

SOUTHEAST LEADERSHIP



Development Conference

August 31 - September 2, 2022

**The Grand Hotel Golf Resort & Spa
Point Clear, AL**



SOUTHEAST LEADERSHIP



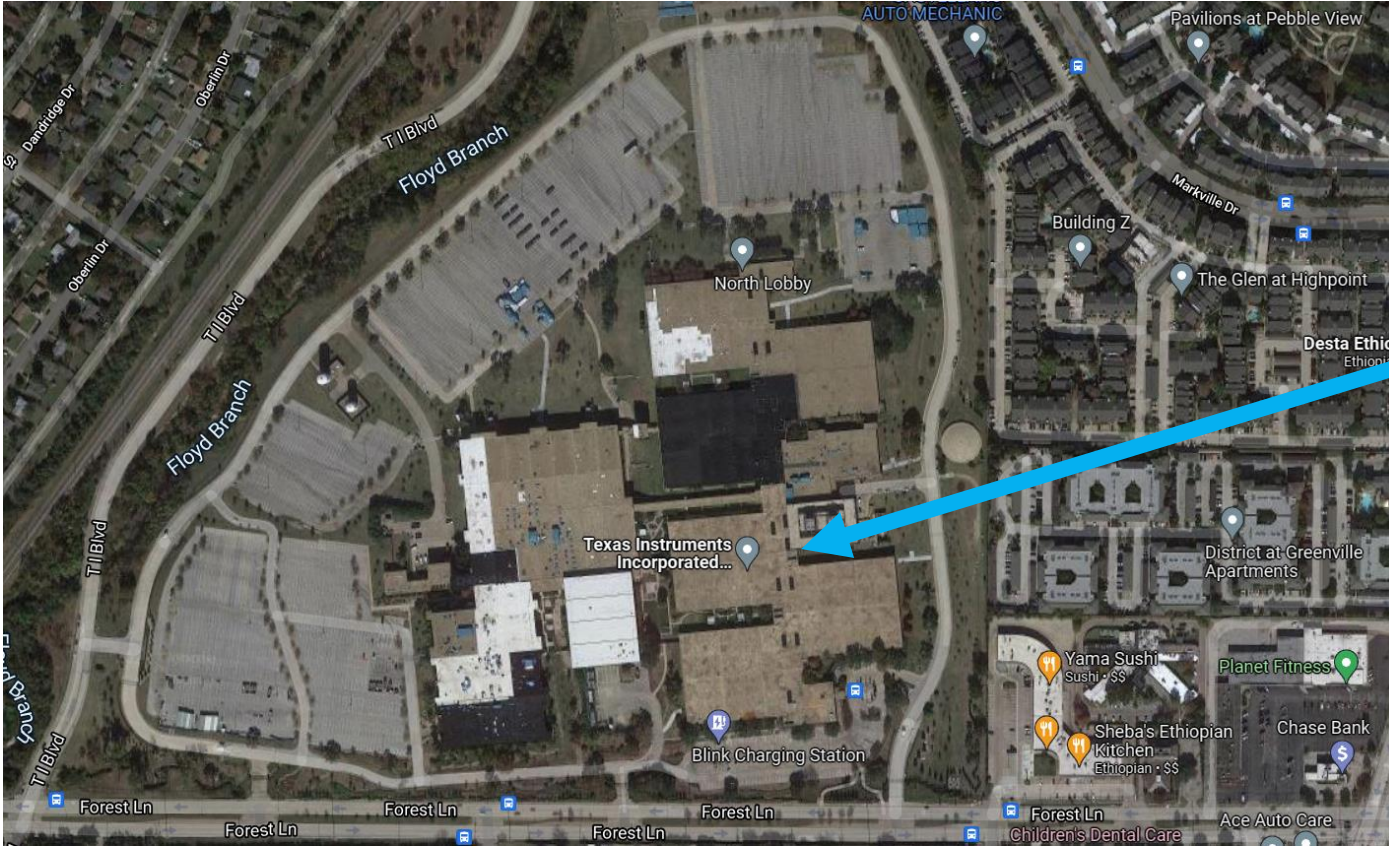
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VOICE AUTHENTICATION | FRAUD PREVENTION



