

2014 Iowa Innovation Group

Key Insights:

*An overview of the latest innovations to help
Iowa credit unions and their members*



EXECUTIVE SUMMARY

For the second consecutive year, the Iowa Credit Union League and Filene Research Institute partnered to replicate the prestigious Filene i³ innovation program for the benefit of Iowa credit unions. This publication summarizes the work of the resultant Iowa Innovation Group. A total of 15 credit union employees from across the state and in different functional areas collaborated over the course of six months to develop innovative ideas that help solve critical challenges that Iowa consumers and credit unions face. These ideas were introduced at the September 2014 Iowa Credit Union Convention in Dubuque:

- **CU Savvy** is an online forum that helps members connect virtually, providing each other with financial advice while enabling new credit union business opportunities through users' tagging of trusted credit union employees, products and services.
- **CUucceed** is a personalized recommendation system that matches credit union employees with a select list of potential mentors from across the state, paving the way for meaningful mentoring relationships and increased employee satisfaction.
- **Glance** helps consumers become savers through the use of modern technology by making them better aware of their spending habits.
- **ZIP** uses convenient QR codes to deliver loan applications and credit union awareness to prospective members by meeting them where they work, live and play.

The concept documents presented on the following pages provide a summary of each team's idea, a description of the prototype they built, product test results and recommendations for next steps toward commercialization. These ideas are at the front end of the innovation process and will require further development and testing before they are market ready. The Iowa Credit Union League will provide periodic updates as these ideas continue to develop. In the meantime we welcome your thoughts on how to take these ideas to market.

The Iowa Innovation Group will continue to innovate on behalf of and for the benefit of all credit unions in Iowa. As we enter the third year of this initiative, we invite your credit union to participate in creating a better consumer model to help improve the financial lives of Iowa's consumers.



CONCEPT DOCUMENT

CU Savvy

TEAM GEL MEMBERS

Jamie Knight, Greater Iowa Credit Union

Emily Kress, Alliant Credit Union

RJ Montes, Dupaco Community Credit Union

Randy Schmerbach, IntegrUS Credit Union

PROBLEM DEFINITION

According to a recent Credit Union Magazine article¹, 73 percent of adults who go online access some sort of social media. Facebook, Twitter, Instagram, online newspapers, and the list continues. Adults are reading and seeking online reviews and commenting on social media sites now more than ever.

In a Facebook group (Dubuque Mama's), local moms post questions and give advice on anything and everything. From homemade diaper rash remedies to what all-inclusive vacation resort members would recommend. A popular thread topic is on personal finances, like:

- Where can I go to get an auto loan, I'd prefer not to go to XYZ Financial
- I need help with budgeting, I don't even know where to start?
- I just had the best experience with ABC Financial. I TOTALLY recommend them!

Moms from around the community help out other moms and post their recommendations based on what worked best for them. Members of this Facebook page learn about financing options and financial institutions that they may have never known about prior to these posts.

A survey Team GEL distributed found 48.53% (Appendix A) of participants preferred getting advice from their family members and/or friends before seeking professional advice from their financial institution. This same survey found that 72.05% (Appendix B) of participants would always or sometimes share their financial experience and success stories in a secure online setting.

Why not bring the social media experience to a source they already trust: their financial institution.

INNOVATIVE SOLUTION

CU Savvy will help members connect virtually and bring awareness to credit union services, products, and staff, while helping the member become financially savvy.

CU Savvy is a credit union member specific forum. Here, members will be able to connect with other members when seeking financial advice, whether it's what type of loan they got when they were in the same situation, or if they have a local realtor they'd recommend.

What sets CU Savvy apart from other forums is the ability to "tag" credit union employees, products and services. When a member starts typing the name of a credit union employee, product or service, the software will recognize that information and pre-populate, linking that information back to the credit union. Once a "tag" has been complete, a notification is sent to either the employee tagged or the general credit union email about the service or product "tagged". The credit union can then monitor that thread to follow-up with the member or complete direct marketing messages to that member.

PROTOTYPE

The prototype that was developed by Team GEL was a website that testers can click through to get a 'feel' for how a true, workable forum would function.

Some of the features that are included with CU Savvy are:

CU Savvy's homepage (Appendix C)

On the homepage, a member will be able to:

- Create a new message
- View popular/trending topics
- Search past forum threads
- View Forum, Resources, Inbox and FAQ

CU Savvy Forum Page (Appendix D)

When a member clicks on one of the forum topics, they will see the member's question and any replies posted.

The member will have the option to:

- Save thread to "My Account." This will allow members to save threads to their account for current or future needs.
- Email the poster directly to their CU Savvy "Inbox."
- Rate the reply.
- Reply to the question/comment on the forum.

The post will also include "tags" if applicable. A tag, seen in the example as an underline word/phrase, will pre-populate if a credit union service, product or employee is mentioned in the post.

CU Savvy Resources Page (Appendix E)

The majority of links on the Resources page, will be editable and individual credit unions will be able to post information that is specific to their credit union.

CU Savvy My Account Page (Appendix F)

The member will have the option to:

- View threads saved
- View articles saved

TEST

Team Gel tested its prototype, a mock website of CU Savvy, by sending the link to employees at our respective credit unions to seek feedback and see how they would react to this type of referral program.

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

CU Savvy is designed to be incorporated into the credit union's overall social media campaign. This web-based forum will allow member to member discussions. Credit unions utilizing CU Savvy will need to determine the level of support for the forum and who within the credit union will monitor the CU Savvy conversations.

FINANCIAL CONSIDERATIONS AND PROFORMA

Team Gel believes the financial value is in the unique “tagging” opportunities. This would be a non-invasive way to solicit business on the part of the credit union. Word of mouth marketing would be the strategy implemented. There would be an opportunity to direct end users to the credit union to handle these leads.

After discussion with IT professionals it was determined that an estimated annual fee for this service would be \$500. With this product generating an estimated \$250,000 in the consumer loan portfolio, the following is based on June 2014 FPR report for Dupaco Community Credit Union. Average loan balance of \$13,336, would be 18 loans with a 5 year term, average yield of 5.06%, cost of funds at .71, provision for loan losses at .11, operating expense of 2.87. Total cumulative interest in a 12-month period is \$10,733.72. Total estimated profitability from lead generation product of \$8,413.72.

Please see below:

Interest Income	\$10,733.72
Cost of funds	(\$1,775.00)
Loan Losses	(\$295.00)
Maintenance expense	(\$250.00)
Net income	\$8,413.72

RESULTS, COMMENTS AND NEXT STEPS

The comments were overwhelmingly positive to support a program like CU Savvy. Two concerns were brought up a) how a credit union is to respond to the ‘tagging’ of certain products and/or employees; and b) how this could be effective for smaller credit unions.

