# Branch BUSINESS

THE ONLY *ALL-BUSINESS* RESOURCE FOR BANKS AND CREDIT UNION BRANCHES

THE BRANCH CUSTOMER ISSUE

SEPTEMBER 2018 | VOLUME 13 | ISSUE 9



***FEATURED NEW BRANCH***

## VyStar CU

***JACKSONVILLE, FL***

***THE CUSTOMER EXPERIENCE***

## Tips for Winning Customers

A look at how community banks should target new customers

***Keith Loria***

# Introductory offer!

SUBSCRIBE

# Only $24 per year*.

***Includes full website access to Branch Business and Credit Union Business including 8 years of archived issues**

Credit Union BUSINESS
THE ONLY ALL-DIGITAL, ALL-BUSINESS MAGAZINE FOR CREDIT UNIONS


BANKING BUSINESS NETWORK

"The Branch Business eMagazine has changed my life! The newsletters are a reliable source to keep me informed of the most innovative activities, procedures, tools, and resources that are available in today's Credit Union branches. Every article within the newsletter is well-written and has information that is needed for success in today's quickly evolving environment. The management team at **Tropical Financial Credit Union** embraces CU Business for your professionalism and insight!"

**Rosemary Aguilar, Branch Sales Manager**

SEPTEMBER 2018 | VOLUME 13 | ISSUE 9

# Branch BUSINESS

THE ONLY *ALL-BUSINESS* RESOURCE FOR BANKS AND CREDIT UNION BRANCHES

***ON THE COVER:*** Jacksonville, Florida – Brian E. Wolfburg, President/CEO of VyStar Credit Union, announced the official opening of their 47th branch location—the fourth in Volusia County— at 960 Saxon Boulevard, Orange City, Florida.

# Branch BUSINESS

**THE ONLY *ALL-BUSINESS* RESOURCE FOR BANKS AND CREDIT UNION BRANCHES**


## PUBLISHING TEAM

***Tim O'Hara***, Publisher
tim@cubusiness.com

***Kaitlin Morrison***, Editorial Director
kaitlin@cubusiness.com

***Ashok Kumar***, Associate Publisher
ashok@cubusiness.com

***Patti Manzone,*** Designer

## BRANCH BUSINESS TEAM

***Greg Brown***

***Keith Loria***

***c myers***

***Jack Kelly***

***Chad Davis***

***Kenneth C. Bator***

***Abhishek Veeraghanta***






## SUBSCRIPTIONS

***Credit Union BUSINESS*** is published monthly (12 issues per year) by CU Business Magazine, Inc. A one-year Digital membership is $75/yr An online membership form is available at ***www.cubusiness.com/register.***

## TEAMBUILDER

***https://creditunionbusiness.com/the-team-builder/***

## SALES AND ADVERTISING

***Tim O'Hara***, Publisher
tim@cubusiness.com or 561-282-6015 #1

## CONTACT INFORMATION

***Credit Union BUSINESS*** Magazine
P.O. Box 2223, Palm Beach, FL 33480
(561) 282-6015 | (561) 588-7711 (fax)
***tim@cubusiness.com***

BY GREG BROWN

# Golden 1 Enhances Mortgage Experience with First Home Loan Center in Santa Clara

Across nearly every sector, companies are focused on harnessing technology to improve the products and services they offer customers. One need look no further than retail giant Amazon to make the business case for focusing on customer convenience above all else.

The financial services industry is no different. Convenience and improving the member experience through digital channels is top of mind for all credit union executives, especially in an age where technology is synonymous with customer service.

Amazon continues to dominate retail thanks to the convenience they offer online. However, they have found customers prefer to do returns in person. Recent partnerships with Kohl's and Whole Foods placed Amazon lockers at multiple locations throughout select markets. The partnerships have helped Amazon bridge the brick-and-mortar gap and bring much-needed foot traffic to retail stores.

Golden 1 Credit Union believes consumers' preference for in-person transactions is also true for some financial products and services, particularly mortgages. Recent research by Celent indicates consumer tastes are changing. For simple transactions such as deposits and transfers, consumers prefer online banking. For topics that require in-depth conversations such as investments and home loans, 77 percent of consumers would rather visit a branch. Purchase loans in particular require the human touch. Consumers also


find solace knowing there is a local branch to help solve problems.

While online lenders are gaining market share on the big banks, particularly for refinance loans, credit unions have continued to increase their share of mortgage loans with a mix of online and personal interactions. Experts continue to debate the value of an entirely online mortgage, but one thing is certain. In a time when there is not much room to differentiate mortgage products, financial institutions must seek opportunities to provide exceptional delivery and experience to consumers.

## Brick and Mortar in a Digital World

As the nation's sixth largest, and California's leading, credit union, Golden 1 is enhancing its member experience with the technology and digital assets to best serve our members. Our focus is on building a

cohesive and consistent experience across the many channels – online, app, in-person, phone - members can use to access their money, get advice or obtain new products and services.

Golden 1 has analyzed the needs of our members and found that while enhancing the digital experience is essential, there is a significant opportunity to improve one of the largest financial transactions of a member's life – purchasing a home. Like returning a purchase, many consumers prefer to finance a mortgage in person. Consumers also prefer specialized support from experts who focus exclusively on home loans. On such a large loan, differences in interest rates and loan options can have a huge effect on the long-term cost of the loan. Finding the right product to meet our members' goals is essential and puts a premium on face-to-face advice to ensure they have the right loan not only for today, but for the future.

Recently, this focus on personal interaction led Golden 1 to open its first Home Loans Center in Santa Clara County, California – one of the hottest and most competitive real estate markets in the country. In May 2018, the median home price was up nearly 17 percent year-over-year, the average number of days on market was 14, and the number of single-family home sales increased by 19.7 percent compared to April 2018.

The Golden 1 Credit Union Home Loans Center is a one-stop shop for home lending. Here, Home Loan Advisors help members with the entire mortgage, refinance, or home-equity loan process in a comfortable atmosphere dedicated to lending. Experienced Home Loan Advisors can also connect homebuyers to realtors who specialize in the local market and offer Golden 1's Buyer Advantage program, which provides a discount on closing costs, among other benefits. We also focus on demystifying the mortgage process through our Financial Wellness program by hosting events for first-time homebuyers and real estate agents.

Many financial institutions are shuttering brick and mortar locations due to cost, but the Home Loans

Center is more economical than building and operating a branch because it requires less infrastructure, space, and staff to provide customized member service.

## Breaking into a New Market

While there are headwinds, including a lack of new inventory and rising home prices, recent industry data is encouraging. The real estate market is emerging from the refinance boom and there are more purchases than refinance transactions. There is also an influx of first-time homebuyers, people moving into second homes, and people recovering from previous short sales and foreclosures.

Golden 1 already has an established, successful team of home loan advisors in Santa Clara and now the Home Loans Center provides more resources to support local homebuyers. By opening in a retail center in this bustling Silicon Valley community on a high-traffic street, Golden 1 hopes to introduce more people to the brand and raise awareness of the benefits of lending through a credit union.

We also continue to build our network in the Santa Clara market, concentrating on area realtors, insurance agents, and financial advisors. This network will help spread the word to potential homebuyers and help us develop relationships with others who play key roles in the real estate market, including real estate agents and community groups focused on lowering the barriers to homeownership.

## A Better Mortgage Experience

The Home Loans Center will provide Golden 1 the opportunity to do what it does best - give a more personal experience and in-depth financial advice during the mortgage application process. Golden 1 Home Loan Advisors will partner with the homebuyer to evaluate the myriad of options available and ensure members make the right decision for their unique situations. Sometimes a computer or a voice on the telephone may not offer the information, time, or resources needed to make a homebuyer feel confident when making a huge financial decision.

Our goal is to be California's credit union, and if successful, we plan to build more Home Loans Centers in other communities throughout the state. With so many of the state's loans originating in Southern California, we see that as a potential market in the future.

In a time when business is constantly evolving to meet consumer expectations, and as we continue to focus on channel convergence, Golden 1 is confident that the member experience will always be stronger when human interaction and technology are working together.

