



A BRIGHT FUTURE ...

Welcome to the eDOC Innovations'

ANNUAL PEER GROUP MEETING



We are working for you, our owners and peers.
Thank you for your support!

Today's Agenda

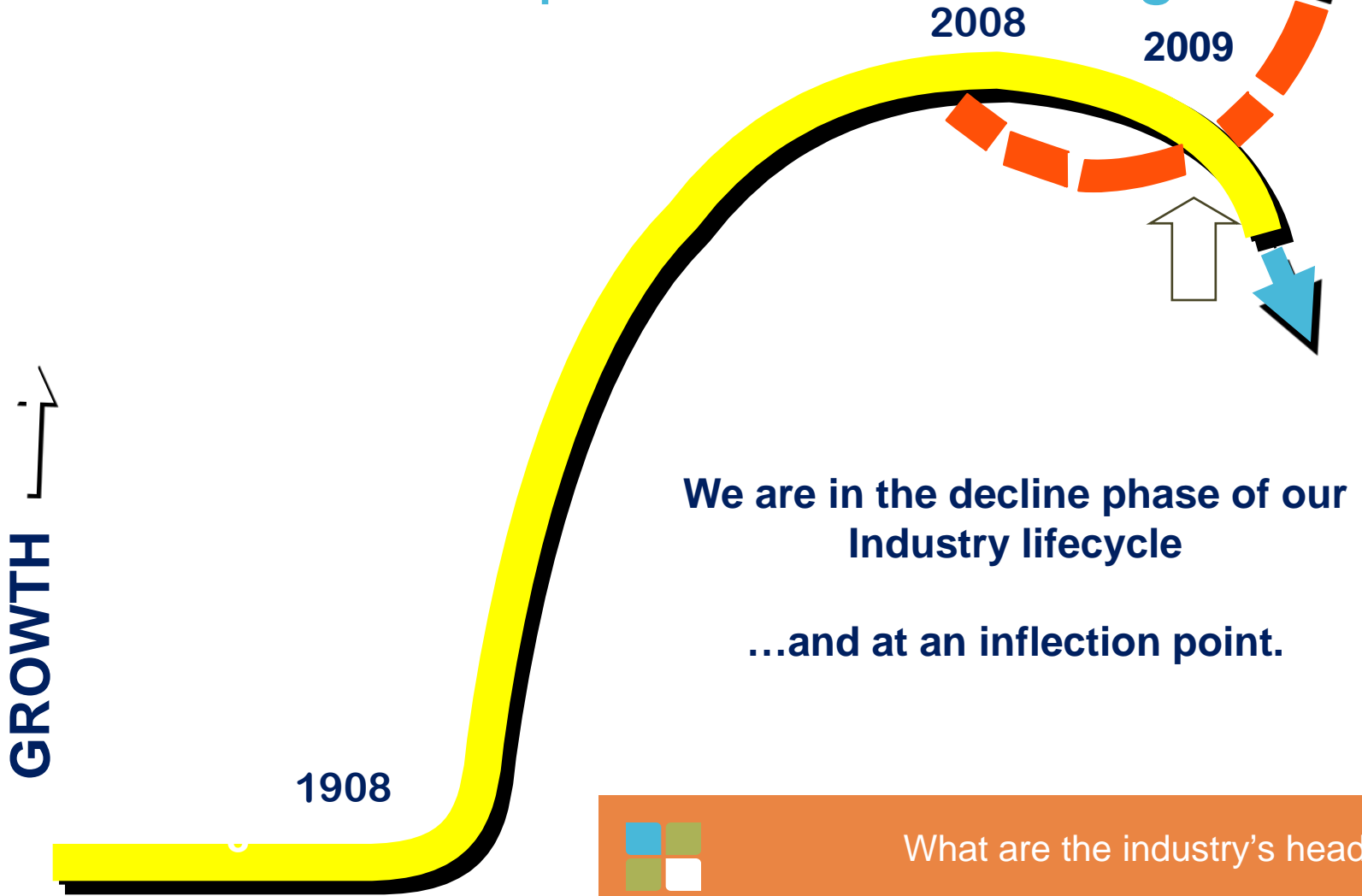


- **A look at the industry ... an eDOC perspective.**
- **The eDOC CUSO at work ... Under the hood.**
- **Trends, Offerings and Market Climate ... what's hot and what's not.**
- **e-Document Strategy Development ... WHEN, WHY & ROI**
- **Wrap-up**



What are the industry's headaches today?

Our World ... Unprecedented Changes



What are the industry's headaches?

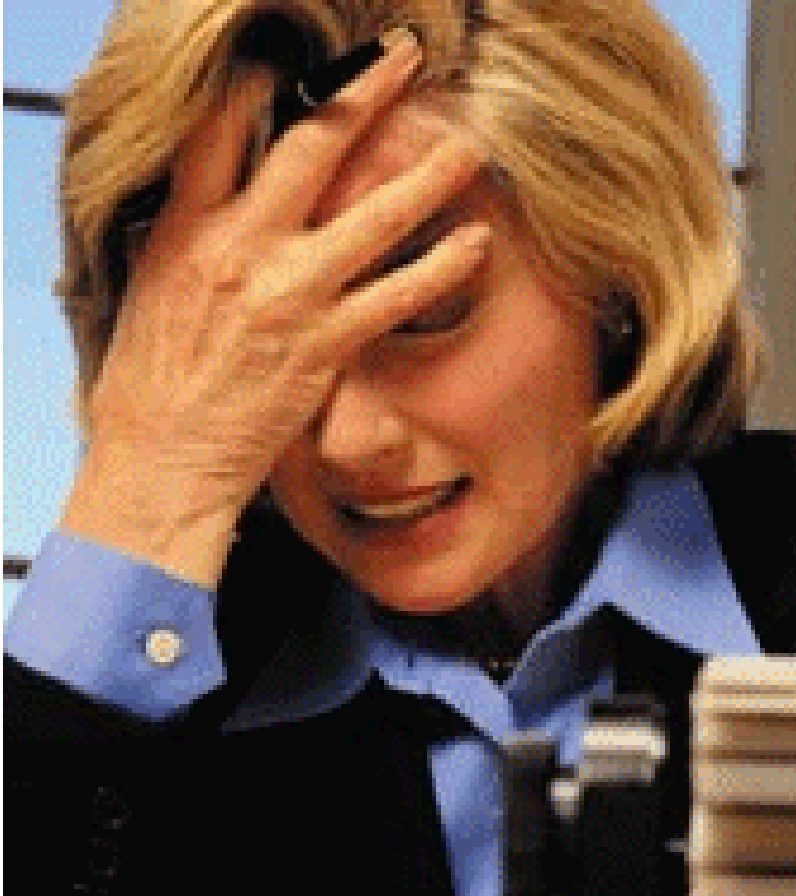
Our Industry is 100 Years Old ...



Today is not unlike the place where we began in 1908, people needed real change – we are at a similar crossroads...



Major Headaches In Our Industry



- ✓ **Slow Member Growth**
- ✓ **Decreased Earnings**
- ✓ **Industry Consolidation**
- ✓ **No Market Differentiation**

Being 100 brings some unique headaches ...

In Aggregate, #1 Problem is?

SUSTAINABILITY



“The ability to make decisions for today without compromising the ability of those who follow to make their decisions.”

Sustainability

How Are We Going To Address Sustainability?

- Merger.
- Throw in the towel.
- Worse ...

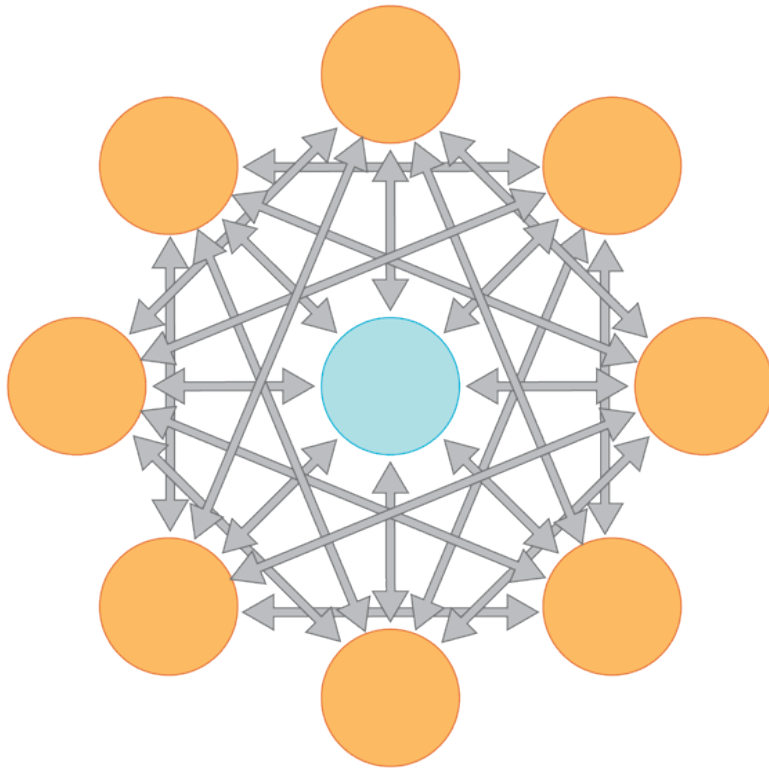
It is time for us as industry leaders to step up and start identifying the opportunities.