Others commented:

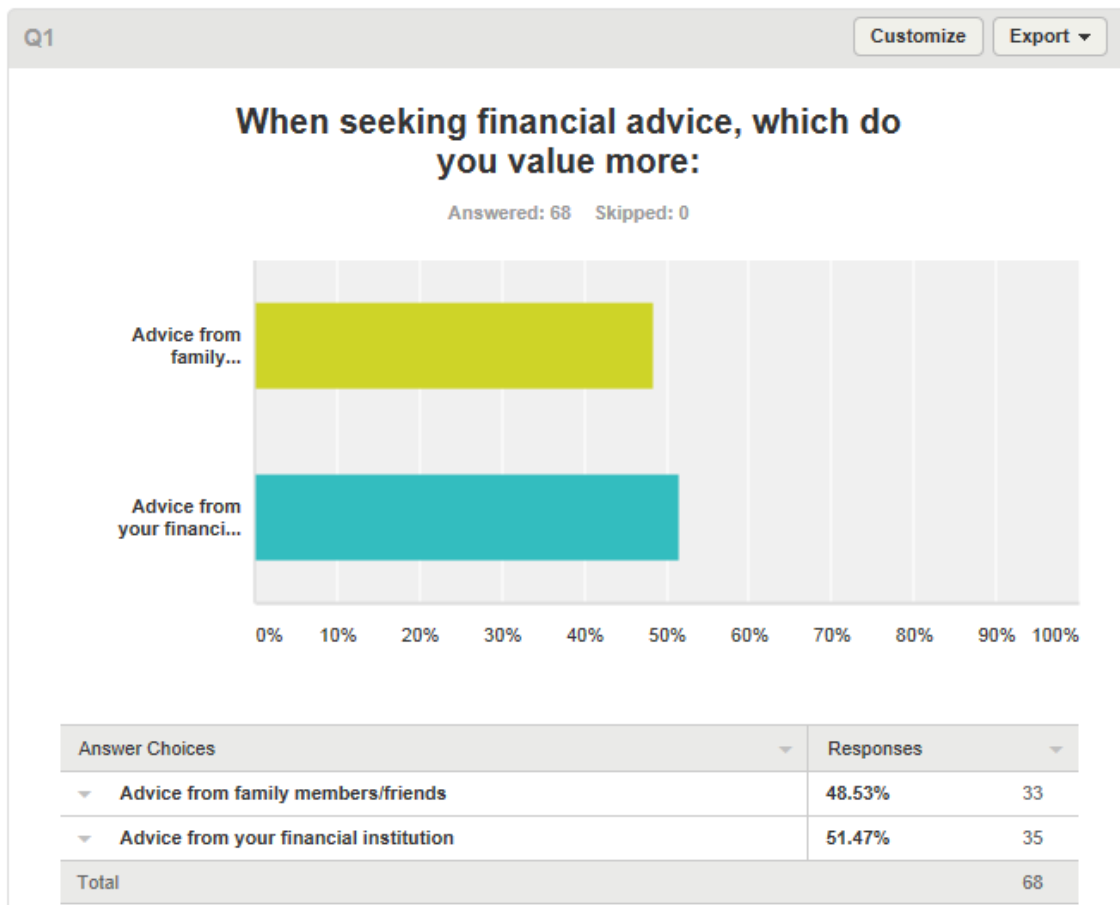
- “I went on the website and, yes, I feel it would be useful to members, yes user friendly, and generate lead sources. I thought the website was useful on questions and other members can let other members know that experience that they have had or how to take care of situations they are having.”
- “I think it is a great idea! Site looks great! Easy to understand!”
- “I think this is a great way to interact with members and answer questions they might have.”
- “I really like it. I think it is always good for members to have a way to communicate with each other. Reading things like this for those who might not be comfortable with how to get started or who to ask might make them feel more confident in coming in to talk to someone.”

If this project would move forward, some of the initial work would include partnering with companies to help fund the development of the services. It would be imperative that each credit union have staff available to operate daily functions and monitoring of the website design and content. Additionally, creating a sample plan for organizations to follow in order to take advantage of the services this site will provide. Finally, developing cost models so that this service could be cost-effective for credit unions of all sizes.

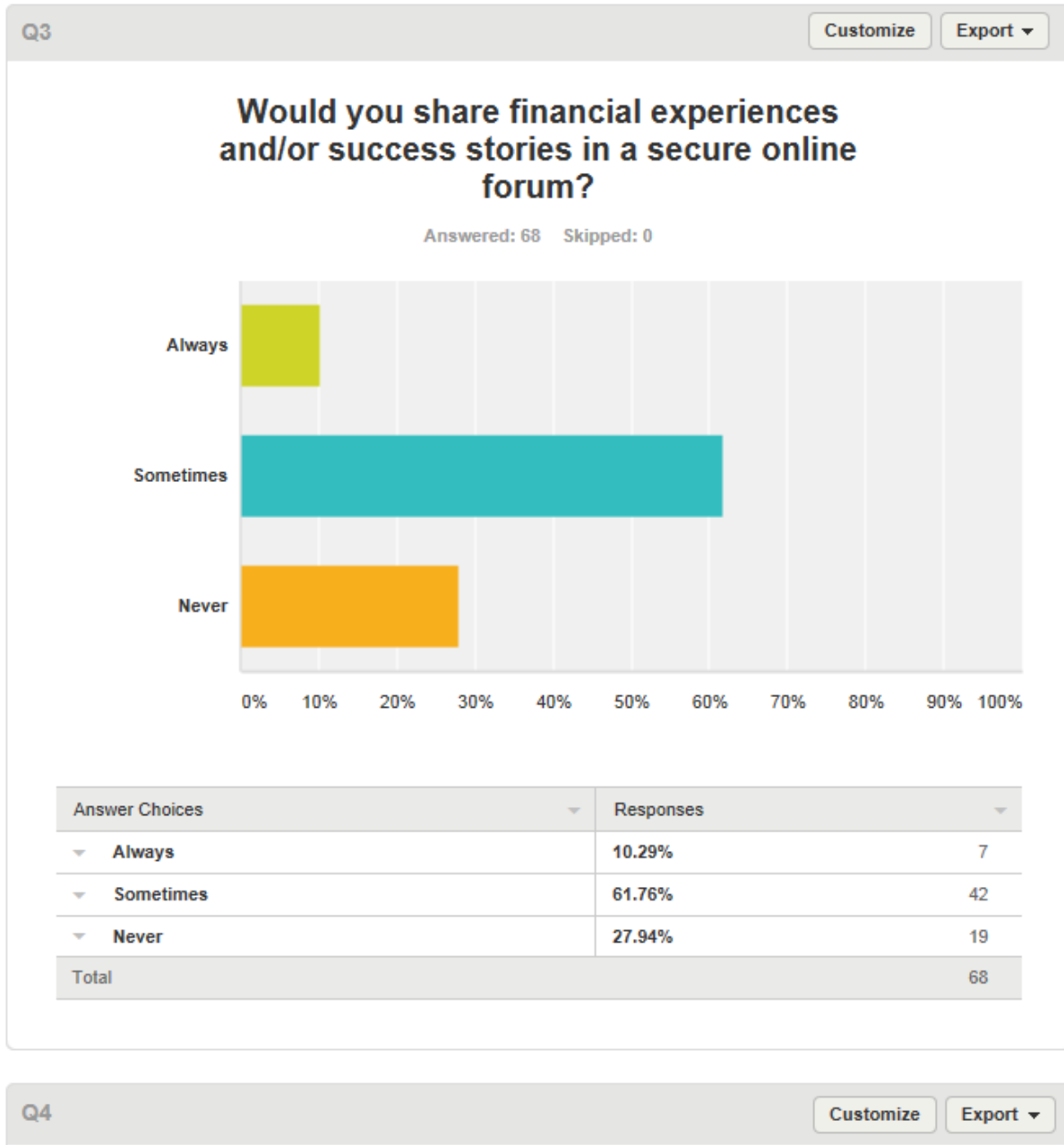
To learn more about CU Savvy, contact Emily Kress with Alliant Credit Union at 563.585.3723 or by email ekress@alliantcu.com.

APPENDICES


Appendix A



Appendix B



Appendix C



[Forum](#)
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Welcome to GEL Credit Union's CUSavvy Forum. Here you'll be able to connect with other members in a secure, virtual world with your most pressing financial questions. Whether you're seeking advice on what type of loan worked best for a certain situation or you're wanting to share a great experience you just had with a local relator, CUSavvy is a great place to connect.