*Greg Brown joined Golden 1 as Vice President of Consumer Lending in 2014. He was promoted to Senior Vice President and Chief Lending Officer in 2015. His accomplishments include developing and implementing successful sales and operational processes and procedures while fostering quality consumer loan growth.*

*Greg previously served as Vice President and Senior Product Manager at BMO Harris Bank. He earned his Master of Business Administration in Organizational Leadership at Ashford University. He has more than 22 years of consumer lending experience.*

***https://www.linkedin.com/in/greg-brown-9401265/***

BY KEITH LORIA

# Tips for Winning Customers

## A look at how community banks should target new customers

To be successful, banks need a balance between increasing product and share-of-wallet with current customers and bringing on new customers. This is especially important if the financial institution has an aging customer base.

Plus, there's attrition in just about every business and even for a bank that's doing fine, an objective should be to ensure new business covers that.

If a community bank wants to stand out among competitors, and attract new people to its branches, it must focus on raising its customer experience beyond what's expected.

"Retail banks must focus on making their customers feel special and valued," says Brennan Wilkie, SVP of customer experience strategy at cloud-based customer experience platform InMoment. "There is an ample amount of opportunities for banks to heighten these experiences, which can lead to stronger relationships with their customers."

According to InMoment's 2018 CX Trends, 72 percent of consumers say they will choose one brand over another if they are made to feel special. Further, according to Forrester's 2018 Banking Customer Experience Index, among customers who feel valued, 77 percent plan to stay with the bank, 89 percent will advocate for the bank, and 85 percent plan to spend more with the bank.

David Reiling, CEO of St. Paul, Minneapolis-based Sunrise Banks, knows that there's a wealth of different bank choices that customers can make, which is why his bank strives to give them tools for success.

"It all starts with listening," he says. "We engage with the community to identify the problems that we can solve, and continue listening to make sure we can evolve with them. Enabling customers to achieve financial wellness is how we add more to our offerings and make sure the both us and the community succeeds."

Sunrise Banks' Impact Deposit Fund is a great example. Any customer with a deposit account can sign up and it doesn't change the way their account functions—there are no added fees or different interest.

"But what does happen is we make a promise to that customer that their money will only be used to lend toward community development and job creation," Reiling says. "We want our customers to know that their money is put to good use, and that we share their values."

Aligning the bank with the community's goals and plans not only establishes you as a strong member of the community but puts you both on a path for success.

*Sue Hines, head of customer engagement with Informa Research Services*

Sue Hines, head of customer engagement with Informa Research Services, says when going about creating a strategy for luring new customers, a bank must be clear about what they are trying to achieve.

"Everything you do from structuring your offerings, structuring and pricing your offers, to targeting and crafting your message depends on the ultimate objective," she says. "What you need to do if your objective is to grow deposits is vastly different from what will work best if you are trying to grow loans."

Moreover, simply saying you want to grow your customer base is unlikely to provide you with any guidance in terms of strategy or tactics, which is why she recommends tailoring your customer acquisition strategy to meet the target and the goal.

"The offering and message needs to precisely target the needs of the target audience," Hines adds. "This means the 'secret sauce' is listening to the audience and finding out how they are articulating their needs and concerns, so you can speak directly to their current mindset."

## Tried and True Measure

One great way to win new customers is to offer referral bonuses to your current customers for referring their friends and family, such as $100 bonus per referral plus $100 bonus to the new referral as incentive to join the bank.

Money is a quagmire of emotional content, which is why Hines says a bank should ease people's concerns and consciences when looking to lure them in.

"Good marketing is always about helping people address their problems," she says. "Even and especially the most experienced bankers need to hear the voice of the customer so they can demonstrate insight and understanding in their products and messaging."

Lewis Goldman, chief marketing officer of LendKey, a fintech company that provides a platform for community banks to source loans through digital channels, says the best way for a bank to get new customers is by offering them "an offer they can't refuse."

## Lewis Goldman

"A great rate and estimated savings to refinance their student loans, a compelling credit card offer, a high interest savings account—each delivered at the right time can win a new customer," he says. "The offer opens the door to engagement and getting the customer to learn about your bank."

Thinking out-of-the-box can mean something different for each financial institution so it's important, especially for community banks, to think creatively but not be intimidated or discouraged by what larger financial institutions are able to do with much larger budgets, he says.

As an example, Goldman cites WSFS Bank, a community bank in the Delaware Valley and one of the 10 oldest continuously operating banks in the country.

The bank was facing an aging customer base and declining consumer assets. In 2013 it partnered with LendKey to start offering private student loans (both in-school and student loan refinancings) to both current customers and prospects in their banking footprint.

"By addressing a need for Millennial and Gen Z customers, WSFS added over 1,200 new customers and over $60 million in new loan balances (just under 13% of their overall consumer portfolio), which has helped them diversify their portfolio," he says. "This is a great example of focusing on the 'right' target audience with a compelling offer."

Additionally, remember employees are a bank's best brand ambassadors and with the rise in social media can have tremendous impact. It's important that employees understand the bank's brand positioning and are aligned with the bank's objectives.

## Create a Comfortable Environment

With online banking, ATMs, employee layoffs, and branch closings, many banks today are often viewed as cold or impersonal to the average customer. Human interaction is often the missing link at a local bank, which is why it's necessary for banks to make the on-site experience warmer and more personal if they want to attract new people to the bank.

A great way to do this is by designating one of your employees as a greeter—someone who makes an immediate, positive connection when a customer enters the bank.

As customers enter the bank, the greeter should smile and welcome them, perhaps even asking them about their day. Smiling is key, and all employees of the bank should be smiling and providing a positive, friendly impression.

Phrases such as "How can I help you today?" or "What can I do to be of assistance?" are great starters, and once the transaction begins, asking how someone's day is going or if they have plans for the weekend are also good ways to put someone at ease and let them feel comfortable.

And if the customer comes to your bank often, address them by their name. Make a personal connection.

Promote your brand and allow the community to actively engage with your employees through community events, sponsorships and financial literacy opportunities. Highlight the work that you're doing to support local businesses, partner with those businesses to host free seminars and volunteer in the community.

"The more that a prospect sees your brand in the community, the more they'll think of you the next time they need to take out a loan," Goldman says. "And, they'll want to do business with you, because they believe that you genuinely care about making their neighborhood a better place."

It's also important to attract the "right" customer. Winning new customers means understanding who your desired/ideal customer is and building a strategy around that which leverages what a community bank stands for—such as the importance of a local presence.

"Tie into the 'buy local, shop local' movement within your community," Goldman says. "Be the brand that is active and well known, engage employees and customers in these entities together.

Be consistent in how you present your brand in branches, online, in print/TV, and on social media."

## Why Customers Leave

Of course, winning a customer for your bank means another bank losing a customer, so it's important to understand some of the main reasons people leave. The top reasons customers leave their financial institution are fees, poor experience, slow processes, and a lack of enabling technology such as mobile banking.

A major mistake that banks make is surrounding transparency. Reiling notes even when something goes wrong, engaging the customer and making sure they know how things went wrong and how you are going to make changes is key.

"A well-developed dialogue with a customer can help repair relationships after a mistake," he says. "Customers typically leave when they feel there has been lack of transparent communication with respect to a fee or if they feel they have been charged unfairly."

In fact, fees are a common reason people switch. Here, the triggers can be both internal—if you raise or change your fees, and external—customers becoming aware of competitive offers.

Hines shares the most common reason for leaving any financial institution is that people move away. The right digital technology and ATM relationships can go a long way to encouraging customers to retain their providers.

Gaining new customers is important for any business, not just a bank. However, Reiling warns that banks can get in to trouble when so much emphasis is placed on new customers, that the needs of current and future customers are no longer being met.

"When you are no longer able to help your customers succeed and achieve their goals, you will start to lose customers," he says. "By having a plan in place to 'win' customers, a bank will survive."

*A graduate of the University of Miami, Keith Loria is an award-winning journalist who has been writing for major newspapers and magazines for close to 20 years, on topics as diverse as sports, business and healthcare. You can view some of his recent writing at keithloria.contently.com.*

# Learning Business Intelligence

## Why it is your early warning system

There is a lot of focus on data analytics these days. Credit unions have vast stores of raw data, but turning it into something providing business intelligence can be a challenge. And the fact that the possible uses for all that information are almost limitless can be overwhelming.

