



\$ cuStrategies

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United We Stand...Divided We Fall!

Is your entire organization focused on increased loan growth, loan loss prevention, revenue, membership growth and loyalty? If the answer is “No...I hope so...I think so...”, then keep reading!

It takes a united effort by all to maximize loan growth, revenue, and membership growth by, first and foremost, providing the right service to gain new loans and new members and, secondly, preventing loan losses to the credit union to increase future loan opportunities. This includes Management; Lending; Frontline Tellers; Loan Processors and Underwriters; Business Development; Collections; Member Call Center; etc. The key is to focus on:

- *Key performance indicators that lead to loan growth and profitability that impact ROA...your bottom line*
- *Identifying loans existing members have with other financial institutions*
- *Attracting New member...new money = loans (not share accounts and/or just checking accounts)*
- *Preventing loan losses with existing members (responsibility of tellers, MSRs, Collections, etc.)*
- *Indirect loans (building the relationship for long-term loyalty) with an Outbound Calling Program*

For credit unions to maximize their success for long-term sustainability, leaders must first establish key performance indicators (KPIs) metrics that define success for the credit union in membership growth, loan growth, revenue, and retention; and, secondly, but equally important, leaders must get ALL STAFF engaged to help the credit union achieve success. In order to accomplish this effectively, leaders have to SHOW, not just tell employees specifically what their role is in helping the credit union

achieve the KPIs for success. Leaders must find ways to set their staff up for success with the right training, knowledge, and skills to better serve your members. Remember, serving your members the right way will always lead to more loans, profitability, and retention. Also, establishing benchmark goals for all staff and implementing a reward performance program with a focus on the KPI's for the credit union is the first step to motivating staff and getting employees engaged for success!

For example:

- Establish KPI stretch goals (goals staff focus on) and target goals for Board and examiners to focus on with a strong emphasis on loan growth, membership growth, ROA, average loan yield (which impacts ROA); delinquency ratio and charge off ratio; and denial/approval ratio
- Establish a benchmark goal for loans approved/denied; number of loans closed; loan volume; delinquency ratio; and average loan yield for every loan processor and underwriter.
- Establish a loan volume goal for tellers and allow them to earn an incentive for closed loan referrals.
- Establish a loan volume goal for Business Development Officers
- Establish a loan prevention and loan referral goal for the Collections Team

Engage in Loss Prevention on the Frontline and on the Back-End to Increase Future Loans!

Another area leaders can focus on is **preventing loan losses**. The obvious purpose of preventing a loan loss to the credit union is to prevent the actual loss of income on the specific loan; however, the most important reason to prevent a loan loss is to increase future loans for the credit unions from that particular member. Why? Because once you take a loss on a member, most lending policies state you cannot do another loan for that member which means the credit union now loses potential future loan opportunities with that member. The member is going to get another car loan, they are just going to go to a subprime lender that will charge them an exorbitant interest rate anywhere from 25% to 45% for a car loan and 300% to 700% for an emergency loan. **DON'T LET THAT HAPPEN! Be PROACTIVE (not reactive) to prevent loan losses, thus, increasing future loan opportunities!**

Employees need to understand their role in growing the credit union from the teller to collections. Turn your frontline staff into Financial Solution Partners and your Collections Team into Member Solution Partners.

Below are Rules of Engagement to get everyone on the same page. (This is part of the Service EXTRAordinaire Program and Credit Scoring and Analysis (CSA) Lending Program cuStrategies offers credit unions):

Service EXTRAordinaire: Rules of Engagement

Every Member...Every Time!

1. It is every employee's #1 job to **GROW THE CREDIT UNION** and **PREVENT LOAN LOSSES!**
2. Transform frontline staff into **Financial Solution Partners** (CSA Lending Program and Service EXTRAordinaire Programs)
3. Transform your Collections Team into **Member Solution Partners** (cuStrategies Member Solutions Training Program)
4. Partner with your members and **coach them to achieve or reclaim their financial freedom**
5. **Partner with your members** through life's most amazing moments and life's most challenging moments to prevent loan losses and increase future loan opportunities
6. **Create Win/Win/Win solutions** for the credit union, the member, and the employee!
Credit Union: Secured loans for high risk members; increased profitability, decreased loan losses; and increased member loyalty and retention.
Member: Raise credit score, lower monthly payments, and eliminate high-interest rate credit cards
Employee: The intangible reward of making a difference in people's lives and the tangible reward of recognition and monetary rewards.
7. Ask every member every time if they would like to **lower their monthly auto payment** and any other loan not financed with the credit union.
8. Build strong relationships by conducting a **Credit Score Analysis (CSA)** with every member, every time! (CSA Lending Program)
9. Strengthen the relationship with members by **conducting mandatory strong closes** and relationship closes with every member, every time to ensure you don't incur loan losses and force the member to go to subprime lenders for future loans! (CSA Lending Program)
10. Train staff to turn unsecured loan requests into secured loans if the member is a high risk member by asking the right questions.
11. Train staff to look for ways to lower members' monthly out pay by restructuring all their loans that are not with the credit union. This solutions should lower the DTI thus increasing the ability to pay the Credit Union
12. **Train staff to engage in SMART Talk** to build credibility and trust essential to building strong relationships
13. Train staff to always step up the box...all it takes is courage to offer the right solutions to increase loans and prevent loan losses.
14. Train employees to offer "What if" suggestions: **What if we stop...start...change**
15. **Train employees to take initiative**...initiative is what you do when no one asked you to do it and you did the right thing, the right way, and got the right results CONSISTENTLY.
16. Mandatory: Train staff to never tell a member, "I'm sorry, I can't help you...its policy."
17. Mandatory: Train staff to never simply respond to a request, respond with the right solution. It will always be a win-win-win & be proactive for life.
18. Never focus on what you can't do, **always focus on what you can do.**
19. Train staff to not be order takers and become Financial Solutions Partners (frontline) and Member Solutions Partners (Collections).
20. **Never use the word NO or CAN'T**, no matter the request...be creative and offer the right solutions.
21. Never say, "I'm sorry, there's nothing I can do."

