CENTER OF EXCELLENCE IMPACT REPORT

Filene's Center of Excellence for Data Analytics & the Future of Financial Services

CENTER GOALS

To advance credit unions' understanding of and capabilities in data governance, management, and analytics, and to prepare credit unions for the future financial services landscape.

FILENE FELLOW

Dr. Cheri Speier-Pero

Associate Dean
Broad College of Business
E&Y Professor of Accounting and Information Systems

Michigan State University

A WORD FROM DR. CHERI SPEIER-PERO

"This research center focused not only on how to build the technical skills to create models and develop platforms to drive analytics outcomes, but also on **understanding the cultural and political environments of an organization to influence and successfully implement models in a way that creates value**. This reflected my broader vision to help leaders move ideas forward through the implementation of new value-creating technologies and systems."

CENTER OVERVIEW

The Center of Excellence for Data Analytics and the Future of Financial Services, led by Fellow Dr. Cheri Speier-Pero was a recognition by credit unions of the important role data plays in the competitiveness of providing financial services. When the Center launched in 2020, the assumption was technological capabilities and accessing data at scale were the primary reasons credit unions lagged other financial and fintech providers in data application. The Center's research validated that scale is a barrier while discovering the biggest gap in collecting and applying strategic data insights was actually a result of cultural barriers. Primarily, that leaders were struggling to create a culture where data was consistently used as the primary mode for decision making.

The center launched with a survey, and the resulting report, Data Analytics Readiness Levers and Credit Union Performance, benchmarked credit unions against six areas: leadership, culture, employee awareness and use of tools, partner/internal benefit creation, architecture, and staff quantitative abilities

Three levers, leadership, culture, and infrastructure were found to be particularly critical to help credit unions address gaps for building analytics readiness and adoption.

The subsequent research examined each of the six benchmarked areas, providing strategic and tactical guides on capability and skill building. In the end, the Center's research reached nearly 424 credit union and industry organizations, representing just over $1 trillion in assets, 138,937 employees, and 61 million credit union members. The insights contributed to two major shifts in the credit union industry: a deeper understanding of how to build a data driven culture as part of a modern data stack and the launch of the Credit Union Data Exchange to provide a cooperative approach to data sharing to unlock competitive advantages.

CENTER PUBLICATIONS & INSIGHTS

This timeline represents the Center's body of work, including the top four insights from Filene Fellow Dr. Cheri Speier-Pero's research.

JUNE 2020

525

REPORT #525 | FILENE.ORG/525

Data Analytics and the Future of Financial Services: Approaches, Insights, and Future Directions

552

REPORT #552 | FILENE.ORG/552

Case Study on Analytics Readiness as a Precursor to Creating Value

563

PIVOTAL REPORT

REPORT #563 | FILENE.ORG/563

Building the Modern Credit Union Data Stack to Leverage Analytics Value: Key Investments and Partners

Read this report to understand how to effectively leverage vendor partnerships to advance analytics capabilities, inform business strategy, and foster analytics value creation.

569

REPORT #569 | FILENE.ORG/569

Data Analytics Readiness Levers and Credit Union Performance: Results from Filene's Analytics Readiness Survey, 2021

577

PIVOTAL REPORT

REPORT #577 | FILENE.ORG/577

Creating Cyber Resilience in Credit Unions

Read this report to learn about key defensive and offensive cybersecurity strategies to maintain members' trust and member loyalty.

582

REPORT #582 | FILENE.ORG/582

Developing Leadership and Culture to Drive Analytics Value

587

PIVOTAL REPORT

REPORT #587 | FILENE.ORG/587

Do Your Employees Speak Data?—Cultivating Employee Data Literacy to Maximize Analytics Value Creation

Read this report to create an effective data literacy program for your credit union aimed at more robust decision making, targeted talent development, and increased talent retention.

592

PIVOTAL REPORT

REPORT #592 | FILENE.ORG/592

Executing Your Credit Union's Analytics Strategy

Read this report to understand the critical skills needed to leverage the most important asset in any analytics strategy, your talent.