**Business Intelligence | biz-nəs (-nəz) in-'te-lə-jən(t)s**

1) The transformation of raw data into actionable decision information
2) A form of alchemy, sometimes mystical and occasionally magical

We've taken some real-life examples from our lending business intelligence work to bring this sometimes fuzzy world into focus. These examples come from our Interactive Loan Production Analyzer (ILPA), which takes data most loan origination systems already have and provides an easy way to visualize what is happening and why. In other words, these are examples of turning data into business intelligence.

Most credit unions report on lending metrics, such as pull-through rate and approved rate, and some also report on turnaround times. While useful, these high level lending metrics are just scratching the surface. Ideally, the intelligence at your fingertips should enable you to drill down into the whys – why the pull-through rate is declining or why the turnaround time is increasing.

True lending business intelligence can provide an early warning system for problems that are brewing, help pinpoint the sources of the problems, provide decision information for staffing and marketing, and lead to

better decisions and a stronger bottom line. Let's take a look at two case studies: one where lending business intelligence helped resolve staffing issues and another where a damaging trend was identified (and corrected) at an early stage.

### Case Study: Staffing Issues

The credit union in this example had specific goals to increase the dollars of direct auto loans funded. In addition to a higher profile marketing presence, they narrowed in on a few key areas to help accomplish the goals:

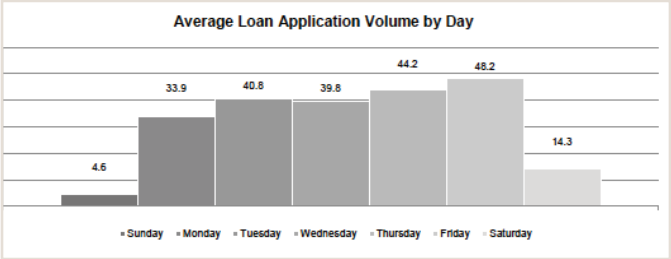
| FOCUS ON | RESTRICTIONS |
|---|---|
| Improve staff scheduling | No additional staff |
| Increase in speed of loan decisions | No additional overtime |
| Increase in percentage of approved applications funded | |

From their lending business intelligence, management had already identified two main issues that needed to be addressed:

- Inadequate staffing during busy times
- Long decisioning times for loan applications

From test marketing that had been done previously, credit union management knew they would see an increase in applications in the desired credit tiers once they ramped up the marketing. They also knew a significant number of the applications would come in between Friday afternoon and Sunday evening. Management used this information to plan and staff appropriately, so the additional applications would help them reach their goal, rather than cause a bottleneck, increase decisioning times, and provide a poor member experience.

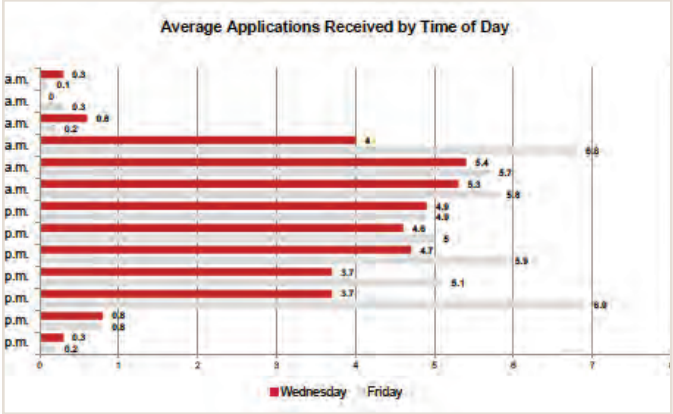
Once the new marketing campaign was in full swing, the average volume of loan applications received increased for every day of the week. Applications received from Friday to Sunday increased by about 40 each week, which is significant for a $300M credit union – but these principles apply to any asset size.




The credit union knew that staffing for weekend hours needed to be addressed. Before the marketing campaign was launched, there was already a good deal of unplanned overtime on the weekends, which was hard on staff.

Before making the problem worse with higher volumes, they relied on their business intelligence for answers. By looking at the time of day applications were coming in, the credit union management offered some flex scheduling to better accommodate the flow of applications, as well as cover weekend days

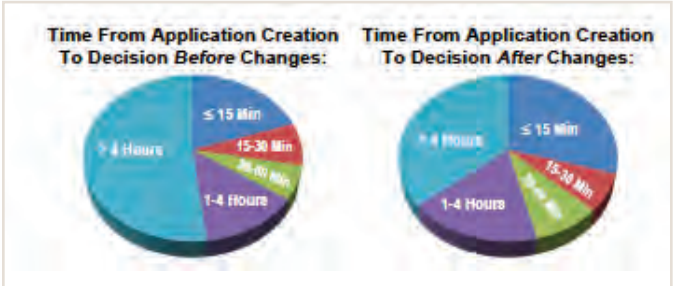
## IMPROVEMENT in these two areas was critical for success




more effectively. For example, they found far more applications came in later in the day on Friday than on Wednesday. This drill down into the information resulted in some permanent schedule changes that actually helped reduce turnover, because weekend workers were not as overwhelmed and staff was better able to plan their time.

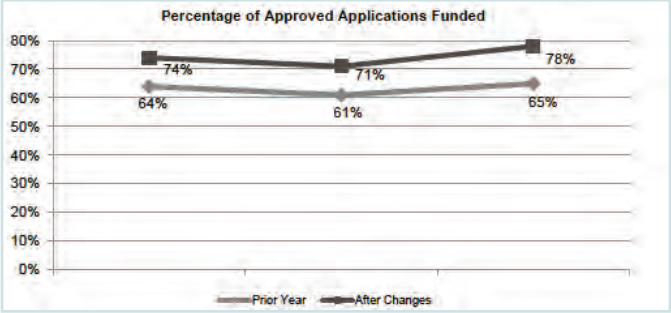
The credit union cited the staffing changes as one of the most important factors in their successful increase in funded loans. They also made some other process improvements in areas their lending business intelligence had highlighted.

Before making the staffing and other process changes, the credit union was decisioning 28% of the direct auto loan applications with credit scores of 680 and above in 30 minutes or less. The goal was to increase that metric to 35%. Faster decisions typically equate to higher funding ratios of approved loans.



After staffing changes and other improvements were implemented, the credit union pushed the percentage of applications decisioned in under 30 minutes to 37%. So even with increased application volumes, they were able to make the decisioning process faster for their members.

This led to an increase in the percentage of members that said "yes" to their loan offers.




The credit union is now reaping the benefits of funding approximately 10% more of the approved direct auto loan applications with the same staff and less overtime. For this $300M credit union, assuming an average $15,000 loan, the 10% increase equates to $5,400,000 more loans funded each year. For a $3B credit union, it could be $54,000,000. Having quality lending business intelligence makes it much easier to identify areas of friction and monitor the effectiveness of any changes.

## Case Study: Identifying A Damaging Trend

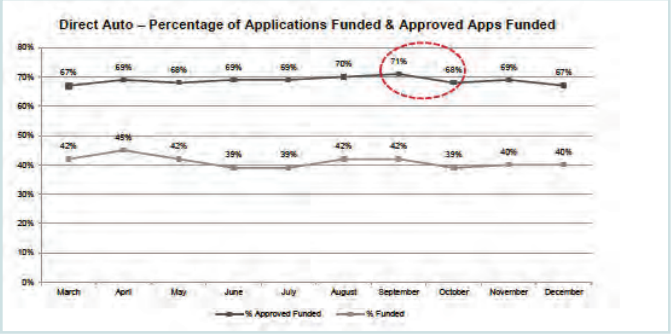
Managing the biggest revenue driver for any business is important. Part of managing is recognizing not only the obvious trends and changes, but also the subtle shifts and anomalies that could have significant impact on the credit union's profitability. The ability to see and understand those subtle shifts creates an early warning system, enabling decision makers to easily drill down to understand why changes are occurring and react quickly to prevent more lost opportunities. In this example, the credit union was looking at direct auto lending and could see that the percentage of applications funded was relatively stable. They could also see that the percentage of approved applications funded dipped 3% from September to October.