Below are a glimpse at today's hot topics.

Subject	Author	Number of Replies	Latest Post
Personal Loan or Home Equity	sstevens	3	9/17/14
Student Loans Entering Repayment - UH/OHI	billy97	1	9/16/14
Auto Dealership?	Jon2001	3	9/9/14
IDA anyone?	Summerbundle	1	9/3/14

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Appendix D





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[Create New Message](#)

Personal loan or home equity?

Original Discussion
sstevens says: 
What does everyone think is better – a personal loan or home equity? I'm looking for options to pay for my daughter's braces. I have some equity in my home, but not a whole lot so I'm not sure I want to be tied down with that. I have decent credit (last loan was about 690). I definitely do not want to pay an arm and a leg. What would you do?
I have the same question. Save this thread to my account.

Reply
bsmith5663 says: 
Two years ago when my husband and I had our son in braces we opted for the personal loan at GEL CU. We were able to make payments ahead of scheduled and it worked great for us. ★★★★★ [rate this reply!](#)

Reply
funkybunch3 says: 
Check with your orthodontist – don't they have an option? ★★★★★ [rate this reply!](#)

Reply
stripesroar says: 
When we looked into financing at our orthodontist, rates were SOOOO high and were not flexible at all. Contact BJ @ GEL, he helped us when we were in the same situation and made the transaction super easy. ★★★★★ [rate this reply!](#)

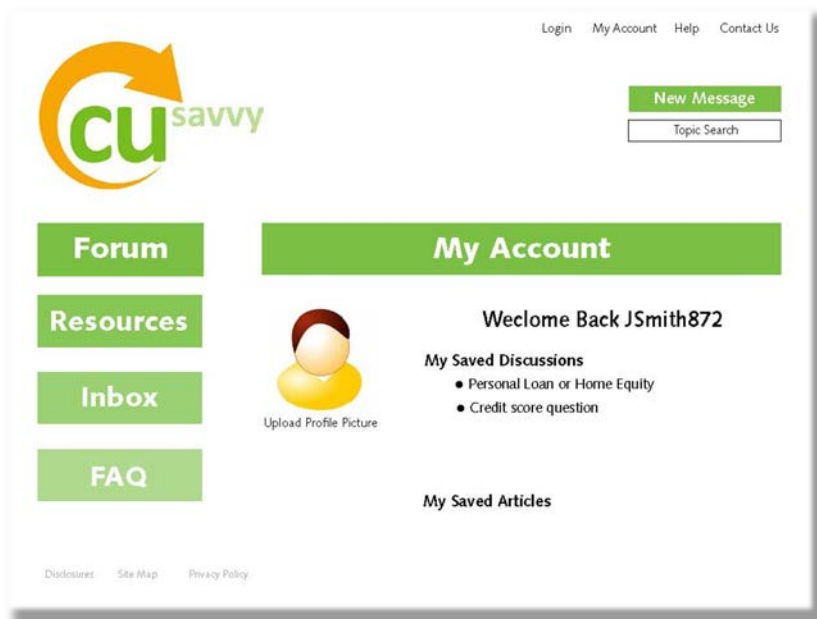
[Post](#)

[Disclosures](#)
[Site Map](#)
[Privacy Policy](#)

Appendix E



Appendix F



ENDNOTES

- 1) Mertz, A (2014, April). Can you measure social media's ROI? *Credit Union Magazine*, 21.



CONCEPT DOCUMENT

CU Succeed

TEAM TURNTABLE MEMBERS

Norah Carroll, Veridian Credit Union

Ryan Morrison, Community 1st Credit Union

Danielle Pace, North Iowa Community Credit Union

Jeffrey Zahrt, Linn Area Credit Union

PROBLEM DEFINITION

How might Team Turntable help credit union employees remain engaged in their careers while providing the tools necessary to help them prepare for career growth?

The members of Team Turntable represent four credit unions of varying asset sizes, number of branch locations and number of employees, and despite these differences, the team discovered that one common challenge existed among Team Turntable's credit unions: keeping employees engaged and committed to their professional growth, especially among employees working toward highly sought-after roles in their credit union.

This observation prompted the team to interview its own colleagues to understand what factors make them feel fulfilled in their careers. Team members also spoke with credit union leaders to learn about the challenges these leaders face in keeping their employees engaged and committed to their careers at the credit union. Across the four credit unions represented by Team Turntable, statements like, "I feel very alone in my position," "I have very little room for creativity," and "There is very little help," were common.

Through these interviews, Team Turntable found that credit union employees at all levels are looking for a more structured way to develop new skills, take on new responsibilities and ultimately feel a greater sense of fulfillment in their careers at their credit union. Credit union leaders, meanwhile, are eager to find new ways to support their employees' growth and increase employee retention and satisfaction.

INNOVATIVE SOLUTION

CUsucceed.org is the mentoring website designed for credit union employees, by credit union employees. By matching up the next generation of credit union leaders with mentors who excel in the specific skills they would like to develop, CUsucceed creates opportunities for Iowa credit union employees to transform their careers. CUsucceed's personalized recommendation system matches credit union employees with a select list of potential mentors from across the state, paving the way for meaningful mentoring relationships and increased employee satisfaction.

CUsucceed stands apart from credit unions' in-house mentoring programs by connecting credit union employees to current and future leaders at other credit unions. This allows employees to gain a more global perspective of the credit union movement and to expand their skillset to better serve them in their current (and future) roles at the credit union. As the only mentoring website designed exclusively for credit union employees, CUsucceed users participate in mentoring relationships that are specifically relevant to their career goals, and that are mutually beneficial to both the mentee and mentor.

We know that even the best-designed mentoring programs can be ineffective when the mentor and mentee are unable to see specific value in their partnership. That's why CUsucceed pairs potential mentors and mentees based on the criteria most important to facilitating a meaningful match, including physical proximity and skill areas as varied as lending, business development, marketing and operations. Based on their credit union's preferences, CUsucceed participants can even elect to be matched with someone outside their credit union's field of membership.

By connecting Iowa credit union employees to mentors and mentees uniquely qualified to help them develop within their careers, CUsucceed keeps employees engaged, learning and committed to the success of their credit unions – and themselves.

PROTOTYPE

In order to test the concept of CUsucceed with a group of credit union employees, Team Turntable developed a working website using Wix.com. The team opted to build a live website rather than sharing mock-ups with our testers so that we could collect feedback on both the CUsucceed concept and our participants' experience using the site. The CUsucceed prototype is located at <http://ryanm126.wix.com/cusucceed>, and screenshots from the site appear in the Appendix to this document.

From the CUsucceed website, credit union employees were invited to complete a simple form on the "Match Me" page that collected the information most important to facilitating a meaningful match with a mentor or mentee. For testing purposes, group members manually matched potential mentors and mentees based on the information submitted in their sign-up forms. The completed site, however, will present participants with a personalized list of recommended mentors or mentees in real time, based on the results of CUsucceed's matching algorithm. Participants would then be able to choose which potential match most closely aligns with their interests and career goals and connect with their preferred match directly. A sample of this Match Results page appears in Appendix C.

Though the Match Me page is the primary focus of the CUsucceed site, Team Turntable also created a toolkit in the "About" section designed to prepare credit union employees for successful mentoring relationships. This toolkit includes sample mentoring timelines, helpful tips and success stories that illustrate the benefits of meaningful mentoring relationships, and the toolkit can be used to facilitate a successful roll-out of the CUsucceed program within Iowa credit unions.

TEST

Team Turntable tested the prototype of the CUsucceed website with 24 credit union employees from the team's four credit unions and among other Iowa Innovation Group participants. The test group included credit union employees with roles in a wide range of departments, including accounting, marketing, senior leadership, teller/front line, training, operations, business development and more. Participants also represented a broad spectrum of credit union experience, ranging from less than one year to more than 20 years.

