Data Education Series

Educate – Elevate – Accelerate

"In 30 days, I was surprised by the volume of what I had learned as well as how much I had applied to my credit union. This has helped me, and my team accelerate our data efforts."

CEO
Credit Union located in the Midwest

THRIVE
STRATEGIC SERVICES

The Problem Leveraging the robust data housed in credit unions

Data has been called one of the most important investments an organization can make by Forbes, McKinsey & Gartner. Credit unions are abundant with data. On average, a single credit union has 60 to 100 data systems. The challenge is how to access and leverage that data. Currently, credit unions have very informal data strategy, muddy member-centric use cases, aspirational data governance, and no formal workplace adoption plan. It is not surprising that **92% of credit unions to leverage their available data effectively.** According to McKinsey, the top five reasons why data effort fail are:

1. **Lack of clear data strategy.**
   Only 30% of FI surveyed had a data strategy
2. **Inability to translate data strategy into tangible use cases**.
3. **Do not have clear road maps.**
4. **Do not have foundational data governance.**
5. **Have not leveraged their talent to translate data into valuable action.**

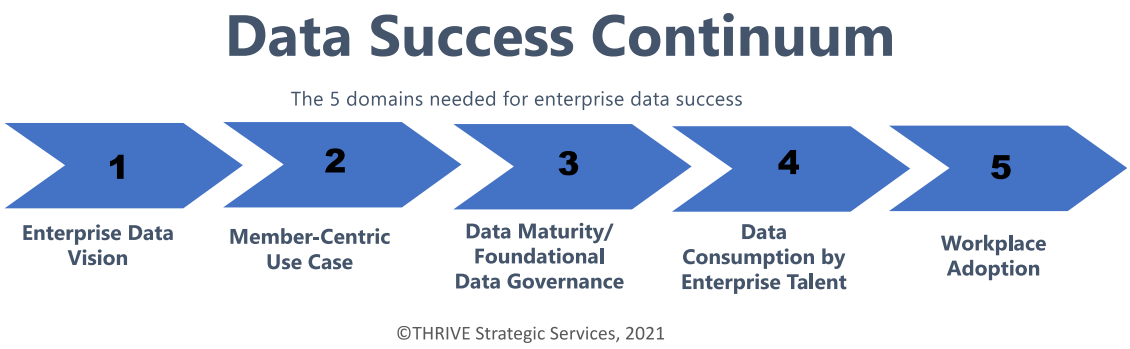
For a credit union to be successful with data, it has to overcome two pain points:

1. **Filling organizational data knowledge gaps.**

It is difficult to move forward when it feels like no one is speaking the same language. Understanding the core competency in data knowledge will only strengthen a credit union's success in launching a data effort.

2. **Providing a framework to help launch a credit union's data journey.**

The Solution Actionable educational offering: fills knowledge gaps/builds capabilities



THRIVE Data Education Series

The THRIVE Data Education Series is an integrated educational program that offers educational artifacts, a 7-class data education course, and an online knowledge platform that helps credit unions develop data confidence and capability via delivering:

Proficiency in the following data educational domains

- Enterprise data vision
- Member-centered data use case
- Understanding/defining data maturity
- Essentials of data governance
- Creative data consumption by enterprise talent
- Workplace adoption
- Building data road maps

Launch of data journey

- Application of educational knowledge
- Learn and apply design thinking & agile methodology on real-world problems
- Gain data confidence
- Experience results

Executive Summary

"This class series is a great combination of coursework, discussion, and coaching. I found the teaching style on the complex subject of data and analytics easy to understand and most importantly a powerful tool to help the credit union improve our members' lives."
CEO
Credit Union located in the Midwest

Starting Point

The pandemic forcefully reminded credit unions of the need to leverage their robust data to help the members navigate the "new normal". The challenge, however, is where to start.

THRIVE Data Education Series was created to fill enterprise data knowledge gaps and create a framework to help credit unions launch their data journey.

This educational offering is an integrated educational program that offers instructional artifacts, a 7-class data education course, and an online knowledge platform that helps credit unions develop data confidence and capability.