> The ability to see and understand subtle shifts CREATES AN EARLY WARNING SYSTEM

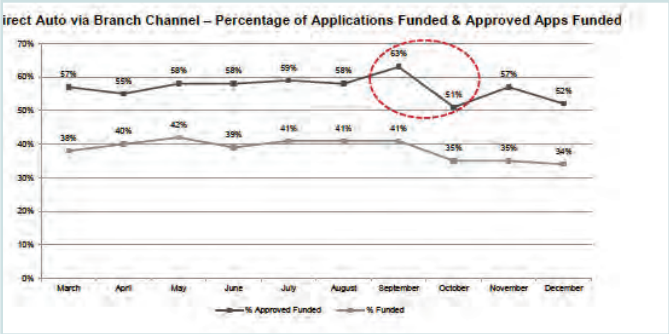
Is a 3% drop cause for concern? For this credit union, which is $1B in assets, the 3% decline means they funded about 32 fewer direct loans in October. Assuming an average loan amount of $15,000, this equates to $480,000 less in fundings for the month. And if this early warning indicates an ongoing issue, the credit union would miss out on $5,760,000 in loans per year.

Taking it one step further, if the issue progressed from a 3% decline to a 10% decline, the credit union could be losing over $19,000,000 in loan fundings every year.

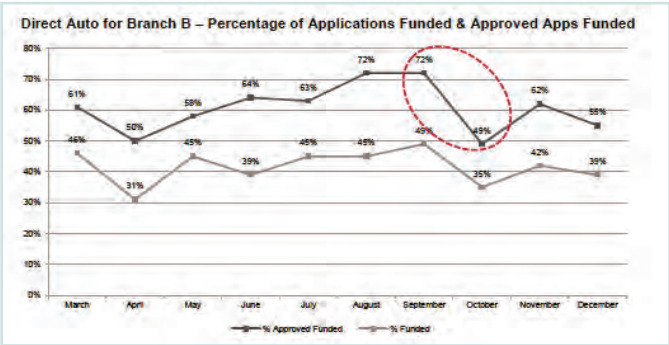
The dollars quickly multiply, so it's important for your lending business intelligence to allow you to easily dig into the possible causes. To pinpoint the source of the dip, the credit union filtered the data by different products and found that direct auto loans, which is a key product, showed a pronounced drop.




The credit union then filtered by source/delivery channel (branch, phone, web, mobile, etc.), and was surprised to see a 12% drop over the same time period when looking at only the branch delivery channel.




Drilling down further to determine if the drop occurred across all branches, or just a few, revealed that the second busiest branch for loan volume had a 23% drop in percentage of approved loans funded. In addition, this branch had recently improved their loan process and had been making continuous gains, so the sudden large drop in performance was alarming.




The credit union did a further dive, drilling down to the volume by day and hourly volume by day, which revealed the branch was experiencing high volumes on Mondays and more applications were coming in early in the day on Mondays. Given that staff still had to deal with some of the weekend applications on Monday mornings in addition to the higher volumes, applications started to back up. This lengthened decisioning times and caused a domino effect, resulting in delayed member notifications on Mondays and beyond.

Even without additional volume, bottlenecks can happen for a variety of reasons, such as staff turnover or issues with technology, but the goal of good lending business intelligence is to easily see a variety of views to help with possible explanations. In this case, the pipeline report confirmed the bottleneck and management was able to have a conversation with the branch to find solutions. They decided to begin using the call center to process applications when they needed extra help, which preserved both the member experience and funding ratios.

Most credit unions already have the raw data that generated the information used in these examples, but few are using this data to inform staffing or provide an early warning system. This is just the tip of the iceberg. We shared these examples to help bring into focus what lending business intelligence can look like and how it can help in making better business decisions.

As credit unions devote resources to data analytics, one of the challenges is thinking through and defining what kinds of intelligence you'd like to have at your fingertips. Good design should include the ability to track various trends over time and to easily view information from different angles. Ideally, it should enable you to answer questions on the fly without creating a research project, and while it may not answer every question, it should enable you to ask more of the right questions.

## About c myers

*We have partnered with credit unions since 1991. Our philosophy is based on helping clients ask the right, and often tough, questions in order to create a solid foundation that links strategy and desired financial performance. We have the experience of working with over 550 credit unions, including 50% of those over $1 billion in assets and about 25% over $100 million. We help credit unions think to differentiate and drive better decisions through real-time ALM decision information, strategic planning, strategic leadership development, project management, and process improvement.*

BY JACK KELLY

# Loan Officers are Entrepreneurs, too

An entrepreneur is a person who organizes and operates a business and takes on financial risk to do so. In the credit union industry, our loan officers are on the front lines with members and making important financial decisions every moment of the day. For these reasons, loan officers must know how much or the type of business they are generating as well as how (or if) they are contributing to the credit union's bottom line. This is why we MUST consider our loan officers entrepreneurs.

Consider a loan officer who has a loan portfolio of 10 million dollars out of a total credit union loan portfolio of 50 million dollars; we have an individual who is responsible for 20% of an overall portfolio. However, after questioning loan officers about what that portfolio consists of or how much income it generates, a loan officer typically cannot answer. This is bad business.

Training programs for loan officers are usually very thorough with covering the policies, guidelines, compliance, how to process an application, interviewing basics, and some level of decision making. The one key, missing ingredient is teaching loan officers to be business people. Every individual we give lending authority to is, in fact, running a business inside of a bigger business and needs to be treated as such. By empowering them with the knowledge of how our business works and how they contribute to the business' overall performance, we can create career driven employees and overall long-term financial growth and stability for the credit union.

Every loan officer should be able to answer 3 questions: What is the size of your loan portfolio?

How is your portfolio broken down by paper grade? How much income does your portfolio generate? We train and empower with authority and tell them to lend by using safe and sound practices, which is all very necessary, but we can't stop there. Loan officers should be also be provided with a list of essential elements, most ideally on a weekly basis, but no less than monthly:

- Portfolio size & percentage to overall credit union loan portfolio
- Portfolio broken down by paper grade
- Portfolio broken down by products
- Portfolio broken down by product by paper grade
- Gross and net yield of portfolio
- Individual gross and net yield by product
- Delinquency and charge off of portfolio
- Delinquency and charge off of portfolio by paper grade
- Delinquency and charge off of portfolio by product
- Net income of portfolio
- Net income by product

This information is essential for knowing your business. From a management perspective, this will also give managers and trainers the ability to develop targeted training and motivation geared toward the individual loan officer's strengths and weaknesses. Performance goals can be formulated to focus not just on volume but on overall portfolio performance. Developing our loan officers this way creates an entrepreneurial culture that allows management to strategically forecast overall branch profitability. This begs the question: are we measuring each branch as a separate business within a business? Too many credit unions just look at the overall bottom line when they should be drilling down to the branch level.

The number of credit unions has decreased by 499 since 2015 either due to merging or closure. Now at 5,744 credit unions, indications show that this number will continue to decrease. The good news is that membership, deposits, and loan volume is up significantly over the last four years. One must ask if are these positive trends due to attrition in numbers or overall new business? One would guess that both are responsible. The concern has to be if we do not focus on each branch as a profit center and empower our member contact staff to own their business, attrition may eventually reverse those positive trends. And by adopting an entrepreneurial culture across the board, perhaps these issues would look much different.

Staffing is the biggest challenge facing credit unions and their overall profitability and long-term stability. We spend a lot of time and money searching for, hiring, and training people who we think will fit into our specific culture, and we need to retain them. However, the reality of the situation is that there is a significant generational challenge on our front lines. Entry level positions were career positions at the inception of the Credit Union Movement where today it is no longer that. Our workforce has changed, and we must shift our focus to a solution-based approach. Reinventing these positions to be project-driven to engage our staff and increase the likelihood of that their investment in their work is worthwhile. Additionally, we must know the expectations of our staff to meet them where they are. And, as our loan officers become results-focused and maintain ownership over their business, an incentive plan becomes a necessity. An incentive plan helps staff set personal goals and achieve the results we know that each staff person is capable of reaching. These solutions breed a culture of excellence.

The responsibility of shifting the focus to a solution-based approach lies with credit union management. The most dangerous phrase is, "We've always done it this way," and doing nothing leads to greater turnover of staff, larger expense ratios, member disillusionment, slow or no growth, and diminished net income. Overall, management must build entrepreneurial culture, establish a culture of excellence, and therefore help to retain staff. Do we have the strength of conviction to make these necessary changes? Change starts now.

