs*

THE FLEXIBILITY OF APPLICATION PROGRAMMING INTERFACES SHOULD BE USED TO CUs' ADVANTAGE, NOT FEARED.

BY STEPHANIE SCHWENN SEBRING

It's true that everything is connected to everything, reflects Amit Aggarwal, SVP/product management, open application programming interfaces, for CUES Supplier member FIS (*fisglobal.com*), Jacksonville, Florida.

"In the IT world, APIs let various systems talk more easily to one another," he says. "I liken it to providing a monolithic banking solution, but with smaller pieces. Think Legos. Benefits range from boosting efficiency to real-time processing and launching new business models. Ultimately, an API should provide members with a unique, more personal banking experience."

Each API will also have its own function in creating this experience.

"Applications can be assembled in different ways, much like a Lego masterpiece," he adds. "This flexibility is an API's greatest strength. And, used as a tool, it should unleash the law of creativity for a credit union and how members choose to bank with you. Consider the different compositions and pieces (again, like Legos), and the innovation provided to solve an array of business problems."

Problems solved could range from providing a modern experience on a legacy system to integrating new payment technology through third-party partners. For instance, an API may take the reporting of data from several locations and morph them into one reporting source for greater efficacy. Another might be integration with a third-party app and service providers to reach new markets.

Ironically, this flexibility can lead to increased complexity for the institution and be a perceived weakness.

"By their highly technical and versatile nature, APIs can intimidate some," Aggarwal submits. "However, as APIs become democratized and accessible to all, business problems become more readily solved. Solutions go to market faster. Services are more consumable. And it's easier to unleash the power and potential of a new credit union experience."

Conversations about APIs should also be organic, centering on improving the way an organization conducts business. For example, can APIs be a tool to expand your current market? Can they help you to shift from a top-to-bottom focus to a bottom-up focus? Can they help you get products to members faster?

This transformation to more organic conversations can make a massive difference in a credit union's outlook, especially when the senior team spends more time listening to where the organization wants to go. Additionally, these conversations encourage new perspectives on the integration of enhanced technology.

APIs can be customer-centric, used directly by the customer, or implemented invisibly by the financial provider for a better end-user experience. Whatever the case, the API should make the experience better for the consumer.

APIs are exciting. They're problem-solvers. And Aggarwal says they're evolving to become more than a piece of technology but an organic business tool. "Viewpoints are changing—evolving from a once-competitive to a now collaborative mindset. These partnerships can and should become part of an integrated environment to meet changing demographics and create a more fully integrated banking experience."

As credit unions become more familiar with and adept at integrating APIs, these tools will naturally feel less intimidating and help level the playing field with their larger counterparts.

"It's time to start the conversation," Aggarwal says. "And ultimately, a more customized and personal user experience is the benefit. It's about integrating APIs and other fintech solutions for enhanced business models, which embrace an organization's core values. Without the power of APIs, there will be missed opportunities."

Stephanie Schwenn Sebring *established and managed the marketing departments for three CUs and served in mentorship roles before launching her business. As owner of Fab Prose & Professional Writing, she assists credit unions, industry suppliers and any company wanting great content and a clear brand voice. Follow her on Twitter @fabprose.*

MORE FROM FIS

How Can You Meet Members' Needs With Your Data 'Power Drill'? (*cumanagement.com/podcast101*)

Data Is the New Oil (*cumanagement.com/0920oil*)

Show Your Members How to Make Contactless Payments (*cumanagement.com/0620contactless*)

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Website: humanidei.com

What makes Humanidei unique?
Humanidei was founded as the only firm in the credit union space focused exclusively on helping credit unions build more inclusive workplaces. When we partnered with O'Rourke as the executive search division, we added 35 years of stellar recruitment reputation. This combination sets us apart as we focus holistically on our clients as workplaces, never looking at just one job opening, but truly understanding what the organization needs to move forward on a path to diversity, equity and inclusion.

How is Humanidei making the credit union industry stronger?
We are helping credit unions become organizations that the best people want to lead. We recognize that the best people are those who represent the communities credit unions were created to serve. The best people are the ones who bring unique perspectives and feel like they can confidently raise their voices and share their ideas in an organization. The best people are your current employees who have the passion and the drive and will benefit from coaching or career path planning or development efforts. This means making sure credit unions can attract, develop and retain qualified, diverse talent that represents the members and communities we are here to serve.