The Results

Each student proved proficiency in the following educational domains that elevate their enterprise data success

- Enterprise data vision
- Member-centered data use case
- Understanding/defining data maturity
- Essentials of data governance
- Creative data consumption by enterprise talent
- Workplace adoption

<u>Educational Deliverables:</u>

The course work created actionable deliverables, which students applied immediately at their credit union.

Students accomplished the following;

- Assessment of current credit union data condition
- Drafted a data vision statement
- Created a data strategy draft
- Identified member friction
- Diagramed member experience journey
- Leveraged member friction into a data use case
- Proved proficiency of data maturity concepts
- Created data governance plan draft
- Resolved member friction use case using design thinking framework
- Proved proficiency of center of excellence concepts
- **Built an Enterprise Data Road Map**

The Process

DATA EDUCATION SERIES - Overview

The Data Education Series meets the need of the busy credit union leader by integrating dynamic online classes, assignments that can be immediately used in the workplace, an online knowledge platform that hosts class details, assignments, and the ability for students to chat to each other and the instructor. The classes curriculum to develop data confidence, and capability and proficiency in the following educational domains. The result is increased enterprise data knowledge and capability.

COURSE CURRICULUM

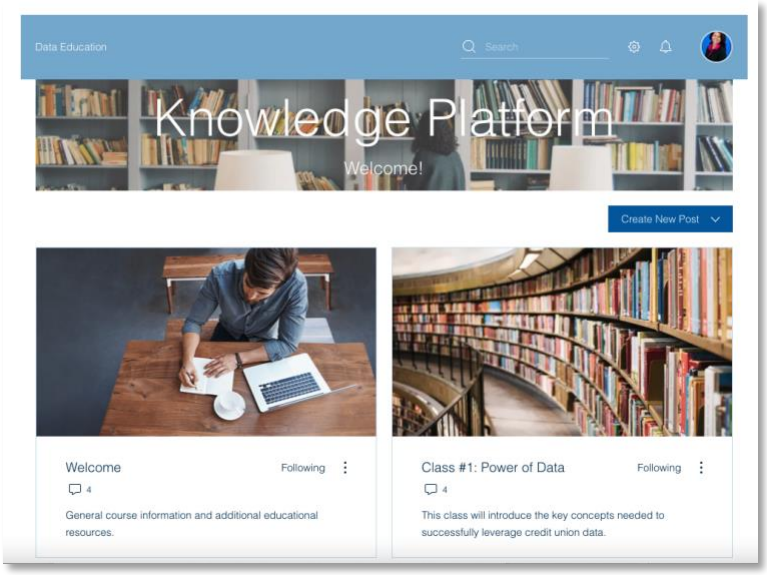
Class #1: Credit Unions have more data than Amazon!
Class #2: What to STOP/START/KEEP doing with data
Class #3: Data transformation is not only for data scientists
Class #4: Data is awesome, but first, the member
Class #5: Who is more mature, your data or teenager?
Class #6: Infusing Data into the Credit Union DNA
Class #7: Continuous Capability Building

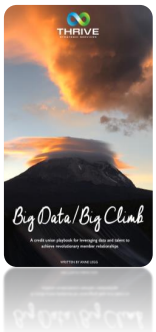
9 Templates
#1: Data Vision
#2: Current State Assessment
#3: Data Strategy
#4: MUX Journey
#5: Data Maturity
#6. Data Governance
#7: Data Talent Consumption
#8: Continuous Capability Roadmap
#9: Road map

EDUCATIONAL ARTIFACTS

7 Videos (10 – 15 min)
#1: The member problem/friction & data to solve it
#2: Top 10 Data analytical tools
#3: Putting some "ahh" into Data Governance
#4: 5 phase data adoption into the workplace
#5: What is data maturity in 5 min or less
#6. Design thinking - why your members want you do use it
#7: Identify the credit union data "why". What is the big problem the credit union is hoping so to solve when they harness data?

