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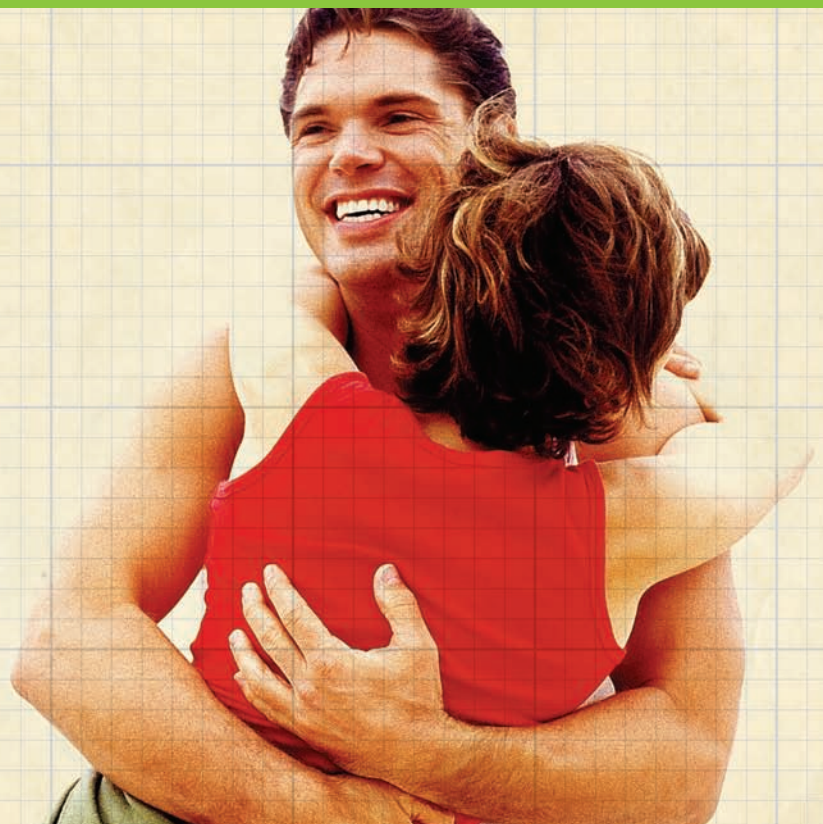
# BLUEPRINTS FOR INNOVATION

**BRIEF**

Maureen M. Maddox  
Kent R. Sugg  
*Drivers - i<sup>3</sup> Implementation*  
*Filene Research Institute*

**MatriMoney**

**filene**   
IDEAS • INNOVATION • IMPLEMENTATION



# MatriMoney®

## Enduring bond or quickie divorce?

At year-end, 2007, there were 23 innovations in the i³ portfolio. One—MatriMoney®—has had the benefit of long-term implementation tracking. From this tracking we know that MatriMoney has experienced sustained credit union and consumer interest. We also know that MatriMoney programs have had mixed success—some have thrived and others have not met credit union expectations.

What can we learn from these experiences? What are credit union predictive best practices? How can we apply these to further develop MatriMoney and offer the greatest probability of success? This Blueprint Brief seeks to answer those questions by reporting on MatriMoney implementation experiences in U.S. credit unions.

### Product Overview

At its heart, MatriMoney is a wedding cash gift registry. Member couples to-be open a MatriMoney account, let their guests know they'd like cash gifts, and how to deposit them at the credit union. The transaction is supported by announcement cards and a deposit roster to keep track of givers and gifts. For credit unions, MatriMoney is a Gen X/Gen Y core deposit acquisition and relationship development tool.

>> **Emily Post's permission for giving cash: "It's not rude to request money as a wedding gift," says Peggy Post, author of *Emily Post's Wedding Etiquette*. "However, it is extremely important to ask politely."**

### Earmarks of a Winner

When the Filene Research Institute conceived of the Radical Sabbatical—a concentrated effort to drive national implementation of i³ innovations—MatriMoney quickly made the short list of focus projects. Representatives from Filene i³ teams participated in an assessment exercise to identify dimensions of product development success. The existing portfolio of innovations was then scored against them. MatriMoney scored well across dimensions.