Why do you love credit unions?
Credit unions are a solution to poverty. They can truly change members' lives and expand the economic capacity of entire communities. When people know this, they want to be part of it. That's why so many of us have made lifelong careers in this industry. I am passionate about the people in credit unions today, and making sure we have built opportunities for diverse, emerging talent to join us on this mission to improve the financial well-being of all, well into the future.

Lisa Bonenfant

Title: VP/Credit Union Vertical

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Website: experian.com/creditunions

How is Experian making the credit union industry more digital?

The good news? Credit unions don't need to transform their processes all at once. Digitization is a journey, and we provide the road map to success!

We expand CUs' decisioning systems through access to powerful data sources, including predictive attributes, alternative data and scores. These capabilities are leveraged for faster decisioning in a way that suits their individual needs and risk tolerance. We continue with reviews and create comprehensive lending strategies that can be deployed across all channels and the member life cycle. This enhanced underwriting helps CUs achieve revenue, cost savings and market share goals.

How does Experian make its CU clients more successful?

We help CUs make digital transformation a top priority, as recent times have reinforced the need for data-driven decisions, automation and member engagement.

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Member expectations are high, and fintechs are getting faster and more agile, so credit unions must remain competitive. Our tools power digital transformation that helps them stay ahead of the game.

Tell us a client success story.

A CU had limitations with their consumer loan application decisioning system. They needed to upgrade their engine to reduce manual reviews and meet growth objectives. Additional goals included funding more loans, improving the member experience, increasing automation and enhancing operational efficiency.

We designed a comprehensive solution that led to an immediate 26% increase in the CU's booking rate and a 25% reduction in manual reviews. Our satisfied CU partner says, "The speed at which we can return a decision and our better understanding of future performance has really propelled us in being able to better serve our members."

New! Directors & Dialogue December: *Tune in Next Month*

Credit union board members will have the opportunity to learn from top-rated speakers and connect with their colleagues during Directors & Dialogue December, happening over the course of three afternoons. "We're happy to bring the online conference experience to the industry's directors and committee members," says John Pembroke, CUES president/CEO. "Directors & Dialogue December will be a unique and engaging experience for the industry. Attendees will find the same great content that CUES is known for, just in a different platform. We've scheduled time for learning and questions, plus an open slot for timely and relevant topics to be determined closer to the event, so we can explore and discuss the latest industry happenings."

Sessions will be held from 3-5 p.m. Eastern time on December 2, 9 and 16. Flat-fee pricing means that credit unions can sign up their entire board, and include as many committee and staff members as they want, for one low price . The topics are:

- How Does an Agile Board Deal with Wellness, Mental Health and Anxiety?
- How Credit Unions Can Prosper in a Post-Pandemic System
- The Board's New Innovation Imperative Collective Genius: The Art and Practice of Leading Innovation

Directors & Dialogue December will be recorded and available for playback for a limited time following the live event. Learn more and register at *cues.org/ddd*.

Lindsey Walker

Walker Named First-Ever *CUES Emerge Winner*

Lindsey Walker, executive assistant at Tampa Bay Federal Credit Union in Tampa Bay, Florida, was named the 2020 CUES® Emerging Leader. As one of five Finalists, Walker's route to the podium began via her acceptance to the first CUES Emerge cohort. Upon completion of the education phase, her submitted business case was reviewed by a team of judges, placing her in the Top 5. On Sept. 16, Walker and the four other finalists presented their business cases during an online pitch show, hosted by Tim McAlpine of Currency (*currencymarketing.ca*).

Walker's business case addressed the need to reduce linguistic barriers through a Hispanic outreach program. Due to the large influx of immigrants from Spanish-speaking countries in her area, Walker outlined a program to provide marketing collateral and documentation in Spanish.

James Hunter, executive director of New Orleans Fireman's Federal Credit Union in New Orleans, and Paul Hinrichsen, product manager of GTE Financial in Tampa Bay, Florida, were identified as runners-up after the tabulation of judges' scores. Walker and each of the runners-up will receive an education and coaching package, including registration to the CUES School of Applied Strategic Management™ (*cues.org/sasm*). Walker will also receive an all-expense paid trip to CEO/Executive Team Network™ (*cues.org/cnet*) in Austin, Texas, happening May 16-18, as part of her prize package.

