

Going Digital

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Agenda



Introduction to Clockwise



Decision to go in house



What we set out to achieve and why



Our Strategy & Process



**What we have achieved &
future plans**



- Where we began
 - Opened in January 1992
 - Church-based community live or work
 - Paper based accounts, passbooks and paper applications
 - Volunteer run
- Clockwise Today
 - 13,000 members
 - 4.8 million in loans
 - 5.1 million in savings
 - Growth in lending year on year increased from 13% to 22%



About our Member Demographic

- Common bond
 - Live or work in Leicester, Leicestershire and Rutland
 - Numbers – potential – just over one million
 - Levels of Deprivation
 - Diversity



Decision to go Digital

- Meeting Members needs for more sophisticated products and services
- Automation not keeping pace with growth so physical resources becoming stretched
- Ambitious! Entrepreneurial

- Ask you to consider where your CU is in terms of your technology.
- What challenges do you face?
- Is cost of developing technology a factor
- Is choice of third party providers a factor?
- How committed is your Board to developing digital solutions?



Why in house

- Previous external projects had resulted in limited success with high maintenance costs and increasing obsolescence.
- Lack of shared vision from existing suppliers
- Desire to retain control
- Keep Intellectual property within the Credit Union
- Commitment to continual investment for improvement



Challenges

- Obtaining the correct skills to make this possible
- Avoiding key person dependency
- Loss of personal service



What we set out to achieve and why

- Improve IT Security, resilience and continuity
- Grow membership & lending without expanding physical presence
- Improve accessibility and convenience for members
- Focus on automation and scalability



- A strategic plan was needed:-
 - To support the Credit Union's overall strategy
 - To help communicate intentions to directors and staff
 - To begin with the end in mind
- IT Committee appointed from Board
- Consultation & member feedback
- Three Year Strategy agreed by Board in May 2017

Key Focus Areas

Security

- Mitigate legacy risks
- Secure by design for new
- Adopt best practices & increase awareness
- Independent external verification

Member Digital

- Provide high quality digital services
- 24/7 delivery of core services.
- Reduce barriers



Integration

- Achieve seamless automation
- Embrace use of API's to link with third parties
- Approximately 10 third party integrations in place