Team Turntable asked testers to explore the CUsucceed website, complete the sign-up form to find or become a mentor and complete an anonymous survey to provide feedback on their experience using the CUsucceed site. When the group was able to successfully match a mentor and mentee, both participants also received an email informing them of their match. To test the website's ease of use, the group did not provide step-by-step instructions to testers to help them navigate the site, but allowed participants to experience the site as they would if they happened upon the site. Team Turntable also observed two testers' use of the site in real time.

RESULTS, COMMENTS, AND NEXT STEPS

Among the 24 credit union employees who participated in the test group, Team Turntable was able to successfully match 12 participants with a mentor or mentee, for a total of six matches. Participants who did not receive a match were notified via email that CUsucceed was unable to match them with a participant who met the criteria they were seeking in a mentor or mentee.

From the test group, a total of 13 testers completed an anonymous survey to provide feedback. This group included both participants who had been successfully matched to a mentor or mentee, and participants who did not receive a match.

Below are key highlights from the results of the survey:

- 100 percent of survey respondents indicated that they would recommend CUsucceed to others.
- 100 percent of respondents indicated that they found the registration process to be either quite easy or extremely easy.
- 76.9 percent of respondents indicated that a mentor or mentee's professional experience at *any* credit union was the most important factor to a successful match. This is particularly noteworthy because none of our respondents chose "professional experience at my own credit union" as the most important factor.
- 66.6 percent of respondents who were successfully matched with a mentor or mentee indicated that they were extremely satisfied with the mentor or mentee they were matched with.

Survey respondents were also asked how they would rate CUsucceed against other mentor programs they were familiar with. Unfortunately, most indicated that they were unable to compare CUsucceed to other programs because they had not had the opportunity to participate in a mentoring program before. While initial interviews and personal observations had revealed similar findings, the team was surprised to see that participants in the test group identified this need without any prompting.

Team Turntable's user survey also provided a significant amount of helpful qualitative feedback from credit union employees who participated in the test group. Below are excerpts of survey responses from test group participants:

- "It's SO EASY! It's *[sic]* basic purpose for CU employees help other CU employees! I'm not talking just internally - it's an amazing idea to get employees from different CUs together to discuss the basic *[sic]* of the job! ... Helping each other is what everything is all about!"
- "I think this is a fantastic idea with practical application. It is often difficult to find someone who can give objective advice and guidance. Turning outside one's own workplace but staying within the credit union "brethren" is a great way to grow in one's career."
- "I liked the registration process- it was fast, electronic, and easy- and the idea that we could be matched with people at other credit unions."
- "I like the concept of being able to learn from outside experience."
- "I'm excited about the possibilities of CUsucceed."

From the feedback received from the test group, it is apparent that CUsucceed meets a clear need for Iowa credit union employees and the organizations they represent. In order to bring CUsucceed to a wider pool of credit union employees, the group is seeking partnerships with forward-thinking Iowa credit unions to help accomplish the following goals:

- Develop and implement an algorithm to automate the match process
- Open CUsucceed enrollment to all Iowa credit unions, so participants can be matched with potential mentors and mentees outside of their fields of membership
- Provide resources to credit unions who wish to integrate CUsucceed into their training and professional development programs
- Select a webmaster and build an advisory team to lead the CUsucceed program

As the hiring market gets younger and the most experienced credit union leaders near retirement, preparing our industry's future leaders for success is more crucial than ever. CUsucceed is an innovative solution to this need. The success of the program depends on partnerships with credit unions who share Team Turntable's focus of providing credit union employees with the meaningful, fulfilling development experiences they need to remain committed to their organizations.

The credit union philosophy of “people helping people” drives relationships with credit union members, and it is time that philosophy was extended to the development of Iowa's future credit union leaders. We want to see you – and your employees – succeed through transformative mentoring relationships. Will you join us?

APPENDIX A

The screenshots below guide you through the user experience of CUsucceed.org.

Home Page

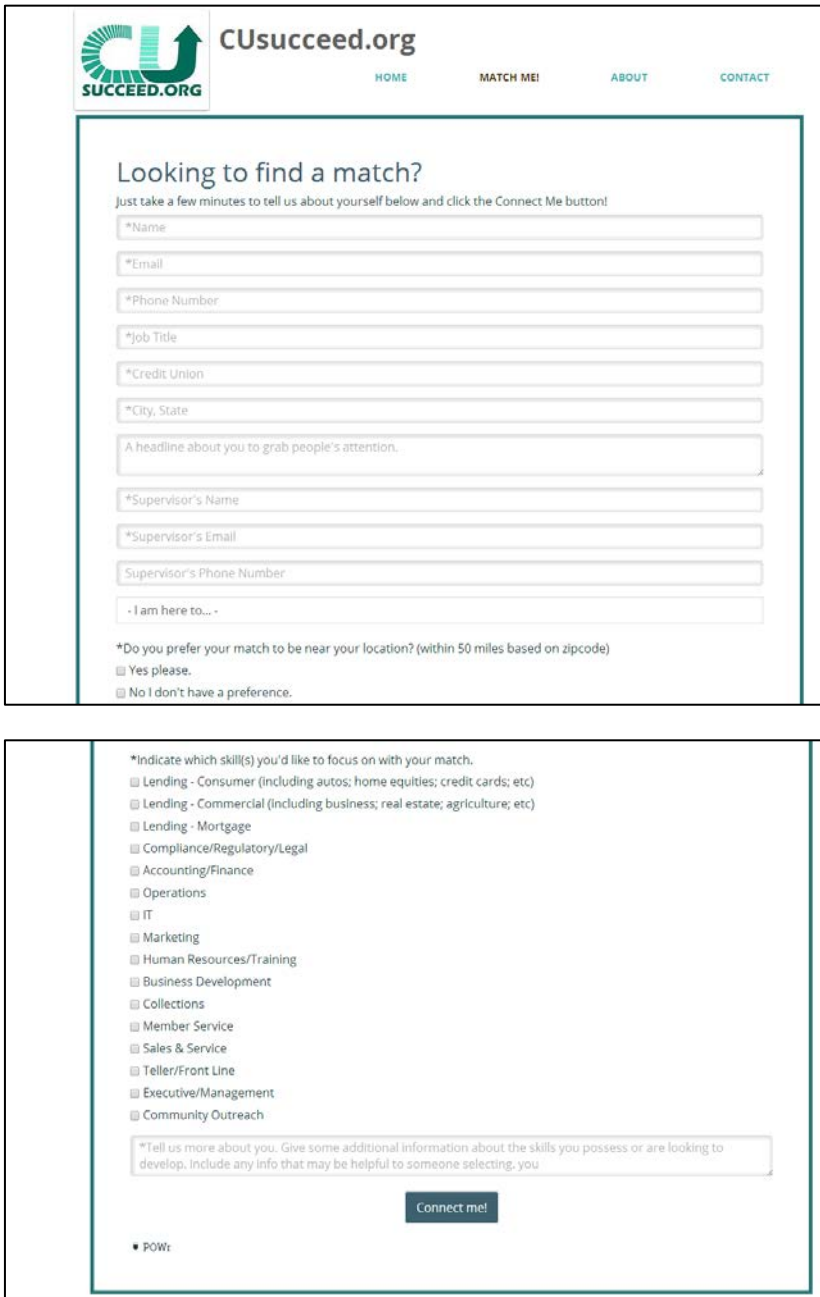
The Home Page contains a series of scrolling images listing various features of the site.



