

Keeping Up with the Changing Credit Union Landscape: What to Keep in Mind this Year

By: Scott Johnston, EVP/COO of Member Driven Technologies (MDT)

Last year brought its own set of unpredictable challenges as the pandemic disrupted the way credit unions operate and serve their members. While some of these shifts will be temporary, others will likely remain for the foreseeable future as the industry continues to adapt to a new normal.

As credit union executives plan for this year, they should keep a careful pulse on the rise of digital, the branch's evolving role, the importance of business continuity planning and new, niche ways to serve members.

Digital acceleration

Members today expect a seamless digital banking experience that maintains the human touch and relationship focus credit unions are known for. As digital transformation continues, credit unions must invest in the modern, open technology necessary to meet these expectations.

To be successful, credit unions must evaluate their digital strategies beyond just digital banking apps. Digitizing traditionally manual, paper-based processes such as new account openings and loan applications became more important than ever last year, and that trend is only expected to accelerate.

Prioritizing business continuity planning

Transitioning to a remote working model proved difficult for credit unions across the country, as many lacked the resources needed to effectively serve members from home, such as laptops, monitors and headsets/equipment, etc. Making matters worse, pandemic-related fraud surged, illustrating the grave importance of keeping hardware updated with the most current encryptions and security software.

In 2020, institutions learned just how critical it is to have robust disaster recovery and business continuity plans in place, and this is an area that will remain top of mind into 2021. After all, last year truly proved that anything can happen.

Evolution of the branch

During the pandemic, many branches closed (at least for a certain amount of time) while others changed their hours or operating models to better align with social distancing mandates and health concerns.

Several credit unions found success and new efficiencies with these shifts. For example, appointment-only models allowed members to continue to meet with staff in person to discuss complex topics such as budgeting, investments, financial literacy and lending. Other institutions relied more heavily on ITMs, which facilitated a connected experience without the risks of direct interaction. No matter how the branch evolves, it will continue to be a critical service channel this year and well into the future.

Catering to communities' needs

Whether it was in the form of skip-a-pay programs, dedicated small business services or providing payday loans, credit unions across the country stepped up in new and creative ways to serve members last year. As businesses and consumers look toward financial recovery, credit unions that continue to find unique, niche ways to support them will be well positioned to gain loyalty and market share.

The credit unions that remain nimble, relying on trusted partners and leveraging open, modern technology to better serve the changing needs of their members will be well positioned for strengthened member loyalty and success this year and beyond.

