



2016 Business Plan

Shuffling the Deck

CU*ANSWERS
A CREDIT UNION SERVICE ORGANIZATION

August 2015



This year's theme:

Shuffling the Deck

You wake up one morning and it seems like everyone is focused on transition and redefining who they are, what they do, and where they do it

Themes for 2016:

■ **Marketplace Transitions**

- Changing the way credit unions interact with their members

■ **Industry Transitions**

- Responding to the CU industry and its focus on transition

■ **Internal Transitions**

- Executing on our plans to deal with leadership transitions

Differentiating our Network Approach

- What's changing about the old game? (the way credit unions buy tools and why they need them)
- Are we in step with the expectations and the goals they are setting?

For example:

- CUs believe that **mobile** will likely require a major translation to support members on the move
 - ▶ Moving 70+% of everything they do in existing channels to mobile platforms
- Are we acting like we believe it too?



Differentiating our Network Approach

Sector 1: People Who Need Leaders (Boards)

- Thinking about the impact of **consolidation** on this sector (CU boards/volunteers with a charter), resulting in a shrinking number of brands and ultimate buyers of our services
 - Do we need more merger specialists?
 - Do we need more financial support for CUs trying to win merger opportunities?
 - What tactics might we add in 2016?
- Our creativity in supporting their agendas to grow must be aligned with how we see our growth potential



Differentiating our Network Approach

Sector 2: People Who Lead and Need Processes to Run a Business (CEOs & Executives)

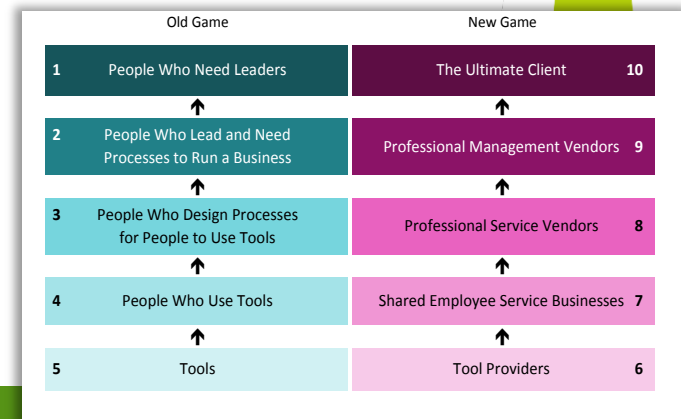
- How do we strengthen the faith in cooperative solutions in **credit union executives at every level**, not just the CEO?
 - Are we hooking up with a deepening bench at our larger credit unions?
- CUs have more of a do-it-yourself culture and expectation than ever
 - Can we create a trust and desire in these executives to *own* cooperative organizations as solutions?
- *Tactics for 2016:*
 - Executive Study Programs / Boot Camps
 - “Get Out the Vote” initiatives



Differentiating our Network Approach

Sector 4: People Who Use Tools

- A migration from the CU buyer's employees using the tools we sell, **to their members using our tools**
 - What does this mean to how we negotiate what an employee thinks a member needs, and what a member will respond to?
 - Who is more important, our buyer's perspective, or the perspective of the member who guarantees the success of our buyer?
- *Tactics for 2016:*
 - Comments from members in **It's Me 247?**



Differentiating our Network Approach

Sector 7: Shared Employee Service Business & Sector 8: Professional Service Vendors

- This requires a two-tiered effort: sell the idea that credit unions need this service, and then win the competitive battle so they'll buy it from us
- What does this mean as CUs consolidate more?
 - With fewer organizations to sell to, will these business lines suffer?
- *Tactics for 2016:*
 - Investing in “burstable” space for Xtend



Layered Designs and Goals for Expanding our Client Base

- Do you ever wonder how we continue to expand our revenues from year to year?
 - It's not all about growing our core processing client list
- It's more about our ability to earn more with the same number of clients, and to evolve the types of clients we serve
 - The number of CUs
 - The number of vendors that serve CUs and how
 - The number of trade organizations/networks that defend and define an industry response for CUs

We must be open to changing the perception that we're defined by the use of our core platform