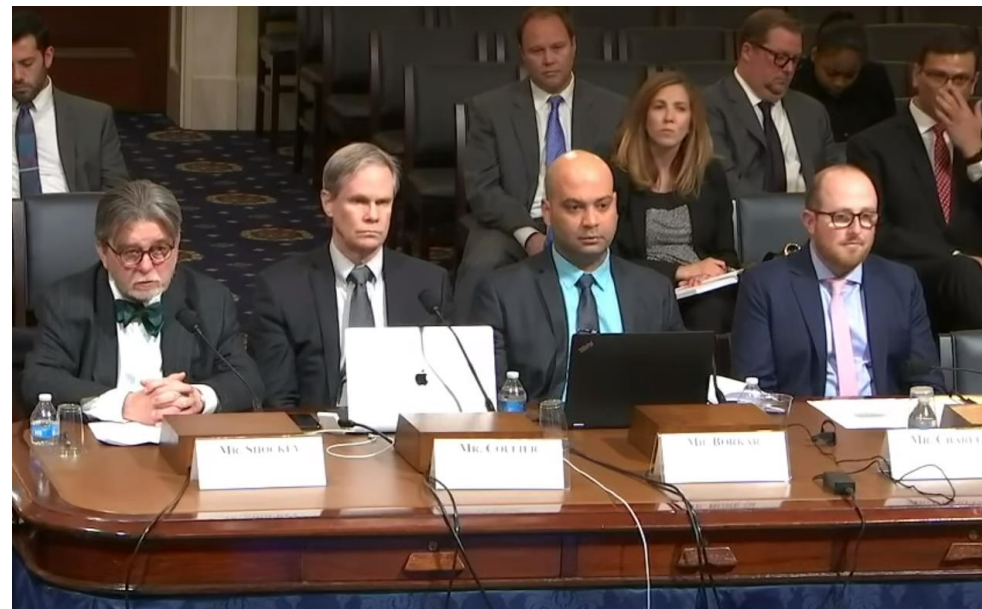
DHS
SUCCESS STORIES

Illuma Labs



TOTAL DHS SBIR INVESTMENT \$1.9M	IMPACT Millions of dollars saved in operating costs; heightened security against fraudsters	www.illumalabs.com 7700 Windrose Ave, Suite G300 Plano, TX 75024
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Each year, Americans lose an estimated \$10 billion through phone scams, as reported in research from TrueCaller. Whether scammers claim they are from the Internal Revenue Service, a credit card company, or a host of other hypothetical entities, nearly one in six Americans reported losing money to phone scams in 2017, an almost 70% increase over the previous year. Scammers target individual consumers as well as large financial institutions, who have a growing problem with criminals stealing identities to take over legitimate customers' accounts and commit fraud. With help from the Department of Homeland Security (DHS) Small Business Innovation Research program (SBIR), Illuma Labs has developed a tool to outmaneuver these fraudsters.





Chris Kearney
CIO, TruWest Credit Union

“One of our key challenges is a significant increase in call volume. It’s hard to authenticate members over the phone without it feeling like an interrogation. We need to give contact center agents tools to serve and protect members without creating an uncomfortable call experience.”



Craig Stancher

Member Experience Manager
Connexus Credit Union

“Standard authentication is time consuming for agents and members. Out of pocket questions take, on average, 90 seconds per call. Extrapolate that to thousands of calls per year, and it’s a massive time commitment for employees and members.”



Katie McAtee

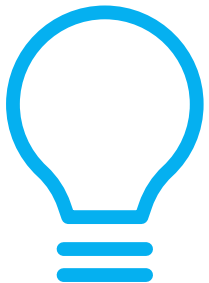
Contact Center Manager
TruWest Credit Union

“On some occasions, we would get someone coming through that wasn’t the member. They would do social engineering to discover more of the right answers and then call back and get a different agent. This problem is happening now, and it’s getting worse.”