Online Knowledge Portal Platform
Online education portal that housed all the artifacts, assignments and zoom invitations.





Text: Big Data/Big Climb
A credit union playbook for leveraging data & talent to achieve revolutionary member relationships.

The Results

Assessment of current credit union data condition

For a credit union to leverage its data, they need to understand their current data landscape, as it is challenging to create a road map without a starting point. Students accomplish using a current state assessment framework. This framework allows a credit union to score its current state in the following areas:

- Enterprise data vision - What is the "why" behind the credit union harnessing their data.
- Member focus - What is the member problem the credit union is leveraging data to solve
- Data Maturity – How mature is the credit union leveraging their data?
- Data Consumption – How does the credit union's talent consume data?
- Workplace Adoption – How well does the credit union infuse data to improve member's lives?

The assessment output ranks the credit union in the following criteria:
Excellent – The credit union is highly proficient.
Foundational – The credit union has started formally started a data journey.
Opportunity – The credit union knows they need to start but hasn't formally taken action.

Based on students' collective responses to the data assessment, the following is their current state.

Enterprise Data Vision	Member Focus	Culture/Adoption	Data Maturity
Excellent	Excellent	Excellent	Excellent
Foundational **Foundational** Opportunity	Foundational **Foundational** Opportunity	Foundational **Opportunity**	Foundational **Opportunity**

"The insight from this assessment is valuable in our data strategy creation. We could see where the areas of need are at our credit union and how that would accurately translate into action items. Most importantly, we gained an enterprise-wide view of our current condition. Data success is more than identifying data systems. It is about moving the data through the organization."

Data Analyst
Credit Union located in the Southwest

Member Focus

To leverage data to improve member's lives involves the following: 1) understand the member's problems and 2) identify the data needed to solve them. To accomplish this, students spend time understanding member's problems and identifying friction in the member experience.

Member problems:

Credit union members have only four problems it wants the credit union to solve. They are:

1. **Transportation problem.** The member needs transportation to accomplish basic needs. This should not be confused with an auto loan. The credit union should consider itself as the conduit to transportation.
2. **Shelter problem.** The member needs a place to call home as a basic need. This should not be confused with a mortgage. The credit union is the conduit to shelter.
3. **Travel and play problem.** The member desires either travel and/or play. They need a financial partner that will help them achieve these goals within their current financial condition.
4. **Rainy day and retirement problem.** The member needs a financial partner that will help them set up short-term and long-term deposits.

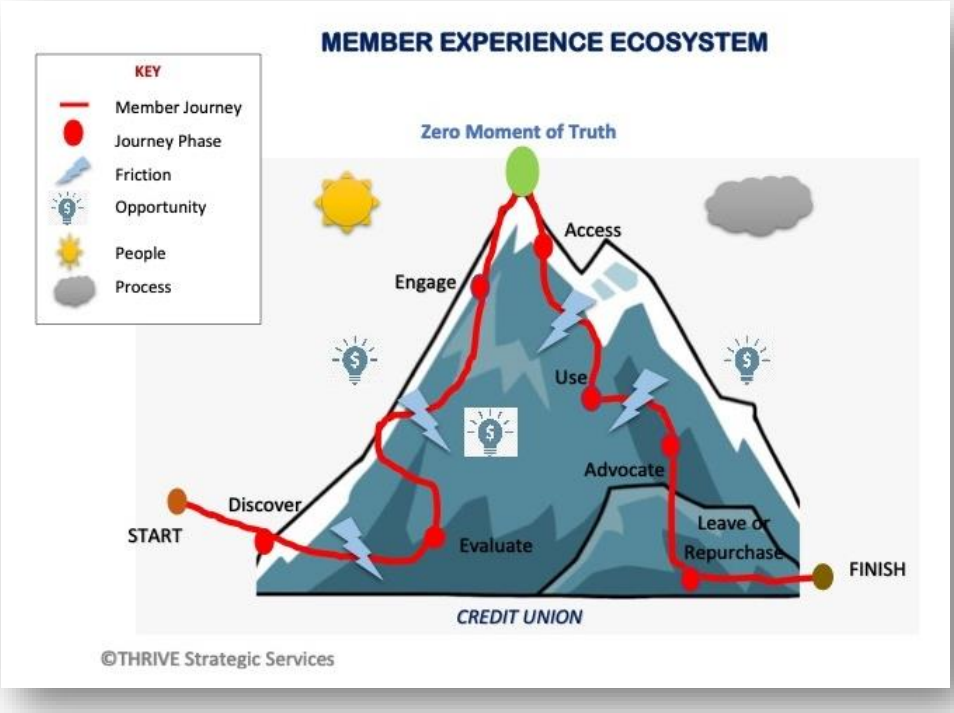
A member may find themselves with a combination of these needs. They may have shelter but are looking to downsize. They may want to travel but don't know how to save. A member's financial needs describe the member's current financial journey.