*For more on this topic and other related topics, please consider joining LSCI for a dynamic, interactive Branch Manager Workshop on October 29-30, 2018 in Charlotte, North Carolina, hosted by Jack Kelly and Lorrie Wohlfeil. LSCI's Branch Manager Workshop will provide valuable insight into effectively managing staff and creating a culture of excellence.*

*For more information, contact Jack Kelly at jkelly@rexcuadvice.com or visit:* ***http://www.rexcuadvice.com/university-of-lending/courses/branch-manager-workshop-october-29-30-charlotte-nc***

Source: CUNA U.S. Credit Union Profile, First Quarter 2018

BY CHAD DAVIS

# Branches Need to Lean on More HR Data Driven Approaches

## The combination of human capital and workforce management data helps to clear the path for more strategic approach with branch staff

Technology is rapidly changing our work-lives, and there are no signs of it slowing down. Even HR is becoming increasingly data-driven and is having a strategic impact on the bottom-line. The challenge in credit unions is finding an HR approach that brings all the information about employees and workforce performance across the organization together to optimize execution of the human capital strategy.

For example, a teller supervisor wants to make sure their branch is fully staffed with the most productive employees on Friday afternoons, the busiest time of their week. To ensure high-quality member service, she wants to schedule employees most likely to be there on time and meet or exceed members' expectations for timely, accurate, and friendly service.

Toward that end, the teller supervisor turns to her credit union's workforce management solution. She reviews data on the available employees to determine which ones to schedule based on cost, seniority, skills, and attendance record. But that's not the only information she could consult to make sure the team scheduled to handle peak traffic efficiently and effectively are among the credit union's strongest performers. It would also be helpful to add in performance history, including sales, service, and product proficiency, which might be available through a human capital management (HCM) solution.

Without that information, the manager is basing her staffing decisions on partial data, a drawback that could negatively impact member service and sales results. A system that integrates workforce management and HCM and centralizes all available HR data in one place can streamline operations and enable a more complete understanding of business performance.

That's one of the scenarios—and solutions—shared in a new ebook from Kronos, "A Unified Approach: The Integration of HCM and Workforce Management."

### Workforce management vs. HCM

Workforce management and HCM may seem like synonymous, or at least closely related, terms. However, much of the software offered under these labels was initially developed and has continued to evolve in distinct directions. Bersin by Deloitte notes that the term human capital management "represents

the entire range of practices and processes for managing people in an organization—which is a superset of talent management." However, HCM technology systems, for the most part, have been engineered to support management of salaried professional staff, while workforce management systems focus on employees paid by the hour.

The result is that employers may rely one system to manage salaried employees' performance, professional development, and compensation and benefits and another to manage, schedule, and pay their large nonexempt/hourly workforce. Or they may maintain several systems for scheduling, payroll, benefits administration, performance management, and other key functions.

In either case, it is difficult to bring all of that data together to develop, implement, and monitor progress toward human capital strategies and to comply with local, state, and federal workforce regulations.

"To stay competitive, mitigate compliance, and drive business growth, it's time to think more strategically about your entire workforce, the practices and processes required to effectively manage, engage, and retain all your people; and the technology that's needed to put your HCM strategy to work," the Kronos report recommends. "In short, it's time that HCM technology offered a unified system to bring the power of workforce management solutions to the practices and processes involved in executing your holistic HCM strategy."

## Bridging the gap

HR professionals work with managers throughout the credit union to guide its most valuable asset—its people—to become more effective, more productive, and more engaged throughout the employee lifecycle. The goal of investing in HCM and workforce management software is to support and improve outcomes across the stages of that cycle: recruiting, onboarding, performance management, staff development and advancement, and retention. Accomplishing that goal is only possible if the credit union can combine all available sets of data to drive more effective decision making and enhance business results—so the organization can bridge the gap between tracking employee work and tying it to overall financial performance.

Credit unions are serving an increasingly diverse field of membership with a wider range of products, services, and delivery channels than ever before, and they rely on an equally diverse workforce to do so. More than a third (35 percent) of Americans on the job today are millennials, ages 22 to 37, who expect employers to use state-of-the-art technology that can help them manage their work experience. At the same time, 19 percent of people ages 65 and older are still working at least part-time. That span of age, education, on-the-job experience, and expertise with both personal and technology-powered member services can work to a credit union's advantage if it has the best tools in place to deploy and manage its workforce.

Many other business units across credit unions are tackling the same challenge. For example, marketing is looking for ways to pull together data from diverse systems to better personalize offers to members, and lending software is becoming increasingly sophisticated in wielding information required to complete the loan process and identify other ways to build member relationships. Along the same lines, a unified HCM solution can help credit unions simultaneously improve the many processes inherent in HR and ratchet up financial outcomes.

Here's another example of this dynamic in action, adapted from the Kronos ebook: When placing reports from two systems side by side, the call center manager can see that the rate of members waiting on hold from 8 to 9 a.m. past the targeted service standard coincides with a number of employees regularly arriving late

for work. An HCM solution that consolidates all employee data might help the manager see a pattern: The most frequent offenders all live 15 or more miles away and, given regular traffic gridlocks near the call center, likely deal with daily commuting headaches. Having identified the root cause, the manager can now work with staff to select and try out a range of possible solutions, from adjusting work schedules to subsidizing public transit passes.

"A unified system empowers your organization to notice gaps, link relevant employee data easily, and make informed, timely decisions that engage employees and drive business performance," the report suggests. "When workforce management works with HCM, your organization has a well-oiled machine working in the background. Whereas capacity planning and management were previously clunky and inefficient, your users now have the data and insights they need to be more effective in their roles."

*Chad Davis is senior industry marketing manager, Financial Services Practice Group, Kronos, which is a leading provider of workforce management and human capital management cloud solutions. Kronos's industry-centric workforce applications are purpose-built for financial institutions of all sizes. Chad can be reached at* ***chad.davis@kronos.com.***

BY KENNETH C. BATOR

# Your Most Important Branch
## Your Website

Having company over to our house is always at least a minor project. Even if I have invited only one friend over to watch a game my wife is frantically vacuuming, cleaning mirrors, and wiping down surfaces. It usually leads me to say something like, "They're not even going to be in this room!" To which I get response such as, "I'm not having any of my guests coming into a messy house." That's the way most credit unions and banks feel about their branches…although I have come across a few that haven't. When you have more visitors per day to your website than you do in any of your locations why wouldn't you have the same approach with your online presence?

That's one of the many subjects I had the pleasure to discuss recently with Eric Isham, CEO and Founder of Omnicommander. A credit union's online presence that is…not my wife's impeccable cleaning and hosting skills.


*Eric Isham, CEO and Founder of Omnicommander.*

One of the first points of discussion was the current issue with ADA compliant websites. Unlike some predatory law firms that choose to point out legal infractions and then extort money out of credit unions, Omnicommander pinpoints the problem areas and provides the service to resolve them if the institution chooses to do so. "When I founded the company the real reason behind it was there was an identifiable gap for credit unions, particularly small credit unions, when it came to website design," stated Eric. "Still today there are tons, I can say over 90% of the credit union industry, when you look at their websites they're not secure, they're not mobile responsive, there's not a great user interface for potential or existing members to access the sites. But one of the big things to come about over the past twelve months is ADA compliance."

"Anybody in the credit union world knows that there's been some 'ambulance chasers' and some copycat attorneys as well that are trying to shake down credit unions due to accessibility," adds Isham. "While I don't endorse their practices, I do strongly believe that credit unions should have their websites accessible to the widest range of members and potential members as they can." From a brand experience perspective this simply makes sense in my opinion. You wouldn't want a member in a wheelchair, or an older member with a cane, not be able to visit one of your branches because you didn't have an ADA compliant ramp for people to easily access the front door. Similarly you wouldn't want a visually impaired individual to not be able to access your website and avail him or herself to your products and services.

This is why Omnicommander has invested in two full-time ADA compliance officers as well as two blind individuals that review every site on desktop, tablet, and mobile they create. "Our credit unions know that when we go live with a website that it is 100% accessible, WCAG 2.1 – which is the new standard," Eric proudly exclaims. "Our credit unions don't have

to worry about one of these attorneys coming around about accessibility. None of our clients have ever been sued by one of these people."