## About the Filene Research Institute

The Filene Research Institute is a 501(c)(3) not-for-profit research organization dedicated to scientific and thoughtful analysis about issues affecting the future of consumer finance. Through independent research and innovation programs, the Institute examines issues vital to the future of credit unions.

Filene i³ (the three i's: Ideas, Innovation and Implementation) is a work group of innovative, insightful and energetic credit union professionals (employed with a credit union or credit union service organization) who have not yet reached the CEO level, but are in a position with substantial responsibility. Filene i³ objectives include:

- Identifying and evaluating innovations that could be adopted by credit unions.
- Developing and implementing new innovations that address major issues.
- Providing a forum for collaboration, professional development, and succession planning.

Traditionally, the Filene Research Institute focuses on long-term research questions that can take months or years to research and publish. Occasionally Filene also publishes Research or Innovation briefs. These briefs allow Filene to present important, time-sensitive, notorious, and unbiased topics to the credit union system. Oftentimes these briefs present an opportunity to distribute original research or innovation findings from Filene researchers or Fellows. We hope the "brief" format meets your need to obtain actionable and objective information in a timely manner.

## Sample i<sup>3</sup> Portfolio Assessment Success Criteria Scorecard

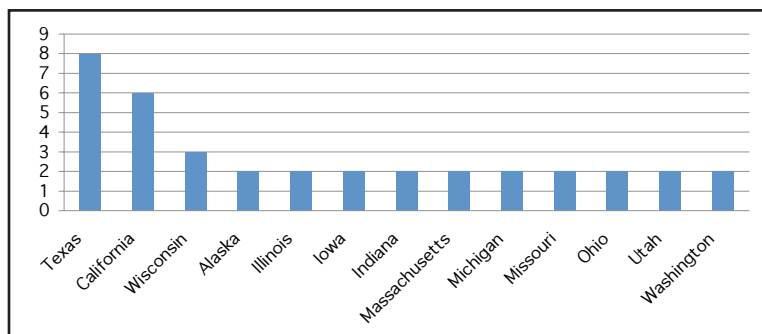
Yes	No	Dimension: Market-Driven
X		Is it targeted to a defined market segment with a specific need for the product?
X		Is it attractive and applicable to a critical mass of credit unions?
X		Does it create “buzz?”
		Dimension: Alignment and Value
X		Does it create true competitive advantage?
X		Is it capable of generating credit union enterprise-wide support?
X		Is there a measurable, demonstrated, and repeatable ROI?
		Dimension: Implementation Success
X		Does it offer a short and easy credit union implementation plan?
X		Does it leverage core competencies, capabilities, and strengths?
<b>8</b>	<b>0</b>	<b>Total Yes/Total No</b>

## Market Place Adoption

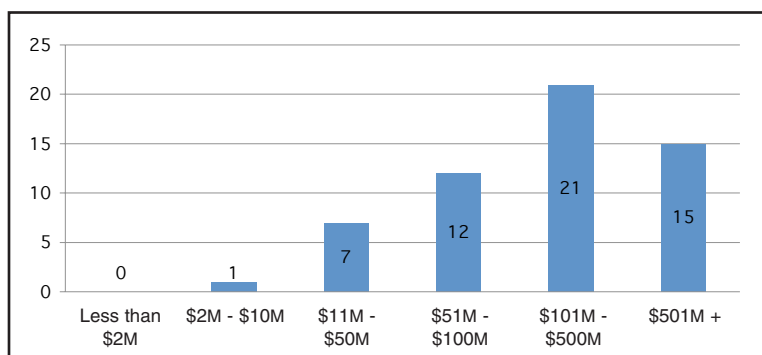
The i<sup>3</sup> Radical Sabbatical team of Kent Sugg, Tinker Federal Credit Union, Oklahoma City, and Maureen Maddox, Filene Research Institute, conducted a current state assessment. Reviewing inquiry and implementation data meticulously tracked over time by Geri Dillingham, EVP and COO, North Island Federal Credit Union, San Diego, and original i<sup>3</sup> MatriMoney team member, Sugg and Maddox found:

- There has been sustained interest in the MatriMoney idea over time. There was a swell of initial interest which has slowed, but not stopped.
- “Qualified” interest was tracked beyond the initial inquiry. A component of MatriMoney is the right to use its registered program name. Requests for permission were tracked.
- Credit unions followed a typical product adoption path. There was initial interest sparked by a news article, presentation or report, followed by confirming that interest through a request to use the name, internal program development, then external launch.
- Interested credit unions are geographically dispersed across 28 U.S. states, British Columbia, Canada, and the West Indies. Texas and California have shown the greatest response from individual states.
- The greatest interest came from large credit unions.

**MatriMoney Inquiries - Two or More by State**



**MatriMoney Inquiries by Asset Size**



## The Open Source Innovation Model

The Sabbatical team conducted in-depth interviews with a cross-section of credit unions that had implemented MatriMoney at some point since September 2005, when the innovation was introduced via the Open Source Innovation Model. Open Source, a foundational component of the i<sup>3</sup> experience, provides “open” credit union access to the innovation concepts and supporting materials. These program materials vary by innovation but can include: business and implementation plans, computer application source code, graphics, Web content, etc.

One of the hallmarks and benefits of an Open Source environment is the freedom to determine just how an innovation is customized and implemented at a credit union. But what surprised the Sabbatical team was just *how radically different* credit union implementation of the MatriMoney innovation was.

## Program and Result Variability

In its early design, MatriMoney is virtually turn-key. There are substantial support materials available to any credit union wanting to implement the innovation. The original i<sup>3</sup> team comprised of Dillingham, Barry Shaner, Toledo Area Community Credit Union; Mary Ann Hughes-Butts, Nevada Federal Credit Union; Jim Miles, MidFirst Credit Union; and Susan Siegel from Sunmark Federal Credit Union created:

- A comprehensive 39-page business plan including sample pro forma financial projections.
- Registered MatriMoney product name.
- Graphics.
- Designed brochures, invitations, announcements.
- Press releases.
- Staff training material.

Of the known MatriMoney implementations, no two are alike. While some degree of variability in marketing or positioning is to be expected, the foundational elements—what type of account it is and how it functions—also differ by credit union. We believe this variability is a key factor in the relative success of MatriMoney implementations.

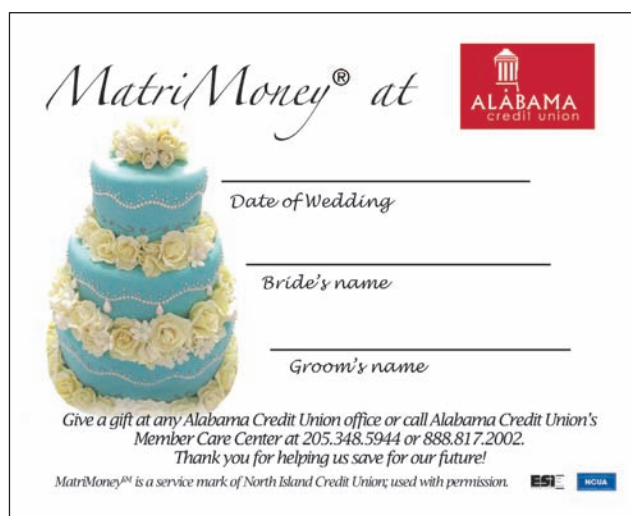
## Early Adopters Tally Mixed Results

Thanks to the efforts of early adopters, we have been able to capture some key learning related to the art of innovation and product development. While MatriMoney’s performance at some credit unions was initially anemic, others have benefited from their efforts and are showing healthy returns.

How MatriMoney is positioned at the credit union impacts its take-up and bottom line impact. According to Nicole Clark, marketing manager for True North Federal Credit Union (\$92 million in assets; 12,000 members) in Juneau, Alaska, “We tried having a booth at a couple small bridal fairs, and have placed ads in the statewide bridal magazine, but it really hasn’t gone gangbusters.”