It is easy to find the problems ... at eDOC, we believe in finding solutions.



I was raised in a small little hick town in a jerkwater part of the country and I was taught, When the going get's tough ... the tough get going."

An Opportunity ...



eDOC Believes...

**Collaboration Is The
New Frontier!**

**Collaboration Is The
Answer To CU
Sustainability!**

CUSO's are collaboration think tanks. They are conduits to innovation and offer solutions for sustainability. It's tough going alone ...

Five Year Credit Union COLLABORATION Performance

	<u>CU's Multi-Owned CUSO</u>	<u>CU's No Multi-Owned CUSO</u>
Asset Growth	7.04%	4.50%
Loan Growth	9.51%	6.35%
Member Growth	2.82%	0.82%

Source: Callahan Peer To Peer Software

Credit Unions leveraging CUSO collaboration grew over 2% more overall than credit unions who did not ... what does that tell us?

What's Your Dream For The Industry?



**It Tells Us
Collaboration
Works!**

**3 Ways To Be
Responsible
For Driving
Collaboration...**

You are responsible for collaboration. If YOU don't start, it will never begin.

#1 – Accept That The World Is Changing



The Challenge is not to freeze ... that is the first instinct for most of us. Embracing change requires focus and determination. Key qualities in leaders.



Consider the Alternative Carefully?



GM

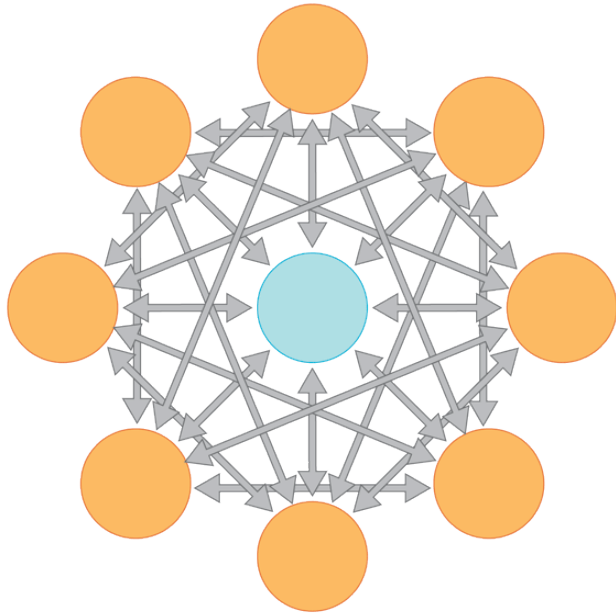
2005 Strategic Planning Results

2008 Reflections

- ✓ **Myopia**
- ✓ **Inertia**
- ✓ **Fear**

...we must be willing to try new things!

#2 – Determine To Make A Change



Collaboration: So What?

- ❖ **Sustainability is the industry's #1 critical issue.**
- ❖ **Collaboration is the answer to industry sustainability.**
- ❖ **Plant an Olive Tree ... it takes seven years to produce any fruit.**

Collaboration isn't just for today, this is about future generations. The decisions we make for the future of the industry today will echo in the hallways of tomorrow.

#3 – Together We Can Succeed

Collaboration: So What?

- ❖ We are an aging industry characterized by slow growth, consolidation, commodities, and a corporate bailout. But an industry does not age because of these things. An industry ages because it quits pursuing an ideal.
- ❖ What is our ideal? How will we be remembered? When we look back through the corridor of time, what will we see? The industry where people stood alone and said “we already know it all?” Or the industry where everyone got to work.
- ❖ You alone can do it, but you can’t do it alone.
- ❖ We didn’t create the turmoil we’re in today, but we can create the response.
- ❖ The response is called “collaboration!”

Your CUSO is here to help as an active participant not just as a technology provider but as part of the industry we all are apart of. What can we do together?

Some Examples Of Collaboration At eDOC

What are we doing for you?

- **e-Document Strategy Planning and Execution**
- **Affiliate relationships for:**
 - ✓ **Check Processing**
 - ✓ **Data Processing**
 - ✓ **Disaster Recovery/Business Continuity Solutions**
 - ✓ **Direct Member Marketing**
 - ✓ **Network Professional Services**
- **Member Acquisition and Retention Strategies**
- **Product Development - Software Owned by Credit Union ... Built for Credit Unions**

What part of your CUSO are you utilizing? We can do a lot - are you utilizing us in your collaboration equation?

The Difference Between Desire And Talent?



Practice ... We Can Do It!

Old fashioned hard work and a genuine desire can make all the difference ... we work hard for you each day here at eDOC. We aren't perfect but we strive consistently for improvements.

We are committed to collaboration.

We are committed to our owners and peers.

A special Thanks to Tom Davis,
President of NACUSO for portions
of the content found in this
presentation.



“The eDOC CUSO at work ... Under the hood”

CU Owner and Peer Development Focus





Our Vision...



e-Document Strategies are a growing part of every credit union's life, day in and day out. As the experts, our responsibility is to educate the industry on "What can be" and how to accomplish it.


A strategy is a "Series of Maneuvers towards an overarching goal of winning". We are winners in our industry – let's lead the way.

eDOC Under The Hood...



Our firm's focus for development of every credit union's e-Document strategy is reaching forward in new and innovative ways. We know sustainability is critical ... that means robust operations, solid member services and development of new business opportunities. Shortly stated ... show me ROI.

At your CUSO, we have been hard at work developing ways to help you succeed ... let's take a look under the hood.



Under the hood of any vehicle ... you should anticipate finding a healthy does of grease and a fair amount of grit!

Owner & Peer Development ...

- Base Helpdesk Coverage: 9:00 – 7:00 EDT
- After Hours Coverage: 24/7/365, 800-425-7766 x132
- Website – Be connected. *RSS Feeds...*
- Electronic Notifications - Stay up to date with email.
- Free Monthly Training Sessions
- Customized Training Sessions
- On-sight System Strategic Review
- Strategy Development
- Experience Survey Review and Analysis
- Knowledge Base – Coming Soon
- Enhanced Client Login – Coming Soon

Things we are doing for you, to help you
build your e-Document Strategy.

Client Services ... The Grease!



■ Call Turn Around Time:

	<u>2007 Fiscal Year</u>	<u>2008 Fiscal Year</u>	<u>2009 Fiscal Year</u>	<u>Change</u>
▪ Total Calls	2873	1850	1889	+ 2.1%
▪ Calls within 1 day:	61.00%	59.00%	70.00%	+ 11.0%
▪ Calls within 2 days:	68.21%	68.32%	77.13%	+ 8.81%
▪ Calls within 3 days:	72.23%	72.70%	81.00%	+ 7.11%
▪ Calls within 4 days:	73.43%	73.89%	81.95%	+ 8.06%
▪ Calls within 5 days:	73.56%	74.05%	82.21%	+ 8.16%
▪ Calls within 10 days:	83.14%	83.41%	89.84%	+ 6.43%

■ Call Response Time:

▪ Calls within 5 minutes:	62.00%	57.00%	60.00%	+ 3.00%
▪ Calls within 10 minutes:	68.89%	64.55%	68.13%	+ 3.58%
▪ Calls within 20 minutes:	75.72%	70.25%	74.29%	+ 4.04%
▪ Calls within 30 minutes:	79.80%	73.37%	77.12%	+ 3.75%
▪ Calls within 60 minutes:	86.19%	79.06%	81.09%	+ 2.03%

We are working harder than ever for you –
I appreciate and salute our client services
team in their accomplishments.

The Account Management Tool

Account management for your credit union is a service that eDOC provides to assist you, one-on-one, with your e-Document strategy . Unlike the helpdesk support personnel, account managers are specifically assigned to your credit union and are the primary, fundamental resource for strategy development at eDOC.

While they may answer product and service questions, their primary role is to assist you in the development and execution of a robust e-Document strategy.