607

REPORT #607 | FILENE.ORG/607

Accelerating Analytics: Creating and Fostering Academic-Credit Union Partnerships

JUNE 2024

FOR MORE INSIGHTS FROM THIS CENTER VISIT: **FILENE.ORG/DATA**

BY THE NUMBERS

ACTIVITIES

The potential for major cultural shifts in the credit union industry as a result of activation of the Center's research and tools.

13
RESEARCH OUTPUTS

7
CONFERENCES & ROADSHOWS

7
WEBINARS & PODCASTS

INDUSTRY INFLUENCE

The influence this Center has had to change mindsets and enhance learning for both individuals and organizations.

1,947
CENTER PAGE VIEWS

3,796
RESEARCH OUTPUT DOWNLOADS

3,605
EVENT ATTENDEES

MEDIA INTEREST

The scope of interest in the Center's topic within credit union industry and trade media.

160
MEDIA HITS SINCE SEPTEMBER 2020

22.89M
POTENTIAL AUDIENCE REACHED THROUGH CUINSIGHT, CU BROADCAST, CU TODAY, CREDIT UNION TIMES AND MORE

OVERALL REACH

The scope of exposure of the Center's topic within credit union industry.

424
CREDIT UNION AND INDUSTRY ORGANIZATIONS REPRESENTING...

$1.04T
IN CREDIT UNION ASSETS

61M
MEMBERS

139K
EMPLOYEES

IMPACT FOR YOUR CREDIT UNION

A Guide to Creating a Modern Data Stack

This report is a comprehensive, how-to guide on creating a modern data stack. A modern data stack refers to the various technologies and credit union capabilities that result in a robust data architecture (hardware and software) and key processes facilitating the collection, analysis, and application of data to enhance data-driven decision making and business insights. For credit union leaders looking to incorporate data analytics into the development of their business strategy for the first time, asking oneself "what needs making sense of" is a good place to start. Having that initial conversation with the right vendor can make your adoption of data analytics a successful one. Consult with peers to learn about their experiences, successes, and mistakes. In addition to developing analytics capabilities, credit unions must also develop internal talent, a data-driven operational culture, and specific business questions that will allow them to leverage their data stack.

TO DOWNLOAD THIS REPORT VISIT: FILENE.ORG/563

IMPACT TO THE CREDIT UNION SYSTEM

CUDX

Credit Union Data Exchange (CUDX)

Formed in 2023, CUDX is a CUSO focused on expanding credit unions' access to rich data and insights. CUDX was established based on the insights from the Center for Data Analytics and the Future of Financial Services about the need for more robust data sets than individual credit unions possess on their own. Credit unions own the data exchange, governing through a cooperative model and participating by sharing a rich, anonymized, and analytically valuable data set. The technology is powered by a secure platform that combines request and consent messaging, data collection, and transfer. Councils define practices and standards around data privacy, data risk, data compliance, data use, research, and industry benefits. Credit union core and third-party data is anonymized and masked. CUDX has the potential to put the largest database of consumer financial information into the hands of the credit union industry, creating an important competitive advantage against larger individual financial institutions.

CASE STUDY: LEVERAGING CUDX TO EXPAND MEMBERSHIP REACH

Since using the research from the Center of Excellence for Data Analytics and the Future of Financial Services, Maps Credit Union ($1.3 billion in assets, 76,446 members) fully appreciated how strategically important its effective capabilities in data governance, management, and analytics really are.

