CHANGING LAWS in IOWA
Notarizations via Webcam

DEFINE YOUR MEMBER EXPERIENCE
Utilize our ready-to-go workshop guide

INNOVATION TAKES A TEAM
Servus Credit Union’s success

13 2019 EVENTS
FILENE’S FIRST 20 YEARS OF EXISTENCE WERE FOCUSED ON ONE THING, CONDUCTING RESEARCH.

Research is still our bread and butter but we knew that research alone would not be enough to truly fulfill our mission of improving the financial well-being of consumers. It is my privilege to support the Filene team in setting out to build a community of testers that not only understands the ideas coming out of our research but is bold enough to join us in testing them.

The impact we have seen is astounding. 2018 saw the completion of the Reaching Minority Households Incubator. This two-year incubator, funded by Visa and the Ford Foundation, tested programs that showed promise in successfully closing the financial access gap for households of color and vulnerable populations. Thanks to more than 40 credit union partners who tested with us, the results of this work changed lives. With one small $500 business loan, one mother was able to launch the start of her now successful business. Credit unions were expanding their lending products and seeing a return on assets as high as 6%.

Building on the success of the Reaching Minority Households work and with the support of the Visa Foundation, we have created an implementation curriculum for two of the concepts tested: Individual Taxpayer Identification Number (ITIN) lending and small business microlending. We are proud to offer a series of workshops focused on giving credit unions the tools to effectively drive financial inclusion in their communities. The first of five workshops around the country kicked off in Miami (pg. 5) in early May and we look forward to coming to a city near you. Chicago, New York City, Foster City and Austin round out the list.

We are not stopping there. Filene is embarking on a new partnership with CMFG Ventures to test promising concepts and vet ideas we believe will make a difference in the credit union marketplace. Our inaugural test kicked off in April with Align’s Income Sharing Agreement product. Our end goal is to test 3–4 concepts, products, or technologies annually.

The unique purpose of our incubator work is to test and scale solutions that drive change for your credit union and members. Your credit union will be part of a community that eliminates the front end risk of testing ideas and products for members, accelerating your ability to scale and grow. Together we will think forward and change lives.

“A GREAT EXPERIENCE IS MANDATORY FOR ANY FINANCIAL SERVICE PROVIDER TO SURVIVE THIS CENTURY. IN THIS ISSUE, WE HIGHLIGHT THE INNOVATIVE WAYS OUR WORK AND OUR PEOPLE ARE THINKING, PROTOTYPING, AND PUSHING NEW BOUNDARIES IN THE QUEST TO AMPLIFY MEMBER EXPERIENCE.”

Denise Morrison
“Moving into the newly created Micro Enterprise Development role, the conference was right on time and target. The Accelerate Financial Inclusion in Your Community Conference reaffirmed the value of diversity and inclusion particularly with the Hispanic community and forging relationships with national microlenders. At Suncoast Credit Union, we are doing both and have gathered some tools and data from this conference to support our initiatives.”

GILENE JANVIER, M.ED, LEAP MICRO ENTERPRISE DEVELOPMENT SPECIALIST, SUNCOAST CREDIT UNION
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2012</td>
<td>The Iowa Innovation Group is established.</td>
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<tr>
<td>2017</td>
<td>Four innovators from the 5th year of the Iowa Innovation Group created the Remotary concept.</td>
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<tr>
<td>2017</td>
<td>The idea was presented at the Iowa Credit Union League convention.</td>
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<tr>
<td>2019</td>
<td>Iowa becomes the 10th state to adopt electronic notary services.</td>
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<tr>
<td>2020</td>
<td>The new law goes into effect.</td>
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**Home Sweet REMOTE HOME**

“This has been a tremendous experience to be involved in the creation and passing of a bill. I don’t think I would have pursued this without the help and encouragement that I received from the Iowa Innovation Group program, and the privilege of presenting this to all of our great credit unions.”

*CATHY DAVIS, COLLINS COMMUNITY CU*

A group of credit union leaders from the Iowa Innovation Group (IIG) spent two years tackling a common challenge associated with the housing industry — access to notarizations. Their quest took them to build a working prototype, but more importantly, start an advocacy push to successfully change State legislation this year.