Rounding out the Top 5 are Eric Christiansen, lending manager with Dane County Credit Union in Madison, Wisconsin, and Katie Luther, mortgage servicing supervisor with Royal Credit Union in Eau Claire, Wisconsin.

"With this being our first year of CUES Emerge, we were thrilled with the cohort of emerging leaders that applied themselves fully, despite working through a pandemic," says John Pembroke, president/CEO of CUES. "The energy and excitement shown by our educational cohort made us realize how CUES is able to support emerging leaders in new and innovative ways."

Visit *CUESEmerge.com* to watch the pitch show recording and learn more about the program, including the 2021 cohort application.

Online Learning

CUES members can attend all webinars and access playbacks for free. CUES Elite Access™ Virtual Classroom (included with Unlimited and Unlimited+ memberships) offers an innovative take on online education. Learn more at *cues.org/events*.

NOV. 4
11 a.m. Central
CUES New Jersey/Metro NY Council Virtual Meeting

NOV. 5-19
Knowledge & Networking November

NOV. 10
Noon Central
Elite Access Live Q&A: Enterprise Risk Management Best Practices

DEC. 2-16
Directors & Dialogue December

FEB. 3-MARCH 4
School of Business Lending™ I: Business Lending Fundamentals

FEB. 17-APRIL 13
Diversity, Equity, and Inclusion Certificate Program from Cornell University

AD INDEX

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Joseph Lao

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What are the top issues for credit unions today?
As a credit union service organization, we always strive to put the needs of our CUs and their members first. We admire CUs for their efforts to support the communities to which they belong, and we realize the importance of helping these organizations succeed. Like all organizations, CUs face a set of challenges specific to their business environment. It is our job to both identify and address these challenges as they arise, working alongside CUs to ensure the best possible solution is found.

The ability to serve members in an increasingly digital and mobile-oriented world is one of the biggest issues facing credit unions today. Many smaller CUs have struggled to remotely facilitate transactions because of the large expense that traditionally accompanies the use of such technologies as e-signatures. Recent world events have reiterated the prevalence of this problem, as the COVID-19 pandemic has made face-to-face interaction with members feel like a distant memory. As we close out 2020 and head into 2021, there is no question that affordable access to modern technology will be vital for CUs to succeed going forward.

In March, we began offering a free trial of our e-signature solution, eDOCSignature®, to any CU that might benefit. We aimed to alleviate some of the concerns that immediately arose when CUs were forced to close their lobby doors without notice, leaving the completion of many in-progress transactions hanging in the balance. Thanks to our free trial offer, we were able to help 135 CUs continue to serve their members in the face of the shutdowns that loomed large during the initial onset of the pandemic.

Our team did a tremendous job of refocusing and rising to the occasion, and the amount of positive feedback we received from grateful CUs was truly overwhelming. As CUs slowly begin to reopen their lobby doors and transition to the "new normal," our goal is to keep finding unique and innovative ways to lend a helping hand. It is no secret that our success is directly tied to the success of the organizations we serve, and the cooperative principles we foster as a CUSO only reinforce our dedication and commitment to collaboration.

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2020—21 EVENTS CALENDAR

Dates and locations are subject to change. For pricing options, visit ***cues.org/Events.***

November 2020			
Knowledge & Networking November	Online Event	**November 5—19**	cues.org/KNN
December 2020			
Directors & Dialogue December	Online Event	**December 2—16**	cues.org/DDD
January 2021			
CUES Symposium	Palm Beach, Aruba	**January 24—28**	cues.org/SYMP
February 2021			
CUES School of Business Lending™ I: ***Business Lending Fundamentals***	Online Event	**February 3—March 4**	cues.org/SOBL
Diversity, Equity, and Inclusion eCornell Certificate Program	Online Event	**February 17—April 13**	cues.org/eCornell-DEI
March 2021			
CUES School of Business Lending™ II: ***Financial Analysis and Diagnostic Assessment***	Online Event	**March 31—April 29**	cues.org/SOBL2
Execu/Summit®	Sun Valley, Idaho	**March 7—12**	cues.org/ES
April 2021			
CEO Institute I: ***Strategic Planning***	Philadelphia, Pennsylvania	**April 11—16**	cues.org/INST1
CEO Institute II: ***Organizational Effectiveness***	Ithaca, New York	**April 25—30**	cues.org/INST2
May 2021			
CEO Institute III: ***Strategic Leadership Development***	Charlottesville, Virginia	**May 2—7**	cues.org/INST3
CEO/Executive Team Network™	Austin, Texas	**May 16—18**	cues.org/CNET
June 2021			
CUES School of Business Lending™ III: ***Strategic Business Lending***	Online Event	**June 2—July 1**	cues.org/SOBL3
Governance Leadership Institute I	Toronto, Ontario, Canada	**June 6—9**	cues.org/GLI
Governance Leadership Institute II	Toronto, Ontario, Canada	**June 9—11**	cues.org/GLI2
Execu/Blend™	Santa Barbara, California	**June 13—16**	cues.org/EB