Brenton Paulsen, Vice President of Data Strategy at Maps, stated, **"Filene's data research highlighted effective use of data as a top priority for credit unions and informed our participation in CUDX. By working with the other credit unions in CUDX, we realize that a lot of the important data to strategy and building membership bases reside outside of the data that we currently have. Sharing data with other credit unions could be important to informing growing membership to include members that are different than the ones we currently attract."**

Brenton Paulsen

Vice President of Data Strategy
Maps Credit Union

maps CREDIT UNION

FOR MORE INFORMATION ON CUDX VISIT: FILENE.ORG/CUDX

Keith Sultemeier

President + CEO
Kinecta Federal Credit Union

kinecta
banking done different

CASE STUDY: TURNING THE ECOSYSTEMS APPROACH INTO BUSINESS IMPACT

Kinecta Federal Credit Union of Manhattan Beach, CA ($6.7 billion in assets, 265,827 members) embarked on its analytics journey in 2014 using the "business intelligence" label. As one of the first credit unions to join the Center for Data Analytics in 2019, Kinecta's leadership knew that they needed guidance on how to build a more robust data analytics ecosystem. Leveraging the Center's research, Kinecta's leadership's committed to a multi-faceted, data-driven culture in which technology became integrated into the daily operations and decision-making processes of the credit union organization itself.

The organization began with a data warehouse and then it evolved with the integration of data systems to handle vast amounts of data on a daily basis. Today, Kinecta's dedicated data analytics team of six manages 40 unique internal and external data systems that together process over 380 million data records each day.

As CEO, Keith's role was to act as a change agent for infusing data analytics across Kinecta. Keith shared, **"You will not derive value from data until you successfully marry technology with strategy, invest in people and culture, and connect your business intelligence infrastructures with organizational process."**

CASE STUDY: EMBRACING ACADEMIC PARTNERSHIPS TO GROW TALENT SKILLS AND PIPELINE

In one of the final outputs for the center, Dr. Cheri Speier-Pero highlighted the benefits of forming long-term, close partnerships with universities, their researchers, and their students. These partnerships provide: an academic institution to credit union talent pipeline; project experience to enhance the analytics capacity credit unions have within their organization; and the ability for credit unions to assess the value of the project relative to investing in human capital who would have those specific analytics skills.

Michigan State University Federal Credit Union of East Lansing, MI ($7.7 billion in assets, 348,401 members) has a partnership with Michigan State University that provides MSUFCU with on-going access to interns and future talent for the organization.

Sara Dolan, Chief Financial Officer at MSUFCU, shared, **"These partnerships allow us to complement our internal data analytics team by bringing in outside perspectives, outside understandings of new technology and new methodologies. The partnership brings us enhanced access to cutting-edge skill sets and technology that as a credit union we otherwise would not have the time or capacity to do ourselves. It is a win-win for all parties. Credit unions get access to the knowledge and research of the students and the students get access to real-world experience."**

Sara Dolan

Chief Financial Officer
Michigan State University
Federal Credit Union

msufcu

LOOKING INTO THE FUTURE

While the Center of Excellence for Data Analytics and the Future of Financial Services has now ended, the work to deliver on the potential of strong data capabilities within credit unions continues in two of Filene's new Centers of Excellence.

Launched in 2023 and building off of the emphasis of data-driven value creation, the **Center of Excellence for The Credit Union of the Future** looks at how credit unions can leverage data to take advantage of new technologies and business models, creating a competitive advantage and sustainable growth, while serving their employees and members better.

FILENE.ORG/FUTURE

Launching in 2025, the **Design for Digital Center of Excellence** builds upon the insight that three key levels—leadership, culture, and infrastructure—are critical to a credit union's success. Expanding from a focused view on data, the research from this center will look at how credit unions organize themselves to be continually reaching for change, whether that be data, digital, or whatever is next to come.

FILENE.ORG/DIGITAL

DIVE DEEPER

For more from the Center of Excellence for Data Analytics & the Future of Financial Services visit:

FILENE.ORG/DATA

THANK YOU

Filene's Center for Data Analytics & the Future of Financial Services is generously funded by:

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AMERICA FIRST CREDIT UNION
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GECU WE'RE WITH YOU
kinecta banking done different
msufcu MSU FEDERAL CREDIT UNION
Together CREDIT UNION
VISA
Vizo financial