

# Desjardins Group: Embracing technological change the cooperative way

Early adopters of the much-hyped Apple Watch can use it to tell the time, send messages to friends or find out what movies are playing in their home town. But, if they're customers of ICMIF member Desjardins, the leading cooperative financial group in Canada and fifth-largest in the world, they can also use it to check the money in their credit union account or transfer surplus cash to a high interest account.

The Desjardins Group logo is there on the Apple Watch screen, ready to be tapped to call up the mobile app that lies behind it. It's an example of how Desjardins is very consciously trying to ensure that it remains at the forefront of technological innovation.

"Technology is transforming how we learn, how we buy, how we socialize," Desjardins' Chair of the Board, President and CEO Monique Leroux told her audience at this year's annual General Assembly of the cooperative in Montreal in March. "Technological innovation has become part of our day-to-day life," she added.

For Monique Leroux, the need for Desjardins to embrace innovation has been a strong thread

throughout the time she has led the Quebec-based cooperative financial group. Aware of the way that technology is changing the insurance and financial services sector, including bringing in potential competition from new players such as PayPal and Google from outside the traditional financial sector, she has made it one of her key areas of focus. Constant innovation, she says, is necessary to allow cooperatives to remain relevant to their members. "In this day and age, a good idea is not good enough, it must rapidly turn into reality," she warns.

The desire to foster an innovative culture within Desjardins has been reflected in a wide selection of new products and services which have been brought out in recent years. In 2011, for example, Desjardins became the first insurer in Canada to launch a mobile travel assistance program. In 2013, it was again ahead of other competitors in offering customers with Ajusto, a car insurance policy based on telematics. Since March 2015, the Ajusto app removes the need to install a permanent telematics device in the vehicle being driven. In 2014, Desjardins launched Hop 'n S@ve, the first mobile application for spontaneous savings in Canada.

As befits a cooperative, Desjardins has adopted a very strongly collaborative approach in its desire to create a culture of innovation. Last September, at its 22nd annual congress, close to 2000 delegates had the opportunity to discuss how Desjardins Group will continue to be at the forefront of innovation.

Nearly 4,000 employees have joined the excentriQ network, an online collaborative platform which allows staff to come together to discuss ideas and develop creative solutions.

It is one of a number of recent initiatives, including the creation in 2011 of the Desjardins Technology Group, a bespoke unit providing technological expertise to all parts of the Desjardins Group. More recently, Desjardins Group put in place its I3D



initiative, based on the Filene Research Institute renowned i3 programme (Ideas, Innovation, Implementation). Earlier this year Monique Leroux also announced plans for what she calls Desjardins' Innovation Lab. "Our experts, partners and dedicated employees will be able to work on designing prototypes and exploring the most advanced technology, in a multidisciplinary, stimulating and high-performing space for collaboration and cooperation," she told her General Assembly audience.

The idea that there is, or should be, a natural affinity between traditional principles of cooperation and the collaborative approach to technological change reflected in such things as open-source software is one that has been expressed by several writers in the cooperative movement in recent years. Desjardins is clearly intent on putting the theory into practice.

"While definitely remaining what we are, which is a cooperative financial group with strong cooperative values, we are choosing to be innovative. We want to improve our performance even more, so that we can respond even better in an effective way to the needs of our members and customers, both those we have today and those we will have in the future," Monique Leroux said.

The next edition of the Summit of Cooperatives to be held in Québec city in October 2016, under the theme *Cooperatives: The Power to Act*, will be a wonderful opportunity for cooperatives and mutuals to address the transformational challenges they are facing. Co-hosted by Desjardins Group and the International Co-operative Alliance, the 3rd edition of the Summit promises to be, yet again, an event not to be missed.

## Desjardins performance highlights from the second quarter of 2015

- Significant increase in surplus earnings, up CAD 183 million to CAD 629 million
- Solid performance in the insurance segments, whose surplus earnings were up CAD 194 million
- Return on equity of 11.4%
- Operating income up 8.9%
- Assets of CAD 250.9 billion
- Tier 1A capital ratio of 16.0%
- Named North America's strongest financial institution for a second consecutive year in Bloomberg's ranking of the World's Strongest Banks

Monique F. Leroux  
addressing participants  
at the 2014 International  
Summit of Cooperatives