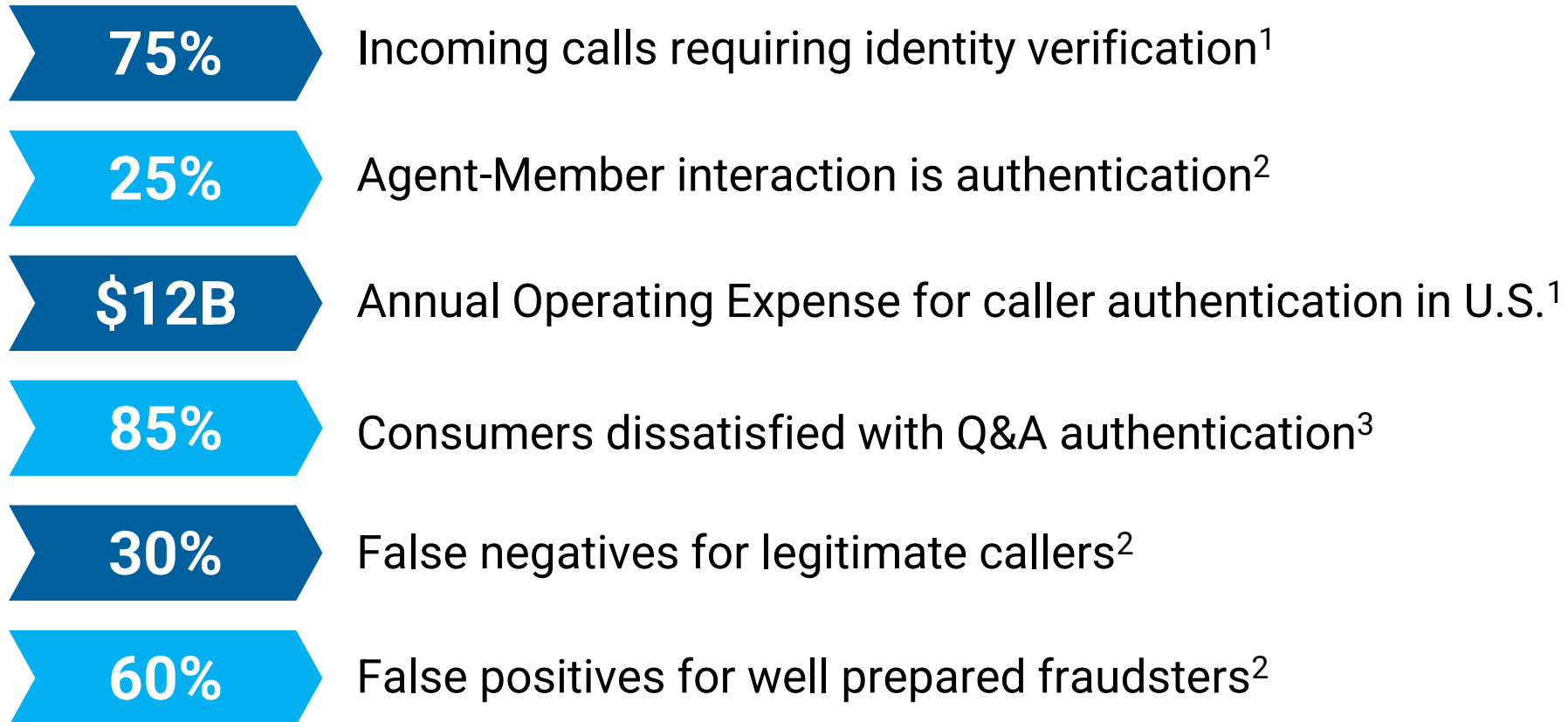
Customers, Investors & Partners

- 100% US Based Credit Union Service Organization (CUSO)
- \$2M contracts with US Department of Homeland Security
- \$6M investment from Credit Union industry
- Winner at VentureTech, CreditUnions.com Innovation Series, NACUSO Next Big Idea
- Exclusive provider for CUNA Strategic Services & endorsements in 34 states



Intellectual Property

- 3 patents, additional pending
- Trade secrets



1. Johnson, Alicia. "25 Stats That Indicate the Recent Trends in Contact Center Industry." Blog post. Fusion BPO Services, 2014. Web.
2. Litan, Avivah. Absolute Identity Proofing Is Dead; Use Dynamic Identity Assessment Instead. Gartner, Inc., 16 Nov. 2015
3. Authentication: There's Got To Be a Better Way. NICE Systems

Fraudsters are Attacking Call Centers

61%

of fraud losses from account takeovers involve the call center
(Aite Group)

1 in
1,429

calls to Credit Union call centers are fraudulent
(Pindrop)

446M

personal records exposed in 2018
(Pindrop)

