

Core Systems – Collaborating to Better Serve Members

We look for every opportunity to help clients meet economic challenges. One way we do this is by delivering more technology tools that provide income improvement and expense reduction opportunities for credit unions - labor-saving tools like the Wisdom™ 5300 Call Report and sophisticated multi-function self-service kiosks.

When we consider what credit unions can do to position themselves for an economic turnaround, there is a huge opportunity in the home mortgage market. Hundreds and hundreds of mortgage brokers have disappeared so borrowers are going directly to lenders for their mortgages. Credit unions have traditionally been both prudent and member-focused lenders; that tradition and reputation can pay off big, with so many other players badly tarnished by their buccaneer tactics. We recently deployed a new mortgage system to help our XP2 clients take advantage of this opportunity. It is also time to look at indirect lending, an area with a growing bad-paper problem. We are working with our clients to develop a single model applying the same decision criteria used for direct lending, creating a broader loan market while meeting prudent lending standards.

The key tool for building a sound future is cross-selling. Many credit unions miss the boat by not cross-selling when prospective members walk in the door. What often happens when the new member comes in? The face time is spent keying in data; there's no research into new members' capacity, no questions about their needs. Statistics show more than half of the products and services the member uses were chosen at sign-up-- this is a golden moment. Any credit union that is considering investments for the future should implement automated processes to speed up new-member enrollment, along with sophisticated cross-sell tools.

For younger members, convenience is everything. It's all about the Internet, texting and mobile banking. This is a world of instant gratification, and technology is the tool of instant gratification.

There's also an element of dealing with young members that goes beyond technology: we need to sign them up when they are too young to sign up themselves. We have to encourage parents to sign up their children by offering child-supportive products and services, like college saving programs, health savings accounts, and so on. "Once a member, always a member" is more than just a phrase from the by-laws; it's a marketing opportunity.

The key word here is "collaborative." Clients must be involved in our product direction, our strategic planning, in everything that we do to assure ourselves a viable future. At Fiserv, we know there are mantras we can never forget: always communicate; under-commit and over-deliver; make your team accessible; be open and honest; and be helpful. Our XP2 delivery team uses focus groups to work on functionality issues because we want to know that the technology we deliver matches – and improves – the processes of our clients. Every year, we prepare a technology budget guide for Account Executives to review with their clients as they start their 2009 budget process. We discuss new products and services, point out what they will need to meet regulatory requirements, and so on. Clients appreciate the effort, which makes their job easier.

Finally, we all have to remember that technology is the tool, not the goal. We don't want our clients to deploy technology for technology's sake. Our objective is to deliver the tools that increase revenue and reduce expenses.



John Edwards
President

John Edwards is business line president for Fiserv's XP Systems. His experience in the credit union community spans 40 years. He has played key roles in sales and marketing, customer relations, and executive management. His strong commitment to client service helped shape the strategic direction of the new XP2 in-house core processing system.