Things we are doing for you, to help you
build your e-Document Strategy.

The Account Management Tool



Expectation: They aren't perfect ... neither are we.

Every President or CEO should know who their account manager is how to reach them. They call your credit union every quarter to touch base with you ... are you available? Their job is to help you succeed. They are an under utilized resource.

- ✓ Strategy Review and Analysis provided for **FREE** ...
 - Onsite Review (You only pay T&E)
 - Written analysis review returned to you
 - Business plan development for board presentations
 - ROI analysis and strategic plan development for strategy execution

You have told us you need expert assistance to develop your plans ... we delivered.

Education ... Getting Smarter.



Part of planning for the success of the future is by becoming educated in the available resources of today. Your call a year ago to us was provide more on-line training and resources. We have delivered: Monthly Education Sessions – Cancelled almost every session. If the education sessions aren't what you need ... tell us.

✓ July 1st, we will publish on the website the next year's training schedule.

Between now and then, we need to hear from you. This year, we will publish an education course syllabus online so you can review the content of the education sessions.



People have made a start on discovering the meaning of life when they plant a shade tree under which they know they will never sit.

-D. Elton Trueblood

Development ... The Grit!



eDOC has invested in a team of development professionals that is larger than any other we have ever had in the history of our firm. Why?

Because you have asked us to ... by telling us what you need in product functionality and in breadth of product. You will not find any better or more robust source of e-Document strategy solutions anywhere in the industry. eDOC truly is one of a kind.



Make a difference in your CUSO,
participate in the spirit of collaborative.

What's Hot! Oct '08 – May '09



CheckLogic Lite – Online capture of checks for deposit via the internet. For merchants ... members coming soon.

CheckLogic Merchant – Merchant capture for higher volume merchants.

C21 Clearing Sources Added:

- Synergent
- Southwest Corp
- JP Morgan
- Associated Bank
- Corporate One – Coming soon

Security Audit Report

ProDOC OCR Indexing – Automated indexing using OCR.

ProDOC – Improved package management, notifying packages in use.

More to come ...

What's Hot! Oct '08 – May '09



ProDOC – Added drop down list field type.

ProDOC – Added field length limiting and input masking.

XML Statements – New capability to process XML Statements.

PDF Statements – PDF input files and handling for extremely large files.

Email-4-Statements – Enhanced email hosts - Gmail.com & Hotmail.com

Coming soon in the **Block Cycle 6.0.1** release:

New look and feel to 2020iDOC and idocVAULT

- Enhanced report research capability.
- Enhanced statement presentation to staff and member.
- Receipt analysis offering.
- CSV Download of statement data.



Not an exhaustive list but you can see a lot is cooking in our kitchen ... hat's off to the chefs.

A Peek At Reports ...

Easy Google-type search options

Search by category or search all reports

Record permanent notes by report line

Merge multiple reports to view/print

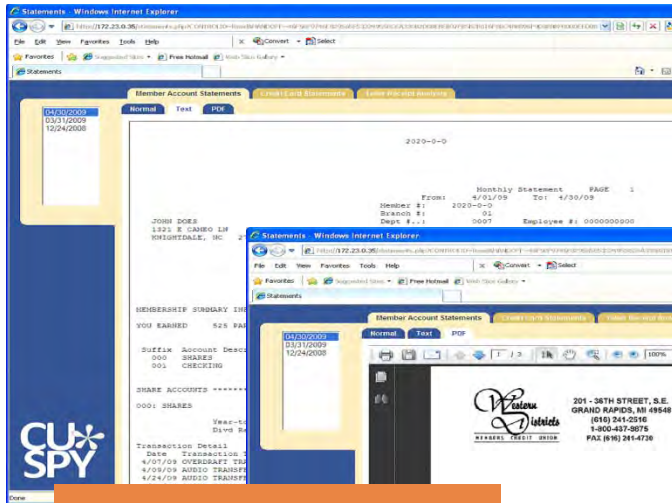
See all report lines that match search criteria

A New Way to View Daily Reports

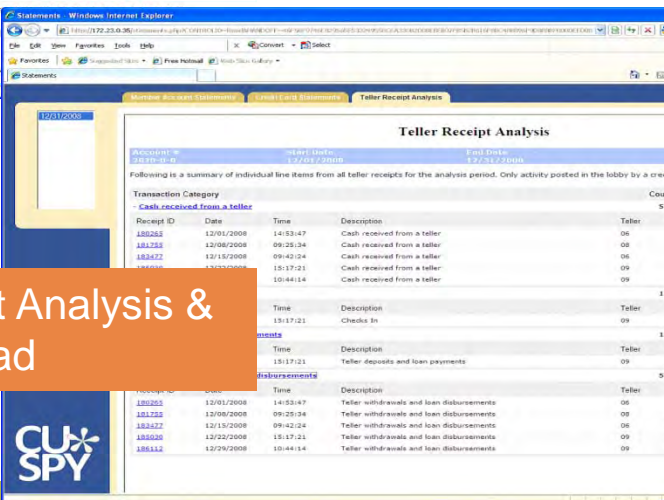
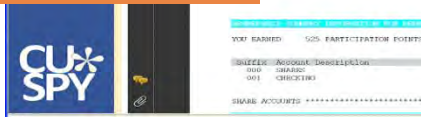
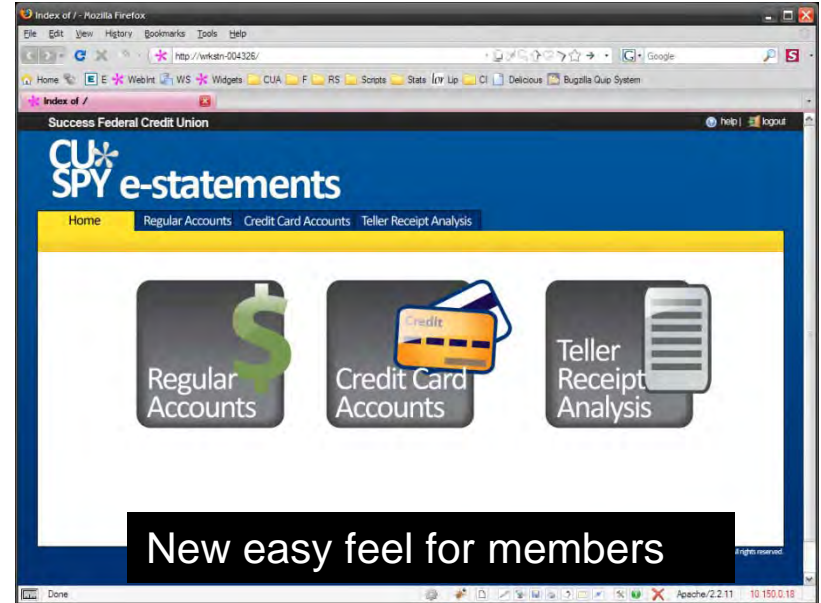
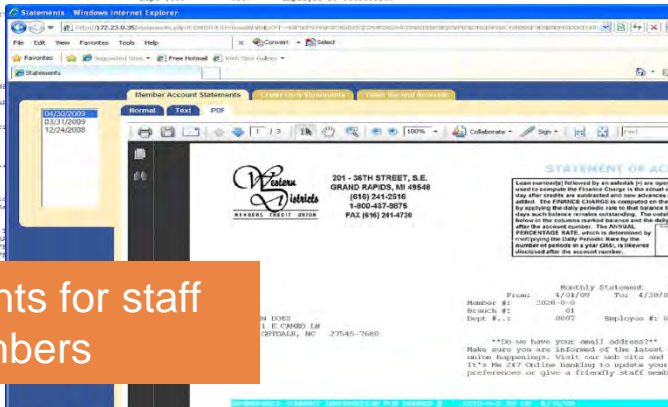
The screenshot shows a web browser window displaying a reports application. The search bar contains '8,740.81' and the search results show a list of reports. The selected report is 'LGLACT1 E-G_L TRIAL BAL VERIFICATION.GL' for the date '05/26/2009'. The report content is displayed in a table format with columns for G/L, #, DESCRIPTION, BRANCH, # OF ACCTS, and BALANCE. The table includes various loan categories such as AUTO/REC VEHICLE, CHRISTMAS LOANS, MISCELLANEOUS CLOSED END, OVERDRAFT PROTECTION, HOME EQUITY CLOSED END, HELOC, MORTGAGE LOANS, INHOUSE VISA LOANS, OAK HELOC, and WRITE OFF LOANS. The total balance for all loans is 14,919,609.80.