Member Journey

An ecosystem in reference to a credit union is a community of interacting entities in conjunction with their environment. A member/user experience ecosystem (MUX) is the combination of the technology, touchpoints, and talent that support the member journey. When an experienced ecosystem works well, the member is not aware of the transitions between touchpoints.

The member will have a plethora of experience journeys as they engage with the credit union. The graphic depicts the purchase journey, which is a typical member experience. The member begins the journey in the discovery phase (also known as awareness). In this phase, the member has discovered they have a need.

The need for the following example is transportation. The member's current car is eight years old, and the amount of money needed to repair the car is more than the car is worth. Here are the journey steps:



1. **Evaluate.** In this phase, the member evaluates options for acquiring a new car. This is done using many channels—seeking information online and in person. Considerations include 1) the make and model, 2) new or used, 3) dealership or a third party, and 4) financing.
2. **Engage.** In this phase, the member has made a decision and will be making the car purchase and getting the funding.
3. **Access.** This is the phase when the member will access the financing and ownership of the car. These first three phases are called "the buy segment" of the journey, as these phases all lead to the next segment of the journey, called "the own segment." The zero moment of truth is the point of inflection when the member has taken action with the purchase and finance entity of the car. There is no going back.
4. **Use.** This is the phase when the member is using the car and making payments on the loan.
5. **Advocate.** This is the phase when the member can share their experience to this point, good or bad. This advocating can be self-directed by social media or prodded by the car-purchase entity or financing entity. Leave or repurchase is the phase when the member has finished with the car and will either leave the journey or reenter later to repurchase.

Member Friction

Members may encounter friction along their experience journey with the credit union. Friction occurs primarily due to two categories: people (internal and partners) and process. Many credit unions function in silos and have not connected the phases with data and technology and do not see the frictions. Credit union talent then is using a disjointed process to service the member.
The following graph shows member friction identified by the students. One of the benefits of identifying member friction is that it also functions as an excellent source for data use cases.

The following assignment is an example of a member friction generated use case identified in class.

MEMBER FRICTION USE CASE ASSIGNMENT

Data Use case identification:

We want to reduce our member friction in the places where it can improve their experiences the most.

AKA: phone calls, why are we getting so many, what do they need, can we add options/services/etc. to improve their experience so calling us is not necessary.

Actions:

- *Identify call volume by day part/ topic/location/ user*
- *Create phone caller personal (age, income, address, reason for calling - average product/service)*
- *Identify member friction*

Data Maturity & Data Governance

At its simplest, data maturity is the extent to how an organization utilizes the data it produces. One of the ways an organization utilizes data is the creation of a data analytics capability. The purpose of any data analytics capability is to make data meaningful. To achieve this, a credit union needs to have appropriate tools, skillful talent, and an operational structure that transform data and monitor its quality.

For an organization to have quality and structure to their data, they need to create a data governance program. The mission of a data governance program at a credit union is to give a formal structure to its data. Just like loans, data needs to be defined, categorized, prioritized and documented to maintain quality and set policies and procedures. Data governance is part of organizational data maturity efforts and works best when aligned to the data strategy. The following is a data maturity framework assignment.