\$4

per complete digital profile and financial info on Dark Web
(Flashpoint)

Types of Authentication

What You Know

- Out of wallet questions
- Recent transactions

What You Have

- One-time passcodes
- Mobile apps

Who You Are

- Voice biometrics
- Face biometrics



Active Authentication

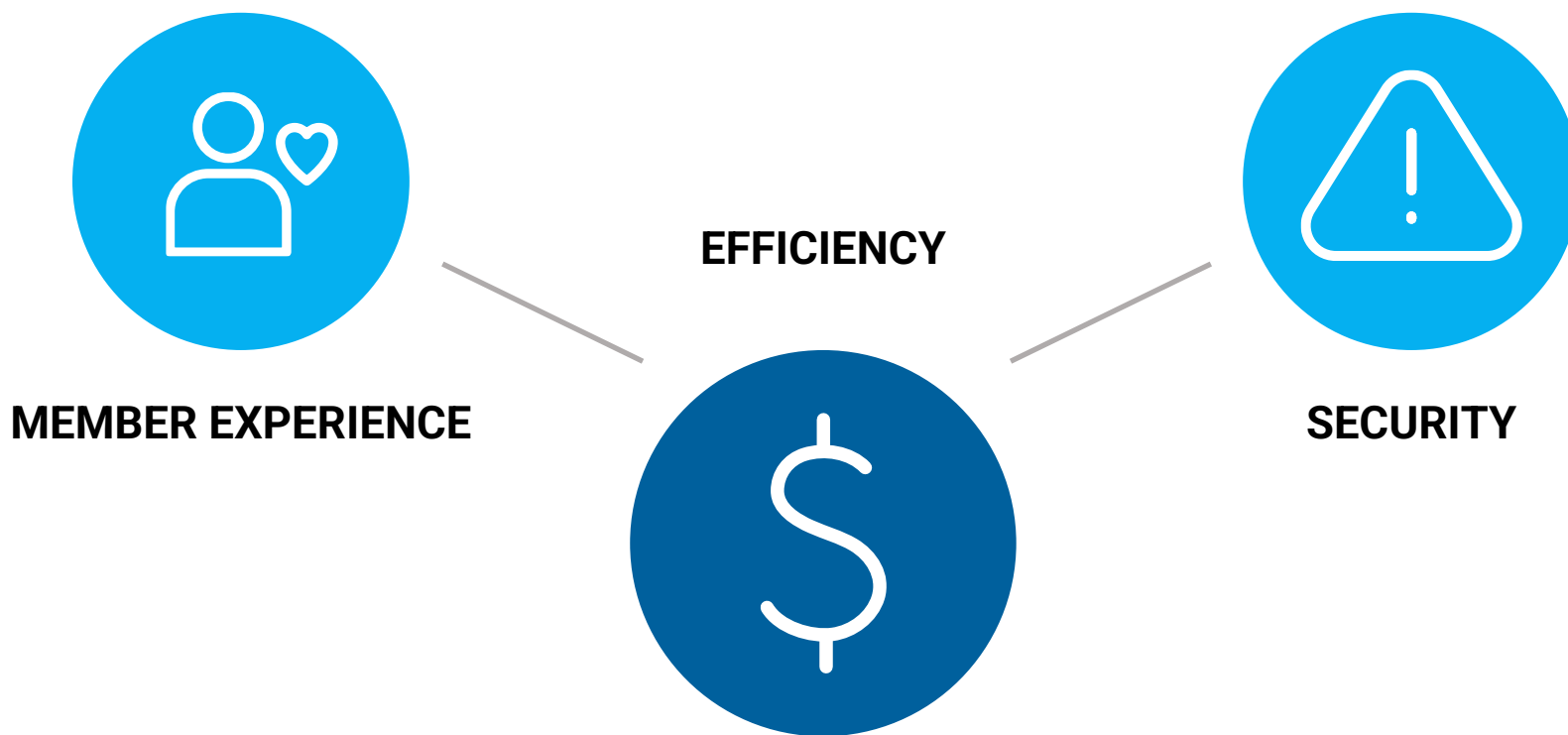
- Prompts member to take specific actions for authentication
- Adds friction & tarnishes member experience



Passive Authentication

- Authenticates member over natural engagement
- Eliminates friction & improves member experience