We then talked about the fact that in today's world the website is much like another branch of the credit union. So just as you wouldn't have a non-ADA-complaint storefront, you also wouldn't deliberately have a location with an ambiance or feel that would offer a less than positive experience for your members. "Some credit unions are doing a poor job of really setting their tone of building a proper virtual branch," Eric added. "I talk to credit union CEOs every single day and they won't think twice about spending $1 million on a brand new branch but they won't spend a few thousand dollars to tune up the one place that will touch every one of their members. When you think about your website, it's your 24/7, always-on, always-there digital branch."

Eric and I discussed how for Millennials and Generation Z the first thing they will do if someone recommends a credit union or bank to them will be to look it up on their phones. If the mobile site doesn't come up correctly or it doesn't look right they will close it down in less than two seconds. "Almost everyone in America today pulls out that phone and says 'Hey Siri, show me ABC Credit Union," quipped Eric. "If they can't easily interact and find the services and products they're looking for they're just not going to move forward."

"It may be superficial but a lot of trust is simply built on look," continued Isham. If the site "isn't a good representation of what the (institution) is then people are going to distrust that brand and not trust the (organization) with their money." This reminds me of one of my common phrases when presenting on branding which is the fact that people really do judge a book by its cover. Eric theorizes that "for anybody about 50 years old and younger they're accustomed to a certain level of design. When you land somewhere and that design is not up to your standards then you say something's not right. Something is out of whack."

So here are a few tips on how to bring your website up to today's standards:

- Have a quality look and feel for you website and mobile site that aligns well with your brand just as you would have a clean and inviting branch. Just as you would see something out of place at one of your physical locations, you know when something doesn't look appealing on your site.
- Your site doesn't have to be ridiculously expensive, but it does need to be inviting. A few good pictures can liven up even an old site. Show pictures of employees that look happy to be there and members being served. I did a brand review for one institution whose site was pretty bland and only had one picture. That picture was of the outside of their lone branch that looked like a dental office that was closed with no cars or people in the parking lot. Why would anyone want to go there?
- Try not to throw everything you have on the site. This is a case where less is definitely more.

Remove the clutter and have a call to action to help current and prospective members want to contact the credit union and learn more.

- And, of course, make sure the site is accessible to everyone. This is not just to protect yourself from attorneys but more because it's the right thing to do. In the spirit of people helping people, if you can help one person who is impaired in some manner by allowing them to easily avail themselves of your services isn't that reason enough?

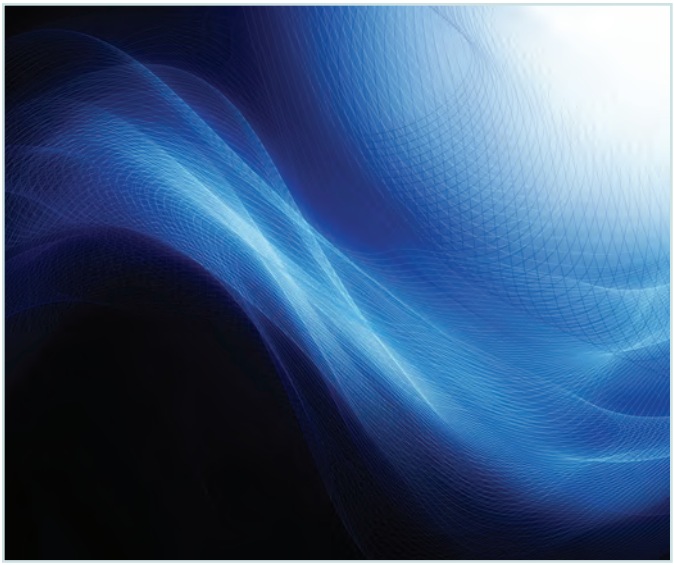
The professionals at Omnicommander are experts at educating executives on ADA compliance and building well-branded sites. I encourage you to take advantage of their expertise by giving them a call at 850-269-7111 or, of course, visiting their website at www.omnicommander.com. Now excuse me I have to go grab the vacuum as I invited two people over to the house to watch the football game.


*Ken Bator is the author of The Formula for Business Success = B+C+S and the founder of Bator Training & Consulting, Inc. (BTC). Ken helps credit unions create environments where employees actually want to come to work and members want to keep coming back. BTC accomplishes this through a combination of Branding, Culture building, and Strategic planning. This is the unique B+C+S Formula created by Bator and featured in his latest book. To learn more about your organization's unique B+C+S Formula, contact Ken directly at* ***714-681-2821*** *or* ***kbator@btcinc.net.*** *Learn more about BTC's training and strategic planning sessions at* ***www.btcinc.net.***

BY ABHISHEK VEERAGHANTA

# Does Your Financial Institution Have the Right Tools for a Successful Digital Transformation?

Keeping customers and members satisfied in today's technology-driven world is no easy task, even for the largest banks and credit unions. In fact, when BAI recently surveyed consumers on how their primary financial institution could improve their banking experience, there was no shortage of requests. A better omnichannel experience was the top request for 24 percent of consumers, as the inability to seamlessly switch between channels is a frustrating pain point for many. Other requests include transforming branches for a better in-person banking experience, enhancing the mobile channel for an "Amazon-style" experience and making better use of account holder data to improve product and service suggestions.



This can be accomplished using existing technology, but many financial institutions still struggle with a puzzle of outdated legacy systems, channel-specific services and tangled back-end systems. Overcoming these hurdles makes it near impossible to enhance the omnichannel experience and leverage data to better serve account holders long-term.

## Today's Less-Than-Ideal Approach to Digital Transformation

Traditionally, financial institutions have kept up with account holder demands by purchasing various products from several vendors and implementing them as needed. Banks and credit unions might have an online banking vendor, a mobile banking vendor and another vendor for mobile deposit. These disparate channels have resulted in the industry's tendency to focus on introducing a new feature or service to one channel at a time due to the headache of multiple system integrations.

For systems that financial institutions do choose to integrate, an expiring contract with one vendor may impact solutions from other vendors, which is burdensome from a due diligence standpoint. Additionally, for financial institutions that require specific or customized functionalities, like banker's banks and corporate credit unions, buying various solutions from different vendors and creating a complex patchwork is less-than-ideal.

Rather than juggle channel-specific functionalities, along with an assortment of vendors and software systems, banks and credit unions of all sizes should consider consolidating multiple channels under a single platform. Not only does this significantly reduce a financial institution's vendor management responsibilities and the need for several costly system integrations, this approach also empowers institutions with greater technological flexibility. A unified digital banking platform, especially one that leverages open architecture and application programming interfaces (APIs), allows financial institutions to efficiently adapt to and adopt the latest advancements in technology to accommodate their own business needs and meet the demands of today's account holders.

For instance, one financial cooperative that serves other credit unions throughout the U.S., has partnered with VSoft for its intelligent, open architecture digital service platform, Arya. The credit union leverages Arya's flexible multi-tenant, multi-tiered platform to provide its nearly 500 member credit unions access to manage, edit and update member accounts. Because Arya consolidates multiple products into one system and was designed with flexibility in mind, the platform can easily be tailored for distinct use cases, including at corporate financial institutions.

Understandably, a hodgepodge of systems and vendors also causes a disjointed user experience. By managing multiple channels under one system, banks and credit unions can deliver the seamless omnichannel experience that account holders now expect. This supports the same functionalities, design and layout across channels. Furthermore, this enables account holders to manage their finances from their preferred device, as well as switch devices and resume their banking activities with ease.

One bank has achieved this by consolidating its online and mobile banking applications with Arya.

This enables the bank's business and consumer account holders to gain insight into account balances, detailed transaction data and more, all through a single platform across devices. Since deploying the platform, the bank can also offer account holders a better user experience with more feature functionality on a mobile device. More impressively, this bank has grown its active user base by more than 30 percent with more than 10,000 users enrolled in digital banking and increased the number of mobile banking app downloads since implementing Arya.

## Can You See the Big Picture?

A tangle of back-end systems and channel-specific services also hinders a financial institution's ability to use data. Research from BAI reveals that 13 percent of consumers want their financial institution to better leverage their data to improve product and service suggestions. However, without a consolidated system, account holder data is siloed according to channel, system or even product, which makes it difficult to form decisions based on data.

