Driving More Efficiency From Core Systems

Credit unions today are in the process of evaluating their needs, as well as the needs of their members, as part of their strategic planning processes. While they are looking to reduce costs and improve overall efficiencies, they are primarily focusing on improving member satisfaction and engagement.

At the foundation of such discussions is a review of current core systems, and the expectations for future systems. In some cases, there may be a rip-and-replace strategy to include newer technologies and hosted and/or cloud offerings. In other cases, a more measured, incremental approach may be the appropriate path to take.

Today’s credit unions are looking to extend their capabilities beyond traditional core systems with a primary mission of managing checking and savings transactions and integrating core operations more deeply with their other financial and back-office systems. Among the FI-led initiatives are projects to tie together various legacy systems that have evolved over the years as part of organic growth or mergers and acquisitions.

These organizations, as well as their financial institution customers, are also working toward greater integration of their systems and other channels, marketing, customer relationship management (CRM), and analytics systems toward -- something called omnichannel banking.

Although the desire to offer outstanding member service is central to most credit unions’ mission statements, the ability to execute on such plans has been limited. Only recently has the underlying technology of banking systems begun to enable truly interconnected systems.

Furthermore, many of the large core system providers are in the process of planning or implementing enhancements to their solutions to increase their interoperability with various member accounts and back-office systems to improve overall member experience.

To execute on this new, omnichannel banking paradigm, many credit unions are thoroughly evaluating their processes and systems and seeking new methods to better understand and connect with members. This evaluation usually requires a thorough review of the way the credit union's core, channel, CRM, and back-office systems work before they can determine how to make them work together more effectively and efficiently provide a 360-degree, real-time view of the member.

Central to this strategy is the need for broad interoperability across products, systems, and lines of business. This allows visibility into key information residing across diverse solutions, something not easily achievable - and in many cases not possible - in the past.

With such capabilities, credit unions will be embarking on an extended journey toward superior member interaction and engagement, with a 360-degree view of members' wants, needs, and behaviors, and new ways to differentiate their products and services for years to come.

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