



CONCEPT DOCUMENT

Impertio

TEAM MEMBERS

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PROBLEM DEFINITION

“Today, a credit union will close” is a statement that can be said almost daily. In fact, between July of 2016 and July of 2017, 231 credit unions closed their doors¹. Smaller credit unions struggle to achieve the scalability, finance innovation opportunities, and compete in a constantly changing technology and heavily regulated landscape. In an industry built on the principle of people helping people, too often when presented with these challenges, credit unions isolate rather than collaborate.

Some key drivers of this “go-it-alone” attitude stem from:

- **Fearing that sharing their ideas might mean losing business.** As of 2016, banks control 92.9% of the market and, over the last 25 years, credit unions have only increased market penetration by 1.5%.² This shows that any business being lost is not being lost to other credit unions.
- **Fear of being wrong.** According to Harvard Business Review, executives stated that only 2%-5% of failures are blameworthy, but 70-90% are treated as such³. These discrepancies show how much we hinder innovation and collaboration by instilling fear of failure.
- **Unconsciously competent.** Many of us have years of experience, but don't realize the value we could add by sharing knowledge and experiences with others. It is not uncommon for smaller institutions to ask their staff to wear multiple hats, which provides employees with unique interdepartmental knowledge and experiences that is invaluable and difficult to replace. Therefore, if we take for granted these skills, we can be left with gaps of knowledge or influence if that individual leaves the organization.
- **No simple answer.** Solutions abound for places to find specific answers to specific questions: listservs, online forums, social media platforms, etc....Need to know what the organization structure is? Easy. Job description for a universal agent? Done. What about more complex questions: Should we prioritize mobile technology over branch infrastructure? What new products in the marketplace are resonating with members? And more importantly, how do I implement these enhancements and manage the change process? These can't be answered in a tweet, in a blog forum where two sentences are posted as a response- They need partnership, context and credibility that often times only comes from trust, time and influence from others who have real life experience and are willing to help and share often times more than once.
- **Competition.** There is competition all around us, or so it is perceived that way. Credit Unions don't take the time to work together on bigger projects that take resources because they only see others' as competitors instead of possible allies who might be able to help move the credit union and industry forward simply by sharing ideas and resources.
- **Ego.** According to M Nora Klaver, an executive coach with over 30 years of experience with fortune 100 companies, asking for help can be viewed as a deficiency especially in a business environment.⁴

This tendency toward competition rather than cooperation prevents us from taking advantage of the vast knowledge and innovation happening in smaller scale across our industry. We must find solutions to achieve the scalability, innovation, and agility necessary to compete in today's economy. This begs the question: How might we improve the facilitation of shared ideas, knowledge, best practices and resources needed between credit unions to help the industry thrive?

¹ CUNA September 2017 Trends Report

² CUNA Market Share Analysis, 2016

³ Harvard Business Review, Strategies For Learning From Failure, 2011

⁴ New York Times, Why Asking For Help Is So Difficult, 2007

INNOVATIVE SOLUTION

Research shows that by doing two key things, you can increase the likelihood for collaboration:⁵

- **Find the right person.** We tend to ask for help from people that are near us in our immediate circle of access, rather than finding an expert in the sea of credit union team members who has just the right mixture of experience and systems that can assist you in navigating your opportunity. Too often, failures in the past came simply from asking the wrong person or at times even the wrong question, which could be avoided if the right individual could help you ask the right questions at the right time.
- **Make requests in private.** Public asks for assistance tend to exacerbate issues around fear of being wrong and ego. Making complex questions less likely to be asked in public as well as answered.

Our solution is Impertio, a Latin word meaning to share with, give a part and communicate. In short, the things we need to do to collaborate.

Impertio is an online platform designed to match credit union team members with others in the industry that are likely to have skills and strengths and are in alignment with that of which another is seeking. Individuals are quickly matched to the right person(s) based on a number of factors including: location, field of membership, core processor, areas of strength, areas of opportunity, and strategic initiatives. Leaving best practice sharing to other services, Impertio focuses on creating collaborative trust-based partnerships that help credit unions tackle the difficult problems. We believe in people helping people, sometimes we just need a reminder that we are people too, who have collaborative resources willing and ready to share today!

Impertio is based on three key actions: **Think. Pair. Share.**

In the Think phase, we request users fill out a profile capturing the areas listed above. The demographics captured are specifically chosen to ensure that matches take into account all the areas that might be needed when collaborating on strategic topics. While finding someone who recently embarked on a new mobile platform initiative is good; finding someone who also uses your core processor takes that from good to great.