The credit union doesn’t necessarily view MatriMoney as a core product, but “as a tool to begin and build relationships.” Clark reports that MatriMoney, “definitely fits in with the credit union philosophy of helping people and it builds goodwill.”

Alabama Credit Union (\$267 million; 40,000 members) in Tuscaloosa, Alabama, created attractive branch collateral materials and posters to promote the program. The credit union has also included articles in its newsletter and information on its Web site. Launched in January 2008, the first quarter yielded no active accounts. Dusti Monk, administrative marketing assistant, applauds the program calling it, “easy to implement—a quick hit.” She’s hopeful that the investment they’ve made early in the year will be fruitful in the traditional wedding season.



The Sabbatical team has observed that focusing communication and marketing too narrowly on the “bride” may limit a credit union’s messaging opportunity. Anecdotally, it’s a rare occurrence when two existing members marry. By targeting and positioning the product exclusively to brides, you’re likely to miss 50% of your potential MatriMoney account holders. What’s more, there are also opportunities to communicate to those who will ultimately bring deposits to your credit union—wedding “gift-givers.”

## Strong Alignment Yields Strong Results

While MatriMoney’s turn-key materials enable credit unions to get to market *faster*, taking time to build out a framework—segmentation, tracking to established account and financial goals, and deep staff engagement—are key drivers for long-term product success.

A few credit unions have aligned MatriMoney with other member retention and acquisition programs. Linn-Co Federal Credit Union (\$55 million in assets; 11,000 members) in Lebanon, Oregon, incorporates MatriMoney with its “Financial Beginnings” program. One-hour Financial Beginnings classes are offered to the general membership and include the basics of budgeting, checkbook balancing, and personal credit. When a MatriMoney couple completes the class, the credit union will match deposits as follows:

- Savings + Checking = \$100 match
- Savings + Checking + a Minimum \$1,000 Loan = \$150

A wedding certificate must be provided to the credit union within 30 days of the wedding date for account conversion or the incentive will be forfeited.



Linn-Co’s Chief Sales Officer Rebecca Grizzle reports that in the first three months of offering MatriMoney, they’ve opened four accounts with total deposits of \$2,000. Staff and membership are “really jazzed and excited” by the opportunity to accumulate much-needed cash and for the credit union to offer matching funds. And paring MatriMoney with their Financial Beginnings member education makes good sense. “In Financial Beginnings we even cover the devastating financial effects of divorce,” says Grizzle. “It’s important they understand what could happen. But I usually let them know that, in the unlikely event of an emergency exit, we’ll be there for them!”

## Key Learnings and Take-Aways

1. Incorporate MatriMoney as part of a strategy to achieve a broader credit union objective, such as outreach to Gen Y or first-time homebuyer program.
2. Align MatriMoney with other products for greater organizational focus.
3. Quantify MatriMoney’s financial value to your credit union—understand and demonstrate its P&L impact.
4. Set product objectives; track and report to those metrics. Refine your marketing approach based on results.
5. Make implementation easy and fun for your credit union’s employees.
6. Make using MatriMoney easy for your members and gift-giving non-members.



# Case Study

## Mountain America Credit Union

### Background

Annette Zimmerman, senior vice president, first heard about MatriMoney through the Symitar Users Group. At Mountain America Credit Union, Zimmerman is accountable for the Women's Financial Services Network, Business Services, and select member services; she was previously the credit union's chief information officer.

After initial research, she concluded that MatriMoney would be a good product for their young-adult market. According to Zimmerman, the innovation is targeted to appeal to young members at a pivotal time in their lives. "If we capture young adults' attention when they're making a critical decision," she said, "we think we can get them for life. When two people bring their separate financial relationships together, we want them to choose Mountain America."

### Snapshot

www.macu.com  
West Jordan, Utah  
Gordon Dames, CEO  
Geographic & SEG-based  
\$2.5 Billion in Assets  
263,000 Members  
50 Branches

### Approach

Mountain America is fertile ground for an innovation like MatriMoney to take root and grow. Why? Because the credit union embraces the powerful role women play in financial decision-making and has developed programs around this market segment. MatriMoney was rolled out in June 2006, under the credit union's Women's Financial Services Network, which provides products and education that empower women to make informed financial decisions. They're also tuned in to women's needs through member feedback and community involvement.

