

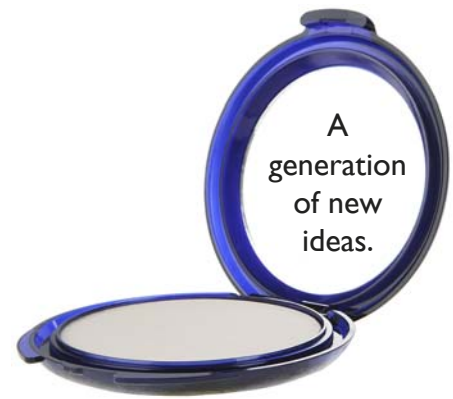
# Member Innovation... *a New Tradition*

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Nearly every day, I talk to credit unions leaders across the country, representing credit unions large and small with broad geographical and member demographic representation. A primary objective in these conversations is to collaborate on the subject of building business through strategic business drivers, the concept that the decision making process occurs with a comprehensive or long-term strategic goal in mind. This type of process contrasts a tactical based decision model, which defines a “problem” and then isolates a “solution”. Mostly, these conversations produce evidence of the long standing tradition of “tactical” based planning and decision making within our industry.

The tradition of tactical based management within credit unions has evolved over several decades and is rooted with the notion of cooperation and service. This notion emanates a philosophy that brings a false sense of security to management as they plan or worse, don’t plan for the evolving generation of membership. Overshadowed by the belief that, “Our members will come to us for service because they own us.” Guess what? It should be pretty clear that this isn’t the case. If you disagree, ask yourself this question; “Does my membership see me as their primary financial institution?” As an industry, we obviously have to say “No”, members don’t see credit unions as their primary financial institution and the obvious question is, “**Why not?**” Various researchers indicate, when a consumer off the street is asked, “What is a credit union?” a high percentage responded by saying, “Oh, they are a bank.” Are we as credit union leaders really unable to deliver the difference and inspire membership? I don’t think this is so! I do think that leaders are polarized in “the traditions of past generations” and it is time we get our act together and define for this generation of members the credit union difference. If we don’t ....?

Perhaps I could suggest the idea of “Member Innovation”. I believe we are dealing with a whole new generation of membership. Now by generation, I don’t mean a specific age or demographic group. What I mean by a new generation is “a generation of new ideas, a new way of thinking”. Consider for a moment the impact of virtual social networks. Who would have imagined, even ten years ago, a flooding of consumers to a virtual social society where trusted relationships were created and fostered without a person to person meeting? Where socioeconomic disparity is thrust aside and where nearly every barrier of communication is disposed of? To comprehend this change, we have to think about members in a whole new way and we must adopt the concept of Member Innovation. Member Innovation is about empowering the member to see themselves in our credit union. They see themselves in the products that are offered and our methods of delivery. Through this type of innovation, members can see their credit union as their primary financial institution.



The rules of engagement to achieve success in this environment must revolve around a broad strategic path of management; creative, innovative and inspiring to the membership. It requires us to think about “non-credit-union” things, to evaluate objectively the trends and passions created by our members and then act on them. Some examples you may consider is Pay-Day-Lending or even Peer-to-Peer lending. These don’t feel very credit-unionary but members are using them and they are growing in popularity every day. If you agree, the question is, “Where do I begin?” I believe Member Innovation can be accomplished through credit unions collaborating together; to build business that can be leveraged by multiple credit unions and empower members through innovation. It requires utilizing resources as a group, not just a single entity. It is not possible for every credit union to develop every product and service required to be successful in accomplishing Member Innovation. The sky rocketing costs of technology and compliance, multiplied by the accelerated pace of consumer requirements prohibits single credit union development. However, CUSO’s (Credit Union Service Organizations) have existed for many years and this is a vehicle to create collaborative innovation, which will enable credit unions to become Member Innovators. eDOC Innovations, a CUSO itself, participates in just such a network, [cuasterisk.com](http://cuasterisk.com). This network of CUSO’s enable over ninety credit union owners and their executive teams to create innovative products and services that are being driven by Member Innovation. Solutions like e-document strategies that bring not just the storage of image, report and statement data for compliance purposes but engaging members through an e-document strategy to participate with credit unions in new and innovative ways. Solutions that strategically turn placid data into services like eStatements, eNotices, eReceipts, eLoan Closings, Check21 Deposits and other services which engage members in their preferred method of financial transactions, produce deeper relationships through Member Innovation and the attitude, “My Credit Union is My Primary Financial Institution”.

Building business is not easy. In fact, it is messy but it is possible and it is worth it! I believe if we act, we can achieve. The “new tradition” of strategic business development through a collaborative business community can succeed and we can accomplish Member Innovation. The choice is ours – let’s take it!

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