

Why Fast Integration Is the New Innovation

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Partners FCU commits to implementing best-in-class technology twice as fast.

By John Janclaus

The financial services industry is shifting so quickly that it's hard for credit unions to keep pace. Having built their reputations for superior member service in face-to-face encounters at the branch, credit unions now must meet evolving expectations for state-of-the-art mobile and online access as well. Members want all that delivered seamlessly—along with whatever the next big thing right around the bend may be.

Few credit unions have the IT talent on staff to develop their own solutions from scratch and, even if they did, it's likely that one or more big technology providers or fintech startups have beat them to the punch. Rather than striving for in-house innovation, which is a high-priced gamble, credit unions may be better off finding really good technology partners and working with them on rapid integration.

Tech firms have invested billions to stockpile ready solutions and platforms for credit unions to implement. We talk about innovation as a gateway to keep our brands and offerings relevant to members. But moving quickly to implement new-to-the-market technology is so close to innovation that the difference may be indistinguishable to members.

That's not to say reinventing our organizations as masters of rapid implementation and integration is easy or straightforward. In undertaking this challenge at Partners Federal Credit Union, we reengineered our organizational structure to embrace agile methodology and adopted a new approach to business partnerships.

Our journey began with the recognition that a multiyear project to implement omnichannel delivery was \$1 million over budget and a year behind schedule. We regrouped and began to rethink how we could get things done better and faster.

Our team came up with an ambitious goal, not to be just 10 or 20 percent quicker to launch but to deploy services twice as fast. In pursuing our commitment to 2x, we recognized in short order that only a few of our systems—our processes, people capabilities and technology—were up to the task.

We broke those systems down and began rebuilding. Looking over our shoulders as we did this work, [Boston Consulting Group](#) contributed suggestions on organizational restructuring to move faster in implementing solutions from beyond our walls and to streamline management of our technological ecosystem. [Kony](#) was selected as our technology partner in sharing capabilities along with ready-to-implement technologies.

Our executive staff began working as a cross-functional team to drive the decision-making needed at the top, but the most of the work in a 2x environment is led by a high autonomy team granted the funding and accountability to get things done.

That approach is at the core of agile—increasing accountability, communications and organizational learning to implement new systems quickly, with course corrections along the way. Agile methodology is an iterative way of working through projects in which complexity, ambiguity and the need for agility are high.

Along with these internal processes, we developed a new way of selecting and working with business partners. We're not just looking for vendors to drop off their products at the loading dock and send us annual releases. We're developing relationships with companies such as Kony that are willing to collaborate, customize and co-create. That emphasis shifts the focus from the CIO shopping for new systems based on service and price to the CEO and other key members of the executive team talking about business objectives and exploring how potential partners can help the organization achieve them.

To determine we'd achieved 2x, we compared two similar projects with dedicated resources (card controls and FICO scores for mobile) and the level of effort expended to complete each. The card controls project took 32 weeks to complete using [waterfall](#) methodology; our first FICO for mobile project took 11 weeks to complete using [agile](#) methodology. We then leveraged the same tool sets and learning to bring FICO to tablet using agile--in just six weeks.

The new agile approach included agile training for the team and our partner (Kony) as well as fundamentally rethinking the mix of people, process and technologies to do the work. For example, we put in automated testing tools, which dropped testing of new code from a day to less than an hour.

Having attained 2x, Partners FCU has now set its sights on upping the ante to 3x or 4x as we seek to continually renew our brand and service offerings. As part of that journey, we will continue to realign our culture and governance to distribute authority and power more equitably throughout the organization, which is not always an easy shift for senior leaders. But we believe it is the key to competing in a world where speed of execution is the new capital. And we are sharing our journey as a living case study through a [series of videos](#).

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