At its core, MatriMoney continues to be a wedding gift registry. Beyond the original Filene i<sup>3</sup> product construct, the credit union made three key operational enhancements that increased the value of the account/service for members **and** for the credit union:

1. Changed the foundational product from a share savings account to a "stickier" secondary share draft checking account.
2. Designed a MatriMoney debit card to give account holders easy and immediate access to cash gifts on deposit. The credit union also enjoys non-interest interchange income from use of the card.
3. Established itself as a merchant, enabling gift givers to go online and send deposits via credit and debit cards.



The impetus for the changes, said Zimmerman, "was to find ways to automate the processes to reduce staff time. Automation makes it convenient for the bride and groom and easier for the gift-giver, too."

In addition to traditional marketing efforts—Web graphics, newsletter articles, and ads—Mountain America deploys a compelling strategy: engage other wedding service providers and influencers. This not only saves money, but they've found support from unexpected allies. For example, through the Chamber of Commerce they've met real estate agents who are excited about MatriMoney as a way to help young members accumulate a down payment on a home.

Other “influencer” tactics include:

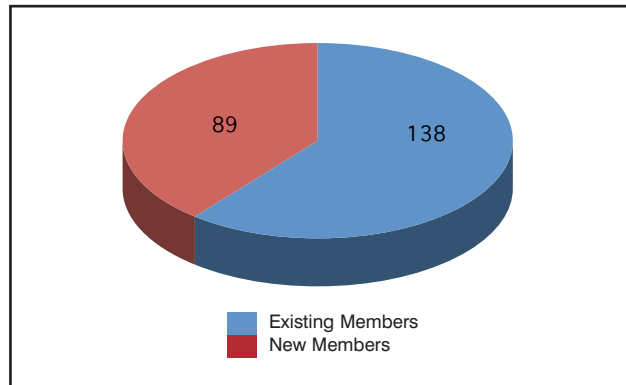
- Exhibiting at bridal shows. It gives credit union staff more face-to-face time with potential members. They find that men, especially, see cash as a practical gift that they can use, too.
- Placing note pads and pens in a MatriMoney logo display box at tux shops, florists, and reception centers.
- Credit union staff is participating in a new branch incentive program designed to increase awareness of and excitement about MatriMoney. Their goal is to increase awareness of the product by offering staff \$5 for every new MatriMoney account opened.

## Results

Since offering MatriMoney, Mountain America Credit Union has opened 280 accounts. Accounts are earmarked “active” for 90 days after the wedding date allowing gift-givers to continue sending deposits. Accounts remain open after the active period. Approximately 38% of accounts opened are new members. Of the current 227 total active registries, 138 were opened by existing members. Eighty nine (89) were opened by new members.

In the most recent 90-day period, account holders received 251 gifts totaling \$12,336 in deposits.

### Active MatriMoney Accounts



MatriMoney is promoted as, “...the best proposal since *The Proposal*.”

This exceeds the credit union’s established take-up goals for the product.

Leveraging their back-end infrastructure, Mountain America has expanded the MatriMoney concept and recently rolled out a graduation gift registry. Is the next logical product extension a baby shower registry? Annette Zimmerman doesn’t think so. Member and staff research tells her that it wouldn’t be as successful as the other gift-giving moments. Why? “Because we like to shop for and buy baby gifts!” says Zimmerman. “It’s just not the same market.”

## Learn More...

Credit unions executives now have a virtual community where they can learn more about MatriMoney and other i<sup>3</sup> innovation implementations. Visit the i<sup>3</sup> Implementation Blog at [www.filene.org](http://www.filene.org).

The Filene innovation team is also at the ready, available to answer your questions and make credit union connections. If you’re considering implementing MatriMoney or another i<sup>3</sup> innovation at your credit union, please contact Denise Gabel, chief innovation officer, at (608) 231-8550.



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PO Box 2998  
Madison, WI 53701-2998  
Phone (608) 231-8550

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