



CU Line Leaper

Early Concept Document

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for updated information.

CONCEPT DOCUMENT



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THE OPPORTUNITY

We've all stood, or idled in THE LINE at our financial institution of choice. We inch forward slowly, patiently (or not) waiting our turn, with nothing to focus on but the employees behind the counter. We look at our watches and hope that the experience ends quickly. The longer we wait, the grumpier we get.

Now, close your eyes and imagine a world where you know exactly how long you'll be waiting before you even leave for the credit union. Take it a step further and imagine that the credit union is already eagerly anticipating your arrival. An awaiting staff member is qualified to help you with your request, no matter how complicated. No more shuffling from line to line, from employee to employee, through mazes of ropes.

This credit union of the future is really the credit union of today!

Our branches are beginning to undergo a rapid evolution. The transaction centers of yesterday are being replaced with smaller, higher-tech spaces designed to ensure maximum value and relevance to members. Branch employees are spending less time completing basic transactions and more time focused on "needs-based dialogue, proactive selling, and community involvement."¹

At the same time, our members are becoming accustomed to accessing up-to-date information at their fingertips. Everything from making a dinner reservation to paying for a cup of coffee has become faster, easier and more efficient.

CU Line Leaper will help turn today's credit union into the efficient, relevant credit union of tomorrow – in one big jump!

THE SOLUTION

CU Line Leaper is a web-based application that puts the tools necessary to play an active role in the branch banking experience in the hands of the member.

CU Line Leaper features a dynamic mobile application gives the member the ability to:

- Learn up-to-the-minute wait times in the credit union's drive ups and lobbies;
- Reserve their place in line, at the branch of their choice, remotely;
- Pre-load transactions, streamlining the in-branch experience;
- Contact and reserve time with a loan officer or other credit union advisor.

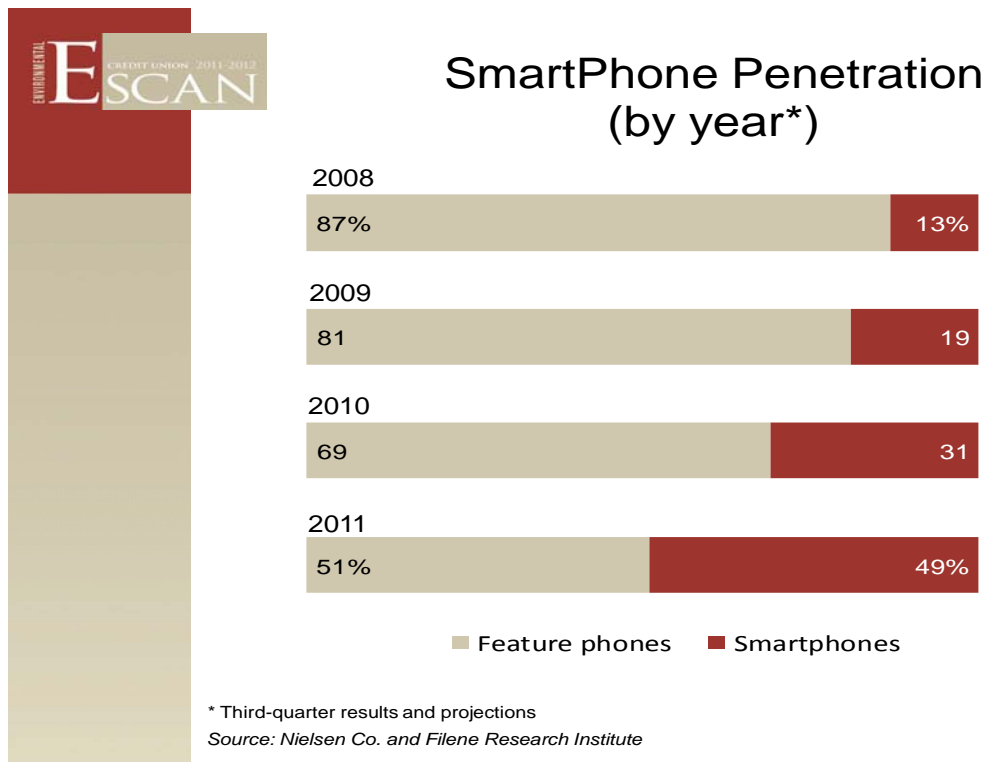
The CU Line Leaper system also features an in-branch (or drive through) kiosk platform that serves as an enhanced lobby management system. Consumers, utilizing their smartphone application or the kiosk's touch screen, check-in with their intended

transaction type (multiple check deposit, cash withdrawal, gift card purchase, etc.). Based on their input and current staffing levels, the system allocates the appropriate time frame and staff member. If the transaction is a particularly complicated one or requires a supervisor or senior teller, it goes into a special queue for that staff member.