The Remotary concept was first introduced in 2017 at the Iowa Credit Union Convention by a team of four individuals. The goal was to streamline the home equity lending process by addressing the biggest pain point for members — scheduling a closing in-person to sign the documents in front of a notary public.

Remotary uses the latest audio and video technology so signers can appear in person before a notary and complete the notarization via webcam.

Led by Cathy Davis, a credit union leader, the IIG team paved the way for Remotary in Iowa. “I had heard of another state offering this and wanted to find a way to bring it to Iowa,” said Davis. “The response our group received from the Iowa Credit Union Convention confirmed this concept was a good idea and something worth seeing through.”

On April 17, 2019, the State of Iowa passed a bill to allow remote notary services. The new law will go into effect on July 1, 2020.

The Iowa Innovation Group is an ongoing program underwritten and sponsored by the Iowa Credit Union League in partnership with Filene Research Institute. Annually, 16 credit union leaders are selected from a field of applicants for an opportunity to learn methodology relating to innovation and generate concepts to present to the larger Iowa credit union membership.
Credit Union Team Workshop: Enhancing Member Experience

PURPOSE

This is a workshop guide for credit union teams to define the experience they want their brand to deliver to their members. Use it as a facilitation guide to lead staff through an exercise aimed to:

→ Explore best-in-class examples of brands or campaigns that have delivered an above-and-beyond customer/member experience.
→ Examine the best-practice strategies at play in each example.
→ Align the team on a focused to-do list for enhancing the member experience.

OUTCOMES

→ Clear understanding by all team members of your brand’s experience and impact on those you serve.
→ Clear definition of how each team’s roles and responsibilities shape member experience.
→ New ideas for ways to engage and elevate member and community experience.
→ Identification of top three areas of focus for improving current member experience.
→ Team bonding, collaboration, and inspiration.

MATERIALS

Flip charts on easels or white boards around the room, dry erase markers, sticky notes, pens, Filene report #476 for reference, and a note-taker to capture learnings from the session.

PARTICIPANTS

Marketing, Membership, Events Management, Business Development/Sales, Product, Community Development, and Member Services teams (6–15 individuals).

You Asked.

WE ANSWERED.

WHAT IS THE BEST STRATEGY TO IMPROVE MY MEMBERS’ EXPERIENCE?

Meeting the Needs of Independent Workers at Vancity Credit Union

In researching the needs of contract workers (aka freelancers, gig workers, 1099 employees), Vancity CU prototyped several products to serve this segment. Set up as pilot programs, this case study shows us how forward-thinking credit unions are meeting the needs of their changing membership with innovative solutions.

DO I NEED TO CREATE NEW PRODUCTS TO SUPPORT NEW TYPES OF MEMBERS?

Member Experience and Service Excellence, Part 1: Member Compatibility and Operational Transparency

Other financial service providers have eclipsed credit union service excellence. At this point credit unions can play the catch-up game, or they can strategically shift course to build an exceptional and unique member experience. Deliver, measure, and compete on service excellence in the face of rapid technological change.

WHAT DO I NEED TO PAY ATTENTION TO IN THE NEXT 5–10 YEARS?

The Credit Union of the Twenty-First Century

Are your strategic directions mapped out for the next 10, 20, 30 years? How will your community be affected by fundamental changes to employment, transportation, education, housing, and technology? Reimagine the role your credit union will play in the United States’ financial services landscape over the next decades. If there is one Filene report that can launch your team and organization into an innovative mindset, and into the future, this is the one.

Visit FILENE.ORG/476 to download the full workshop resource including set-up, pre-work and complete session agenda.
This book is a run-through of what NOT TO DO when conducting field experiments. Filene is all about credit union innovation and one of the most important steps in innovation is to evaluate the effectiveness of (seemingly) good ideas. This evaluation is typically done in the form of field experiments, putting the idea to the test in the real world. This book highlights six case studies of failed field experiments, what went wrong, and why so that others do not have to replicate the same mistakes. The authors wrap up the book by highlighting best practices for conducting field research. Failing in the Field can be a useful guide for any credit union seeking to conduct their own research on existing products and services, or to test new ideas. Innovation is not only about coming up with new ideas, but demonstrating that those ideas actually make a positive impact in the lives of consumers.

STAFF PICKS

“What innovation-focused books are you reading right now?”