APPENDIX B

Match Me! Page

Participants use the Match Me! Page to sign up to be a mentor, find a mentor or both. The user completes the form, then clicks the “Connect Me” button.



The screenshot shows the CUsucceed.org website with a navigation bar containing links for HOME, MATCH ME!, ABOUT, and CONTACT. The main content area is titled "Looking to find a match?" and includes a sub-header "Just take a few minutes to tell us about yourself below and click the Connect Me button!". The form contains several input fields: *Name, *Email, *Phone Number, *Job Title, *Credit Union, *City, State, a headline field, *Supervisor's Name, *Supervisor's Email, Supervisor's Phone Number, and a dropdown for "I am here to...". Below these fields are two radio button options: "Do you prefer your match to be near your location? (within 50 miles based on zipcode)" with choices "Yes please." and "No I don't have a preference.".

*Indicate which skill(s) you'd like to focus on with your match.

- ☐ Lending - Consumer (including autos; home equities; credit cards; etc)
- ☐ Lending - Commercial (including business; real estate; agriculture; etc)
- ☐ Lending - Mortgage
- ☐ Compliance/Regulatory/Legal
- ☐ Accounting/Finance
- ☐ Operations
- ☐ IT
- ☐ Marketing
- ☐ Human Resources/Training
- ☐ Business Development
- ☐ Collections
- ☐ Member Service
- ☐ Sales & Service
- ☐ Teller/Front Line
- ☐ Executive/Management
- ☐ Community Outreach

*Tell us more about you. Give some additional information about the skills you possess or are looking to develop. Include any info that may be helpful to someone selecting you

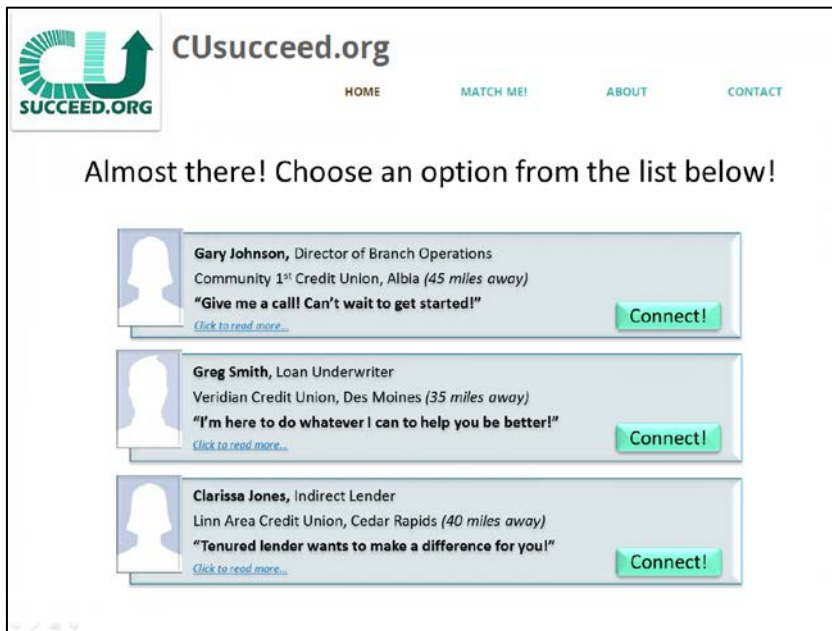
Connect me!

POW:

APPENDIX C

Match Results Page

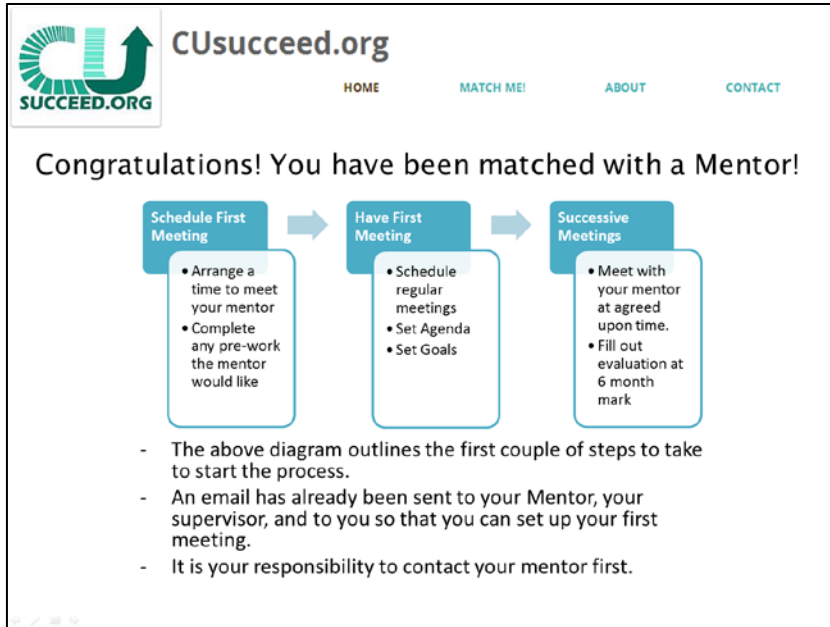
This is a mock-up of how the screen will look once the matching algorithms are built into the site. Participants would click “Click to read more...” to get more detail, then click “Connect!” to proceed.



APPENDIX D

Match Notification Page

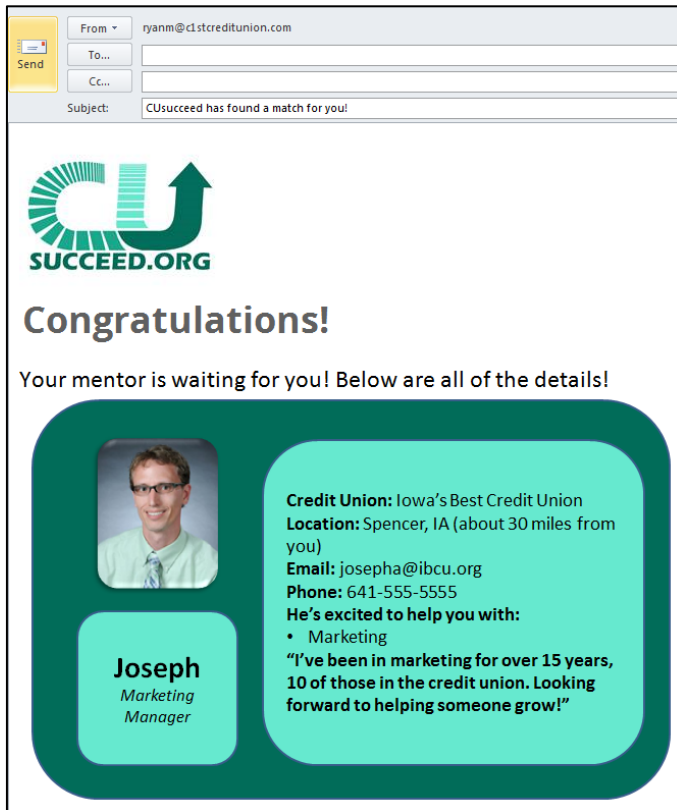
Another mock-up screen.