22. Don't simply respond to the member's request, **respond with the right solution!**
23. Create a focus and goal **to turn every high risk member to a low risk member through a Credit Score Analysis (CSA).**
24. Respond to every complaint or request with, "Absolutely, let me see what I can do for you right now!"
25. **Train your team to have a sense of urgency.**
26. Train staff to use the word "we" to create a partnership with our member...after that, it's about the employee and their brand.
27. Empathize. Put yourself in their shoes..."I feel your pain."
Train staff to take ownership of the member/person...even if they got you by mistake!
28. Train staff to conduct hard closes on loans that could potentially stray. "Goodness forbid you have a hiccup down the road, call me! I am your financial solutions partner for life!"
29. Train staff to have a **Can Do, What If, Will Do ATTITUDE!!**
30. Mantra: Efficiency is doing things right. Effectiveness is **doing the right thing** with every member, every time.
31. Changed behavior takes intentional effort. It takes 21 days with great, intense purpose to make a change and create a good habit.
32. Focus on service and sales will come!
33. **Service EXTRAordinaire builds LOYALTY, TRUST, and RELATIONSHIPS.**
"EXTRAordinary" Member Experiences lead to increased loans, profitability, and member loyalty!
34. We always want to have members talking about how we solved and resolved their problem, not talking about the problem!!!
35. **Never ask a question that gives you a 50% chance of getting the answer "NO".**
36. Never submit an unsecured loan request for a high-risk member—ask the right questions and offer the right solutions
37. Take ownership of your members and create extraordinary member experiences.
38. Never look at just the member in front of you...it's also the 485 people standing behind them that you can't reach without the member in front of you so **ask for "Coworker Referrals"** first and foremost. In most cases, people have more coworkers than family members!
39. Be creative with your responses: **Offer your members options**
40. **Never deny a loan...defer it!** A denied loan is a lost loan opportunity forever! We are going to do your loan eventually and this is how we are going to do it (Conduct a CSA)
41. **Have FUN along the journey!**



CCATCU Win/Win/Win Solutions

Win for the credit union: Willie at CCATCU does an outstanding job of utilizing cuStrategies' techniques and strategies to help his credit union increase loan opportunities exponentially! Willie closes, on average, \$2 million per month in loans using an Outbound Calling Program and other lending strategies...and, on average, 90 percent of his loans are protected!

Win for the member: Willie works hard to lower payment on auto loans not financed with the credit union and eliminate high-interest rate credit card balances.

Win for Willie: Willie is rewarded incentives for helping members and the credit union achieve success!

Nothing is more exciting than to see staff engaged to help their credit union grow by bringing in more loan opportunities and working hard on the frontline to prevent loan losses by building strong relationships.

Credit unions who have used cuStrategies' programs and services have experienced a transformation in their culture with enthusiastically engaged employees, enhanced leadership, positive synergy amongst teams, and raving fans from their membership as a result of their member experiences!

For more information on how to create and maintain a strong and vibrant sales and service culture for growth, please contact Celeste Cook, CEO/Founder of cuStrategies, today at cccocook@custrategies.com or 404.783.5898. Her website is www.custrategies.com.

Celeste C. Cook

Speaker, Consultant, Trainer

Bringing you her credit union experience, expertise, proven strategies, positive energy, and passion for service!!!

Celeste Cook is founder and President/CEO of cuStrategies LLC. As a credit union industry strategist, Celeste provides strategic planning services, experienced consulting services, and expert training programs to the credit union industry. In addition to being a consultant and trainer, she is a keynote and motivational speaker with a dynamic and engaging style that have made her highly sought after within the credit union industry. Celeste has also served as an industry expert as well as a motivational and keynote speaker for credit union associations and leagues nationwide.

Along with being CEO of cuStrategies LLC, she has been involved in the credit union industry for more than 20 years and a professional speaker and trainer for 15 of those years – also working for a \$1.6 billion credit union in Atlanta, Georgia, and working as a consultant and trainer with Rex Johnson of Lending Solutions Consulting.

Celeste's expert training programs/schools in lending, marketing/business development, leadership, and sales and service for credit unions have helped credit unions with assets ranging from \$20 million to \$2 billion. She brings her credit union expertise, experience, and **proven strategies**, which have fostered her credit union clients' increases in loan growth and profitability. For instance, one credit union experienced 33% loan growth in 12 months using cuStrategies' lending strategies. Celeste also increased loans by 215% in nine months through SEGs during her tenure in Business Development at MAX Credit Union in Montgomery, Alabama.

Celeste has a degree in business management and a Certification in Sales Leadership Strategies through the Credit Union National Association. She has been a contributor to industry publications such as CUinsight, Credit Union Executive Society, Credit Union Times, and Credit Union Journal as well as **Branch Managers Letter**, a national publication. Celeste is also writing a book on leadership and service.