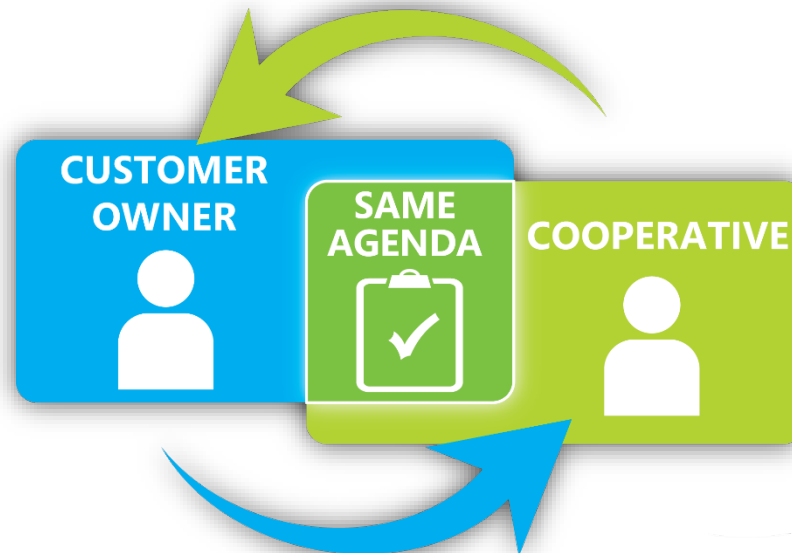
Changing Perceptions in Our Market Space

- Continue evolving our investment posture
- Invest in business development skills and leaders
- Launch a campaign to the industry that we wish to share our resources, copyrights, and capabilities with new allies and investors
 - My CU Today
 - In-house CU*BASE solution
 - AuditLink
 - New markets
 - Etc.

Are we a firm that has the discipline
to change before we have to?

Always Maintaining the Right Balance

- As we look to diversify and balance old games with new, to layer and evolve our distribution models and targeted marketplaces, we must constantly be diligent not to promote our agenda or personal hopes over those of the people we serve





Marketplace Transitions

Retooling for a World That Leads
With Retailing

Dealing With the 15% and “I Want It My Way” World

Our network’s value is defined by how we design solutions:

- Developing a robust native solution, shared by all users, with a broad set of configurations
 - We push hard so CUs are ready to move on to the next thing
- Providing project teams a standing set solutions for a broad spectrum of vendors
 - We push hard so CUs can afford to move on to the next thing in these arenas
- Providing custom development projects based on the CU’s desire to choose and coordinate
 - We rely on committed champions for individual agendas to build these solutions

Dealing With the 15% and “I Want It My Way” World

- We need to help CUs project their identity through our solutions
 - A more aggressive sense of retailing is needed by credit unions today
 - We want to create automated tools to help credit unions project who they are and why their solutions fit their members
- We need to feed the credit union’s need for a sense of autonomy
 - A CU’s sense of *team identity* comes into play as often as their sense of *whether the solution makes sense*

Dealing With the 15% and “I Want It My Way” World

- Internet Retailing Support Center
- Staying Focused on the Data
 - Enhancing financial analytics for CU*BASE and for a new audience of users
 - Budget Toolkits Year 2
 - Data Investment Symposium Year 2
 - Data Exchanges: vendor to vendor and an increasing focus on CU external data warehouses (EDW)
- Focus on Mobility
 - Mobile solutions
 - Imaging projects with eDOC (RDC, digital documents)
- Focus on Closing the Deal Remotely

A World Focused on the Member Experience

- CU*Answers consuming third-party APIs
 - It's Me 247 Bill Pay (Payveris project)
- Credit unions consuming our APIs
 - Mobile web
 - Wrapper-style mobile app
 - CUs dictating the UI, using our APIs





Industry Transitions

Responding to the Impact of
Consolidation

Responding to the Impact of Consolidation

- Credit Unions in Transition
 - Investing in helping credit unions grow
- Vendors In Transition
 - The changing EFT marketplace as a template
- Balancing At-Will Development with Project Demand
 - Adapting to the “I have money” crowd while maintaining the integrity of our competitive advantage as a cooperative
- Looking for New Markets and New Opportunities

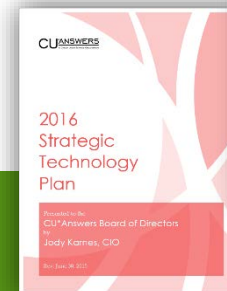


Internal Transitions

Mastering Leadership Transitions

Mastering Leadership Transitions

- Reaffirming Our Confidence
 - Confidence in the ongoing design
 - Confidence in the ongoing teams
 - Confidence in the ongoing plan
- Reconnecting with Governing Principles
 - SDLC initiative for 2016
- Reengaging with Supporting Players
- Recognizing Our Distributed Planning
 - Plans that support our overall business plan goals
- Building a Repeatable Process



Conclusion

Some years the Business Plan is all about pushing hard to move straight ahead...do more, do it faster

This year's there's a new wrinkle: The industry's reaction to the idea that there will be fewer CUs in the future

As a cooperative, we must be careful not to abandon the principles that give us a competitive advantage