

Digital Transformation: A Credit Union Imperative



An Interview With Michael Duncan, CEO, Bankjoy

Everyone talks about the need for digital transformation. Unfortunately, nailing down a precise definition of digital transformation can be difficult. Enter Michael Duncan, CEO and co-founder of digital banking provider Bankjoy.

“Credit unions are historically known for great member service, primarily through their branches. They’ve always excelled at creating a great member experience. This gave them a big lead over the mega banks,” said Duncan. “The problem is that this gap is closing as more and more consumers move to digital, which, of course, has been accelerated by the pandemic.”



“So, for credit unions, digital transformation means taking that great branch experience and delivering it digitally through the use of superior technology. The credit union’s goals are the same. Just the methods are different.”

According to Duncan, this means more than delivering services like digital banking, online lending, advanced bill payment, etc. It means giving the member an opportunity to express their wants, needs and goals, just like they did in a branch setting.

“That’s the real challenge,” said Duncan. “It’s easy to deliver services digitally. It’s much more difficult to create a meaningful digital experience that rivals the branch experience.”

Asked whether he sees digital transformation as a revolution or an evolution, he said it’s a little of both.

“It’s a revolution in the sense that we’re able to use all these exciting, new technology tools to create incredible member experiences,” Duncan told Finopotamus. “But at the same time, it’s an evolution in that credit unions still need to do the same things they’ve always done. They just need to do them differently, using a different tool-set.”

As a fintech veteran, Duncan has seen more than his share of “what not to do” examples.

“A lot of credit unions still see technology as a list of boxes that need to be checked. This is a huge mistake,” admonished Duncan. “Instead, credit unions need to look closely at their goals and objectives and especially their brand promise to members, and then determine the best ways to deliver on those through the use of digital tools.”

Again, Duncan went back to the idea of doing more than just providing financial services. For example, he pointed to the importance of member financial education for any credit union trying to raise the community it serves. This is an ideal way to leverage technology.

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Another mistake Duncan sees is the credit union that tries to build a cohesive member experience using products from multiple vendors.

“It’s hard to create a seamless member experience by tying together products from a bunch of different vendors,” said Duncan, giving the use of different vendors for desktop and mobile banking as the most common example. “Credit unions need to think of the member experience first and how their technology decisions will help them compete with (or keep them from competing with) Chime, for example. The days of using different vendors for online and mobile have to be numbered. There’s just too much inconsistency when you take that approach.”

Duncan was quick to point out that there’s much more to digital transformation than just spending money on the latest technology. True digital transformation also requires a cultural shift at the credit union.

“Credit unions need to think about technology differently,” said Duncan. “They’ve long siloed technology into the IT department. However, for digital transformation to have a long and meaningful impact, it needs to be spread across the entire organization. Every single employee needs to understand how important technology is to the survival of the credit union.”

What’s next? Duncan claims that artificial intelligence (AI) and natural language processing (NLP) will become more common in the months and years ahead.

“We’re already at a point where a member can call into the AI-assisted call center and say, ‘I want to pay \$100 from my checking account to my credit card next Tuesday and then continue that monthly until the card balance is paid off,’ and the system will set that all up instantly. It may sound strange, but in many instances, AI can provide a faster, more consistent experience than a human agent.”

If you think this sounds out of reach for smaller credit unions, think again. According to Duncan, digital transformation is within reach of virtually any credit union.

“Native cloud delivery has made technology much more scalable and economical,” said Duncan. “Today, the infrastructure behind the scenes is no longer the most expensive component of what we deliver. At Bankjoy, we take pride in our ability to help credit unions of all sizes – even start-ups. Digital transformation really is for every credit union.

Company Website

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The logo for Bankjoy, featuring the word "Bankjoy" in a bold, blue, sans-serif font. The letter "j" is stylized with a curved bottom that loops back under the "y".

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