DATA MATURITY ASSIGNMENT

Step 1: Identify Data Maturity Opportunity

Data maturity opportunity – *List current state and future state of cu data maturity:*

Current State
Building out primary blocks of data in our data warehouse along with incremental additions for new use cases. Data in warehouse is clean, but some definitions need to undergo review.

Future State
Data warehouse contains all the CUs primary data sources, with additional derived data for specific use cases and all data element definitions are agreed upon.

Step 2: Identify Data Maturity Success

Data Maturity success *–Describe how the credit union will measure the success of the data maturity.*

Major data sources are pulled into data warehouse, through the data governance council, so each area of the credit union is represented and can be reported from within out BI tool with confidence. More than 50% of team members have access to CRM/BI tools and undergo a regular cadence of training to sharpen their analytical skills and mindset.

Step 3: Identify Roles & Responsibilities

Roles & Responsibilities *–Describe the key leadership roles and responsibilities in executing the data maturity.*

BI Manager & IT Solutions & Development VP serve as primary touch points with other business units to identify use cases and prioritization, as well as to formalize the data governance program. The BI team works to bring data into the warehouse, build analytics solutions, and train other team members.

Step 4: Identify capabilities

Capabilities *– Describe the new data management capabilities created because of the data maturity efforts.*

Talent consumption, data governance, and technical skills

Step 6: Road map & Time box

Road map *– Describe the key workflows identified to achieve data maturity goal*

Identify top use cases, determine what/if our gap with the data is, work with data governance council and subject matter experts to clearly define the data elements, create interactive displays of the data and predictive models as needed, train the necessary team members on how to utilize the data.

Timebox *– list short-term and long-term objectives:*

Short term – *6 months – 1 year*

Bring in at least 3 additional primary sources of data into our data warehouse, and begin to formalize our data governance program, ensuring that all areas that need included have representation.

Long Term *– 1-3 years*

Transition from an informal to formal data governance program and have a deeper understanding of analytics throughout the organization. All major sources of data are in the data warehouse, with incremental improvements made on a continuous basis.

Talent Data Consumption

A member-centric data culture (the heart) and leveraging data to transform (the head) are complementary processes with the heart helping to accelerate the head. Creating the member-centric data mindset allows credit union talent to do the following:

- Create a distinctive member experience powered by technology and obsessive member focus.
- Leverage the power of cross-functional teams that generate high-speed innovation and result in a strong pipeline of new products to meet member needs.
- Build a robust data consumption capability to propel the credit union to scale fast and efficiently and stay competitive in the future.

Incorporating data into the hug is best accomplished by 1) understanding the problem to identify the data needed to solve it and 2) creating a process to implement the solutions. Design thinking is a successful problem-solving methodology that can clarify the member's problem and identify the data needed to solve it. Formalized at Stanford University Design School, design thinking is a formal problem-solving framework that allows cross-functional teams to think outside the via a formal structure, create effective research, create solutions, and test new products and processes to uncover new ways to meet users need.

Design Thinking Assignment

Empathize Define Ideate Prototype Test Implement

Empathize – *Who is my user? Where do your member/user problems exist? What are their wants & needs? Use the Five Why's.*

Members. Why are they using our drive-through? Why are the wait times long?

Define/ Envision – *Combine your research & observations into a problem statement. "How might we…", "How do we…", etc. Focus outward on the member/user as opposed to inward on an organizational goal.*

How might we reduce wait time in our drive-throughs?

Ideate / Speculate – *Brainstorm as many creative ideas to realistically solve the problem as you can. The more variety and volume of ideas the better. Prioritize as a group to one solution.*

What is the largest type of transactions happening in our drive-through? Is it something our members can do with our online channels?

Self Service Options: Marketing, branding, social media, blogs, etc. Signage in drive-through lanes, promoting self-service options.

Prototype / Exploring – *Determine your priority from brainstorming. Then storyboard your solution with post-it notes.*

Post-it notes of the member flow:
1 Member decides they need to come to the credit union.
2. Member is in the drive-through.
3. Member waits.
4. Member completes transaction in drive-through.
5. Visible signage in the drive-through or Member Service can give a brief shout out about the product that benefits the member.