Bring The 'Brick & Mortar' Member Experience To Your Contact Center



Interaction Connect

My Interactions

Name	Duration	State	Queue
------	----------	-------	-------

✓ Pickup

⌚ Hold

🔇 Mute

➡ Transfer

✖ Disconnect

Company Directory

Last Name	First Name	Extension	Department
Administrator	System	1000	
Agent	Billing	2000	
Operator	System	1001	
Agent	Sales	2001	
Agent	Support	2002	

Search

Page 1 of 1

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Dial

Transfer

Properties

Change Status

Call

Illuma Shield

Member Number

Start Verification

No Active Call

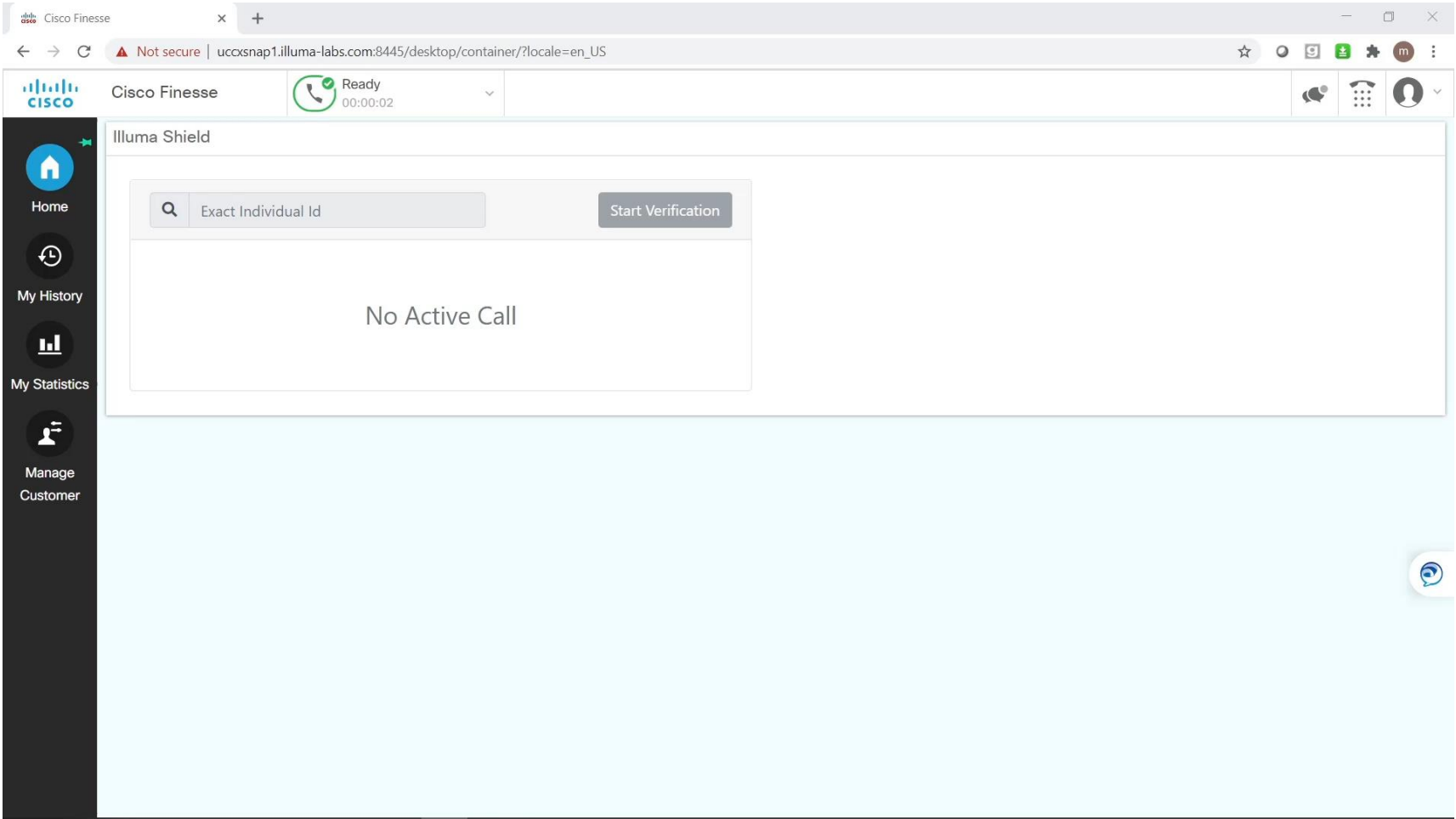
Available

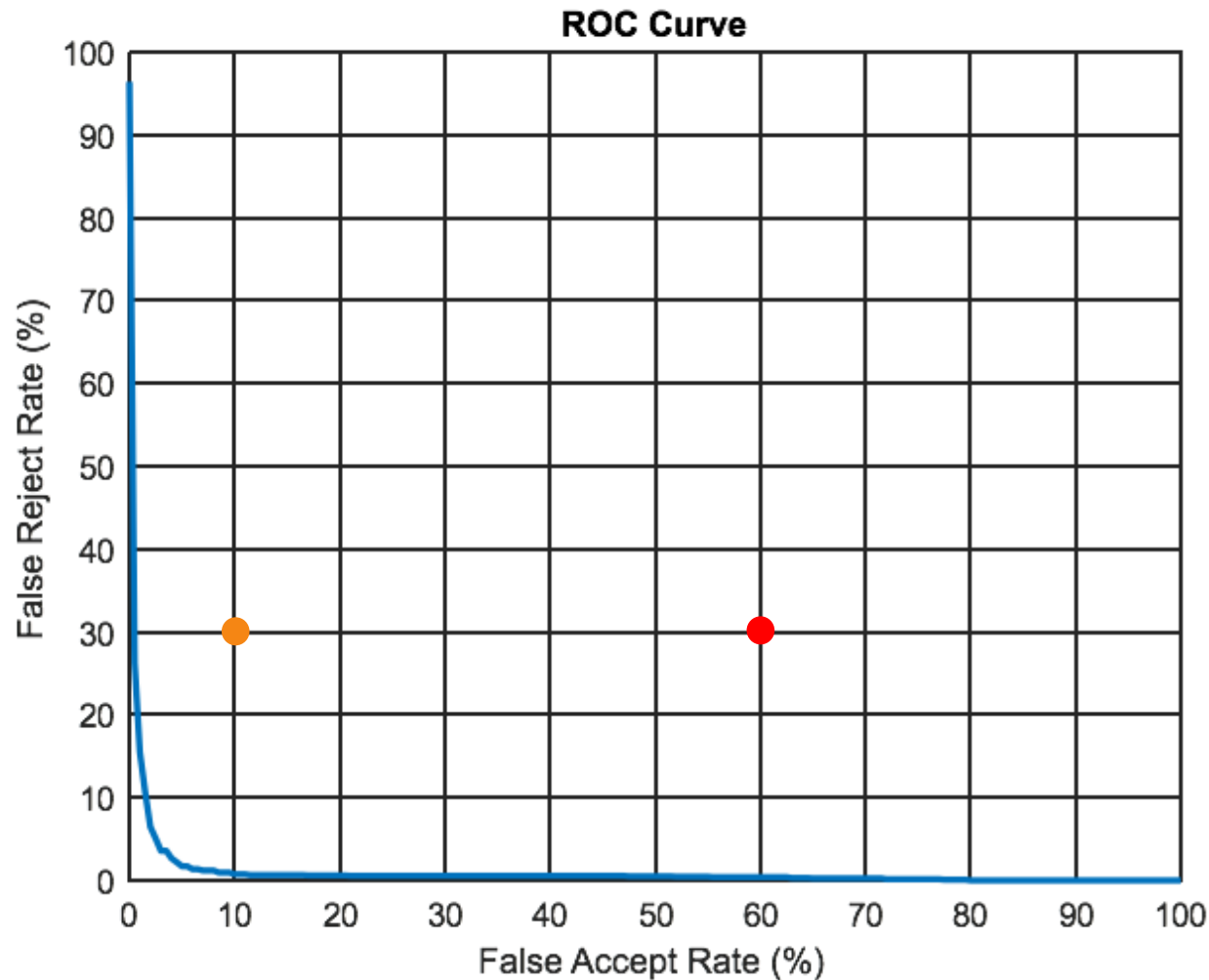
00:11:02

Support Agent

10:15 AM

4/14/2022





Authentication Accuracy

- Human Recognition of Familiar Voices²
- Knowledge Based Authentication¹
- Passive Voice

¹ Litan, Avivah. Absolute Identity Proofing Is Dead; Use Dynamic Identity Assessment Instead. Gartner, Inc., 16 Nov. 2015.

