

Transcript of Video:

What Forces Are Reshaping the Landscape for Credit Unions?

Four key indicators for credit unions include fintech, digital-first, legacy infrastructure and loan portfolio health.

The digital landscape coupled with the pandemic has created an evolution in member expectations. In this video, Kevin Polinsky, senior director/sales at CUESolutions Provider [AdvantEdge Digital](#) gives insight into what credit unions should look out for to keep their competitive edge while providing an optimum member experience.

00:14 Kevin Polinsky

The first is really the growth, the advent, the acceleration of, you know, fintechs and non-traditional financial institutions, that whole segment is really, you know, driving growth and competition, and I would say, really advancing into a space that was, was really primarily owned by credit unions to a large degree.

Fintech

The the financial institution marketplace, credit unions, you know, they've been in existence for a long period of time, that kind of had a lot of legacy components, and they've not necessarily thrived and succeeded at utilizing that simplicity and usability model as kind of foundational components to their growth. And that's allowed for others to come in and look at different components and really kind of dissect the experience for those that usability for those to really to determine: How can we do this faster. How can we do this easier? How can we do these things more simplistically?

Digital-First

No. 2, I would say, is the expectation by members, by consumers for a digital-first experience, you know. Certainly, we've seen this shift occur more rapidly through COVID, where folks are just engaging digitally. But I would say, more holistically, we can probably all acknowledge that we're doing more on our phones than we've ever done before. So that's kind of thing No. 1.

And thing No. 2, in shifting to that digital-first experience, we're probably recognizing we're just less tolerant, less patient of a digital experience that is not fast, easy and convenient.

Legacy Infrastructure

The third, I would say, is wrapped around the legacy infrastructure. And I kind of talked about in the first piece, but in essence, with the lineage of credit unions, their long history, which is fantastic. They've also kind of consumed a lot of those legacy components. And they've started to stack things together.

And I would say they then have created user experience that are predicated on those legacy technology components. Whereas others that are newer to the game have not been able to adapt,

they've been able to recognize that building out a digital-first experience relies on advancing technology components.

So, you have kind of seen that shift.

Strong Lending Portfolios

And then the last piece that I would say that it is extremely important to credit unions is to have strong lending portfolios to represent growth. And obviously, that's what they're in the business of doing. So, I would say that there's kind of that constant desire to grow member engagement and to grow loans. But on the flip side of that, they're also not wanting to increase the amount of friction, the amount of touchpoints that are needed to close loans and grow that loan portfolio.

So, what we're seeing is the desire by credit unions to kind of break that parallel path from growth, and, you know, FTE friction, or human interaction—kind of being on that same path to retaining kind of that same level of human capita but growing your lending book of business exponentially.

We actually have a customer, 121 Financial Credit Union, who is using AdvantEdge Digital, and one of the pieces of feedback that they share that really resonated with me was their ability to proactively engage members that are in the loan path, in the loan application, who maybe would have stopped or paused or whatnot. They can actively engage them to help them continue through the loan process.

And I thought about that and thought of what a shift that was, so transitioning from folks that are more operationally focused to now freeing up those resources to now proactively engage people. So, kind of recognizing the ability to shift human capital from more operational components into more human-centric, proactive engagement, member connectivity components.

So those are kind of the four topics that I would say are really shaping, shaping the credit union landscape.