Scrolling messages or pop-ups at the teller terminal will indicate when a particularly complicated transaction is waiting as well as the number of members in queue—especially helpful for those drive ups where the end of the queuing line may be beyond the line of vision for the tellers.

TARGET MARKET

According to CUNA's 2011-2012 E Scan, nearly 70% of nonmembers ages 18 to 24 are “not at all familiar” with credit unions. No other age group has such a high level of unfamiliarity with credit unions. Credit unions will need these young consumers for future loan and membership growth. The E Scan also states Smartphone penetration will grow to 49% of the market in 2011 as demonstrated by the graph below.



That growth projection provides an avenue for credit unions to attract new membership while engaging existing membership by providing convenient, efficient, value-driven, and relevant branch visits. CU Line Leaper is targeted to anyone with a smartphone and a need to conduct more complex financial transactions than those a traditional mobile banking app would support.²

CONSUMER BENEFITS

- Empowers consumer to decide which branch may be best for their transaction based on location and wait time
- Increased efficiency
- More secure transactions
- Personalized product and service offerings

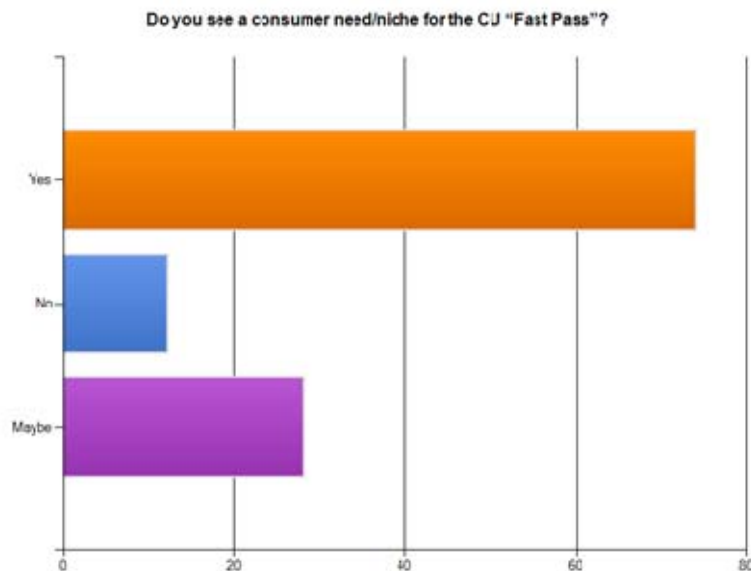
CREDIT UNION BENEFITS

- More efficient teller transactions, providing additional time for cross-selling
- More effective product and service promotion
- Reduced risk of fraud, resulting in decreased insurance premiums
- Identify the presence of key members to branch manager and relationship manager

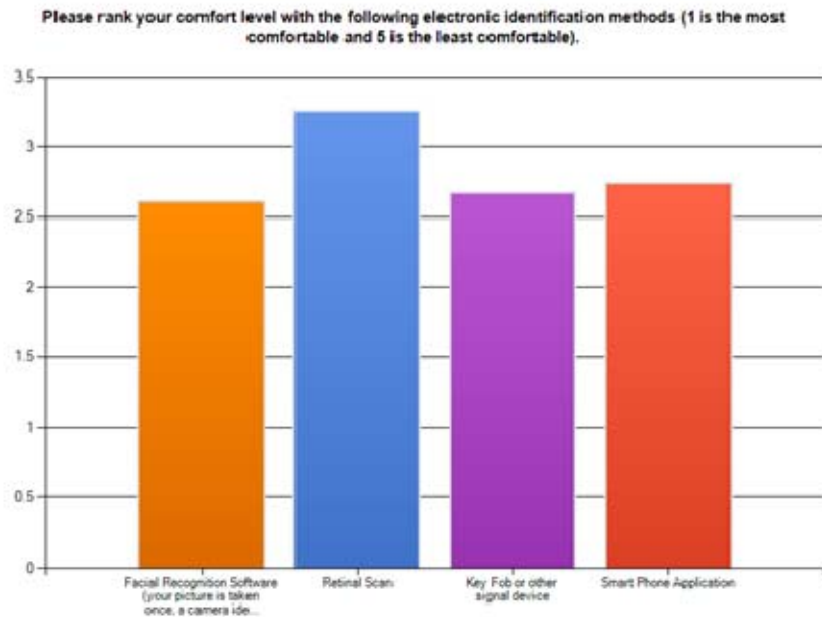
SURVEY RESULTS

Our team's initial concept was called CU Fast Pass – a facial recognition program that facilitated instant identification when members walked into the branch, or possibly when they conducted their banking online or at an ATM. While survey research ultimately showed that members are not ready for such advanced technology, we can draw some initial conclusions from that research, as it would apply to CU Line Leaper.

