

## Core Systems – Collaborating to Better Serve Members

These are challenging economic times. To survive and thrive, credit unions have to work smarter, expand their member base and implement strategies that position them for the eventual economic upturn. As a core solution provider, Harland Financial Solutions is committed to working with credit unions to help them create new strategies and support those initiatives with the right technology and training.

When growth isn't on the horizon, credit unions can still achieve profitability by reducing costs – finding new ways to accomplish more with less. By streamlining workflows and pumping up self-service offerings, credit unions can create a leaner, more productive operation to offset shrinking margins. Some institutions are turning to outsourced IT solutions to reduce capital expenditures and the need for additional personnel. In addition to reducing costs now, improving efficiencies prepares credit unions to respond more quickly when the economy does turn around.

Increasing membership often means bringing a broader set of products and services to market. Many credit unions are ramping up efforts to attract small business members, adding loans and services to their product portfolio, as well as remote deposit capture. According to the Aite Group, remote deposit capture is generating a level of excitement that rivals the introduction of the ATM. Nearly 25% of U.S. small businesses are expected to use the service by year-end 2009, up from 16% in January 2008. These businesses, competing in a down economy themselves, appreciate the quicker availability of funds along with the cost savings offered by this solution. If a credit union wants to readily compete in the small business space, remote deposit capture is a "must offer."

To drive member growth within its more traditional markets, credit unions should look beyond the geographic boundaries of its branches. Kiosks in colleges, malls or other well-researched locations, in combination with a robust online offering, enables credit unions to attract and serve new members without building and staffing a physical location. This strategy also works to build the next generation of credit union members. Adding online chats or text messages to announce new products are relatively simple ways to engage and cross-sell this group, which lives in a "virtual" world. Speak to this younger audience directly. Text information that's segmented to them, like student loan and car loan information. Provide online interest calculators, create Pod casts on financial management and create an online community to bring a new level of service to the virtual world.

Not only the "Generation Text" want this self-service alternative. This is an ideal time for credit unions to examine their online presence and make enhancements to improve the user experience and breadth of service. To retain and attract new members, new transaction capabilities – like expedited bill payment and card-based bill payment – are key. Members not only want to bank on their computers and laptops, they want those same capabilities on their cell phones and PDAs.

The way the world is communicating has changed dramatically, as has its interpretation of the word "service." For some, personal service means having the opportunity to conduct all of their banking, set up their own automatic transfers and manage their finances, without human interaction. Instead of trying to change these members' behavior, credit unions must rethink the way they view their online channel. It has become a critical member touch point, for communications, as well as cross selling. Use the channel to let members know about new products, services and rates. Launch referral programs online. Make it a goal to deliver the same level of personal service that a member would receive at a branch – any time, day or night. It's all about giving members a choice.

While driving member acquisition, successful institutions should also work to increase product penetration among its existing members. In many ways, technology is one of the fastest ways to create that stronger sales culture within the branches. Use analytics and member intelligence for targeted marketing. Just as importantly, everyone in the branch should be trained to use the information in the system for cross-selling.

At Harland Financial Solutions, our commitment to the credit union client goes well beyond supplying technology. We have a collaborative relationship with our credit unions, promoting the healthy exchange of ideas, discussion of issues and peer-to-peer interaction. Through focus groups, Webinars, user meetings and summits, we work with credit unions on both a strategic and tactical level, aligning our technological developments with the greatest competitive need.

We also provide ongoing training and support to ensure our clients get the most out of their system and achieve the greatest success. No question, these are challenging economic times. But, the credit unions that take action now, expand their market reach and make smart use of technology will not only survive but also thrive in the years to come.



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**David J. McConney** is Executive Vice President/General Manager, Credit Union Core Systems for Harland Financial Solutions. He oversees daily operations for the Credit Union Core Systems business unit of Harland Financial Solutions. With more than 25 years experience in the financial services industry, he has spent the past 12 years in various parts of the Caribbean with the remainder in Canada and the U.S. During his career, David has led the launch and implementation of new core systems and emerging technology solutions. He has held chief executive and board of director positions in the financial services industry, most recently with a technology consulting services and support organization. Harland Financial Solutions supplies software and services to thousands of financial institutions of all sizes, offering its solutions in both an in-house and service bureau environment. The company is a leader in core systems, item processing, enterprise content management, branch automation, customer relationship management, business intelligence, origination and document solutions, risk management, compliance training, financial accounting, open documents, mortgage solutions, card programs, electronic funds transfer (EFT), fraud prevention, self service solutions and performance advisory services.



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