G/L	#	DESCRIPTION	BRANCH	# OF ACCTS	BALANCE
01	492				11,102.79
02	234				2,162,985.94
**	726				6,774,088.73
01	15	8,740.81			8,740.81
02	18				9,340.33
**	33				18,081.14
01	210				1,035,399.61
02	153				655,605.76
**	363				1,691,005.37
01	781				667,934.97
02	171				99,675.13
**	952				767,610.10
01	39				1,084,986.53
02	42				1,063,253.33
**	81				2,148,239.86
01	7				266,626.36
02	4				41,564.29
**	11				308,190.65
01	12				1,484,838.69
02	8				812,858.49
**	20				2,297,697.18
02	1				1,248.96
**	1				1,248.96
02	4				120,086.97
**	4				120,086.97
01	158				691,483.98
02	32				101,876.86
**	190				793,360.84
**		TOTAL ALL LOANS		2,381	14,919,609.80

Statements Too...



Statements for staff and members



Teller Receipt Analysis & CSV Download



“Let’s take a quick break ... 15 minutes to rest and stretch”

Online guests ... enjoy a minute without Bret. 😊





Trends, Offerings & Market Climate

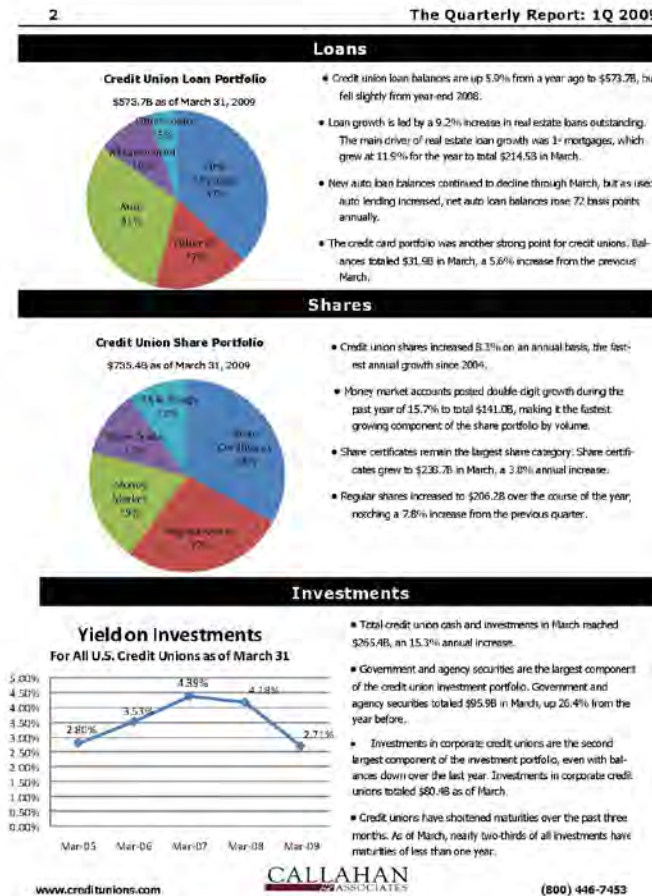
What's Hot and What's Not



Share Trends ... What are members saying?

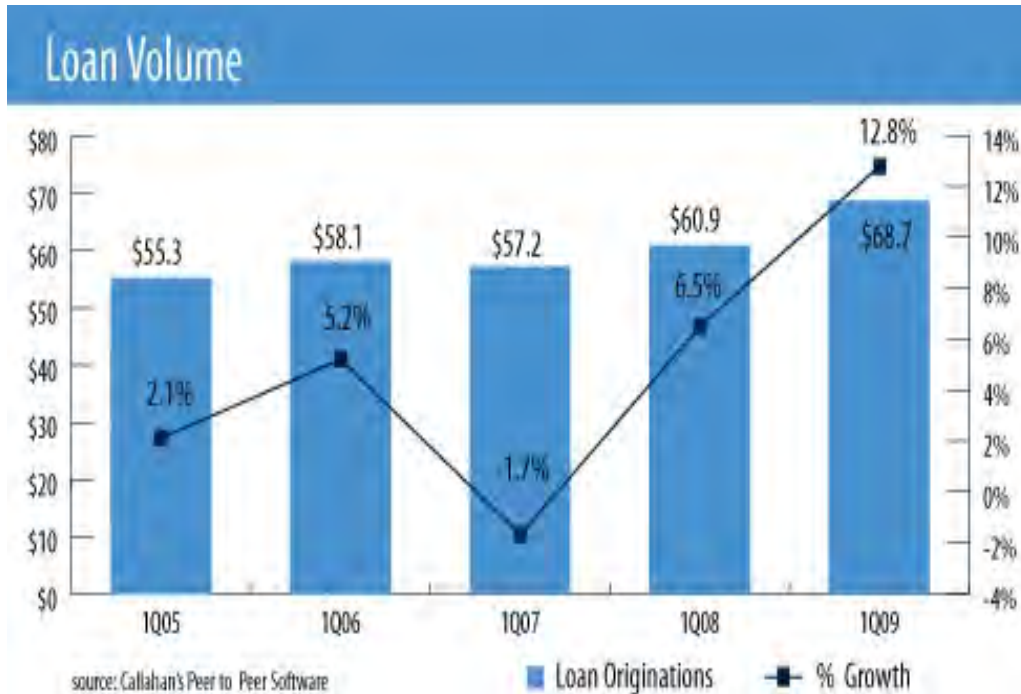
First, share growth is incredibly strong even though many credit unions are not seeking savings because of uncertainties about the impact of NCUA's corporate plans on their capital ratios.

KEY POINT: Members are seeking safe places to deposit money. What can your e-Document strategy do to assist in providing a high quality experience for the member?



Automate processes to drive down costs per transaction. Don't create paper at teller line.

Lending Trends ...



Second, most large credit unions are lending with many reporting double-digit loan growth even in an uncertain economy.

What does this mean in relation to your e-Document strategy?

- ✓ Collaborate on innovative, high availability access.
- ✓ Remove the hurdles of paper document to speed transactions along.

Capital Changes ...

■ Record Liquidity Levels-Excess Capital Notes

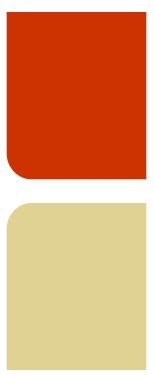
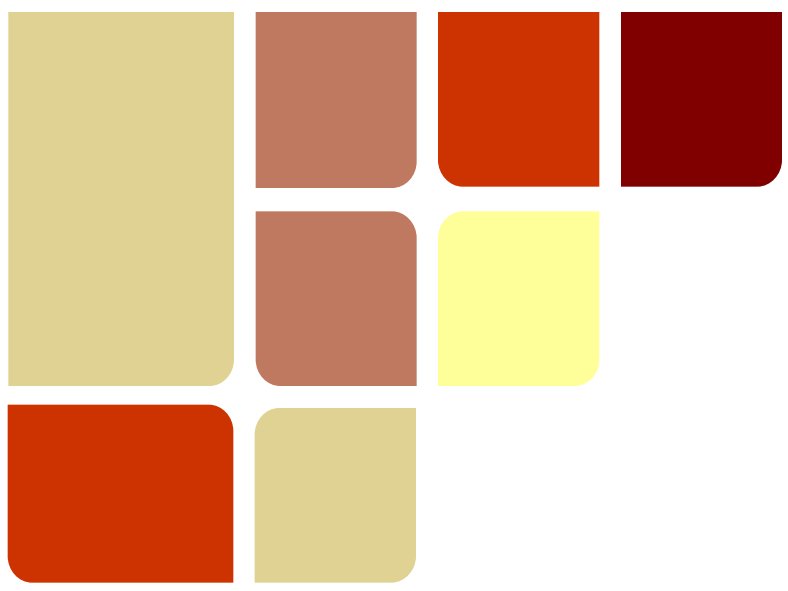
The March 31, 2009 consolidated financial data showed credit unions with the highest amount of liquidity ever, over \$260 billion in investments. Over 62% was invested for less than one year; over \$80 billion was in the corporate network, an increase of \$21.8 billion from December 2008.

But the more important news, is that US Central, contrary to public statements made by NCUA on March 23 that the "credit losses . . . far exceed their (WesCorp and US Central's) capital," is indeed solvent with almost \$1 Billion in membership capital shares--after all accounting adjustments. Additionally the capital note for \$1 billion deposited in January is completely intact! This result was documented in a May 14 letter from US Central to its members.