People Focused Software

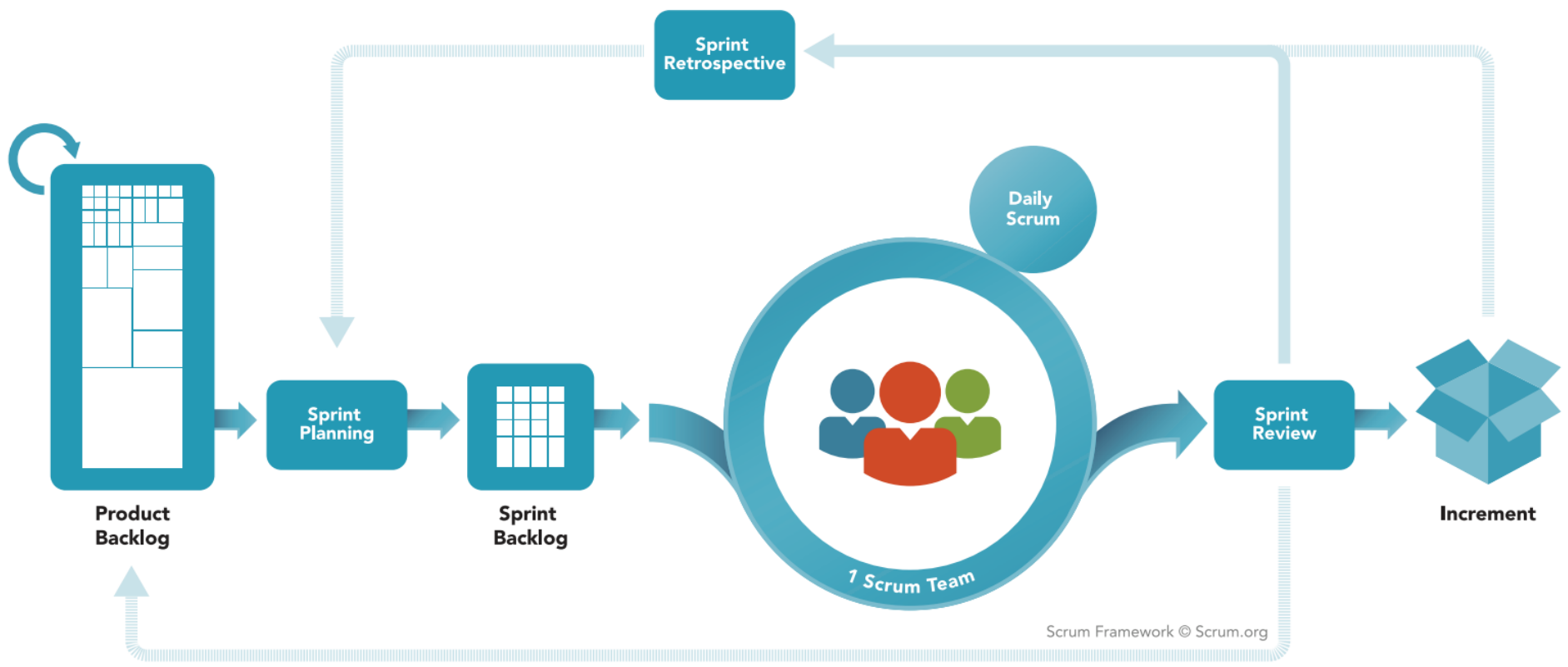
- Realisation that current solutions are too focused on finance
- Consolidate multiple systems
- Adopt CRM approach & automate financial processes



- Fundamental Principles:-
 - No big bang change – incremental approach
 - Minimum Viable Product
 - Ability to change at short notice
 - Encourage collaboration within CU