In the Pair phase, we match users based on the demographics captured and send private emails to both parties letting them know a match has been found. Users will also have the option of sharing their calendars, so that Impertio can find the best time for them to meet and automatically schedule it using existing technologies that integrate with many common calendar programs.

In the Share phase, users are able to collaborate one-on-one, we also wanted to provide the opportunity to for public sharing as well. Impertio also houses a knowledge forum where users who have multiple matches can collaborate as a group. A digital meeting place designed to expand collaboration outside of a structured environment into a more unstructured arena where new solutions can found to potential unknown problems.

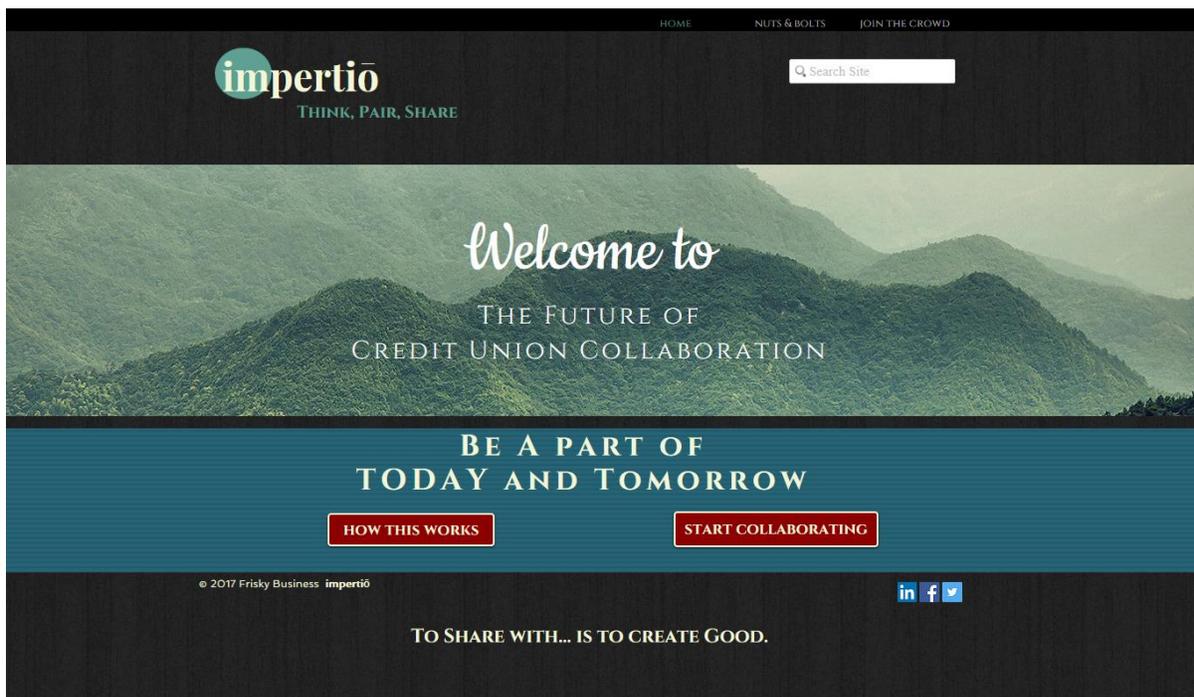
⁵ New York Times, Why Asking For Help Is So Difficult, 2007

PROTOTYPE

In order to drive utilization, we believe our platform needed to focus on reducing barriers to entry, create a simple registration process and deliver quick turn times for matching. To do so, we focused on two key areas:

- Leveraging other sources of data (such as call report data) to limit the amount of information a user has to provide when signing up while not diminishing the depth of data we can use for matching.
- Using an algorithm to prioritize the data points and rank matches based on a weighted score. In building the prototype, we collaborated with Sam Brownell, CEO of CU Collaborate, who has already developed a proprietary algorithm to compile data for users. With this in mind, we left the prototyping of these two priorities to future phase of development.

In designing of the prototype, we concentrated on creating a sleek and simple platform focused on user registration. As we expect most of the collaboration occurs through other channels: phone, email, Skype, etc....thus, we spent less time on developing interactivity within the site.



Above: Impertio Home Page

From the landing page, users are directed to a registration form where they fill out a short survey to build their profiles.

Please fill in the form below and your pairing will begin!

** This information is for prototype testing, your information will not be sold in any way. **
** Any communication will be directly from the prototype testing team. **

* First & Last name

Phone

* Email

* What is the name of your Credit Union?

* Where are you located?