Moreover, pending release of final audits, preliminary indications are that every corporate, except WesCorp, has positive capital at March 31, 2009. Meanwhile credit unions, as directed in the Agency's January 28th analysis, have written off US Central's capital note. In fact the data at March 31 suggests that credit unions collectively have expenses over \$6 billion of the NUCSIF announced losses of approximately \$7 billion. This total includes the \$1.2 billion from the WesCorp capital write off plus the \$5.9 collective NCUSIF insurance expenses. Instead of extending this expense recognition over five or seven years, the vast majority of credit unions elected to recognize these expenses now and move on.

-President, Callahan & Associates, Inc. 6/8/2009

Capital remains strong but fear is controlling far to many credit unions, paralyzing their growth opportunities.



“Remote and Merchant Deposit ”

What it is ...



Underlying Philosophy

- Multiple philosophies in the industry today
 - Trusted Member philosophy
 - Approve and deny philosophy
- NCUA has issued an opinion letter on Remote Deposit services. What did they say?
 - A credit worthy service.
 - Review your risk assessment policies.
 - No Surprises here. Regulators don't create innovation

Two issues: Credit union needs to retain relationship ... Needs to be easy for the member.

CheckLogic ... A Suite of C21 Solutions

■ CheckLogic

- Branch Capture Solution, back counter. (Teller Coming 2010)
- Integrated throughout DocLogic or idocVAULT.

■ CheckLogic Merchant

- Merchant Capture Solution, high-volume solution.
- Integrated idocVAULT storage, status interaction.
- Reporting for deposit submission.

■ CheckLogic Lite

- Internet based remote deposit solution, merchant or natural member.
- Integrated idocVAULT review & approve process.
- Integrated w/home banking.

Flexible to accommodate a variety of needs, all integrated into your e-Document Strategy. Contact your account manager for pricing.

CheckLogic Details ...

CheckLogic currently supports several clearing sources.

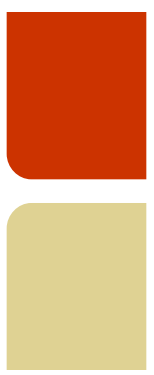
Economic and Political climate is tenuous ... need to stay nimble.

National settlement option:

- ✓ No capital requirements.
- ✓ Automatic deposit of funds to your designated account.
- ✓ Industry partners to accomplish, extensive experience.
- ✓ Merchant hardware support provided.
- ✓ Highly skilled technical support 8:30 – 9:30 EDT

Costs:

Software	\$2500
Branch Set-up	\$ 495
Per Item	\$ 0.58

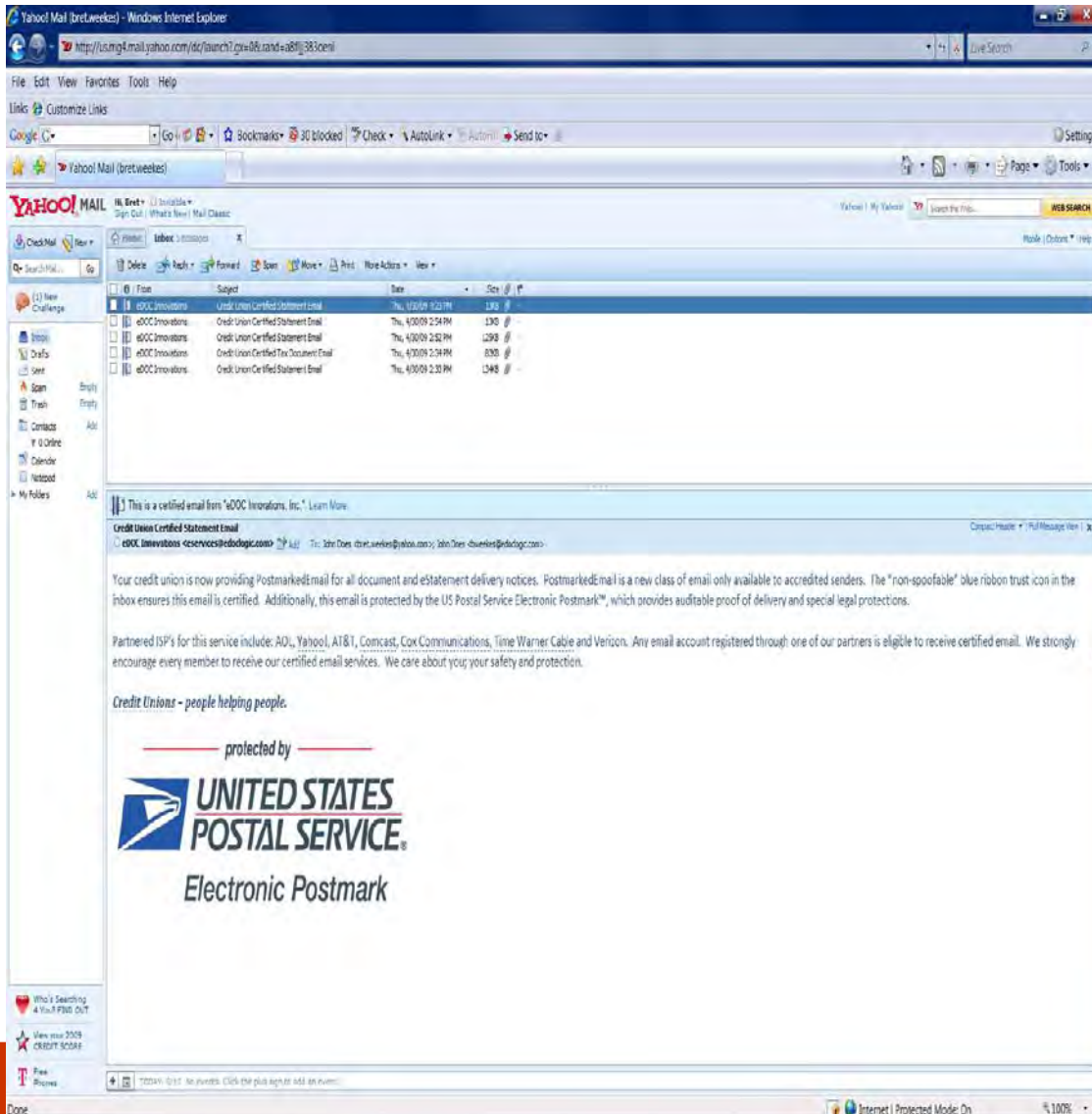


“PostmarkEmail”

The next generation of email.



A *New* Component of Your Strategy



In your strategy, you must find a way to get greater leverage from email channels. How?

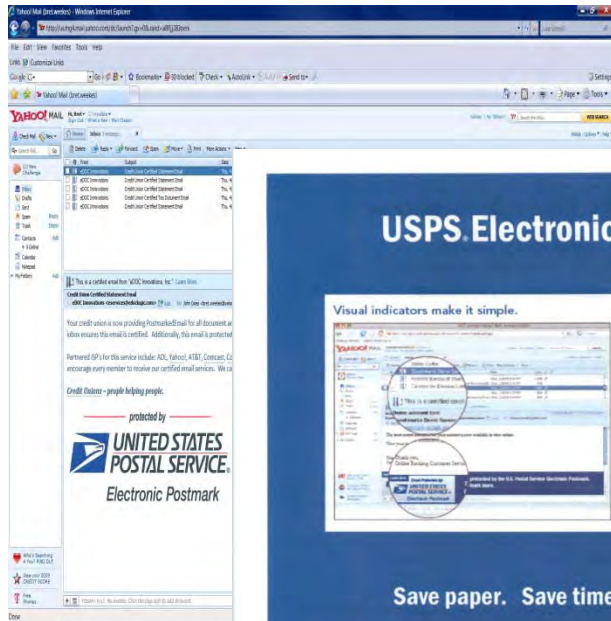
Consumers say:

- It seems complicated.
- Concerned about privacy.
- Worried about phishing.
- Worried about data security.
- Need paper for records.

USPS® Electronic Postmark™

- ✓ USPS EPM Service Conforms to the ESIGN Act.
- ✓ Brings legal strength from well established law.
- ✓ Trusted source, USPS

PostmarkedEmail ... A New Way To Think



A blue and white advertisement for USPS Electronic Postmark. The top text reads 'USPS Electronic Postmark'. Below it, a screenshot of an email interface shows a blue ribbon envelope icon next to an email. Text next to the icon says 'PostmarkedEmail is marked with a blue ribbon envelope in the inbox. This assures that the email is authentic and safe to open.' Below the screenshot, it says 'When your customers receive PostmarkedEmail, they will see the familiar Postal Service logo.' At the bottom, the text reads 'Save paper. Save time. Save money. USPS EPM for the electronic world.'

Electronically postmark, protect and store proof of electronic documents with USPS.

