

MDC's Project Strategy

MEMBERS
DEVELOPMENT
COMPANY



MDC is uniquely positioned in the credit union market due to the specific credit unions we serve and our more narrow focus on specific credit union issues. Our project agenda is very focused on the growth strategies of select, large credit unions. There is no other entity in the credit union industry with that singular focus.

Our owners are comprised of 45 credit union entities:

- 5 non-credit unions (a league, two large CUSOs, a corporate credit union, and CUNA Mutual)
- 40 large credit unions
 - Largest over \$10 billion and the smallest at \$300 million
 - Total assets of these credit unions are almost \$100 billion

Based upon input from a recent owner survey, the priorities of our credit unions are: digital channels, loan growth, member experience, growth, member growth, efficiency, employees, mobile, share of wallet, member engagement, and others. These priorities are an important data point as we consider which projects to work on for our owners.



Some of our current projects include:

1. **Channel Traffic Allocation.** We recently took a look at our owners' channels (branch, call center, mobile, online, ATM, and social) to assess capabilities and consistency. From our owners' survey results, we created a matrix to illustrate our findings and identify areas for improvement. Next up—identifying best practices, researching resource allocation across channels, and evaluating the impact of shifting channel resources on member loyalty.
2. **Innovation Council.** Our champions of creativity! Our innovation council meets twice a year with one purpose—let's not react to what's going on in the financial industry, but rather anticipate what's ahead. We meet. We ideate. We make things happen—many of our MDC projects have been a result of an idea that came out of an IC work session.
3. **Innovation Skills Project.** We want to analyze the characteristics of groundbreaking companies, identify gaps within our credit unions, and bring on partners and tools to enhance our innovation skill sets. We have completed secondary research and practitioner interviews, including innovation experts from Intel, Xerox, ACT, Lowe's, and from our own MDC credit unions. Tying this together was a panel of innovation professionals from Viacom/MTV, iHeartMedia, and others at a recent owner meeting. Next up—a competitive market analysis and content design.
4. **Member Experience – Onboarding / Engagement.** This is another joint project to add to our deep MDC library on member experience. We're working with two of our credit unions to focus on the short window of time that credit unions have to onboard new members. This project will determine the current state baseline by interviewing staff, members, and outsiders. The team will use the Kano Model around voice of customer research to develop a future state journey map.
5. **Mortgage Buddy.** This idea came out of our 2015 Innovation Council meeting in August. The project team for this initiative is working on identifying a vendor for an app to help track and notify members of where they are in the Mortgage Loan Process. Think Domino's Pizza app, but adapted to meet the needs of credit union members—where tasks are fully communicated every step of the way. This app will include alerts as well as the ability to share documents back and forth between members and their credit unions.
6. **Payments and Wallets.** We are keeping an eye on this ever-changing environment, specifically around developments such as Apple Pay, Samsung Pay, PayPal, Facebook Messenger, Bitcoin, and Blockchain. We bring in experts and report findings to our owners on a regular basis.

7. **Personalization.** Personalization is the practice of using member information to deliver a relevant and engaging experience across channels and devices. Essentially, it is being willing and able to change your behavior toward an individual member based on what you know about them. It's quickly moving from a game-changer to an expectation of the American consumer. We're giving our credit unions the must-knows for being leaders in this space.

8. **Big data, predictive analytics and lending.** We are working with experienced partners to create predictive models to help our credit unions better market loan products. We are excited to help credit unions become more data-centric.

9. **Small business and mobile tools.** We are hearing about the demand for tools to serve small business, especially on the mobile side. This project is too new to even have a scope, but the possibilities are numerous.

As you can see, when MDC owners collaborate, we prioritize and turn ideas into:

- Relevant research
- Innovative products or service
- Actionable takeaways
- Improved processes
- Valuable vendor relationships