While financial institutions can analyze data from one channel or system, this approach limits the amount of insight an institution can access on its account

holders. Gathering and cross-analyzing data across channels is crucial for banks and credit unions to obtain an accurate and comprehensive view of their account holders. Without this view, it is much harder for institutions to execute successful marketing campaigns and ultimately, uncover opportunities for growth.

For account holders with personal and business accounts at the same institution, fragmented systems and disparate sources of data are especially problematic. New technology and innovations have shaped business owners' expectations of how their financial institution should support their banking needs, but without access to adequate data, it is challenging for financial institutions to understand how to address those needs.

To ensure each account holder receives the most relevant product offerings and timely marketing messages, financial institutions must harness aggregated data from all channels. This also encourages the development of new products and services that will deliver the most value for account holders. By evaluating data across each account, product and channel, financial institutions gain increased visibility of behavioral trends and strengthen their understanding of target account holders. This supports better cross-selling efforts.

## Don't Forget About the Branch

Better access to data will also help financial institutions optimize the branch experience and deliver a consistent, frictionless experience across both physical and digital channels. Given the innovative digital offerings today's consumers have grown accustomed to, they should not visit the branch and feel like they've traveled back in time. By utilizing data from previous digital interactions with account holders, financial institution employees can identify who an account holder is, along with their recent financial activity, as soon as they enter the branch. As a result, employees can greet

them by name and understand the context of their visit to provide the highest-quality service.

With innovation happening faster than ever and no sign of slowing down, banks and credit unions must find ways to quickly adapt to each new emerging technology and account holder demand. There is no time for managing a mess of back-end systems, outdated legacy technologies and sorting through piles of account holder data in various formats. The financial institutions that invest in a unified digital banking platform that runs on flexible, scalable technology will be well-positioned to serve account holders for years to come. Ultimately, those that adapt now will have the opportunity to help shape the future of the financial services industry instead of simply reacting to the latest trends.

*Abhishek Veeraghanta, Business Development Executive, Digital Initiatives at VSoft*

BY JIM ROMEO

# Building Customer Service at Your Branch

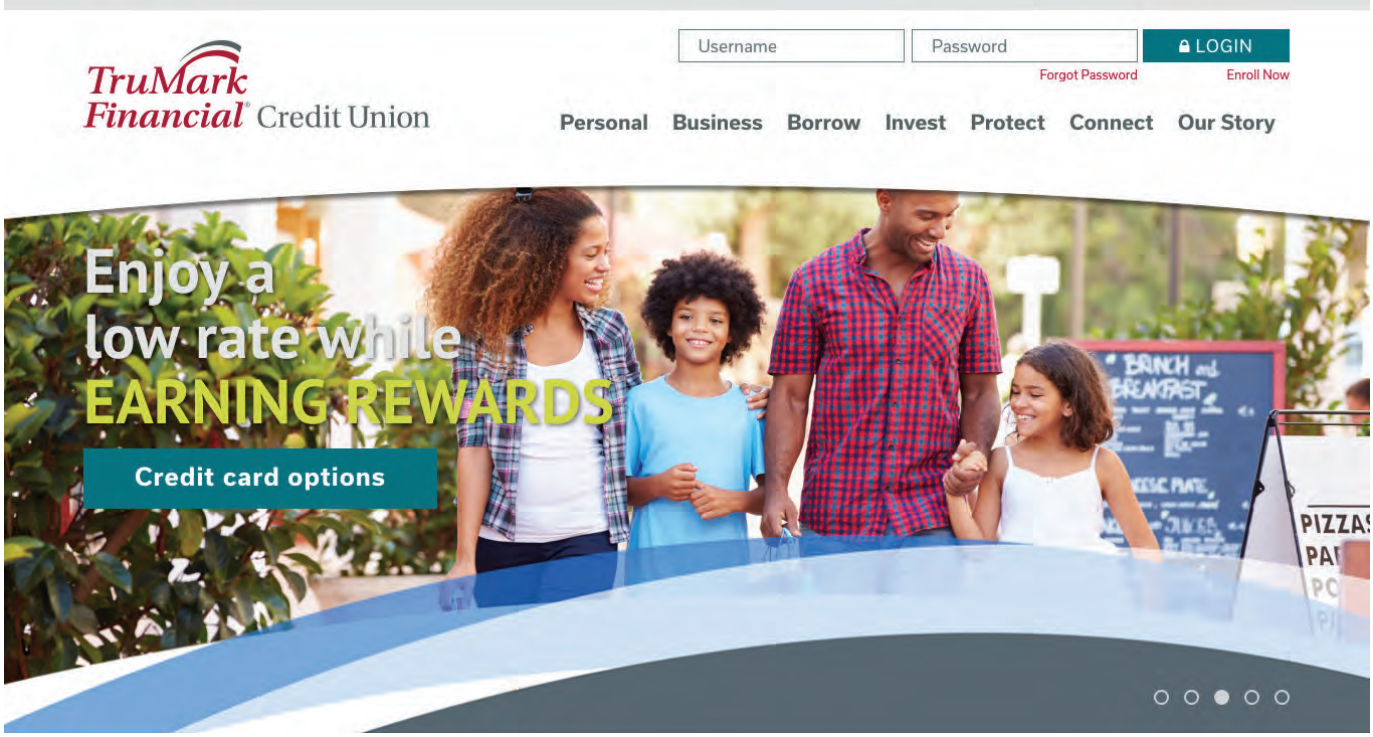
## A conversation with Mark Holder, Vice President and retail division manager at TruMark Financial® Credit Union in Fort Washington, Pennsylvania.

Mark Holders is the vice president and retail division manager of TruMark Financial® Credit Union in Fort Washington, Pennsylvania. We spoke to Mark to understand his approach to customer service at TruMark. Here's how our conversation went.

***Branch Business:*** From your perspective, how important is it to invest in customer service training for today's branch staff?

***Mark Holders:*** Training my team to handle the various aspects of member experience is critical to TruMark Financial. How we handle member interactions sets us apart from other organizations. We constantly coach our team on improving their performance to provide a consistent level of service to our members. The training we provide never stops. We always find ways to make improvements to our training and processes.

***Branch Business:*** What are some of the better ways to conduct such training?



***Mark Holders:*** The best way to conduct this training is through consistent coaching and feedback. Our branch managers provide on the spot and formal coaching on member interactions to their employees. They also role play various member scenarios with the team.My regionals also coach this when they conduct visits.

***Branch Business:*** Do you feel that customer service should be monitored and evaluated periodically to ensure that a high level of customer service is being maintained?

***Mark Holders:*** Absolutely. Member service should be monitored every day. At TruMark Financial, we get daily feedback from our members regarding service. We have a robust "Voice of the Member" program that encourages our members to provide feedback on their daily interactions with the credit union. This allows us to be responsive to our members and enables us to make changes to enhance the member experience. My team constantly engages our members for feedback. As a team we also reflect on our performance to find ways to enhance the member experience.

***Branch Business:*** What advice could you share with regard to best practices to build and maintain customer service for your branch and branches?

***Mark Holders:*** One key point about member service is that it is not just a branch responsibility. Today the interactions members have with other departments can affect member satisfaction. It is important all departments march to the same beat, so members receive the same level of service regardless of the channel with whom they interact. Several of our back-office departments receive surveys on performance related to member interactions. This helps other departments understand the important role they play in member service.

***Branch Business***: How important do you feel customer service will be in the next 3-5 years? Can you explain?

***Mark Holders:*** The service we provide to our members will be a key driver of our success in the coming years. Today when someone is not satisfied they can go to social media and have that seen by hundreds or thousands of people. I only see the reach of social media expanding in the future. The companies that can provide exceptional member experiences will be the winners in the future. We have to continue to provide a service that is memorable and keep our members coming back.