The USPS EPM is a web-based electronic content authentication service. Protect electronic content (documents, forms, or any type of data) from tampering and store and verify integrity online with the USPS. Save time, save paper, save money with USPS EPM. No servers. No hardware. Just a computer and an Internet connection.

United States Postal Service
USPS EPM Program Manager
475 L'Enfant Plaza, SW Suite 3300
Washington, DC 20060
Tel: 202-268-7405
www.usps.com/electronicpostmark



© 2006 United States Postal Service. Eagle symbol is a registered trademark of the United States Postal Service.

Your email plan embedded in your e-Document strategy needs multiple avenues of attack ... push and pull.

Consumers say:

- It seems complicated. 5%
- Concerned about privacy. 23%
- Worried about phishing. 24%
- Worried about data security. 25%
- Need paper for records. 28%

What are the members saying?

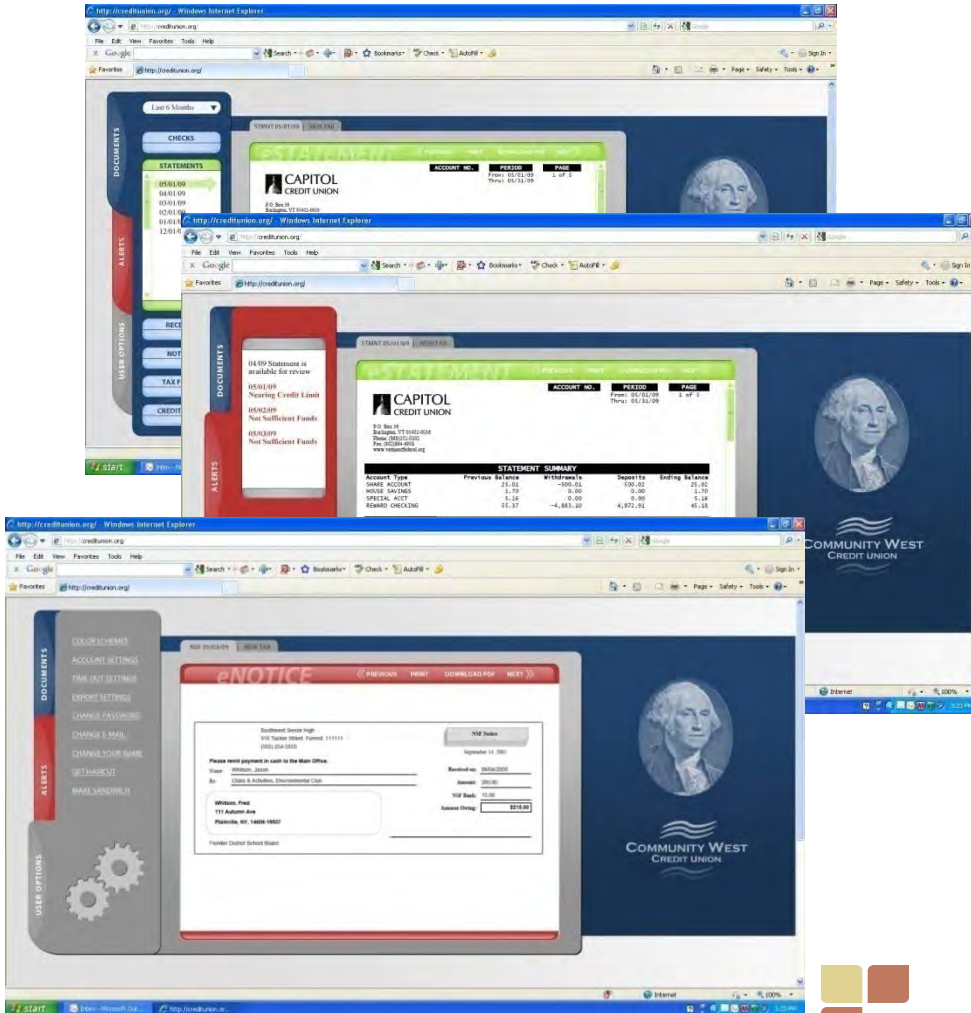
- ✓ We need simplicity.
- ✓ We need to feel confident in the delivery channel.
- ✓ We need to know it came from you.
- ✓ I want to be able to store paper if I choose to.

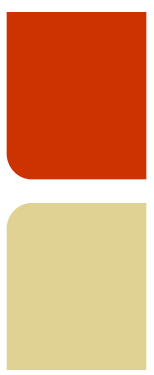
PostmarkedEmail ... A New Way To Think

Email-4-Statement electronic delivery engine utilized by our Member Document Portal, 2020eDOC, brings both email strategies together into one robust solution.

Leverage Your Strategy:

- Deliver Postmarked Email Notifications.
- Deliver Secure Attachments w/Postmark
- Publish Statements, Notices, Tax Forms
- Integrate Portal with Home Banking
- Make it easy for your member to say “YES”!



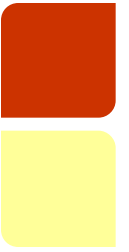


“Collaboration Review”

Collaboration, the seed of Innovation



Collaborations Produce Innovation



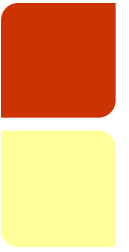
Most credit unions have 3 fundamental strategies that are interconnected. Each independent in its existence and life cycle, yet each dependent and intertwined on the others.

- ❖ Data Processing
- ❖ Payment Systems
- ❖ e-Document

Collaborations and the resulting innovation can bring these strategies together, as a cohesive strategic business development at the credit union. The results? Elimination of technology fractures, while providing high and/or direct availability to information from any source. Let's look at the results in action ...



Collaborations Produce ... Innovation



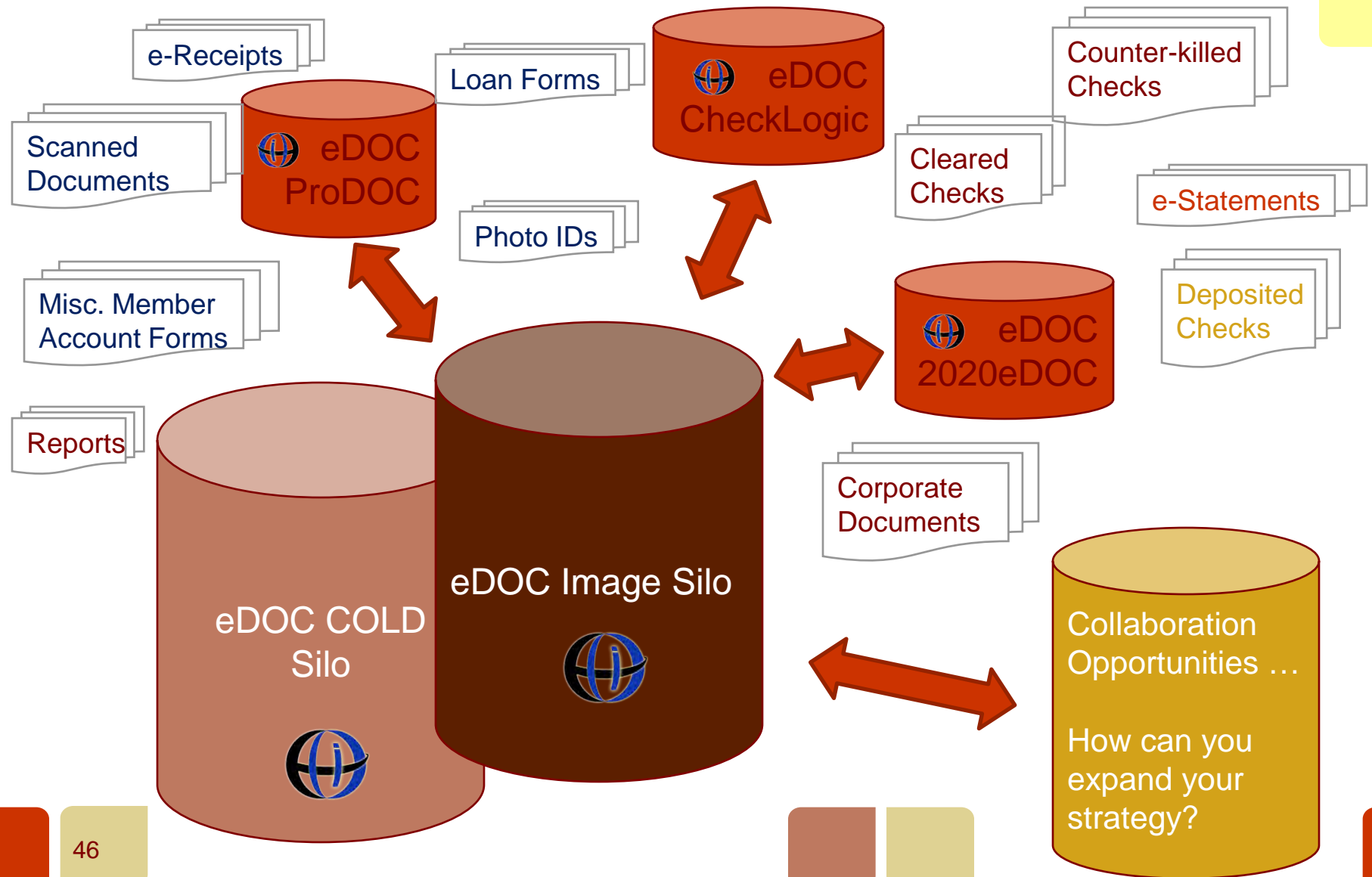
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- ❖ Data Processing
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Innovations brings these together through strategic development both at the credit union and at eDOC. The results? Elimination of technology fractures, while providing high and/or direct availability to information from any source. Let's look at the results in action ...



