



## Small Can Be Big

### A Small Credit Union Making Big Differences

#### Transformation

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*“Every employee and member was on board with our desire to go digital. When we made the switch, internal adoption was easy because everyone was able to visualize the benefit this would have in our daily operations, as well as for our members.”*

*Patty Fox, General Manager  
Auto-Owners Associates CU*



With a member base of just over 3,000, Auto-Owners Associates Credit Union (AOACU) is one of many small CU's nationwide navigating the daily labyrinth of membership and loan growth, budgeting, compliance, and all the other variables that come with operating a small business in today's world. Matching the profile of other credit unions nationwide with fewer than 5,000 members, AOACU has disrupted the “small credit union” mold by making some big changes in the way they serve their members.

Based out of Lansing, Michigan, AOACU serves associates of Auto-Owners Insurance Group. Given the geographic landscape of their customer owners, AOACU closes loans across 26 different states. Historically, AOACU has mailed loan documents to their members, incurring significant mailing costs, as well as increased time to closure waiting for documents to be shipped and returned. Now, the narrative has changed.

Under the direction of enterprising leadership, AOACU recognized the need to not only mitigate mailing expenses and time to closure in the short-term, but the need to prepare for the technology-centered mentality of younger generations now entering the workforce. “We were using a signature pad to close loans for in branch signing, which was only convenient for local members. We knew that we had to be forward-thinking in our efforts to accommodate all members and prepare for the future generation,” stated Patty Fox, General Manager at AOACU.

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In June 2016, changes began to occur when AOACU decided to adopt eDOCSignature®, eDOC Innovations' automated solution for managing all paper-based business processes from form creation to sending documents for eSignatures. Coupled with the adoption of It's Me 247 online banking with CU\*Answers, AOACU positioned themselves to reach their members in a more convenient, mobile environment.

## Tactics

Technological advancements in the workplace do not come without logistical preparation and an organizational culture willing to put the advancements to good use. AOACU's story is no different. Aside from the strategy to implement an eSignature solution alongside online banking capabilities, it was the credit union's culture and member relationship that made all the difference.

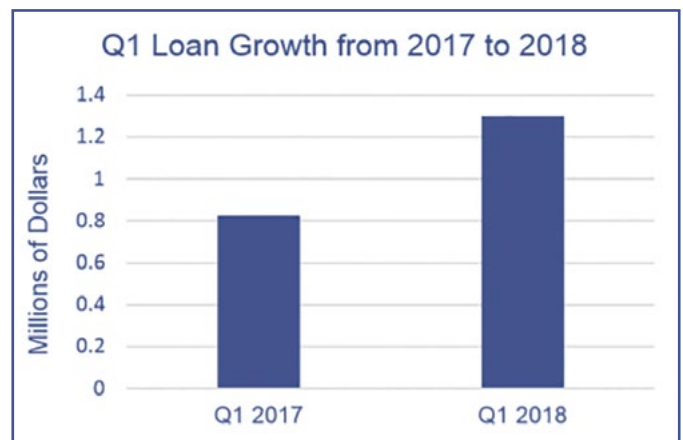
"Every employee and member was on board with our desire to go digital. When we made the switch, internal adoption was easy because everyone was able to visualize the benefit this would have in our daily operations, as well as for our members," explained Fox. AOACU prides themselves on the relationship they have with their members. The ability to work closely and interact individually has led to precisely targeted feedback. "Because we are so small, the members told us very specifically, 'we want these capabilities,'" commented Fox.

The commitment to a digital environment became a reality, and by March of 2017, 100% of loan closings for AOACU were done electronically. AOACU's new user interface not only eliminates the need to print and mail physical copies of loan forms, but it also makes these forms readily available to members who decide to apply for a loan. Through the online banking platform, credit union members find links to digital versions of the loan application for which they would like to apply. Upon opening the application form in the digital environment, the interface takes the member through the process of filling out and eSigning the form on their computer or mobile device, which is then immediately forwarded to the credit union. By simplifying the application process, significant time was saved for the credit union and its members.

## Compliance Considerations

Due to the nature of small credit unions, compliance can become a substantial pain point when significant change is considered. With less than 10 employees each wearing multiple hats within an organization that must adhere to the same rules and regulations as the Navy Federal Credit Unions of the world, AOACU found the potential auditing nightmares that digital solutions could bring to be very real. "For a credit union our size, we are concerned about being compliant. Switching to an electronic environment raised a lot of questions for us as we sifted through the idea of going digital," explained Fox.

After working closely with eDOC Innovations and CU\*Answers on the implementation of their new digital solutions, those concerns were completely alleviated. "Compliance efforts with eDOC and CU\*Answers were absolutely seamless. Their level of regulatory preparation on our behalf eased the burden we felt," related Fox. Compliant with AICPA and FFIEC, the eSigning and mobile banking solutions provided by eDOC and CU\*Answers proved to be the exceptional choice for AOACU and its members.



## Sustainable Benefits

Aside from the goodwill that has been garnered within the member base through a results-driven response to feedback, AOACU has seen total loan closings increase significantly in just one year's time. In Q1 of 2018, AOACU closed \$1.3 million in loans, an

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uptick of more than \$475,000 closed in Q1 of 2017. This translates to a 58% increase in loans closed during Q1 of 2018.

Regarding total membership, AOACU had seen a 2.5% decrease in total shares per year over the last three years. By the end of 2017, just nine months after fully implementing the digital environment, the credit union was able to see maintained membership. “We are happy with this, as previous years, we have been seeing a decline in our member base,” stated Fox. “I feel that the new products introduced last year helped to maintain membership.”

The effort exerted in member relations as well as a willingness to invest in the future has led to immediate benefits. AOACU may be small, but they have proved to the credit union industry that size does not have to limit big change, and even bigger positive outcomes.



eDOC Innovations, headquartered in Middlebury, Vermont, is an ecommerce software development company specializing in mobile enterprise digital transaction management (mDTM®) solutions, servicing small and mid-size credit unions. eDOCSignature (mDTM®) automates and manages all paper-based business processes from form creation to sending documents for eSignatures, anytime, anywhere on any mobile device.



CU\*Answers, headquartered in Grand Rapids, Michigan, provides services to more than 176 credit unions in 21 states plus Washington, D.C. representing over 1.9 million credit union members. It's Me 247 Online Banking is CU\*Answers' full-featured online banking solution. Coupled with new features and an added security layer, Personal Internet Branch (PIB), your member's online banking experience is taken to a whole new level.

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