² Foulkes, Paul, and Anthony Barron. "Telephone speaker recognition amongst members of a close social network." Forensic linguistics 7 (2000): 180-198.

Immense Value for Credit Unions and Members

12.9

Seconds to authenticate
vs 90s for Q&A

95%

Member adoption rate

93%

**Verification rate for
frequent callers**

0

Fraudsters able to defeat

2022 CASE STUDY

TDECU ENROLLS OVER 50,000 MEMBERS IN VOICE ID VERIFICATION PROGRAM IN 9 MONTHS

OVERVIEW

TDECU began in 1955 when seven DOW employees each pitched in to loan a friend \$5 to help with the purchase of a refrigerator. Over the decades, TDECU has grown to meet the needs of communities across SouthEast Texas and provide value to financially underserved areas. Today, the Houston-based credit union has 37 service locations, manages over \$4.5 B in assets, and continues its purpose to help members navigate their financial journeys while providing exceptional service.

CHALLENGE

TDECU was seeking to provide a better call center experience for members. They faced the common problem of balancing security with convenience. Traditional authentication methods were placing a roadblock in the way of excellent service.

According to Quiana Perkins, Director of Member Engagement at TDECU, "Members are looking for financial services that are easy to use and don't require a lot of questions. We want to make it easier for them to get what they need without creating friction with the car they bought or the house they're looking at."



"It's really added more security allowing team members to get to member concerns faster. When a member calls in, they have something they want resolved. Instead of asking a couple of minutes of questions verifying their identity, we can use Voice ID Verification to shortcut that process and get straight to the member's issue"

– Carolina Ayerdis, Senior Member Experience Manager, TDECU

2021 CASE STUDY

TRUWEST CREDIT UNION CONTACT CENTER CUTS MEMBER AUTHENTICATION TIME BY 84%

OVERVIEW

Originally founded in 1952 as a cooperative for Motorola employees, TruWest has evolved and expanded through the years to serve a broader range of 93,000 members across communities in Texas and Arizona. This credit union has worked diligently to stay at the forefront of new services and solutions, including being the first CU to offer one-stop auto shopping. Today, the organization is taking a tech-friendly digital approach to providing a convenient and secure experience. One top goal is ensuring members feel welcome and confident in every interaction.