Collaborations Produce ... Innovation



Collaborations Produce ... Innovation

- ✓ Core Processing
 - ✓ CU*Answers
 - ✓ CU*Northwest
 - ✓ CU*South
 - ✓ 74 Platforms Supported
- ❖ Network and System Services
 - ✓ WescoNET
- ❖ Loan Turn-down, Payday Lending and Decisioning Systems
 - ✓ CU*Answers
- ❖ Independent Dealer Solutions
 - ✓ Utah Independent Auto Dealer Association
- ❖ Call Center Services
 - ✓ Xtend
- ❖ Business Continuity/Disaster Recovery
 - ✓ Ongoing Operations
- ❖ Student Lending
 - ✓ CU Student Choice
- ❖ National Settlement Processing
 - ✓ Corporate One FCU





“Your e-Document Strategy”

When, Why and ROI ...

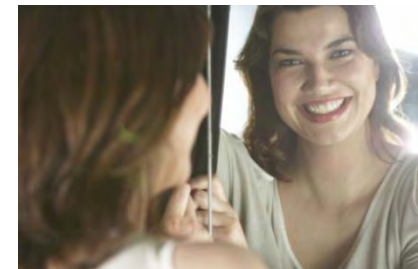
The New Game ... Business Strategy

- Thinking in a new way; the “It’s Me” way of thinking about how business will need to be done. Strategic business drivers in lieu of tactical business decisions of the past.
- “It’s Me” is about developing an e-Document Strategy that says, “It’s Me!” to your members.
- Are you ready for the next generation?

Sustainable business drivers pivot on strategy. Long-term consideration for the decisions of today.

Business Strategy For The Future

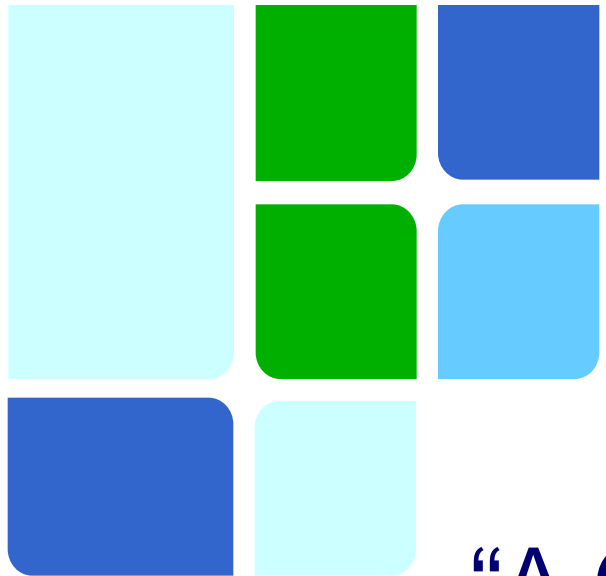
- The “Next Generation” doesn’t refer only the member’s age or demographic group.
- We need to prepare for the mood, the style, and the expectations of a consistently changing consumer marketplace.
- We need to understand our members so that we can adapt to the inevitable evolution of people, and make sure we are set up so that members can see themselves reflected in our credit unions.



Business Strategy For The Future

- What is in a reflection?
 - Its not just how you look ... but that is important.
 - Its not just how you think ... but that is important.
 - Its not just how you act ... but that is important.
 - Its not just where you are ... but that is important.
- A reflection is when the member looks at you and the credit union and says, “It’s Me!”
- When we make this jump across the aisle, then we can plan from the perspective of your member. Now you are ready for an evolving future.

e-Document strategies must be built on this fundamental business premise. Not doing so only brings a series of fractured technologies and data ownership issues.



“A Guide for When, Why & ROI”

Breaking it down ...



Why have an e-Document Strategy?

- “Your e-Document Strategy can augment every other strategy in your credit union and in many ways, becomes the effective bridge builder between your other strategies. Your e-Document Strategy is broad in nature and is intertwined with all your other strategies. Why? Because every area of your organization produces documents; accounting, member services, teller processing, loan processing, data processing, payment process ... all produce documents of one type or another.”

Does anyone really believe e-Documents are not sticking around for the future?

A Guide for Why ...

- “As you know, an e-Document Strategy means more than creating image copies of your documents. It is more than providing access to your documents. It is more than providing electronic storage and security of your documents. Your e-Document Strategy, if done correctly, will do all of these things and more. It will bring automation to internal processing, it will create member service opportunities and it is will create for you new ways to service your members and provide opportunities for you to create new ways to build your business.”



Does anyone really believe e-Documents are not sticking around for the future?

Let's review some "Why" trends...

- What is changing?
 - IT Audits
 - Vendor Risk Assessment Audits
 - eDiscovery Requirements
 - Member Passion for "e"Anything
 - Security Features
 - Convenience
 - Risk Assessment
 - Technology Requirements



We must be aware that scrutiny is not only going to increase but is a necessary requirement in today's litigious environment.

Why Trends Translation ...

- Today, credit unions are being faced with record increases in regulatory compliance requirements.
- Exponential requirements in man power, infrastructure and over all technology knowledge and accessibility are bearing down on the best, most qualified technology people.
- You can't do it alone – you need to collaborate.



CUSO's are a laboratory for innovation. eDOC
Innovations is dedicated to just that ...
INNOVATION.

When Do You Create Your Strategy?

- **Now is the time to begin building a New Tradition!
To be successful,
Understand the Landscape.**



- **Know the rules of engagement**

- “Knowledge is Power”
- We have developed some helps and guides for credit unions that can provide industry insight towards building your e-document strategy.

These guides contain industry information relative to any credit union who is building their own e-document strategy ...

<http://edoclogic.com/category/guides>

Take a quick peek soon

Now is A Time For A New Tradition...



“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 yet, fail to 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.



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A New Strategic Direction ...



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.”



CUSOs are a vehicle to cost effectively provide new services.

Maximizing Your eDOC Benefits ...

- ROI – What you may and may not realize:
 - Security
 - Disaster Recovery
 - Access
 - Process Continuity

Heeeeeeeeeeeeeere's Jared.

Let's review The Elements Of Our ROI...

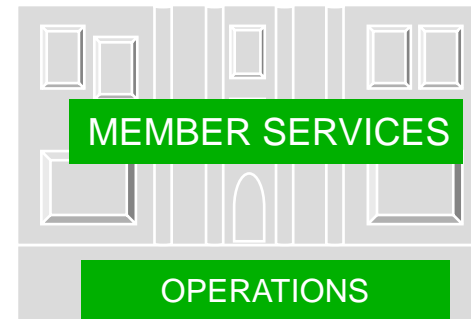


- Let's start with our foundation; Operations. “It has to give you access, ownership and the ability to interface with the data.”
- Improves OPERATIONS by:
 - Efficiency
 - Scalability
 - Robust and dependable
 - Saves money



Our ROI Has Several Layers ...

- “It has to provide a service that benefits your members and that they value.”
- Increases MEMBER SERVICES by:
 - Electronic Contract Completion
 - Transaction Consummation
 - Convenience of the Web
 - Statements, checks, 1099’s, forms, any image ...
 - Remote Check Deposits



Bringing It All Together ...

- It has to establish new paths of business for your clients and create security for your organization.”
- Generates new REVENUE by:
 - More services means more members
 - Better services means better member retention
 - More options means more opportunities to serve and charge
 - *members + retention + opportunities = revenue*



Consider These ROI Points ...

