

# CASE STUDY: Mobile for Gadget-Hungry Gear-Heads

August 1, 2011

**Institution: Star One Credit Union**



**Problem: The CU's 86,000 members are geographically scattered but still mailing in paper-based checks.**

**Solution: A mobile solution that integrates tightly enough with the core system yet still allows customization.**

Executives at Star One Credit Union knew it was time to reestablish mobile banking for their members.

For starters, the Sunnyvale, Calif.-based institution's five branches reside within the most famous tech corridor in the world, Silicon Valley.

For another thing, the credit union's longtime major sponsor is Lockheed Martin. This means Star One – first chartered in October 1956 as the “Lockheed Missile Employees Federal Credit Union” to serve the staff of the company's missiles and space division – has members spread around the globe.

While many of Star One's customers are extraordinarily tech-savvy, gadget-hungry gear-heads (Yahoo! is also a sponsor), their far-flung locales, most stemming from relocations or retirements, mean quite a few still mail in paper-based checks from dividends, rent, rebates and the like, for depositing. This has forced Star One to field numerous phone calls from worried members inquiring about the status of their check-based deposits.

The ubiquity of smart phones and the customer expectations of always-on connectivity made renewed adoption of basic mobile banking offerings a necessity. Margarete Mucker, Star One's vice president of remote services, also understood that going mobile would lay the groundwork for the credit union to provide more ambitious solutions. One such feature, mobile remote deposit capture (RDC), could solve the institution's check deposit customer service challenges. The \$5.5 billion, 86,000-member credit union plans to offer mobile RDC by yearend.

Star One is far from alone in only now fully adopting mobile: According to an Aite Group impact note released in April, as recently as last year, a majority of credit unions surveyed – six in 10 – had yet to offer mobile banking to members. Star One first offered mobile banking in the early 1990s like most everyone. But, like most everyone else's, the institution's WAP-based features failed to gain traction.

The first step in renewed efforts, developing a shortlist of mobile vendor candidates, was easy: Mucker says she found few that offered direct enough integration with Fiserv XP2, Star One's core processing platform. Those that fit that bill included Intuit Financial Services; Fiserv's own M-Com-based solution; and Tyfone's mobile banking platform.

Star One ultimately tapped Tyfone because, Mucker says, the vendor showed a greater willingness

than others to customize programming to match the institution's desires for specific mobile banking features, and do it cost-effectively. The first basic mobile features will be offered free to customers. The institution has yet to determine whether it will assess charges on some of the more advanced mobile offerings, like mobile RDC.

Services offered in the second phase of Star One's mobile rollout include an improved "Rate Watch" mobile alerts service, which sends changes to the credit union's interest and savings rates to members. Existing members will also be able to open sub-savings, checking and certificate accounts via their smart phones. Various other mobile services, including bill pay, account aggregation and Reg-D notifications alerting members they're near to hitting the six-per-month limit on transfers from savings to checking accounts, are planned for launch near yearend as well.

First the credit union will roll out in September more basic features, including balance viewing, funds transfer between checking and savings, member-to-member transfers, ATM/branch location, and transaction histories via mobile Web, apps and text.

As an interim solution to the contact center deluge of mailed check inquiries, Star One is also offering a deposit alert feature that will notify members of the amount of their deposits when they occur. This contrasts with the current offering, which only provides total balance changes via email. Mobile alerts on debit card activity will also be made available to customers.

"We like the idea of configurable deposit notification alerts, because it can take up to 10 business days to get mailed checks," Mucker says. "So as soon as a deposit is posted over a certain threshold amount set by the member, it triggers the notification, potentially reducing queries into the call centers."

Nothing yet is live, but Star One's systems work remains on track. The contract with Tyfone was signed in June. The credit union at press time had just finished establishing virtual private network connectivity between the Tyfone platform and Star One's core XP2 banking system; Intuit Financial Services powers Star One's online banking site.

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