2022 Priorities for Credit Union CIOs' Continued Success

The post-pandemic economy is changing rapidly and credit unions need to be at the core of their members' ability to flourish. Without proper, effective innovation, CUs risk falling behind in even what they currently do well.

So how can a credit union ensure its business transformation pushes the proper boundaries and introduces new strategies, structures, culture, and capabilities? Successful CIOs are looking to technology as a dynamic force in their industry to help stay relevant and competitive with a new wave of competitors.

Many have realized their goals are unreachable without engaging in technology. The further away IT is from the member, the less it can understand what members value and technology's role in delivering that value. CIOs need to marry their tech leadership duties with their business drivers to help their credit unions grow.

Before you focus on tech initiatives, ask yourself, "What value does this technology provide to the member?"

The surge of online banking transactions since the arrival of the pandemic in 2020 was a wake up call to CUs slow to adopt new technologies. And there's no return. Members aren't going back to the way they used to bank.

However, rather than seeing the new priorities solely as a marketing, technology, or analytics problems, view them as an organization-wide opportunity to build member relationships not solely for the short term but long-term drivers of growth and member lifetime value.

Imagine how CIOs can focus their efforts to structure the credit union business to flourish.

Know your member as well as you know your technology. Rather than execute a technology strategy, look to shape how member experiences drive the need and build it as a member-centric strategy. Include technology leaders as part of the inner circle and embed developers into product and sales team discussions to co-create what members want.

You never change things by struggling with the current technology. Change to take advantage of the flexibility and speed. Spending time trying to reconfigure an old system may be more costly and frustrating than implementing a new model that makes the existing model obsolete.

Many credit unions are struggling to capture the total value the cloud offers. For example, productivity and efficiency gains through cloud migration can generate substantial cost savings but strategically represent enhanced ways of doing what IT already does.

CIOs need to lead cloud economics and target business areas that can benefit members from the cloud's speed, flexibility, and scalability advantages.

The foundation of building a technology strategy. A technology realization success story begins with a combination of detailed business requirements, outstanding developers, and nothing in between. Top tech talent focuses on making banking accessible in the 21st century by believing they will change the banking industry.

Instill a culture that delights developers, where issues and solving them impact business performance. Invest in low-code, no-code platforms, and SaaS (Software as a Solution), which free up seasoned developers to focus on the most challenging tasks at hand. Provide the freedom to work without the bureaucracy that slows down agile methodology.

Adapt to change. Change is inevitable, but credit unions that are architected to learn and adapt at speed—whether learning a new coding language, using tech to develop a new business model, integrating new technology, or adopting a new methodology—will be those that flourish.

To the degree to which non-tech people in the business, from the CEO and board members to sales reps on the front lines, understand how to use tech will also determine how well credit unions generate value. For this reason, CIOs need to make tech literacy a priority across the business.

Budget for learning time in your talent and capacity plans. And measure how current your organization's workforce skills and technology understanding are and what your goals are for the next 12 months.

Let security be an enabler of speed and growth. In many credit unions, the security and compliance functions are treated as necessary evils, time-consuming processes that slow down initiatives but are necessary.

Genuine cyber threats have increased, but there's a real danger that security concerns choke off a business' speed and flexibility. The solution is recognizing that security is primarily a cultural and managerial issue rather than a technical one. Ninety percent of tech leaders believe their IT organizations have been effective in improving cyber defenses.

The shift is to move security from something done only by a dedicated team to something

encompasses everyone in the credit union. Upgrade security operations to improve prevention and resilience across the workforce.

A DevSecOps working model, where security is integrated into each stage of an agile product lifecycle rather than being a check at the end, is one great way to do that. Agile teams are aware of their security responsibilities from the outset with secure architecture designs to meet security requirements for implementation.

The use of strong encryption, real-time monitoring of app run times helps monitor security issues early. Reusable components can improve security and agility. Security is reviewed as part of every sprint and code release with automated penetration testing as part of the development process.

Capturing the potential of DevSecOps isn't easy, and it relies on collaboration both within IT and across security, compliance, and risk. To get it right, make four shifts in how you manage technology:

- Create a more integrated operating model.

- Build secure "consumable" member services.

- Automate development and release processes.

- Evolve product architectures.

Choose better data over more data.
Usually, there's so much data, credit unions have difficulty knowing what's valuable. A data analyst can spend 30 to 40 percent

of their time searching through data and 20 to 30 percent cleansing it to make it useful. The result is often credit unions chase after different ideas in an uncoordinated and disjointed fashion. In effect, they're trying to manage the scale of the data they gather rather than extract the value within it.

The first thing is quality over quantity. Plan to scale data, analytics, and AI to bring in data insights and machine-learning operations and preplanning capability to make the many data linkages to enable advanced member experiences.

Second, CIOs can meet these needs by creating a "data and analytics delivery war room" comprised of data analysts, legal, compliance, and full-stack architects. This team takes inputs from the business and marketing groups, locates vital data sets, and creates a data-orchestration delivery platform to deliver advanced data insights to any part of the organization.

CIO 2022 priorities for a credit union to thrive in the digital age is impossible without a strong technology strategy.

CIOs have a unique opportunity to become business drivers. This opportunity doesn't mean it's time to throw out the playbook. Traditional needs of ensuring stability, meeting business requirements, and managing the costs and risks of delivery are all still necessary but a new set of bold aspirations to put technology at the forefront of the business is required as well.