- Paper-intensive businesses take time, dedicate resources, real estate, and maintain processes just to accomodate paper files.
 - Time: \$20/hr employee takes 15 minutes to walk to the file room, search and find a file, act on it and then refile it so he can return to his desk. At just 4 files a day that is \$5200/year for just one employee, that's 6.5 weeks a year just in document handling. (10 files/day = \$13,000/year)!
 - Resources: Lost documents cost an estimated \$250 to replace. In the CU industry, it can be much more.
 - Real Estate: what is your cost? \$8-\$45/sq. ft onsite costs which reduce your return on investment or offsite storage costs which reduce your bottom line.
 - Processes: eStatements is an excellent example. Mailing monthly statements at \$1.05 a piece is an easy calculation.

How Does Your Credit Union Compare?

■ Peer Profile (2008):

- 11,000 members,
- \$48.3 million in assets,
- 11 employees
- 2 locations

• Purchase Profile: \$83K

- Forms
- Receipts
- COLD
- Professional Services
- Hardware

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

$$\text{ROI (estimated 2 years)} = (\$142\text{K} - \$83\text{K}) / \$83 = 71\%$$

Break even = 16 months

Lost Documents? Security? Member satisfaction?

Additional ROI Components ... Security

- Multiple levels of password-protected access for groups and individuals
- Encryption of document contents
- Audit trails showing who has accessed documents



Intangible and often obscure elements of your ROI are found in Security of the system and your documents. Some states it is illegal to have unsecured documents on your systems.

Additional ROI Components ... Disaster Recovery

- It's about business continuation!
- e-Document management protects your paper records by creating secure electronic copies.
 - Business continuity appliance: onsite
 - Off-site data backups: fire, flood, or break-in won't cripple your business.

WARNING - Don't try this with paper!

Additional ROI Components ... Document Access

- Its about the member!
- Employees access for the service of the member.
- Members online access – studies show “Assessibility” to be a major consideration in financial services decisions.

On-line members are “Substantially more satisfied” according to ForeSee Results and Forbes.com.

Additional ROI Components ... Process Continuity

- An e-Document management system will enforce consistency to the degree management wants.
- Different departments may have different approval processes - but once those are defined, the system will make sure they're followed.
- No longer will consistency in filing, naming conventions, and workflow suffer as you add new employees or cover for vacationing staff.

Resistance to change internally, adopting different and more efficient will prolong ROI recognitions and maintain the "Status Quo".

The Payback ...



Cost Analysis

DocLogic Software Installation and Training Costs

	Year 1	Year 2	Year 3
ProDOC Forms	\$6,240.76		
ProDOC Receipts	\$9,669.00		
2020DOC Imaging	\$9,793.00		
Member Document Portal	\$9,744.00		
Staff Browser Interface	\$9,995.00		
CheckLogic Image Forwarding	\$2,500.00		
Software Discounts	(\$11,895.08)		
Installation and Training	\$20,276.50		
Estimated Travel and Living	\$5,000.00		
Yearly Maintenance	\$3,355.00	\$3,355.00	\$3,355.00
	\$64,678.00	\$3,355.00	\$3,355.00

Estimated Costs

	Year 1	Year 2	Year 3	Total 3 Yr Costs
Microfilm/Microfiche/Electronic Storage	\$33,125.00	\$33,125.00	\$33,125.00	\$33,125.00 Estimates
Physical Storage	\$875.00	\$875.00	\$875.00	\$875.00 Based on
Teller Receipts	\$5,812.50	\$5,812.50	\$5,812.50	\$5,812.50 Industry
Storage Boxes	\$437.50	\$437.50	\$437.50	\$437.50 Averages for
Copy Paper	\$2,187.50	\$2,187.50	\$2,187.50	15,000
Filing Cabinets	\$1,875.00	\$1,875.00	\$1,875.00	Member
Filing Supplies	\$1,250.00	\$1,250.00	\$1,250.00	Credit Union
Conservative Estimate of Lost Staff Time	\$12,500.00	\$12,500.00	\$12,500.00	
Vacationland FCU Estimated Total Costs	\$58,062.50	\$58,062.50	\$58,062.50	\$174,187.50
DocLogic Yearly Costs	\$64,678.00	\$3,355.00	\$3,355.00	\$72,388.00
Estimated 3 Year Net Savings	-\$6,615.50	\$54,707.50	\$54,707.50	\$102,799.50

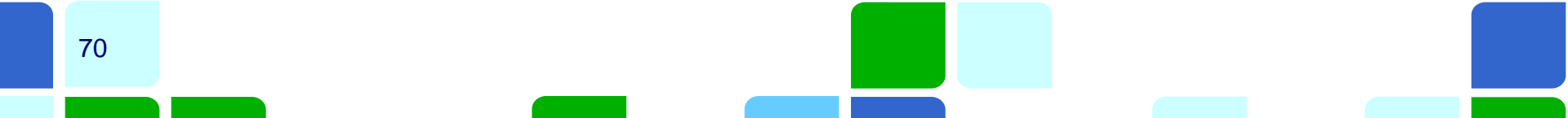
*Does not contemplate required hardware investments associated with the purchase of any system.
 *Estimates based on industry averages for a 15,000 member credit union.

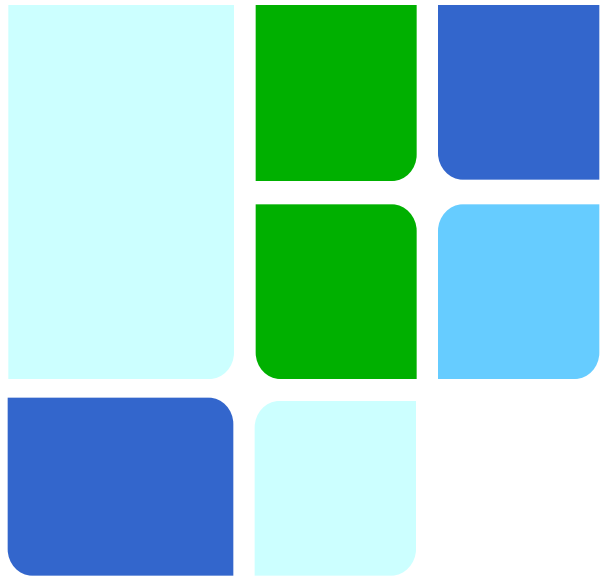
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ROI varies from CU to CU

We See Certain Trends ...

- Higher payback as more strategy is leveraged.
- CU gains ancillary benefits from collaboration.
- Innovation results from strategic development & focus.
- CUSO is a tool for risk management. “Backstop”





“Wrap-up”

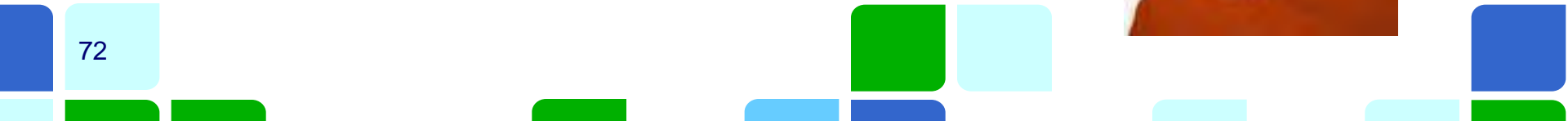
Tying it all together ...



Building A Winning Tradition ...



“The rules of engagement to achieve success in this environment 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.”



Build Sustainability Through Collaboration



“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, cuasterick.com.”



Collaboration Opportunities ...

- **Consultive Services:** eDOC's broad industry experience can be leveraged to assist any credit union with its e-Document Strategy. Planning session, board presentations, management reviews, etc...
- Industry designed and developed tools and systems that foster innovation, enhance operations and build a credit union's business.



The CUSO as a Strategic Tool...



- CUSOs are the collaborative tool for credit unions today.
 - ✓ CUSOs are a vehicle to cost effectively provide new services.
 - ✓ CUSOs are a tool for risk management.
 - ✓ CUSOs are a laboratory for innovation.
 - ✓ CUSOs foster partnerships with other entities.
 - ✓ CUSOs build a collaborative culture.
 - ✓ CUSOs leverage the power of outsourcing.

Become a Voice and participate in the direction and future!

One Last Thought ...



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!



Thank You... Our Peers and Owners!



Thank you to each of you ... it is for you that we exist and for you that we strive to create the best e-document strategies and tools available in the market place. We know you could go elsewhere to find varying solutions. We thank you for leveraging the CUSO as you strive to build your business and develop the credit union industry.

You know, some say credit unions are a “dying breed”, a “Matured Industry”. I think recent economic events show that not only is this not the case, credit unions are essential to the overall financial market. Let’s make a statement with our services and innovations!