



Accounting and Industry Update

Data Analytics for Credit Unions

Presented By:

JEREMY WITMER, CPA, CVA, CFE

Consultant | RKL Business Consulting Services Group



› Not Today's Agenda



➤ The Business Case – Data Analytics

- More competition - Internet/Smaller world/Global marketplace
- Market demands
- Adding products and services to stay competitive
- Higher level partnerships
- Speed
- Growth
- Increased complexity

› The Ongoing Rise of Data

- Big Data
- Data Warehouse
- Artificial Intelligence
- Machine Learning
- Quantum Computing
- Digital Strategy
- IoT – Internet of Things
- Data Science
- Operations Research
- Expert Systems

› The Ongoing Rise of Data

Common questions and concerns that we hear:

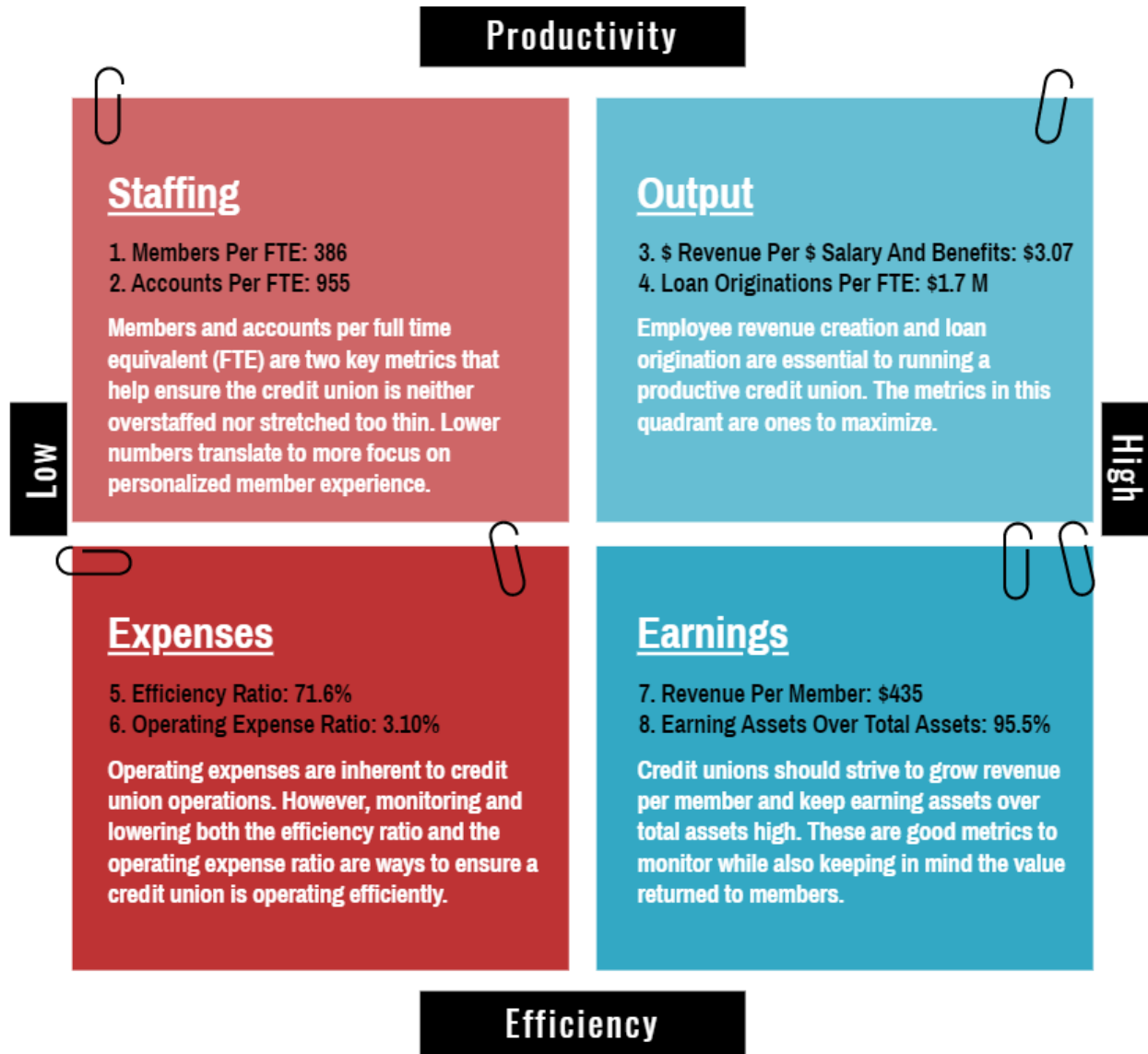
- Not enough or too much data
- Is it accurate?
- Am I going about this the right way?
- Am I painting myself into a corner (tools)?
- How much do I need to invest?
- How do I get started/Where do I go from here?

› Metrics

Common metrics used by companies:

- Budget
- P&Ls – consolidated, location, product line
- LTV, Quick Ratio, Current Ratio
- Cash Days
- A/R Days
- Revenue
- Sales Pipeline
- Net promoter score/customer retention

➤ Metrics – Credit Union Specific



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Metrics for different roles:

- CEO – Loan Growth, Member Growth
- CFO – Cost of Funds, Capital Ratio
- COO – Operating Expense Ratio, Efficiency Ratio
- CLO – Average Member Relationship, Delinquency and Coverage Ratios
- CMO – Net New Members per Location, Penetration Ratios
- HR – Members per Employee, Revenue per Salary and Benefits

These metrics can be set up with targets and benchmarked to other credit unions.

