



CASE STUDY

Integrating
Data to
Connect with
Members
and
Generate
Growth

**Our Community
Credit Union**

Data-driven decision making is essential in today's evolving credit union industry.



The financial landscape is constantly changing. Credit unions are constantly seeking a better way to give more value to their members. By utilizing data analytics, credit unions have the ability to gain a better understanding of their members' behaviors, which in turn, allows them to better satisfy their needs.

Executive Summary

It is an exceptional period in time to be a part of the credit union industry. Members are demanding access and transactions with the touch of a finger. This has placed both members and prospective members in an unprecedented position of power. Only those financial service providers who can generate significant value to members will be able to remain competitive in the evolving industry. To be able to compete in this environment, a credit union will need to develop individualized products that meet the needs of the member in innovative ways, delivered in high tech and high touch channels that generate trust. To achieve this, the credit union needs to connect its robust data and leverage it for insights to produce new and innovative growth strategies. This case study highlights how Our Community Credit Union (OCCU) connected and leveraged their data generated with OnApproach M360 Enterprise, and the resulting insights and strategies it produced.

"We knew that data was the key to telling the complete story."

Ryan Drake, CFO, Our Community Credit Union

Company Profile

Our Community Credit Union

OnApproach Solution

OnApproach 360 Enterprise

Client Since

2016

About the Client

OCCU is a Washington based Credit Union that has over 29,000 members and \$351 million in assets

Solution at a glance

Challenge

With a quickly changing environment, OCCU needed to find a new way to understand members and their evolving needs.

Solution

OCCU installed a data warehouse and used analytics to understand how to create authentic and sustainable value for members.

Credit Union Overview

OCCU has a historic and valuable relationship to the communities it serves. OCCU employees are deeply passionate about “doing right” by the member. To leverage these strengths, the credit union needed to create a competitive advantage with a “think, act, and be local” approach to member engagement and brand positioning. In terms of specific strategies to achieve this goal, the process helped the credit union create a series of 360-degree, member-centric solutions that collectively, saves the member time and money, as well as provides reduced risk, effort, and hassle.

The Problem

Throughout the United States, there are less than 6,000 credit unions, while there are over 6,000 financial technology start-up companies. These companies are targeting small pieces of credit unions’ profitable business. In order for credit unions to survive, they must come up with new approaches to satisfy members in this quickly changing environment. Luckily, there are very large and robust amounts of data for the credit union industry to utilize. This data allows credit unions to connect with their members and better understand their needs and habits.¹

Properly integrating and analyzing data allows credit unions to identify a number of valuable insights, such as:

- Member Next Best Product
 - Identify make, model, and competition for member’s next vehicle
- Member Purchase Behavior
 - Identify where members shop, buy their groceries, fast food, gas, etc.
- Member Media Consumption
 - Identify what members are most likely to watch, read, and listen to.
- Disruptors
 - Identify who is currently disrupting your business, how you compare, and what to do about it.

Want to hear more?

Listen to Ryan Drake, CFO of OCCU, and Lorrie West, Engagement Manager at OnApproach, discuss how OCCU used data analytics to create stronger relationships with their members.

The numbers in the text correspond with the numbered video clips below and indicate where the videos add value to each section of the case study

1. The Process: Implementing OnApproach M360

<https://youtu.be/7tPEgD3qL54>

2. How Data Has Helped OCCU Create Growth Strategies

<https://youtu.be/EmD404bUOj4>

3. Why OCCU Installed a Data Warehouse

<https://youtu.be/cYWzwnk0EU0>

4. Problems Data Can Solve for OCCU: Increase Revenues, Reduce Costs, & Increase Efficiencies

<https://youtu.be/lhNwLjutUo>

5. Additional Data Warehouse Problem Solving Insight

<https://youtu.be/xQX5ahPK-LY>

6. Gaining an Understanding of Members and Their Needs

<https://youtu.be/EU-JWjS27is>

7. OCCU's Hopeful Outcomes With This Process

<https://youtu.be/UJMPMFxRL1o>

8. OCCU's Advice for Credit Unions

<https://youtu.be/lq2yhKFfrCw>

The Data-Driven Transformation

By harnessing available data insights through OCCU's M360 Data Warehouse, the credit union was able to develop growth strategies for goal attainment within the capabilities of the credit union.²

Our Community Credit Union began this process by connecting their quantitative data. This is done by using the OnApproach M360 data warehouse solution.³ The data warehouse enables credit risk management reports and allows for data-driven decision making. The implementation of this warehouse works to

increase revenue, reduce costs, and increase efficiencies at all levels of the organization.⁴⁻⁵ The next step is to engage the quantitative data with the qualitative data to develop new strategies for growth. "This process illustrates how important the data is to understand our members and creating authentic and sustainable value to them," Bert Fisher, CEO, Our Community Credit Union. By gaining knowledge on members, the CU is able to target their spending habits, make more focused decisions on the kinds of rewards they want with products, and determine their direct competition. The idea is to save money while still providing great service to their customers.⁶

| | June 2016 | April 2017 |
|--------------------------------------|-----------|------------|
| Net Margin Interest | 3.54% | 3.48% |
| Operating Expense to Average Assets | 3.78% | 3.51% |
| Net Return On Assets | 0.65% | 0.92% |
| Loan to Shares | 56.11% | 57.29% |
| Net Charge off to Average Loans/Visa | 0.62% | 0.41% |
| Members per Full Time Employee | 298 | 328 |

Above you can see the change in financial ratios after 10 months of implementing this process. Listen to Ryan Drake discuss the organizations goals beyond this time frame with videos ⁷⁻⁸.

About Our Community Credit Union

Our Community Credit Union was founded in 1941 and was originally called Simpson Employees Federal Credit Union. Employees of any Simpson operation could join the credit union. Today, OCCU serves over 29,000 members that live, work, or attend school in Washington State. The credit union has over \$350 million in assets and 7 branches throughout Mason and Grays Harbor County and Vashon Island in King County. To learn more about Our Community Credit Union visit <https://www.ourcu.com/>.

About OnApproach

OnApproach is a Credit Union Service Organization (CUSO) that focuses on providing credit unions with the power to use data as a competitive advantage both independently and cooperatively. With OnApproach, credit unions can now harness the value of Big Data through integration and predictive analytics. This deeper understanding of data allows credit unions to discover vital trends in member behavior, resulting in improved financial performance, reduced risk, and enriched relationships with members.