DIRECTORS & DIALOGUE

DECEMBER

December 2, 9, and 16
3:00 to 5:00 p.m. Eastern time

Join us Wednesday afternoons in December for this online learning event, featuring lively discussions covering topics selected specifically for credit union directors:

- **How Does an Agile Board Deal with Wellness, Mental Health, and Anxiety?** presented by Joe Perfetti
- **How Credit Unions Can Prosper in a Post Pandemic System**, presented by Chris Skinner
- **The Board's New Innovation Imperative Collective Genius: The Art and Practice of Leading Innovation**, presented by Linda Hill

We've included time after each speaker wraps for Q&A and discussion—an excellent opportunity to connect with your fellow board members, and get your questions answered by our speakers. Plus, we'll explore timely topics in our Hot Topic Sessions.

Sign as many directors, committee members and staff up as you want for **one flat fee!** Register now at **cues.org/DDD.**

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The Ripple Effect of *Individual Development*

BY JENNIFER STANGL

As a leader, you spend a lot of your time connecting with your staff. Within a given day or week, a leader can connect with their staff members in a variety of ways, including emails, text, video calls or the "pop-in," which can be in-person or virtual these days. It is easy for these connections to steer towards the day-to-day. But when that happens too often, it means you're missing an opportunity to develop for the future.

Enter the development discussion. Most leaders connect with their staff regularly during scheduled check-ins and quick touch bases to provide guidance on a project, navigate relationship challenges, offer feedback or simply engage in small talk. The idea of adding *another* discussion to the schedule can feel daunting. However, even the smallest interaction, suitably framed, can have a large impact on an individual's development, growth and future within your team and the credit union. This is the ripple effect of talent development.

A development discussion is designed to provide career planning and management between an individual and his/her direct leader. The goal is to build on strengths and grow skills that will support growth within a current position and future duties or roles. A development discussion can be a formal event, scheduled regularly throughout the year to touch base on goals or provide updates on an individual development plan. Development discussions can also be interjected into regular conversations by explaining how strengths are used to help train a new team member or how working on a cross-functional project team will deepen a team member's understanding of the organization.

When opportunities for development in everyday work are highlighted, individuals can see opportunities to grow their skill sets. These discussions have a larger impact on the individual, you as a leader, and the organization. Here are a few benefits of development conversations:

- Demonstrate the value each employee brings to the organization and dedication to development.
- Establish connections between individual work and the organizational mission, vision and strategy to reinforce the value and impact of work.
- Align individual development goals with the organizational strategy to support future growth and build bench strength.
- Reinforce expectations and needs for current roles and opportunities for future growth.
- Support future skills development.

As a leader, taking time to engage in these discussions saves time and creates more value in the long run. When was the last time you had a development-focused conversation with your staff? Have you followed up on the identified actions or goal progress? Schedule time to touch base again if needed.

Jennifer Stangl *is director of professional development at CUES.*

Leave a comment on this blog post at cumanagement.com/092820skybox.

"If refinancing a car loan with your CU were as easy as taking photos on a smartphone, deploying the CU's capital quickly would be a walk in the park. … Almost all credit unions doing refinancing rely on marketing automation tools and loan origination systems to help them. These kinds of tools did the trick pre-COVID, when members typically walked into branches to submit their loan applications. Now, however, CUs may need to look to new tools that will help them transform themselves more quickly to being more fully digital institutions."

Nicholas Hinrichsen, co-founder of WithClutch (*withclutch.com*), Tempe, Arizona, in "COVID-19 Puts Two Big Pressures on Credit Unions: Deploy Capital and Transform Digitally" on CUES Skybox: *cumanagement.com/092320skybox*

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