The first survey explored the public's reaction to the concept of a CU Fast Pass, including different forms that the technology may take. The survey of more than 100 people, consisting of friends and colleagues of the i3 team members, showed that 66.7% of respondents saw a need or niche for the CU Fast Pass, and another 23.1% said "maybe".



When asked about their comfort level with different electronic identification methods, on a scale of 1 to 5 with 1 being most comfortable, facial recognition software received an average rating of 2.61. This was followed by a key fob or other signal device at 2.71, a smart phone application at 2.74, and a retinal scan at 3.22.



While the quantitative differences between the first 3 methods were minimal, the qualitative responses clearly expressed concerns about identification being tied to a physical device. Respondents had strong reservations about the potential for identity theft if their device was lost or stolen.

The second survey was narrowed to credit union members, and their reactions to biometric identification technology. The key benefit or feature identified by the survey's 11,326 respondents was security; 71.7% stated that security of their identification and banking information was either "extremely important" or "very important". However, the additional security feature did not create an increase in respondents wanting to conduct more business. Two thirds of the participants who primarily in-branch, by phone and online indicated it would not impact their decision to conduct more business. The mobile banking participants were more likely to increase their financial business due to the security feature, with 24.65% stating "yes" and 32.99% stating "maybe".

When considering the first survey, which showed that respondents were receptive to using a smart phone application, and combining that with the second survey, which showed that mobile banking users seemed most likely to conduct more business with the CU if offered a new technology, it appears that CU Line Leaper would be well-received. There are no biometrics involved to elicit privacy concerns, and the concept will allow members to easily

reduce the amount of time required to conduct their banking. Speed of transaction was identified by 55.9% of in-branch users and 67.1% of telephone banking users as being “extremely important or “very important”.

OPERATIONAL AND OTHER CONSIDERATIONS

Successful consumer adoption of CU Line Leaper assumes:

- Resources dedicated to educating members on the use of kiosk technology for a short period of time;
- Individual credit union’s member comfort and aptitude for technology adoption;
- Individual credit union’s employee buy in, engagement and acceptance of CU Line Leaper technology.

GETTING STARTED / MOVING FORWARD

We see CU Line Leaper being rolled out in several phases as this product not only meets the immediate need of a more efficient way to conduct business, it allows credit unions an opportunity to guide members through a behavior shift.

1. Phase 1 – A More Efficient Branch

CU Line Leaper allows members to:

- a. Self direct to shorter lines and or be prepared for longer wait times;
- b. Reserve their place in line (In the moment or ahead of time via mobile);
- c. Schedule an appointment with a loan officer or other advisor;
- d. Pre-load transactions.

2. Phase 2 – CU Line Leaper Get Smarter

As Line Leaper becomes smarter with the data collected in Phase 1 and more members adopt the mobile application the product evolves to feature:

- a. Individualized marketing messages that are specific and relevant to individual members;
- b. Increased member utilization of electronic services for everyday transactions;
- c. Data integration with scheduling software in branches.

3. Phase 3 –CU Line Leaper Helps the Credit Union Redefine Lobby Space

The result of shorter lines and less demand for everyday transactions is:

- a. Elimination of cue lines;

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- b. Member-facing employees have more time to build relationships;
 - c. Increase efficiency and potential for staff reduction;
 - d. Use of biometrics (facial recognition, iris scan, etc.) for “checking in” or identification;
 - e. “Skype like” video communication on demand;
 - f. Integration with core system providers;

Contact us if interested at innovation@filene.org

RESOURCES

Special thanks to:

Anne Britson

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Veridian Credit Union
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Robyn Swanson

SVP – Member Experience
Seasons Federal Credit Union
Middletown, CT

¹ *It's the End of the Bank Branch as We Know It*, Mary Beth Sullivan, **Branch Think**, http://novantas.com/news_article.php?id=304

² *2011-2012 Credit Union Environmental Scan*, http://www.cuna.org/download/escan_top10_trends.pdf