

DIGITAL ACCORD: THE GOAL OF DIGITAL TRANSFORMATION

Written by: Donnie Price, Senior Consultant, Edge Consultancy

- Moving from commodity to differentiation requires Digital Transformation.
- Digital Transformation is not just about omni-channel or new channels.
- To create and nurture relationships across all channels requires Digital Accord.

Generically speaking, a depository intermediary's (FI) primary function is to consolidate deposits and channel the funds into lending activities. In performing this function, FIs facilitate the transformation and benefits of maturity, risk, and liquidity between savers, borrowers, and third-parties, which enables profit and efficiency in exchange. In this sense, FIs offer a commodity in the financial services space; that is its solutions have the mark of substantial fungibility in that they are easily substituted with competing solutions of the same type. This truth can expose vulnerable stakeholders to fear and increasing insignificance.

Amid this reality, a noble mission to serve the community led by talented leaders provides the passion and framework for fueling activities at FIs; this alone, however, will not sustain the

business because we are in a new paradigm regarding consumer expectations. Transforming banking commodities into differentiated and preferred consumer solutions for tomorrow's accountholder is accomplished most effectively through Digital Transformation - which has Digital Accord as its goal. Digital Accord is harmonious, accommodating, compatible, attuned, unified, relational, and suitable - among other things.

Furthermore, Digital Transformation is not just about omni-channel or new channels - it's about enabling innovation, collaboration, insights, creativity, trust, and relationships rather than just supporting traditional products, services, and processes. It's strategically thinking of technology as humanly relational - permeating the lives of accountholders.

ABOUT EDGE CONSULTANCY

Edge Consultancy, is headquartered in Miami Beach, Florida and is the premier consulting organization created to address the most complex issues facing financial institutions today teaming with the most experienced and proven advisors in the Industry. Their unique consultative and inclusive approach has produced powerful and measurable results. The Edge specializes in strategy, growth, technology, shared services, risk analysis and operations. To learn more about how the Edge Consultancy can help you, go to:

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Essentially, consumer perception of technological sophistication, more than deposit insurance, physical locations, vaults, and business décor is the deciding trust factor today - trust being the foundation of any financial relationship. Besides, money is digital, and the consumer is mildly, yet still subconsciously aware of this. He/she believes that if you can't "digitally do the relationship" well, how can the relationship be secure and trusted? Digital Transformation must continually seek to facilitate ease of access, excellent service, sophistication, and trust.

Relationship building solutions and services, as always, are primary differentiators in the market, but today the differentiating solutions are not the car loan and checking account. Additionally, service delivery is rapidly becoming an

impersonal, remote event. Commoditized banking products can come to resemble a standard, public utility in the consumer's mind. Edge's perspective is that, because financial products provided today are inseparable from the technology that surrounds them, and humans still desire harmonious, trusting, and affirming relationships, even if they are remotely facilitated, FIs must master the Digital Transformation process. The more we interact and deliver via digital channels, the greater the need for Digital Accord becomes. Furthermore, Digital Transformation does not end, because we continue to evolve how we socially connect, interact, work, and evaluate relationships in the marketplace. This continual transformation applies to internal facing

technology and processes, too - one bleeds over to the other.

What to do? Know that banking continues to be about relationships, but relationships today are initially being found, evaluated, built, and sustained via technology. Marry your service philosophy with your Digital Transformation roadmap to ensure increasing Digital Accord throughout your technological journey in support of your accountholder's journey. The journey should continually improve ease of use, ease of access, transparency, trust, and relational insights that are actionable and increase loyalty. Fundamentally, simplifying complexity is always more sensational. To conveniently know and to be known is Digital Accord - built on trust via a sound Digital Transformation strategy.

How can you accomplish Digital Accord? Contact Donnie.Price@edgeconsultancyllc.com.

Revolutionary, Cost-Savings Core, Payments, and Technology Search for Credit Unions

Written by: Donnie Price, Senior Consultant, Edge Consultancy & Kirk Kordeleski, Senior Managing Director

- Traditional search processes are long, complex and often contentious.
- Edge believes a faster process that creates alignment with the vendor is a better foundation for short- and-long term success.

Edge Consultancy LLC has rolled out a faster and more accurate solution search & selection process which promises less disruption to ongoing operations, requires fewer client hours committed to the process, and saves credit unions money.

Edge's proprietary process enables clients to choose the right solution at the right price in an efficient and cost-effective manner, which results in a solution that serves business needs for at least

a decade. Edge's process facilitates an environment that allows for the vendor and the client to be partners in technology solutioning, ensuring vendors understand business needs at a level of detail that guarantees alignment with the client's strategy.

The traditional search process takes up to 12 months or more and is very expensive. It relies on little expertise by the client's staff in the selected technologies, and very often the selection is a vote by committee. The selection committee understands their business, of course, but does not fully understand the vendor or technology - leading to poor choices, frequent conversions, and constant frustrations with vendors.

Furthermore, the process consultants use today begins this critical, long term relationship (client and vendor) in an untrusting and disagreeable manor; it creates a winner and loser relationship. The entire system search and conversion process may take up to 18 months or more and require another 6 months of fixes and changes. The hidden cost of this to the credit union is that they are not upgrading systems, introducing new products, or competing as effectively during this entire selection and implementation period. They do not grow and their service levels decline. In the

end, the process serves the consultants as much or more so than the credit unions.

Edge's approach is based on a different paradigm - one that has two primary tenets:

1. Credit Unions need a faster decision process, so they can quickly get back to serving their members rather than being a slave to the conversion process.
2. Credit Unions need a process where they and the vendor act as partners from the very beginning, so that their relationship not only starts off on the right foot but is based in mutual, long term success.

Edge's revolutionary approach encourages alignment and consensus building, ensures comprehensive understanding of the sourcing solution, allows issues to be addressed at individual, team, and system levels, results in actionable plans with all decision makers and key stakeholders present, maintains focus on results and realization of value over time, mitigates resistance to change and increasing momentum in new directions, and enables "speed-to-value" through accelerated decision making.

To find out more about our selection process, contact Donnie.Price@edgeconsultancyllc.com.

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