



HAWAII STATE FEDERAL CREDIT UNION EMPOWERS ITS EMPLOYEES AND MEMBERS WITH HYOSUNG CORE INTEGRATED SOLUTIONS

Technology is most powerful when
integrated into the member experience.

HYOSUNG
Core Integration Case Study

KEY HIGHLIGHTS



Industry / Market:

Community-focused federal credit union



Solution:

To integrate with Hyosung's core integration technology to transform the credit union branches and add additional resources to underserved areas in the community.



Key Results:

With the technology in the branch and the right resources, branches have exceeded expectations with 70% adoption of in-branch transactions and 95% customer satisfaction. Also, Universal bankers in the Salt Lake and Pearlridge locations that manned the ITMs have become top referral producers for the transformed branch.

THE CUSTOMER

Hawaii State Federal Credit Union (HSFCU), founded in 1936 by the state of Hawaii employees, serves nearly 124,000 members across the state of Hawaii. Its membership encompasses current and retired state employees as well as their immediate families.

"We want to be an active contributor in our community. That's why it's so important to us to expand our presence in areas where our members live and work. Whether it's through financial education or by offering competitive, high-quality products and services, we want to show our members that we recognize their needs and are here to support them. Better financial health contributes to a more vibrant and engaged community, which benefits everyone."

Aaron Vallely

Senior VP of Retail Experience and Operations, Hawaii State Federal Credit Union.

THE OBJECTIVE

How can the credit union shrink its footprint of each branch, bring technology to its members, and continue to connect the credit union's employees with its members? As HSFCU created a strategy for their next-generation branches, one thing was important; they did not want to lose the member experience. As credit unions grow, there is a greater need for additional resources to serve its members and continue to provide the best customer experience. Being able to serve the underserved population and bring technology to customers remains important for HSFCU.

"When our members walk into a Hawaii State Federal Credit Union branch, we want them to have access to our full array of products and services, and have the option to engage with our employees. Whether it's for a simple transaction, or a sit-down discussion about an account or financial planning, we want to be able to offer our members options and flexibility. Hyosung's branch transformation solutions have made this possible."

Aaron Vallely

Senior VP of Retail Experience and Operations, Hawaii State Federal Credit Union.

THE SOLUTION

Hawaii State Federal Credit Union chose Hyosung's Core Integration Technology to transform the credit union branches allowing for additional resources to be added to underserved areas in the community.

Before the pandemic, HSFCU celebrated the opening of its Salt Lake Branch in August 2019. The Salt Lake branch piloted new technologies, helped create a process to build opportunities in underserved areas, and prepared HSFCU for an unprecedented pandemic. HSFCU digitized the customer experience and increased efficiencies so employees could assist all members that walked in and maximized self-service capabilities. New features include ATMs with expanded capabilities, core-connected ITMs with palm vein identification, digital touch engagement stations, and digital brochures. The branch was designed with Technology Teller Pod integrated with Hyosung's core connected ITM. This enables employees to engage with the member when they need help and continue to educate members on the new technology.

This new integration has allowed the credit union to use its employee resources more efficiently during high transaction times and has streamlined the way members' service needs are met.

“What sets Hawaii State Federal Credit Union apart from our competitors is our innovative thinking, blending high quality service and cutting-edge technology to effectively serve our membership. Our strategy involves utilizing technology to stay ahead of the market and keep up with changing consumer needs and expectations. We are an industry leader among credit unions in launching new technology and services that improve the member experience.”

Aaron Vallely
Senior VP of Retail Experience and Operations,
Hawaii State Federal Credit Union.



As HSFCU migrates towards self-service technology, branches remain a primary focus for the credit union. The new branches will incorporate extended services and provide additional banking opportunities to members in underserved areas throughout the state of Hawaii. Implementation and understanding of how members engage with the branch's technology and employees are important when choosing the right partner and solutions.

THE PARTNERSHIP

Hawaii State Federal Credit Union is a leader in providing innovative solutions to its members and was looking to partner with a solutions provider that could customize the software to meet the demands of its members. HSFCU partnered with NextBranch and Hyosung to implement new products and services for the Salt Lake Branch which provided a roadmap to building the Ewa Beach Branch and the Downtown Pop-up Branch. NextBranch has years of experience in implementing ATM and ITM technology into credit union branches and brings a creative perspective on alternative branch deployments.