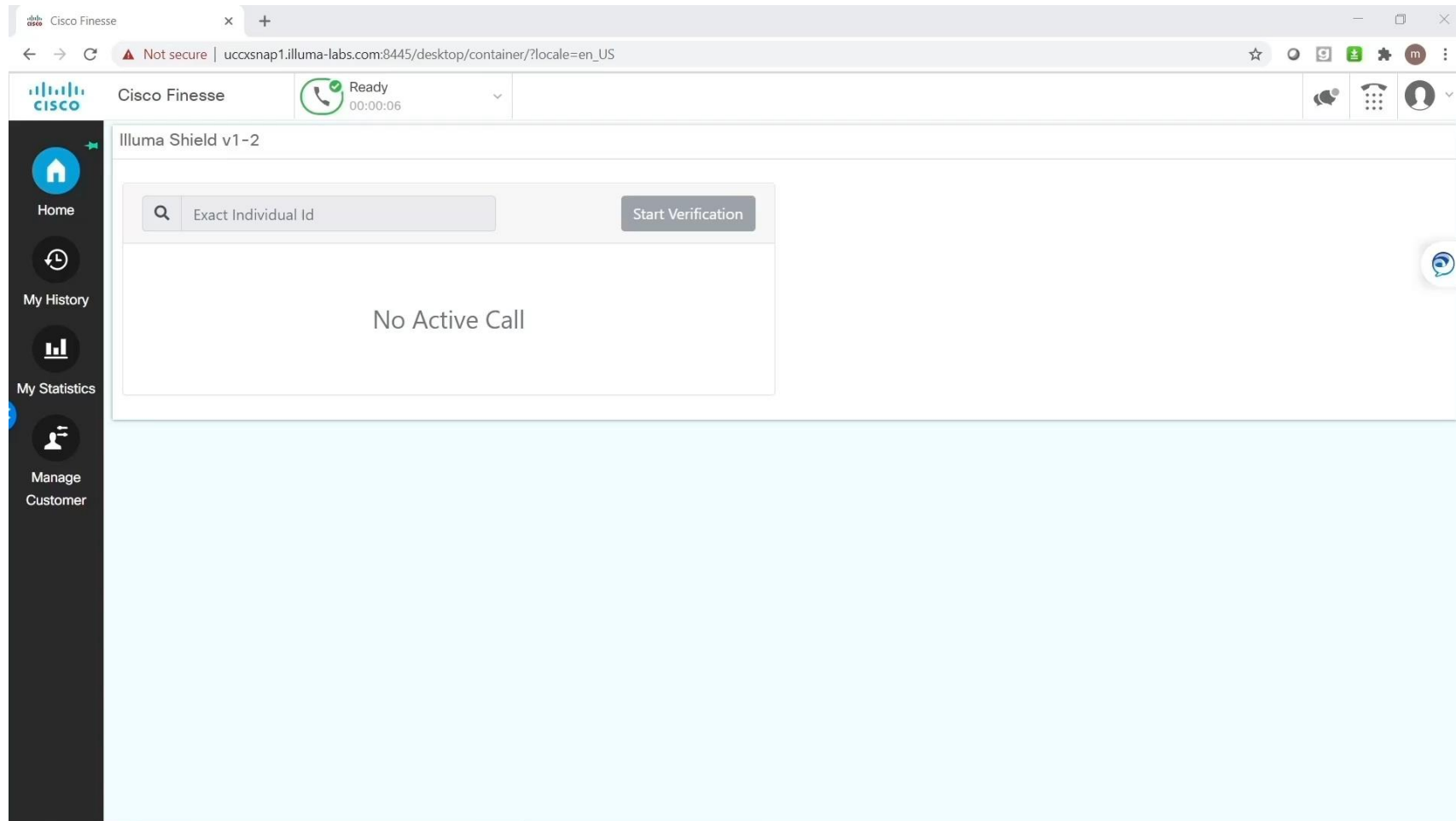
CHALLENGE

With COVID limiting branch access, call center volume increased substantially, putting pressure on agents to handle calls more efficiently. Since members couldn't be visually recognized and validated on the phone as they would be in person, authentication was achieved through traditional out-of-wallet questions. TruWest recognized that putting members through an awkward and uncomfortable Q&A was causing friction and frustration. The process took about 90 seconds per call, increasing call handle time without adding value to the conversation.

"Feedback from our agents has been 100% positive. It's easy to use and when they are signing people up, members don't have to do anything but just say yes"

– Katie McAtee, Contact Center Manager, TruWest







Passive Voice Authentication: Client ROI

		Year 1	Year 2	Year 3
Operational Benefits	Savings in Average Handle Time (seconds)	47.05	53.32	59.59
	Savings in Labor Costs (\$)	\$117,100.40	\$143,948.01	\$174,501.82
	Savings in 3rd Party Authentication Costs (\$)	\$147,103.13	\$175,052.72	\$205,429.51
Security Benefits	Savings in Fraud Losses (\$)	\$50,000.00	\$52,500.00	\$55,125.00
Member Benefits	Value of Members' Time Saved (\$)	\$96,370.28	\$118,465.10	\$143,610.01
Combined Benefits	Gross Value Generated by Illumina Shield (\$)	\$410,573.81	\$489,965.82	\$578,666.34

Preference vs. Reality of Contact Centers

69%

Consumers prefer contacting Customer Service by phone

6 min

Average consumer willing to wait

17 min

Average hold time in contact center queue

68%

Consumers biggest fear is getting disconnected

33%

Consumers post review after positive interaction

42%

Consumers post review after poor interaction

posh
technologies

IVR



+ illuma

VOICE AUTHENTICATION

SECURITY MEETS SELF-SERVICE

Selecting a Voice Partner

Information Technology

- Rapid & Low-Cost Implementation
- Partner dedicated to CUs

Contact Center Operations

- Simple Agent UI
- Integrated into Existing Agent Tools

Member Experience

- Zero Friction Experience
- High Satisfaction & Adoption Rates

Risk and Compliance

- Security of Personal Information
- Member Consent Tracking



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