

### *Online and Mobile Banking - Lowering Channel Costs & Enabling More Self-service*

Leveraging the right online channel approach can reduce operational expenses and increase the level of service to members. This can be achieved by maximizing the number of transactions that can be executed online. Examples include movement of funds from and to other institutions, adding new products (accounts, loans, etc), paying bills and managing the overall financial picture (offering Online Financial Management tools). Another key area to assure operational efficiency in the online channel is the level of integration to the credit union's host system. The deeper the integration, the fewer staff resources are needed for the care and feeding of the channel and the transactions that flow from it.

Many credit unions believe that these services need to be free in order for end users to adopt or use them. In fact, there are a number of 'convenience' services that members are willing to pay for, such as expedited payments (the ability to pay a bill same or next day), movement of funds to or from other institutions, and person to person payments (paying a friend without the need to write a check). Charging a very modest fee for these conveniences can quickly add up to a significant fee income generator while increasing member loyalty and satisfaction.

Offering all the services and transactions available in a branch (or as many as possible) is the first step to increasing member adoption and use of the online channel. Let's face it, people are busy, and spending a lunch hour to make a deposit or transfer funds is not high on peoples' list of things to do. A very sound strategy to increase adoption includes introducing new members to online banking when they open their account. Taking this a step further, credit unions could register a member for online banking when they open their account, and walk them through the online environment to them help feel comfortable and help remove barriers to use. A few other sound tactics include:

- \* Kiosks in branch for easy access to online banking
- \* Product bundles - such as free checking with the use of online banking and e-statements
- \* Periodic 'get to know' events - educating members on online banking over donuts
- \* Promotion and awareness - statement stuffers, in-branch signage, and home page promotion

Convenience is the key to the online channel, for both the credit union and the member. The online channel must be easy to access, navigate, and use. Features within the solution that are inexpensive to implement and maintain, and are viewed as critical to members include mobile banking (both web-based and downloadable 'Apps'), Online Financial Management tools, and money movement capability. All of these features improve member loyalty and use of the channel, and help acquire new members as they shop for a financial institution to work with.

Host integration, third party solution integration, and choice are a powerful combination. The ability to present an online solution that enables a member to execute a broader set of their financial transactions, on their schedule, is the key to attracting and keeping that member. The challenge faced by most institutions is the ability to bring disparate solutions together into a unified and automated solution-set. Many solutions today create a queue of tasks and file maintenance requirements for the FIs support team because they don't speak to the host system in any depth. Moving staff from the front line to the back office is not creating efficiency! The Connect solution delivers member self-service capabilities across nearly all transaction-sets, and performs a wider range of functions without the need of staff interaction.



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**Joe Long** comes to Connect FSS with 16 years of experience in financial institution technology, sales, and relationship management. He studied Economics/Business Administration at CSU, Los Angeles, and Business Management/Marketing at the University of Phoenix. Connect Financial Software Solutions, LLC was formed to aid in the development, operations, and management of software solutions for credit unions. With a customer-centric philosophy and cooperative spirit, Connect's goal is to continuously provide credit unions with superior technology and at a reasonable price.