APPENDIX E

Email Notification of Match

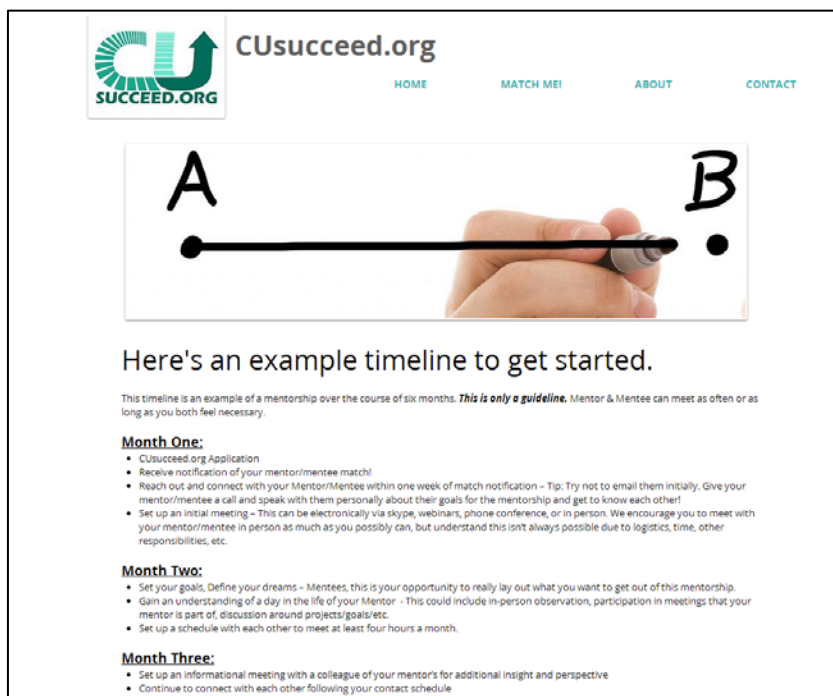
Both the mentor and mentee would receive this. Supervisors of both parties would also receive this notification.



APPENDIX F

About Page

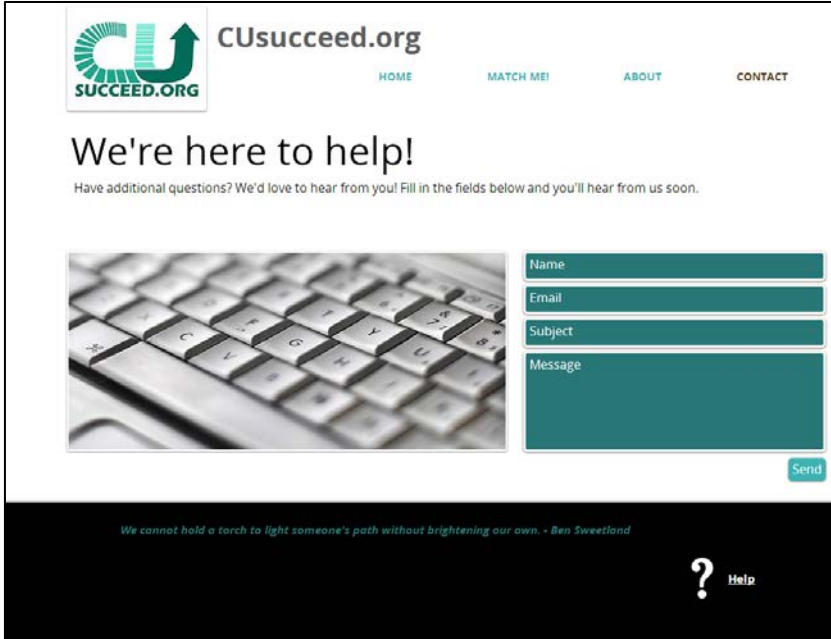
The About Page contains resources to guide the mentor and mentee through the process.



APPENDIX G

Contact Page

The Contact Page is used to contact site administrator with any questions or issues.




The screenshot shows the contact page for CUsucceed.org. At the top left is the logo for CUsucceed.org, which features a green 'C' with a white 'U' inside, and the text 'SUCCEED.ORG' below it. To the right of the logo is the text 'CUsucceed.org'. Below this are four navigation links: 'HOME', 'MATCH ME!', 'ABOUT', and 'CONTACT'. The main heading is 'We're here to help!' followed by the text 'Have additional questions? We'd love to hear from you! Fill in the fields below and you'll hear from us soon.' Below this is a form with four input fields: 'Name', 'Email', 'Subject', and 'Message'. To the left of the form is a photograph of a computer keyboard. At the bottom right of the form is a 'Send' button. At the bottom of the page is a dark blue footer with the quote 'We cannot hold a torch to light someone's path without brightening our own. - Ben Sweetland' and a 'Help' link with a question mark icon.

CUsucceed.org

[HOME](#) [MATCH ME!](#) [ABOUT](#) [CONTACT](#)

We're here to help!

Have additional questions? We'd love to hear from you! Fill in the fields below and you'll hear from us soon.



Name
Email
Subject
Message

[Send](#)

We cannot hold a torch to light someone's path without brightening our own. - Ben Sweetland

[? Help](#)



CONCEPT DOCUMENT

Glance

TEAM FRIEDRICH 4 MEMBERS

Andy Fogle, Des Moines Police Officers' Credit Union

Chris Neal, First Federal Credit Union

Lisamarie Odeen, North Iowa Community Credit Union

PROBLEM DEFINITION

Glance helps people become savers through the use of modern technology by making them aware of their spending habits.

Over the past several years the credit union and banking industries' statistics have shown a sharp increase in rising debt per member, rising delinquency, low balance savings accounts, increased loan-to-value purchases and an increase in overdraft income. Combined, these statistics point to a central problem of members who are either uneducated about finances, unwilling to live within their means or simply unaware of effects of their own spending habits.

As an industry, it is the mission of credit unions to help members overcome all of these financial challenges and Glance can assist credit unions in accomplishing these tasks.

INNOVATIVE SOLUTION

Glance uses current technology to knock down barriers for members to track their spending habits in order to make needed changes to become life-long savers. The credit union assists in educating and rewarding the member through the process, which in turn creates member loyalty and increase opportunities for loans and member penetration.

PROTOTYPE



Description

Glance is a simple app designed to help you save your money and take a glance at your spending habits. Integrating with your financial institution's online banking tool helps to ensure accurate, real-time data to assist you in making financial decisions that benefit you.

Information

Seller	Friedrich 4, Inc
Developer	Friedrich 4, Inc
Category	Financial
Updated	Sep 18, 2014
Version	1.2
Rating	18*
Compatibility	Requires iOS 5.0 or later. Compatible with iPhone, iPad, and iPod touch. This app is optimized for iPhone 5.



Details | Reviews | Related

★★★★★ 98 Ratings for Version 1.2

[Write a Review](#)

App Support

1. This app helps me pay attention...

★★★★★ by AppuSer123 - August 23, 2014

This app helps me pay attention to my savings goals and helps me feel accountable to myself. It's worth it.

2. Unlike any other out there...

★★★★★ by MoneyGuy - August 22, 2014

Unlike any other out there. Other apps I've tried I don't like because I don't like putting my bank info in. I like that it's connected to my account so that I can see my real time progress.

TEST

Of a survey conducted, 56 percent of the responders said that they would use a simple app that was designed to help save you money on the go. During the testing phase an overwhelming majority of those tested showed favorable results to the simplicity of the concept app. 69 percent of those surveyed said that time is the biggest factor in saving money. Other studies have shown that 68 percent of Americans say they use self-service methods to do simple banking transactions while 75 million Americans use their smart phones for mobile banking.

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

The technology is already in place for this concept. Glance would have to be able to integrate with multiple online banking platforms; there are already apps that can accomplish this task (Mint, Sprig, etc.). In addition Glance would have to be able to send push notifications based on GPS coordinates to help prevent excess spending before it happens. Glance would not be an app that just anyone could download and incorporate with their credit union account; the credit union would have to be on board first to allow the member to integrate it with their online banking. Also, the credit union's management team would have to consider what if any rewards it would offer for the member reaching their savings goals. It would be most beneficial if the account was able to be tracked by the credit union, in order for the credit union to market specifically to those individuals.