Test / Adapt – *How will you test and get feedback? Afterwards, iterate as needed. Then "close" or conclude the project.*

This one involves more just continuing business as usual and seeing if we have more feedback with our online services and less traffic in the drive-through.

Workplace Adoption

Workplace adoption is quite possibly the ultimate destination for data transformation. When an organization has the vision, strategy, and resources to achieve its data transformation goals, then, by default of transformation, it is creating new capabilities and, ideally, a new culture.

Workplace adoption is not an organic development. Successful organizations practice diligently to propel new capabilities and culture to continue the trajectory that the data transformation plan ignited.

Building new capabilities is strongly encouraged to create a member center of excellence (MCoE). Supplemental to standalone business units, the CoE is a separate corporate unit housing key expertise on smart, connected products. It does not have profit-and-loss responsibility but is a shared services cost center that other business units can tap. The CoE brings together cross-functional expertise in digital technologies (AI, IoT) and transformation strategy, helping guide IoT product strategy and providing expert resources.

Strategic Road Maps

Road maps are crucial tools in measuring success. A road map is a communication tool of the process to complete a large and complicated project. There can be many versions of a road map based on the audience, but a well-thought-out high-level version can usually work for several audiences. Most road maps accompany a presentation deck that explains the surrounding details. The life of a road map is fleeting. Like life, things change, so make certain road maps are updated to current conditions and shared at intervals along the way to communicate the progress of the project.

Credit Union Data Transformation Road Map **ASSIGNMENT**

Data vision statement: **To continually improve the member experience through deliberate research of our member's pain points.**

Short Term | **Long Term**

Present 6 mos | 6 mos – 1yr & 2 yr | **End State**

Member Centric Data strategy

Member Focus

- Define the member story and assess their journey
- Gather data from staff
- Gather appropriate data to assess
- Formalize the member need/friction
- Review transactions
- Create member journeys
- Find most impactful points

Enterprise Vision

- Establish data strategy plan
- Review workflows and processes for the causes of friction
- Establish an improved measurement system

We are starting to formally review the member's needs, friction points, and journey.

Data Driven Organization

Data Consumption

- Start promoting data usage to solve member problems
- Get Management on board
- Review staff capacities
- Improve staff knowledge through follow up
- Talk to the team about member frictions and start to incorporate ideas

Our team generates and uses data more strategically.

Data Maturity

- Start to review the formalization of data governance
- Create first pieces of the data governance structure.

A data governance is starting to form

About the Instructor

Anne Legg is the founder of THRIVE™ Strategic Services THRIVE works with credit unions to create revolutionary member relationships via organizational education, member-centric data strategies, and data maturity.

Anne is an award-winning industry expert, author, educator, member-centric data strategist who holds an MBA thesis on the credit union business model. She has worked with over 600 credit union leaders to launch their data journey. She recently published **Big Data/Big Climb,** the only industry playbook on data transformation and currently the text for Southwest CUNA School of Management course on data analytics. Anne is the course lead faculty. Her work has been published at consecutive International Cooperative Summits, making her the only credit union professional in the United States to achieve this.

In 2019, she successfully climbed Mt Kilimanjaro, the tallest freestanding mountain on the planet.

About the Book

Big Data/Big Climb has been called a must-have guide for those who are looking to improve their members' lives using data. This foundational primer on data transformation uses the metaphor of climbing Mt Kilimanjaro to provide both clarity and a framework on this subject.

With sections titled "*Which is more mature your data or a teen,"* and "*A Credit Union governs its loans, so why not its data"* as well as *"Building Credit Union Hakuna Matata"* this book cuts through techno-jargon and translates data transformation concepts into a playbook for credit unions to create revolutionary member relationships.

THRIVE Strategic Services
E: anne@anneleggthrive.com
P: 858.255.0636
W: anneleggthrive.com
T: @AnneTHRIVE

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