* What are your areas of Expertise?
 Marketing
 Technology
 Branch Operations
 Accounting/Finance
 Back Office Support
 Lending
 Member Experience
 Other (please specify)

* Top 3 Strengths at Your Credit Union
 Cyber security
 Loan Growth
 Share & Membership
 Member Experience
 Regulatory/Compliance
 Mobile Strategy
 Data Analytics
 Innovation/Fintech
 Marketing/Brand Development

* Top 3 Opportunities for Improvement at Your Credit Union
 Cyber security
 Loan Growth
 Share & Membership
 Member Experience
 Regulatory/Compliance
 Mobile Strategy
 Data Analytics
 Innovation/Fintech
 Marketing/Brand Development

* Top 3 categories currently on your Credit Union's Strategic Plan
 Cyber security
 Loan Growth
 Share & Membership
 Member Experience
 Regulatory/Compliance
 Mobile Strategy
 Data Analytics
 Innovation/Fintech
 Marketing/Brand Development

* What is your Credit Union's Core Processor?

Above: Impertio Registration Form

Once registered, the users received an email containing their customized potential matched individuals and invites them to connect with each other. Since we are pushing out the algorithm development to a future phase, matching was a manual process and in testing a form email was sent to see likelihood of connecting based on information in profiles.

Congratulations!

You have been matched with some of our Prototyping Team.
We ask that you give us feedback at this point to help us build better connections.



Chris Court. Chris likes long walks on the Collaborative Beach. You both have dove into the depths of Data Analytics and Fintechs. Come up for air and start chatting!
[Connect with Me](#)



Laura Eblen. Laura has Innovatively been running with left handed kindergarten scissors for years. You both are close in proximity and willing to share ideas on Compliance.
[Connect with Me](#)



Kelly Wagner. Kelly likes talking about the Desirability of dancing in the rain. Although she doesn't get her phone wet, she would love to talk about Mobile Strategy.
[Connect with Me](#)



Josh Sidell. Josh loves Pushing the Envelope by eating dessert first! Your titles are a close match, strike up a conversation on viewing the experience through the eyes of the member.
[Connect with Me](#)

You now have access to the [member areas](#) to create forum posts to engage with all your matches at once or take advantage of connecting with CU Collaborate.

Above: Form email for user matches

TESTING AND RESULTS

To test our prototype, we sent requests to all current i3 participants as well as peers within our own credit unions. The test was comprised of filling out a profile and then receiving an email with potential matches. The matching functionality was not directly tested in the prototype as the email sent was simply a standardized template listing the same matches for all testers. Our goal was to validate our hypothesis that there is indeed a likelihood for a user to accept a potential match and in addition, have the desire to connect with them. In the email, the users were asked to fill out a survey describing their experience utilizing the system and the likelihood they would reach out to their matches.

Here are the results from the 23 user tests conducted:

Areas of Expertise

ANSWER CHOICES	RESPONSES	
Marketing	17.39%	4
Technology	21.74%	5
Branch Operations	47.83%	11
Accounting/Finance	8.70%	2
Back Office Support	4.35%	1
Lending	26.09%	6
Member Experience	47.83%	11
Other (please specify)	47.83%	11
Total Respondents: 23		

Areas of Opportunity

ANSWER CHOICES	RESPONSES	
Cyber security	8.70%	2
Loan Growth	21.74%	5
Share & Membership	13.04%	3
Member Experience	17.39%	4
Regulatory/Compliance	8.70%	2
Mobile Strategy	56.52%	13
Data Analytics	69.57%	16
Innovation/Fintech	69.57%	16
Marketing/Brand Development	34.78%	8
Total Respondents: 23		

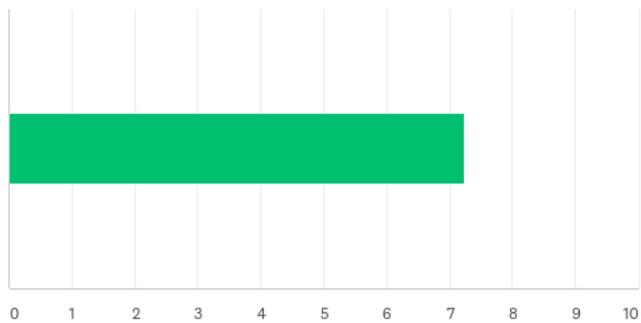
Top Strategic Planning Priorities

ANSWER CHOICES	RESPONSES	
Cyber security	8.70%	2
Loan Growth	52.17%	12
Share & Membership	26.09%	6
Member Experience	34.78%	8
Regulatory/Compliance	4.35%	1
Mobile Strategy	47.83%	11
Data Analytics	69.57%	16
Innovation/Fintech	39.13%	9
Marketing/Brand Development	17.39%	4
Total Respondents: 23		

