

MDC's Project Strategy



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 comprise 52 credit union entities:

- three non-credit unions (two large CUSOs and CUNA Mutual)
- 49 large credit unions
 - Total assets of \$134 billion
 - Average assets of \$2.8 billion

Based upon input from a recent owner survey, the priorities of our credit unions are: data analytics, digital channels, fin-tech, member experience, cyber security, and maintaining relevancy. These priorities are an important data point as we consider which projects to work on for our owners.



Our recent and current projects include:

1. **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.
2. **Innovation Skills Project.** As MDC brings innovation thinking and tools to our owners, our network as a whole will become more innovative. We are at a key point in this project—after researching more than 80 vendors, RFI's went out to eight innovation experts (both inside the industry and outside) to help us design potential solutions for a new MDC-branded Innovation Program. Responses will be scored against our requirements, and presentations will highlight each vendor's approach to the solution.
3. **Member Experience.** At past owner meetings we have highlighted specific member experience projects completed in tandem with our credit unions. Member experience methods and tools are now mainstreamed into our organizations—it's now common for credit unions to have adopted a Member Experience approach and structure, and even have named a Chief Member Experience Officer. We are now focusing on what credit unions should be thinking about and doing to *sustain* their member experience efforts.
4. **Mortgage Buddy.** This is an Innovation Council idea which is focused on member communication and satisfaction during the mortgage origination process. We have evaluated potential vendors / partners in the market that can help improve members' satisfaction during mortgage origination, and selected one as a partner. Improved member satisfaction can be accomplished via communication and status tools that provide the member with substantially more assurance, peace of mind, and knowledge about the status of their mortgage application.
5. **Mobile Wallets.** Payments and wallets are ongoing discussion topics among our owners, and payments is consistently at the top of their priorities. We currently do not have a formal project in place, but there are typically speakers at our bi-annual owner meetings focused on this topic.
6. **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.
7. **Member Loyalty and Satisfaction.** The goal of this project is to identify a better way of evaluating members' loyalty/needs/intentions with the credit union, and cultivate member feedback into product development initiatives and priorities. We began with conducting a market research scan on satisfaction / loyalty measures, completing an assessment of the viability of the models based on MDC CUs' vision and needs, and providing four recommended satisfaction / loyalty measurement models. Results were

presented at a recent owner meeting. We are now discussing a pilot of the four recommended satisfaction / loyalty measurement models with three interested credit unions.

8. **Big data, predictive analytics and lending.** We are working with the Chief Data Officer at CUNA Mutual and a data modeling firm to create predictive models to help our credit unions better market loan products. The CDO at CMG has a past life in credit cards and auto lending, possesses a wealth of ideas based on past experiences, and is 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