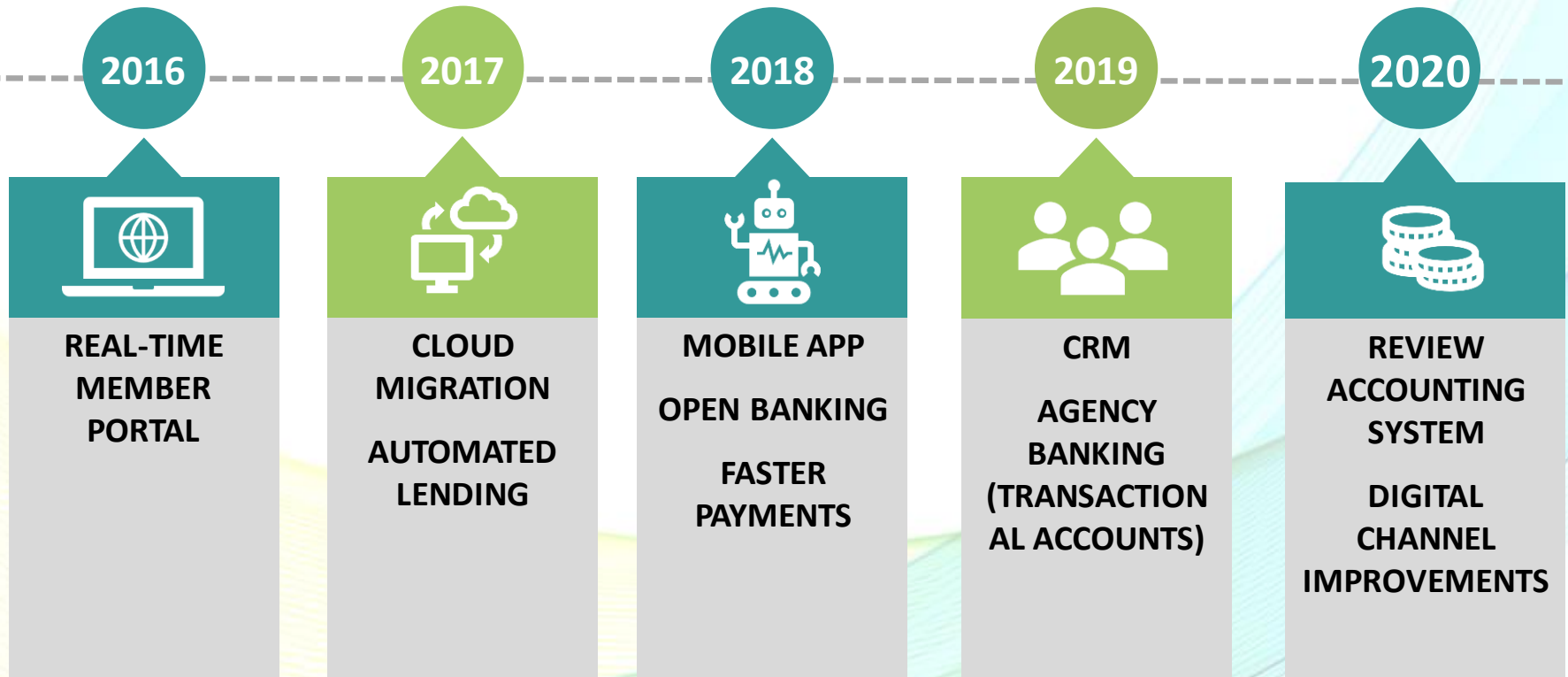
The Process - SCRUM



<https://www.scrum.org/resources/what-is-scrum>



What we have achieved & future plans





What we have achieved - Cloud Migration

Migrated to Amazon Web Services in 2017

Why Cloud?

- Reduce infrastructure management burden
- Improve resilience and security
- Short term commitment (PAYG)

Why AWS?

- Able to easily lift and shift legacy systems
- Excellent security and resilience
- Solid foundation for future development



What we have achieved - Integration

- Open Banking (TrueLayer)
- Faster Payments (Immediate Payments)
- Engage (Prepaid) card integration
- Credit Checking, Affordability & ID (TransUnion)
- Card Payments for loan repayments
- SMS & Email
- Telephone Integration (Twilio)
- Machine Learning Fraud Detection (Microsoft Azure ML)
- Address & Bank Validation (GB Group)



What we have achieved - Member Digital

Member Portal Stats

- 85% membership registered to use digital services
- 90% of all new business (membership & loans) originates online
- Completed over 4,500 fully automated loan applications
- Quickest time from application start to pay out is 3 minutes.
- 95% satisfaction rate for the online and app based service

