

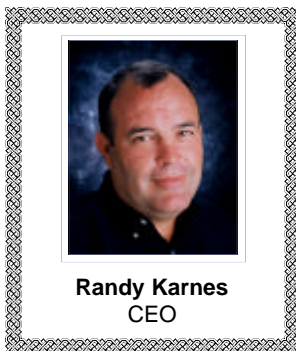
## Using Core Systems for a Competitive Advantage

At CU\*Answers we believe that credit unions looking to stay competitive need more than technology – they need “techniques” in unison with technology to stay ahead of their competition. No one would say that databases are emerging technologies, but more credit unions need to understand better technique in looking at member data and better understanding how to respond to their members’ needs.

The number one technique that I would encourage credit unions to pick up is how to look at their internal data to see what members really do with their organization. CU\*Answers is currently working with focus groups on new single-click products that identify where members shop using a credit card, where members shop using a debit card, where members borrow when not at the credit union, and where members pay a bill. It’s all part of the core data. Credit unions need to learn how to mine their data, one relationship at a time.

The biggest obstacle facing credit unions in implementing these tools is time. Credit unions are so focused on what they do on a daily basis, and then monthly basis, that the years seem to fly on looking for the potential in what they do have not done yet.

For example, our new “Window to the CEO to see every application currently in ed, and with what results. The potential is closed versus those that are still sitting queues the work for the Call Center and lenges loan management to change on by the end of the month. The key to harvesting data is taking the time to look for potential and then acting on that opportunity.



reporting what they have done on a by. Credit unions must focus some time and analyzing more effectively what they

Loan Factory” tool allows a credit union the loan factory, what work was complet-knowing what applications are actually idle after being approved. This window for follow-up by the loan officer, and chal-the fly if they are going to meet their goals

In regards to growing the credit union’s loans and deposits, our suite of “Know Your Member” products, matched with our household and CRM applications, give CU\*Answers credit unions an overwhelming picture of opportunity with their members. Each member is scored monthly based on how they patronize the credit union, for dozens of products and services. CU\*BASE® automatically trends this data so that credit unions can see the progress they make, one member at a time or globally, for years to come. All of this analysis requires no additional work or effort by the credit union and therefore maximizes their yield.

**Randy Karnes** has been CU\*Answers' CEO since 1994, and has been involved in the credit union industry since 1985. Previously, Mr. Karnes worked as Senior Vice President in charge of both thrift and credit union data processing solutions for Fiserv/Spokane, focusing on the development of the predecessor to the current CU\*ANSWERS flagship product, CU\*BASE®. Mr. Karnes leads a team of consultants that are expert in all areas of credit union concern, from accounting and compliance to member service and back office operations. As experienced CU and data processing professionals, CU\*ANSWERS consultants provide expertise on strategic planning for implementing technical solutions to operational needs, and are leaders in helping CUs form strategic alliances and partnerships.

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When asked how our core system helps improve member service and increase member loyalty, I must say that the direct answer is the core system doesn't do anything. It's the credit union staff members effectively using our tools that truly improve member service and increase loyalty every day throughout the CU\*Answers network. This is why we focus heavily on automated, digital intelligence products — from cursor-sensitive help, to “voice of the customer” knowledge databases, to a full education offering that includes over six weeks of classroom training and hundreds of online courses. Beyond our core processing, we have taken this education network directly to the Internet, allowing our education to be part of the credit union's general education on how to serve members, making that more important than how to push the buttons.

In terms of new offerings, I would have to say that our most exciting offering for our credit unions right now is our new online credit card servicing platform. This platform turns credit card services into a credit union loan product the same way that checking account. Fully integrated into system, credit cards are now real time with payment channels, and all of our marketing tools.



We have broadened the idea of core by allowing 999 credit card rate buckets. This allows credit unions to offer a full-transfers, and cash advances automated with variable rate processing and delinquency and overline conditions. Match this credit card process with our fully integrate lifetime rewards program where the member can use reward points for credit union products (such as discounts on their next car loan), and you have an internally managed credit card program that can compete with anyone.

On top of that, it's standard. No module fees. Simply turn it on and go. We believe that over 60% of our credit unions will convert to this product over the next two years. Big savings, great service. It's the CUSO way.

every aspect of the core processing system, our teller line, Internet banking, all pay-and member relationship management

system-provided credit card processes for each of three different charge types. featured card for purchases, balance cally. Rate management is fully integrat-