› Be Careful with Metrics

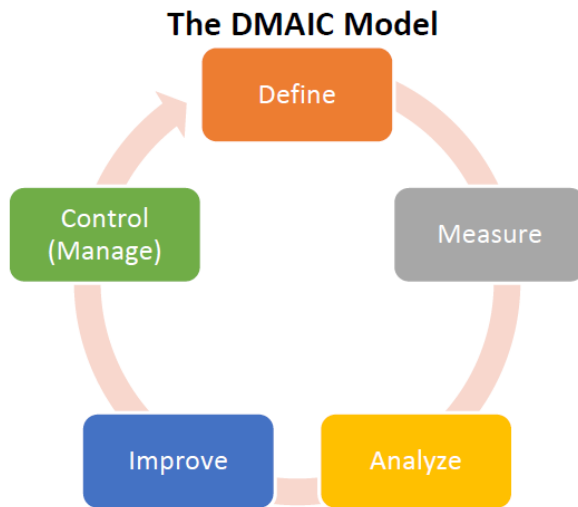


› The Importance of Metrics

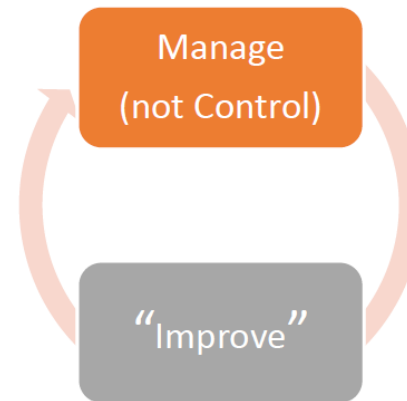
- Quantity does not equate to quality
- Technology lets you have more metrics and custom dashboards without it becoming overwhelming
- No metric > Bad metrics
- No metric > Not using metrics already in place

› The Importance of Metrics

- More quickly identify gaps in performance
- Better and faster decisions
- The focus should be on action not reporting



- Purposeful Action
- Data
- Proactive
- Root Cause based Problem Solving
- Prevent Future Problems (Higher Performance)

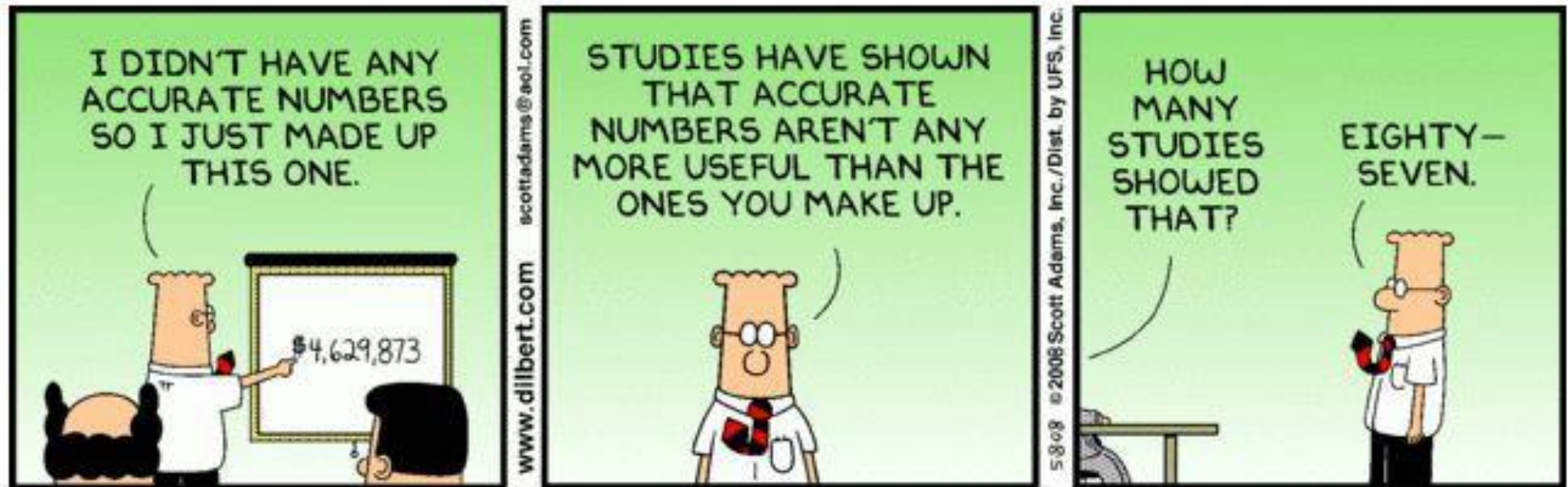


- No Data
- Reactionary
- Focused on Immediate
- Problem Solving less likely to be based on Root Causes
- Experience Same Problems Again

› Data Analytics

- Key Performance Indicators (KPI's) and dashboards
- Outside data – Benchmarking metrics
- Scenario modeling and what-if simulations
- Deep dives and complex situations
- Trend analysis
- Correlation and regression analysis
- Fraud detection – Vendor and employee files

➤ Please Validate the Data



FOCUSED. ON YOU.

JEREMY WITMER CPA, CVA, CFE

jwitmer@rklcpa.com | RKLcpa.com

717.394.5666 ext. 5741