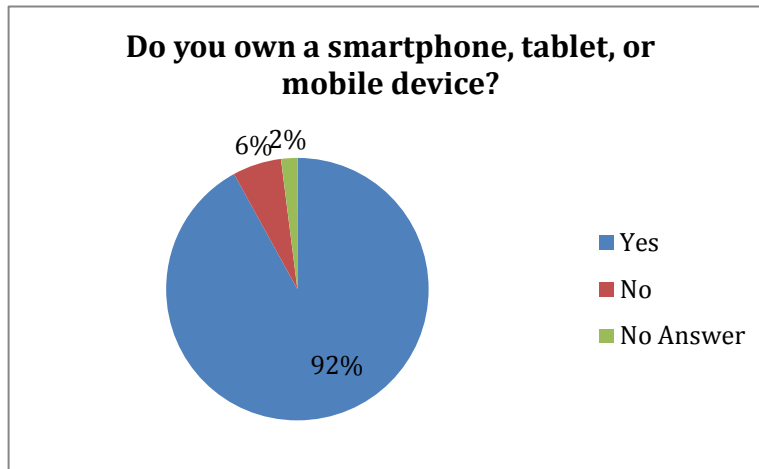
FINANCIAL CONSIDERATIONS AND PROFORMA

Team Friedrich 4 sees Glance being used on several levels depending how involved the credit union would like to get. For instance, this could be used as strictly an educational and spending habits tool for the member. However, in the team's opinion, Glance offers the most value as a hybrid app which helps educate the member and is used as a marketing tool for the credit union. If a member is trying to save \$1,000 for a down payment on a vehicle and the credit union is aware that they have saved \$900 for instance, the credit union could reach out to that member, match the final \$100 and offer them a vehicle loan. We see this as a free app to the member, which means the credit union would have to make an investment to avoid any outside advertisements.

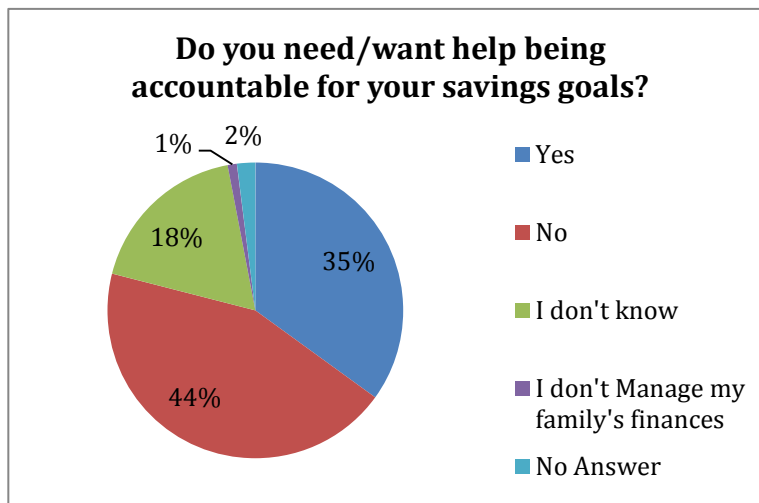
RESULTS, COMMENTS, AND NEXT STEPS

Survey and testing results:

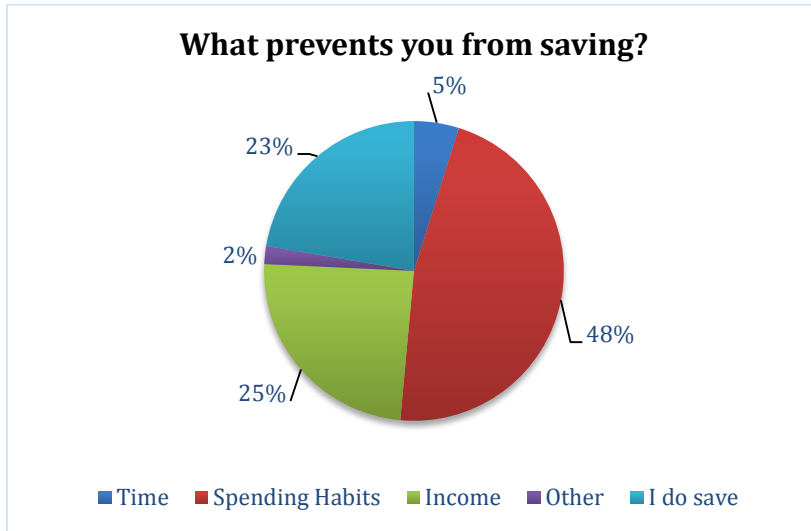
1. Do you own a smartphone, tablet, or mobile device?



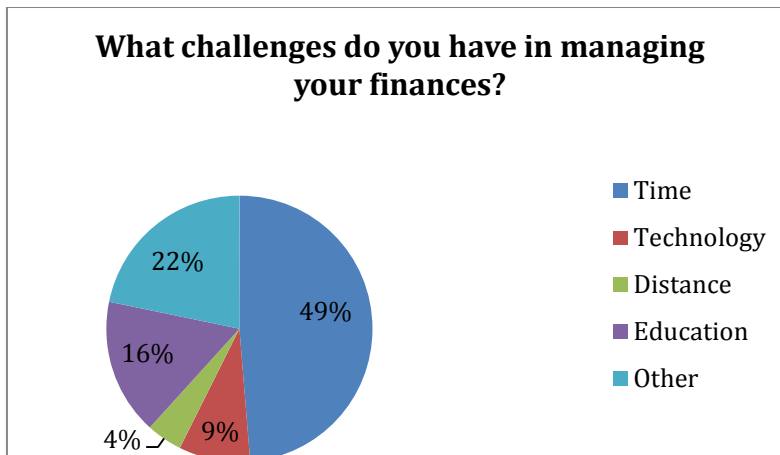
2. Do you need/want help being accountable for your savings goals?



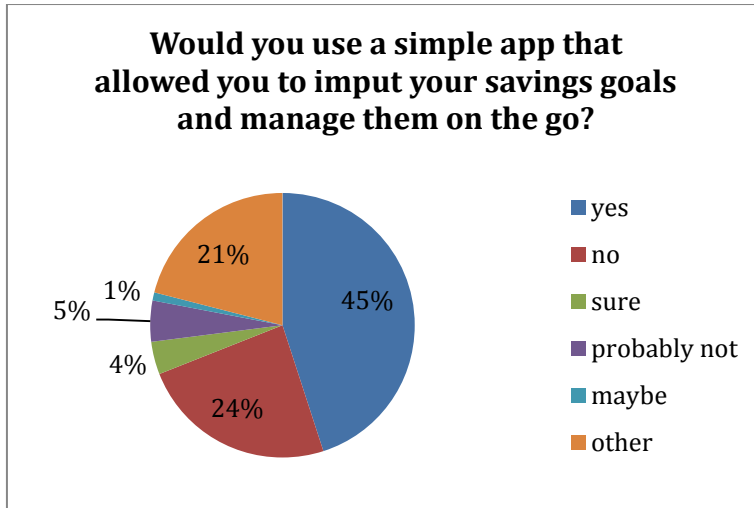
3. What prevents you from saving?



4. What challenges do you have in managing your finances? Is it...



5. Would you use a simple app that allowed you to input your savings goals and manage them on the go?



Next Steps: At this phase this is just a concept and not a working app. The next step would be an investment to get the app up and running and to integrate with multiple online banking platforms, then discuss discuss the concepts with credit union leaders in order for them to be able to offer it to their member base.