*Jim Romeo* ***(www.JimRomeo.net)*** *is a copywriter focused on business and technology.*

BY NICK BROWN

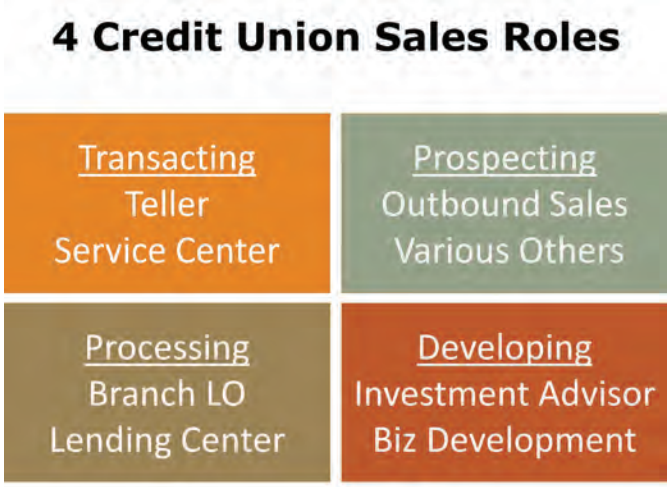
# The 4 Critical Sales Positions at Your Credit Union

Every position at your credit union is critical. When every position works together, your credit union hums like a well-oiled machine, serving members and creating exceptional value in their lives. But, which position is the most important?

I would wager that this question could spur an interesting debate. I believe there may be cases made for many different roles in the credit union. The role I would argue for, however, is that of your credit union's sales team. This would include branch, contact center, e-Lending, mortgage, investment, insurance, business development, business service employees, their managers, and probably a few others as well.

Sales is the backbone of every credit union. As a retail sales establishment offering products and services direct to consumers, your credit union is first and foremost a financial sales organization. Without sales your credit union fails. Not necessarily because of the loss of revenue. No, it fails because without sales your credit union no longer fulfills its intended purpose. If your employees are not selling they are not truly serving your members' financial needs. Let me explain.

A number of years ago, I worked for a credit union that hired a third party video crew to survey members as they left the branch. The purpose of the survey was to understand what their members expected of them as their credit union and primary financial institution. Most of the questions asked were about service, and how well the credit union was meeting their needs.




Truthfully, I don't remember any of the questions except one. I remember this question because it left an indelible impression on me as a credit union employee. The members' answers changed my perspective of what it meant to be a credit union employee, and what it meant to provide true service. They changed my attitude about sales and ultimately my career trajectory. The question was simply this:

"If you found out your credit union had a product or service which would make your finances more convenient, save you money, or help you make more money, but they hadn't told you about it, what would you do?"

Nearly every member expressed that they would be disappointed, upset, or even angry. A handful even said they would no longer be able to trust the credit union and would close their accounts. It was then that I realized just how passionate our members were about their credit union membership. They truly relied

on the employees to be experts looking out for their best interests and acting as their financial partner.

It is true that not every member is this passionate about their relationship with their credit union. In fact, it may seem that one of your biggest challenges is the lack of passion your members have to make your credit union their primary financial institution. Regardless of which type of member you are working with, the passionate advocate, the opportunistic rate shopper, or somewhere in between, credit union sales is the key to maintaining the relationship with the member and keeping it moving forward. So how exactly do you do that?

Most every credit union has four different sales roles. Each of these sales roles plays a different function in the sales process to expand and deepen your member's relationship with the credit union. By identifying these roles and understanding the important sales function they each play, your credit union can provide customized and role specific training for each employee. This customized training prepares the employee to sell within their normal function. Additionally, employees can be purposefully shown how their role contributes to the organizational goal of expanding and deepening member relationships.

## Categorizing the Four Sales Roles

The four sales roles most credit unions have are the:

- Transacting Role
- Processing Role
- Prospecting Role
- Developing Role

The names of these roles are largely based on the employee's primary function, but more importantly it identifies the process where sales opportunities will likely present themselves. Each role represents a number of positions within the credit union. Let's look at those.

***A Transacting Role*** would include any employee whose primary function is to process transactions, answer questions, and resolve account related problems. Specifically, this would be your traditional tellers, employees with tellering responsibility such as a universal employee when acting in that function, and contact center agents. Additionally, an agent interacting with a member through an ITM would also fit into this role.

***A Processing Role*** would include those employees whose primary responsibilities include processing membership and loan applications and opening new core products and services. Such positions may include branch loan officers, lending center agents (online and phone; new accounts and loans), and in certain situations your mortgage loan officers.

***The Prospecting Role*** is a bit different than the others. Where the others generally service members who are engaging the credit union, the prospecting role reaches out and solicits new business through phone calls and emails. This would include outbound sales agents and various others who, from time to time, proactively reach out to members to develop sales opportunities.

Lastly, ***the Developing Role*** includes all positions that have account ownership and management responsibilities and those which develop professional networks to bring in new business opportunities. This would include investment advisors, business development officers, business account representatives, insurance agents commercial realestate, and finally indirect and lifestyle lending managers.

## Sales Success in Each Role

The purpose of understanding these roles is to develop each employee to succeed in their responsibility as a sales person and also succeed in executing the credit union's goals. Because each position is so different in its function and purpose, the sales processes will be quite different.

In a Transacting Role, employees process transactions for hundreds of members each day. Out of any other sales role, these employees have the most interaction with your members. Such interactions present a significant opportunity that your credit union should be using to identify additional member needs. Employees must be thoroughly trained to identify sales opportunities quickly from the member's account profile, transaction history, and transaction requests. Also, they should be trained to solicit information through basic conversations which will uncover member needs. Finally, because of the high-volume nature of their position, they must be trained to sell in a way that is to the point and quickly gains the member's interest and commitment to move forward.

Your Processing employees will have a different experience. Their positions largely focus in on opening new accounts, loans, and other core products and services. Generally speaking, your members are engaging the credit union and the employee for these needs. These employees must have a sound operational knowledge of the products and processes, but they should also have significant sales training on how to properly interview the member to uncover the member's true need and align the best product to those needs. They should understand how to position the sale of all ancillary products in these conversations. Finally, they must be able to assess other product or service needs the member may have and lead a sales discussion to capture the full relationship.

Because prospecting employees are proactively reaching out to members over the phone and email to solicit new business, they will need additional training on this specific sales function. Proactive selling is significantly different than selling to a member who has engaged the credit union for a product or serivce. These employees will need training on how to effectively communicate in a charismatic way. They will need training on a specific sales process designed to capture the member's attention and gain commitments to bringing over the member's loans, deposits, and checking accounts. They will also need training on proper follow-up and commitment processes to lead the member through the process to closing.

Lastly, employees in a Developing Role will need sales training which is unique to the other three roles. These employees have a sales cycle which is much longer than any of the other roles. They are selling the relationship and must establish themselves as experts and trusted advisors. Generally, the sales discussions they are having are not with members, but rather businesses. To be successful, employees in a Developing Role must have specific training on sales nurturing, lead development, initial contacts, and finally closing. In account development settings these employees will need training to capture the current need as well as long cycle account development practices.

## Conclusion

By identifying the various sales roles at your credit union, you will be able to strategically position and train your sales staff to propel the credit union's

mission and growth. Each employee will excel in their role to capture your member's financial needs, generate revenue, and most importantly add value in your members' lives. This clarity in role and training will develop exceptional employees who are accountable, committed, and willing to maintain a long-term relationship with the credit union. That means your credit union will be enabled to compete at a higher level and win a great percentage of your members' business in this competitive market.

*SalesCU (formerly Nick Brown Consulting) is a credit union-specific, sales training company dedicated to bring a proactive sales approach to every credit union. SalesCU accomplishes this by providing sales consulting and training to enhance branch sales, contact center sales, outbound sales, and lending center sales. The goal of SalesCU is to empower credit unions to cultivate primary financial relationships with their members. Engage Nick Brown directly at* ***801-860-5807*** *and nick@salescu.com. Ask about his credit union specific workshops and online sales training, featured at* ***www.salescu.com****.*

# Introductory offer!

SUBSCRIBE

# Only $24 per year*.

***Includes full website access to Branch Business and Credit Union Business including 8 years of archived issues**

Credit Union BUSINESS
THE ONLY ALL-DIGITAL, ALL-BUSINESS MAGAZINE FOR CREDIT UNIONS


BANKING BUSINESS NETWORK

"The Branch Business eMagazine has changed my life! The newsletters are a reliable source to keep me informed of the most innovative activities, procedures, tools, and resources that are available in today's Credit Union branches. Every article within the newsletter is well-written and has information that is needed for success in today's quickly evolving environment. The management team at **Tropical Financial Credit Union** embraces CU Business for your professionalism and insight!"

**Rosemary Aguilar, Branch Sales Manager**