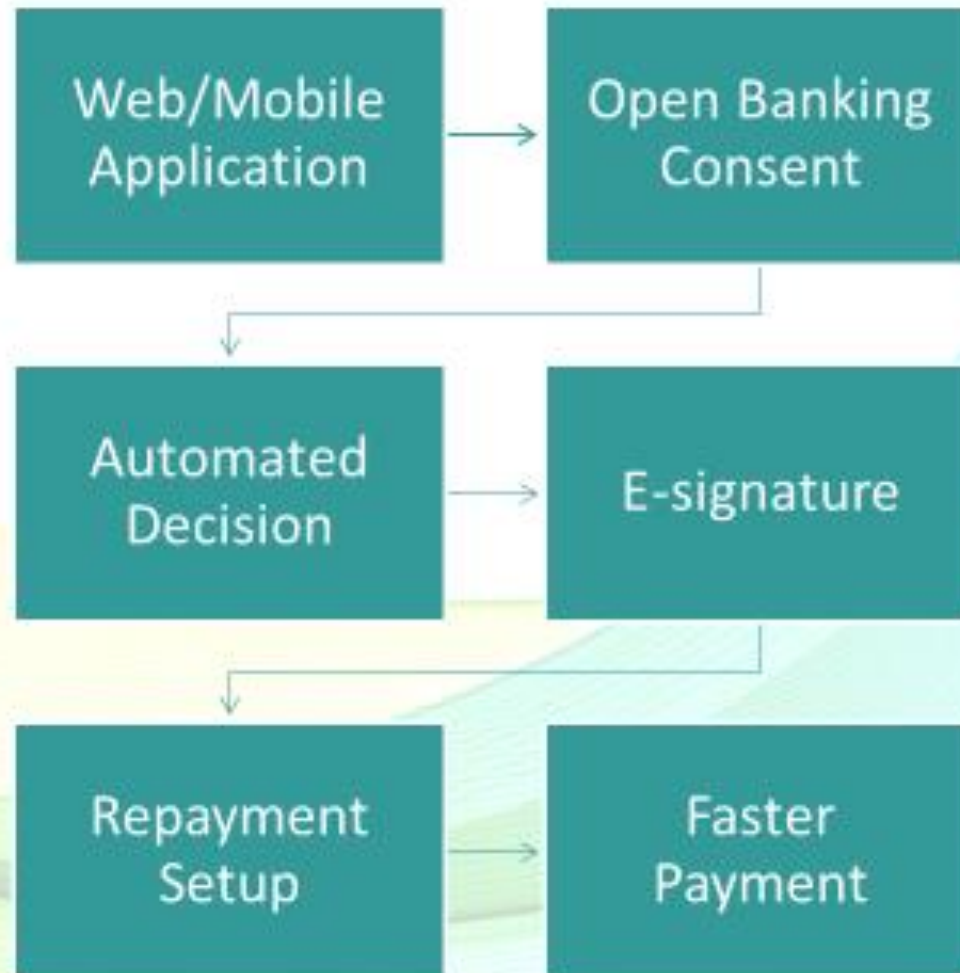
Easy to apply for a Loan

"It's much easier and faster to apply and sign a loan agreement,. I used to have such difficulty getting into branch to apply as I have so many babies and I wasn't always able to apply when I needed to. The new online method is brilliant and makes life so much easier for those who do have difficulties coming into branch for one reason or another. Very well done Clockwise – an excellent service!"