CONCEPT DOCUMENT

ZIP

TEAM SUNJOY MEMBERS

Travis DeRidder, First Class Credit Union

Katie Averill, Citizens Community Credit Union

Nelson Weber, Collins Community Credit Union

Hayley Heims, North Star Community Credit Union

PROBLEM DEFINITION

How might we create a loan lead generator in a cost-effective manner for Iowa credit unions?

Team SunJoy recognized the problem of loan lead generation in a cost-effective manner, knowing that loan growth is a strategic goal for most Iowa credit unions. Credit unions need to be able to utilize the newest technology in the most economical manner. Marketing staff at Iowa credit unions varies and this human resource may be limited.

The visibility of credit union marketing compared to bank marketing is far less apparent. When asked which marketing and media channels will be more or less important in the upcoming year, bank and credit union marketers clearly prioritize online and digital. Print, TV and radio advertising will become less relevant each year. In addition, in-branch items such as brochures and print material are becoming less important to consumers. Roughly three out of four marketers say online and mobile advertising will be more important in 2014. Therefore, with mobile banking solutions ranking as a critical item to push each year, a simple loan application solution is a must.

Credit unions represent a growing, but small segment of Iowa's financial sector. Banks control 88 percent of deposits in Iowa. Big banks have aggressively expanded market share in the state and represent the biggest competitive challenge to the state's small institutions. Out-of-state banks control 25 percent of deposits in the state – a share that has increased by 4 percent over the past two decades.

Sources Supporting this Proof:

The Financial Brand

<http://thefinancialbrand.com/36624/2014-state-of-bank-credit-union-marketing/>

Credit Union National Association

cuna.org Census, NCUA, FDIC, Informa Research Services Inc. and CUNA's Economics and Statistics Department.

INNOVATIVE SOLUTION

It's the simple solution that brings a loan application and credit union awareness to prospective members by meeting them where they work, live and play through cost-effective, creative marketing.

ZIP is the tool that will meet people, in the market for purchasing a vehicle, anywhere through the power of the internet. There are unlimited possibilities for the marketing of the ZIP QR code, it can be placed anywhere! It is different from other sites because it is fast, convenient, and consumers can apply in three short steps, arriving at the credit union application portal in less than 10 seconds. ZIP gives revolving facts about credit unions and states the average credit union versus bank new auto rates. Credit unions keep costs low by sharing marketing costs while focusing on the local market through geographic location. This is the cooperative spirit in which credit unions were founded.

PROTOTYPE

Team SunJoy built a web-based prototype that geographically finds credit unions for the consumer. With three clicks, the consumer is at the auto loan application for each individual credit union. There is information about credit union facts, average state auto loan rates, contact information, and a loan application. The credit union also controls the branding of pictures and messages displayed instantly and at their discretion. In addition, a Twitter message appears on the landing page enabling each credit union to market to the potential new member. This feature allows credit unions to own and customize this marketing piece.

The link to the website is <http://bit.ly/ziploan>.

TEST

Team SunJoys selected credit union staff, various credit union members and non-members in the community to test the ZIP prototype. They were asked to access the site through the QR code or directly to the website via the provided link. A six question paper survey created by the team, was given to the testers to gain feedback and insight about their experience.

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

It would be simple to incorporate ZIP into a credit union's operations. The QR code, website, and logo design has been developed. Participating credit unions would be responsible for their own website link, Twitter handle, current information, and loan applications. If the Iowa Credit Union League or Credit Union National Association would adopt ZIP, they would need to maintain the website and ensure that the credit union's information is current, along with the revolving credit union facts and the average state auto loan rates.

FINANCIAL CONSIDERATIONS AND PROFORMA

It's simple...a one time or annual fee would be charged for the initial enrollment piece and to cover the building of the credit union profile items. Additionally, a fee income based on the referrals and a higher rate based on applications would provide for ongoing website maintenance and joint marketing in credit union markets. This fee income for referrals is low enough that one approved loan would pay for an entire year's worth of referral fees that the credit union would have.

RESULTS, COMMENTS, AND NEXT STEPS

When Team SunJoy tested the prototype with the public, the results were incredibly positive and there was a great amount of optimistic feedback along with suggestions for improvement. Areas of improvement for the ZIP website was additional customization pieces.

Testers commented that the site was easy and simple to use, with useful information. It was easy to understand and didn't require a lot of time or reading.

The next steps would be:

1. Build a live, dynamic geographic zip code search.
2. Research new interaction pieces.
3. Have a web designer finish the website so it is fully functional.
4. Get support from the ICUL or CUNA to be the host of the website.
5. Design a marketing campaign to promote ZIP to credit unions.
6. Get credit union participation.
7. Rollout the program by second quarter in 2015.

ABOUT ICUL

The Iowa Credit Union League is the non-profit trade association that represents the interests of Iowa's state and federally chartered credit unions and their nearly one million members. ICUL was established in 1930 and its vision is "to foster financial stability and success of our member credit unions." ICUL is a dynamic organization that provides the following services to Iowa's credit union industry:

- **Legislative Advocacy** — ICUL lobbyists hike the hill in Des Moines and Washington, D.C. each legislative session to speak with legislators about the importance of credit unions and to discuss different issues affecting the industry. The legislative department also coordinates fundraisers for the Credit Union Political Action Committee (CUPAC) and manages and organizes grassroots involvement programs.
- **Regulatory Compliance** — Iowa credit unions are heavily regulated by the National Credit Union Administration and the Iowa Division of Credit Unions. ICUL offers support and expertise to credit unions to help them understand and comply with these regulations. In addition, the regulatory department offers fee-based professional audit products that include 24/7 Compliance Support, Lending Audit Services, BSA Independent Tests, Regulatory Training, Vendor Management Services and Website Compliance Audits.
- **Public Affairs & Marketing** — The ICUL communications team disseminates pertinent information to the media and community about Iowa credit unions and new developments in the industry. Staff also works on an annual Advocacy Campaign that targets legislators and consumers through advertising and other materials which emphasize the importance of credit unions.
- **Professional Development** — ICUL, in partnership with CUNA, holds numerous professional development seminars each year for Iowa credit unions to help them learn more about how to best serve their members. This includes the Iowa Credit Union Annual Convention, ICUL's largest event of the year.
- **Management Consultation** — The management consultants at ICUL are strategic partners with individual credit unions to help them identify goals, challenges, and prepare for the future development of their credit union. ICUL's consultants have a strong credit union background, provide educated advice and personalized service.

In addition, ICUL continues to focus on new business development and strategic alliances to help achieve our strategic direction and mitigate reliance on dues revenue. ICUL is invested in affiliate companies, The Members Group, TMG Financial Services, Coopera, and PolicyWorks who partner with credit unions on a wide range of financial service solutions. ICUL provides additional legislative, operational and technical support to our member credit unions through an affiliation with the Credit Union National Association and also has a marketing partnership with CUNA Mutual Group.

Find us on Facebook at facebook.com/IowaCreditUnions and on Twitter at twitter.com/ICUL.

ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We support research, innovation, and impact that enhance the well-being of consumers and assist credit unions and other financial cooperatives in adapting to rapidly changing economic, legal, and social environments.

We're governed by an administrative board made up of credit union CEOs, the CEOs of CUNA & Affiliates and CUNA Mutual Group, and the Chairman of the American Association of Credit Union Leagues (AACUL). Our research priorities are determined by a national Research Council comprised of credit union CEOs and the President/CEO of the Credit Union Executives Society.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: "Progress is the constant replacing of the best there is with something still better." Together, Filene and our thousands of supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) not-for-profit organization. Nearly 1,000 members make our research, innovation, and impact programs possible. Learn more at filene.org.

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—Edward A. Filene