HSFCU chose to partner with Hyosung, the world's leading manufacturer of ATM and ITM technology, because of their shared vision and Hyosung's complete branch transformation solution set. Hyosung's MX8800 was the ideal machine for the Salt Lake branch transformation project, and the support Hyosung provided in customizing the software was vital in the success of this rollout. With a major emphasis on self-service transactions and individual account maintenance, the MX8800 was able to surpass the credit union's expectations and provide members with a simple way to access all of their account information.

Partnerships with internal partners, such as NextBranch, Hyosung, and HSFCU's core provider, were critical in the project's success. Six months of time was budgeted to connect the MX8800 to HSFCU's core, and it was implemented in 6 months.

INNOVATIVE NEW OFFERINGS

Across Salt Lake, Ewa Beach, and Queen's Street, HSFCU implemented several new technologies: core integrated ITMs, Recycling ATMs, palm vein authentication, and a complete digitized journey. At HSFCU's core integrated ITMs, members can conduct all of their basic banking transactions at the ITM. Choreography was a central part of the branch making the placement of the ITM important. The credit union wanted members to see the benefits of the ITM and how it did not replace human interaction but enhanced it. Adding these technologies empowered its staff to assist every customer on their banking needs and build deeper relationships. All employees were universally trained to help conduct transactions on the ITM, conduct loan interviews, complete loan closings, and open new accounts. Data collected from this pilot branch was instrumental in the future of HSFCU. The credit union improved productivity and set the stage for building smaller branches.

Member satisfaction with the core integrated ITMs scored at 95%, higher than in-branch satisfaction, an impressive 93%. Tellers have been able to be redirected to relationship-building activities with members including the new role of a universal banker to engage members on the new technology offerings to enhance the customer experience.

CONTINUED BENEFITS AND IMPROVEMENTS

The Queens Street branch, a temporary branch in downtown Honolulu, is a 400 sq. ft. pop-up branch that provides a teller-less, assisted self-service experience equipped with 2 core integrated ITMs. The vestibule provides a safe, contactless space for members to conduct transactions without stepping into a full-service branch. Queens Street operates near paperless, a long-term goal for HSFCU.

The adoption rate in using the ITMs was surprisingly positive among the traditionalists and baby boomers. Over 70% of our transformed branch transactions are conducted on the ITM in self-service, and this number is expected to grow as members become more comfortable.

Overall, 97% of survey respondents said they would use the ITM again. Employee and member training was a big reason for the positive response. Before the project, HSFCU discussed its growth strategy and a plan to leverage the new technology. Thorough research into their data provided insight into how the credit union's members conduct transactions to build a seamless, customized journey. From marketing to ITM placement to training, the credit union ensured members found the technology approachable.

"There's always new technology being added to [Hyosung's software, such as] prestaging and check cashing for non-members. This allows us to continue moving forward with implementing new things to further enhance our members' experiences. Understanding Hyosung's software roadmap and how it aligns with our credit union's vision was important. We're happy to know that we chose the right partner."

Ish Eustaquio

Senior VP of Retail Delivery, Hawaii State Federal Credit Union.

Based on its success, HSFCU is expanding micro branches into existing retail store locations. These micro branches will allow member services comparable to a traditional branch without sacrificing the high-level of service their members have become accustomed to. The first Micro branch will open in the 1st quarter of 2022 with three additional openings by summer 2022.



ABOUT HYOSUNG AMERICA:

Hyosung first introduced core integration in 2015 and has developed a comprehensive set of self-service capabilities through years of partnerships with banks and credit unions to ensure the solution meets the evolving needs of the market and its partners. Hyosung's core integration software connects directly to the core banking application, expanding the number of accounts and transaction sets available for 24/7 access to customers of financial institutions. Core integrated ATMs bypass the ATM processor, eliminating third-party fees on transactions.

ABOUT HSFCU:

Hawaii State Federal Credit Union headquartered in Honolulu, HI, has 11 branch locations, 22 proprietary ATMs and 25 ITMs. HSFCU's new branch headquarters is planned to open in the 4th Qtr. of 2022, becoming their 16th branch location. Members have the ability to leverage the largest ATM network in Hawaii providing members access to ATMs in 400 locations.