What we have achieved - Member Digital

Loan Origination

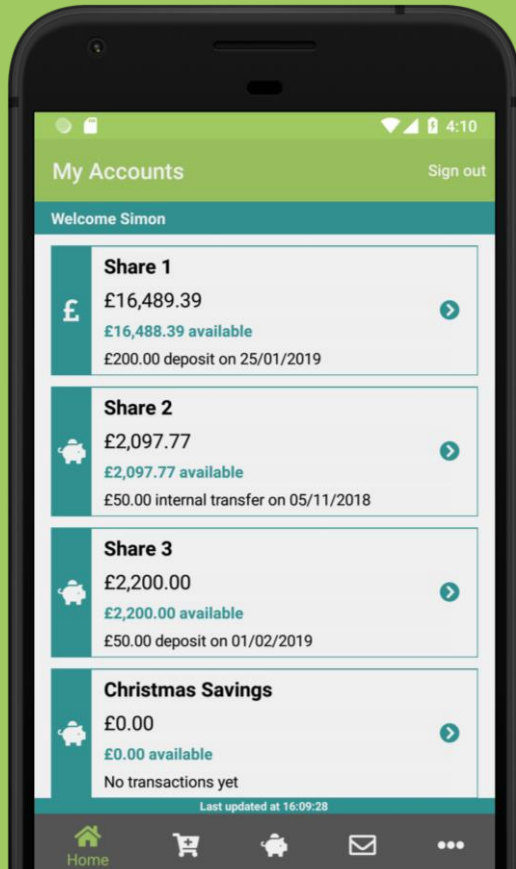




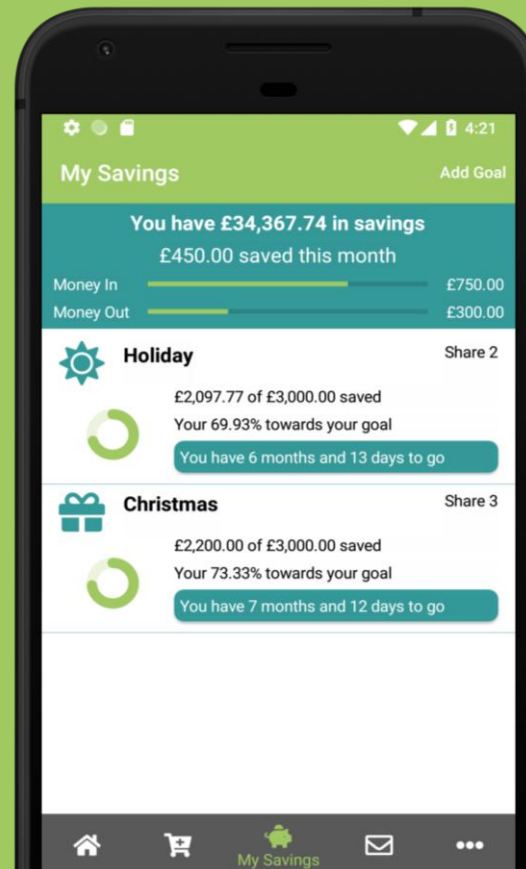
What we have achieved

- Mobile App launched 2018

All your Clockwise accounts
in one place.



Achieve your savings
goals



- 3,000 regular app users each month
- Popular savings goal feature.

Future Plans

- Chatbot
- Push notifications
- Siri/Google Assistant integration



What we have achieved - Decision Manager

Loan decision engine developed in 2017

- Real-time loan decisions using multiple data sources
- Decision support for manual underwriting e.g. open banking, calculating credit limits and available products
- Analytics and reporting
- 40% decision automation. Target of 60% by end of 2020
- Exploring use Machine Learning/AI using technology provided by Microsoft and Amazon

What we have achieved

Advantages

- Not dependant on branches/staff
- Speed of service to members
- Automation
- In house development so less dependant on external suppliers
- Integrations
 - Best of breed approach
 - Embrace API
 - Flexibility
- Focus other resources on all channels of communication with members: Back office portal, phone, branch, access points, SMS



What we have achieved

- “How times have changed since all those years back having to go into the office or collection point 2 or 3 times just to apply for a loan, drop in bank statements or pay money in. Having to wait up to 4 or 5 days for a decision. If you apply for a loan now it can be looked at and approved immediately without having to leave your home. My last one was approved and I signed for on my mobile walking round Abbey Park. Money in the bank within 15 minutes! Great service” Helen
- “I suffer neurologically so this site is so easy for me to use”
- “Very simple, very easy to complete and the link to the banking information service is so convenient”



What we have achieved - CRM

- Customer Relationship Management system launching September 2019
- Hybrid system not just focused on sales
- More than members – applicants, contacts, leads and business partners



What we have achieved - CRM

Four Modules



Activities

Contact & task management for staff. Telephone, email, online, branch and app all in one place.



People

- Applicants
- Leads
- Contacts
- Members
- Third parties
- Business Partners



Opportunities

Make the most of the data we store.

Automatic generation of new opportunities.

Marketing automation and reporting



Team

Monitor performance

Improve staff productivity



Future Plans

- Transactional Accounts (Agency Banking)
 - Sort code and account numbers
 - Direct debits
 - Cards
- Core Accounting System Replacement
- Business Intelligence
- Improvements to Digital Channels
 - Voice assistant technology
 - Digital Budget account



Future Plans

Business Intelligence/Data analysis