“Escape by Bike documents a tiny, but exciting niche of adventure bikers that have innovated new ways of traveling by two wheels and carrying all the gear they need with them in new and novel ways. Plus the pictures are really pretty.

The theme of the book is women’s empowerment, and there are many examples of how listening to the human need yields powerful results, innovations that have had a positive impact on all people. Throughout The Moment of Lift, Ms. Gates discussed problems facing society and gives many examples of how human-centered innovations that empower women have and continue to alleviate these problems.

“Vulnerability is created by a short-term orientation, an inside-out mindset, and a lack of curiosity.”

“In one study, 99% of women seeking help for domestic violence had experienced economic abuse.”

“When we focus on desirability first, we have an opportunity to create innovations that improve our members’ lives, and also that can have a positive impact on our business.”

“...and that we can learn from field research and innovation.”

“...is about coming up with new ideas, but demonstrating that those ideas actually make a positive impact in the lives of consumers.”

When we focus on desirability first, we have an opportunity to create innovations that improve our members’ lives, and also that can have a positive impact on our business.

George Hoehmmer
EVP + Chief Research + Development Officer

Erin Coleman
Senior Director, Advisory Services

Adam Lee
Incubator Director

Holly Fearing, Filene’s Director of Marketing and Communications, interviews Jennifer Statman (WSECU) and Josh Smith (SCHOOLFIRST FCU) about their experiences in the i3 Program on the Filene Fill-In. This podcast is now available on Filene.org/podcast.

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2019 EVENTS

RESEARCH EVENTS

AUG 13–14 BOSTON, MA
SEP 26–27 AUSTIN, TX

FILENE.ORG/EVENTS

INCUBATION EVENTS

AUG 15–16 FOSTER CITY, CA
SEP 24–25 AUSTIN, TX

FILENE.ORG/2019WORKSHOPS

ANNUAL MEMBER EVENT

big.bright.minds.

NOV 19–20 DURHAM, NC

FILENE.ORG/BBM19

2020 EVENTS CALENDAR COMING SOON | FILENE.ORG/EVENTS
Forging INNOVATIVE CULTURE

Through a partnership with the venture capital arm of CUNA Mutual Group, Filene is launching a new incubator to test fintech and insurtech products and services.

The FinTech Catalyst Incubator will work to fill credit union system gaps and create new opportunities for credit unions to innovate, grow, and better serve their members.

The first of four research tests is underway with Align, offering credit union members with low- or fluctuating-income levels a loan alternative through an income share agreement to give them an affordable way to borrow.

Filene is also excited to announce our second round of research tests that will begin soon with Finhabits and Steady. Finhabits creates easy ways for the average consumer to begin the smart habit of investing with as little as $5 a week using technology. Steady is a mobile app that aggregates income opportunities based on consumer’s preferences.

To learn more about how to be a test credit union of new fintech products that could benefit your members, contact Megan Jackson, Incubator Manager, at MeganJ@filene.org.

In 2019, the Canadian Credit Union Association (CCUA) awarded Servus the National Credit Union Innovation Award for their ‘Patronage Advance Program,’ which allows members to draw from their annual dividend amount in advance. This award exists to recognize “breakthrough products, services and processes that are either new or have undergone significant improvements and can serve as a model for other credit unions,” according to CCUA. As a result of this success, Gail is an advocate for Filene and all Filene does to support credit unions in North America. “In three years of i4 participation, we have moved one idea into operation, piloted two other innovative ideas with one launching into online banking in June and currently have another four new ideas being reviewed in the innovation pipeline.”

“Filene has been one of our partners in helping innovation take hold.”

GAIL STEPANIK-KEBER, PURPOSE + INNOVATION OFFICER, SERVUS CREDIT UNION

Gail Stepanik-Keber has been the Executive Sponsor of Servus’s i4 Innovation Group since Filene began working with Servus Credit Union in 2016. Since then, Filene has led three cycles of the i4 (innovation x 4 teams) Innovation program, featuring the Filene Innovation method, at Servus, working with more than 200 of their team members, including the majority of their people leaders and executive leadership team.

Gail notes this work has begun to change the organization in a profound way: it has turned them into an innovator in their community.

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Check out filene.org/podcast for a look at our past 30 years of research with Chief Research + Development Officer George Hofheimer and join us in Durham on Nov. 19–20 for a 30th anniversary celebration at big.bright.minds.