Preferred Criteria for Matching

	1	2	3	4	5	6	7	8	9	N/A	TOTAL	SCORE
By Job Title	7.69% 1	15.38% 2	7.69% 1	7.69% 1	15.38% 2	23.08% 3	7.69% 1	0.00% 0	0.00% 0	15.38% 2	13	5.73
By Areas of Expertise	61.54% 8	23.08% 3	7.69% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	7.69% 1	0.00% 0	13	8.00
By Years of Experience	15.38% 2	0.00% 0	30.77% 4	7.69% 1	15.38% 2	7.69% 1	7.69% 1	7.69% 1	0.00% 0	7.69% 1	13	5.92
By Number of Previous Connections	0.00% 0	0.00% 0	0.00% 0	23.08% 3	15.38% 2	23.08% 3	15.38% 2	0.00% 0	15.38% 2	7.69% 1	13	4.00
By Recent Professional Accomplishments	0.00% 0	0.00% 0	7.69% 1	15.38% 2	23.08% 3	0.00% 0	23.08% 3	15.38% 2	7.69% 1	7.69% 1	13	4.00
By Areas of Weakness (paired to your strength)	7.69% 1	15.38% 2	23.08% 3	15.38% 2	23.08% 3	7.69% 1	0.00% 0	7.69% 1	0.00% 0	0.00% 0	13	6.08
By Location Closest to You	0.00% 0	15.38% 2	7.69% 1	0.00% 0	0.00% 0	30.77% 4	7.69% 1	30.77% 4	0.00% 0	7.69% 1	13	4.17
By Credit Union Name	0.00% 0	0.00% 0	7.69% 1	0.00% 0	0.00% 0	0.00% 0	15.38% 2	15.38% 2	46.15% 6	15.38% 2	13	2.09
By Key Vendor Platforms used (i.e. core, mobile, payments, etc...)	7.69% 1	30.77% 4	7.69% 1	30.77% 4	0.00% 0	0.00% 0	7.69% 1	7.69% 1	7.69% 1	0.00% 0	13	6.00

Likelihood to Collaborate



BUSINESS MODEL AND 3-YEAR FINANCIAL PROFORMA

Impertio is committed to running a lean structure and has an anticipated 2 to 3 year adoption period of time before a profitable structure emerges. Please note, we have made a few logical assumptions as we created this business model and 3 year Financial Proforma.

- Impertio will have a total of six employees to launch this concept which includes leadership positions, strong technical program developers and also positions in marketing/sales to help educate Credit Union professional of this collaboration outlet. We used industry median salaries and also feedback from CU Collaborate on their experience over the past few years as they completed their startup efforts.
- The model assumes Impertio subscriptions are priced at \$14.99/ month for individual subscriptions and \$149.99/month for an enterprise wide subscription. The sales forecasts used below assume the following growth over the next three years at 25% year over year penetration.

Year 1: 150 Individuals users subscribed & 100 Credit Union enterprise subscriptions issued

Year 2: 188 Individuals users subscribed & 125 Credit Union enterprise subscriptions issued

Year 3: 260 Individuals users subscribed & 157 Credit Union enterprise subscriptions issued

- For participating credit unions, Impertio enterprise subscription is a perfect solution for an institution committed to collaboration and sharing industry best practices. The \$149.99 per monthly fee gives a credit union access to enroll an unlimited number of users whom will have access to the Impertio network paring technology, ability to share and request answers from others in the portal blog and have member benefits into the CU Collaborate network as well.

COMMENTS, NEXT STEPS, AND CALL TO ACTION

Impertio is a tool to facilitate collaboration. We are not the first to venture into this area and we will not be the last. Whether this solution resonated with you as the way to actualize the collaboration our industry so desperately needs or not. We simply ask that if you are reading this then after the next sentence, please take the time to reach out to peers and find ways to leverage your knowledge to move the movement forward. Don't be credit union 232.

ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We support research, innovation, and impact that enhance the well-being of consumers and assist credit unions and other financial cooperatives in adapting to rapidly changing economic, legal, and social environments.

We're governed by an administrative board made up of credit union CEOs, the CEOs of CUNA & Affiliates and CUNA Mutual Group, and the chairman of the American Association of Credit Union Leagues (AACUL). Our research priorities are determined by a national Research Council comprised of credit union CEOs and the president/CEO of the Credit Union Executives Society.

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