

# SOLUTIONS



AN ELECTRONIC REPORT FROM THE CUNA OPERATIONS OFFICER COUNCIL

## VOLUNTEER VISION

**Editor's Note:** *In this column, your COO Council volunteers share their experiences and visions for the future of branch operations. It is our goal that this column serves as an introduction to you, our peers, and as a networking forum to discuss current operation issues and trends.*

William "Butch" Blair, 2001 Conference Chair, says, "All of us are facing some unique challenges as we struggle to keep pace with today's rapidly changing financial environment. In this marketplace, positioning your credit union as a member's primary financial institution does not come without operational costs and concerns. I joined the COO Council to network, share ideas, and draw on the experience of my peers who are facing or have faced the same operational challenges as the rest of us."

Butch's career in the service industry includes over 15 years in business management. He's done everything from developing new products to training employees to auditing loans. And, this "jack-of-all-trades" background has certainly come in handy in his current position as Central Virginia Federal Credit Union's Vice President of Operations. And, it's a perfect fit for his role as the 2001 COO Council Conference Committee Chair.

Since 1997, Butch has managed the daily operations of a growing, multi-branched, community chartered credit union. His credit union accomplishments include opening a full-service supermarket branch in only six weeks and developing Central Virginia's First Mortgage Department and Call Center. Currently, he oversees the branches, call center, and lending areas. In addition, the operational support areas including ACH, checking, collections, and ATM/Debit also report to him. Like all operations professionals, Butch is always busy!

The good news is, Butch's wife, Jean, also works at Central Virginia Federal Credit Union, so she's especially understanding of his schedule. They live in Forest, Virginia with their two dogs and have one son, Jason, who plans on pursuing a doctorate degree in Information Technology. Butch is also a member of the CUNA Human Resource Management Council and the Lending Council. In addition, he is active in several state and local credit union associations and is enrolled in the Certified Credit Union Executive program.

As our upcoming Conference Chair Butch would like to hear from you about issues, hot topics, breakout session ideas, and other suggestions for next year's conference in beautiful Orlando, Florida. Share your thoughts at [bblair@cvfcu.com](mailto:bblair@cvfcu.com) or call Butch at (804) 528-9016 x. 413. ♦



---

## 3rd Annual Conference—A Huge Success!

The 3rd annual COO Conference, held in beautiful in Portland, Oregon, was a huge success! More than 100 operations professionals from all over the United States attended the three-day conference and gave the speakers and breakout sessions rave reviews. Be sure to attend next year's conference in sunny Orlando, Florida—we've already started planning for a great time.

For those of you who had to miss this year's conference, we've featured some of the keynote speakers and over viewed some of the breakout sessions in this edition of *Solutions*. ♦



---

## KEYNOTE KICKOFF-The Doctor Was In!

The telephone has become a critical component in doing business at most credit unions. Its importance was highlighted by one of the keynote speakers at this year's Operations Conference. Nancy Friedman, known as the Telephone Doctor, who has appeared on OPRAH, the Today Show, and CBS This Morning, kicked off the conference by grabbing everyone's attention. She challenged the audience to call in to their own credit unions and request information, stating the results may be surprising!

Focusing on how important positive responses are when dealing over the phone, Nancy highlighted phrases and actions that should never be used when you are talking to members, staff or peers. "I don't know," "I can't," "No," "You have to...," and not asking if a member is able to hold ( and NOT giving them the chance to respond!).

Nancy, a wealth of knowledge about telephone service or lack of it, advised the participants that the number one complaint related to telephones ten years ago,

was being put on hold and that statistic hasn't changed! What's the number two complaint?? Auto attendants! And how many of us have installed this technology in recent years??

So, what's a credit union to do? Have an auto attendant? Be sure you have an option to be able to get to a real, live person! Does your auto attendant sound like a robot? Rerecord with an upbeat, friendly voice. Do you purposely hire bad people who don't like working with the public? NO, but you have to invest in training staff, starting with new employee orientations and all of management must get behind and support service initiatives. Negative phrases can be turned around to positive statements with a little practice and coaching whether you are talking to members or co-workers.

Need a little help? Check out Nancy's web site at [www.telephonedoctor.com](#) for a host of resources, including a book that provides basic information to assist with developing your own in-house program. The prescription is not hard to swallow and the benefits may last a lifetime! ♦



**Nancy Friedman**  
The Telephone "Doctor"®

---

## Using a Balanced Scorecard to Measure Operations

Hardly a day goes by without some information about balanced scorecard management crossing our desks. This new methodology for planning, tracking, and implementing corporate strategies really is the greatest thing since TQM. And, while it can seem overwhelming deciding where and when to use a scorecard, operations professionals were treated to two sessions showing the scorecard in action.

Karen Webster, CEFCU Chief Operating Officer, and Dave Brugger, CEFCU Vice President of Branch Operations, detailed the scorecard in use at both the corporate and department levels. Karen's presentation took us through developing a corporate scorecard and included insights on how to decide what to measure, how to benchmark and who to benchmark against, as well as how to document your scorecard. In short, she challenged us to identify pockets of inefficiencies and measure our progress towards excellence in a coherent, ongoing basis.

Dave's presentation focused on how you can use existing reports and other documentation to develop a departmental scorecard. Once you identify the key areas of importance to the entire credit union, it's easy to see how

many of the daily things the branches do fit into the corporate goals. And, more often than not, you're already measuring them one way or another. Developing a departmental scorecard is arranging your measurements into a concise, coherent format that is inherently tied to your corporate goals.

While it sounds complicated, once you understand how the scorecard works, it becomes an indispensable organizational tool. For more information on the Balanced Scorecard, check out these resources:

- *The Balanced Scorecard: Translating Strategy into Action* by Robert S. Kaplan & David P. Norton
- *Performance Drivers: A Practical Guide to Using the Balanced Scorecard* by Nils-Goran Olve, Jan Roy, & Magnus Wetter
- *The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment* by Robert S. Kaplan & David P. Norton
- *The Benchmarking Book* by Michael Spendolini
- *Benchmarking for Best Practices* by Christopher E. Bogan & Michael J. English ♦

---

## HELP WITH STAFF DEVELOPMENT—A formula for success

You don't have to look very far to find articles about the shrinking labor pool, succession planning and how important training and development should be in your credit union. Are you looking for help to jumpstart your own operations career? Do you want to change your discipline from operations to finance? Do you enjoy developing and mentoring those who will follow you? Have job responsibilities changed that now require you to rewrite your job descriptions and revamp your performance appraisals?

If you are looking for tools that can help with one or more of the above, you may not have to look beyond the CUNA Council's Career ExCELL & Career Architect programs. The Career ExCELL program

focuses on the technical & functional skills for seven key roles at the credit union: CEO, CFO, Operations, Lending, Marketing, Technology and Human Resources.

Each discipline is broken down into very manageable skill sets, so don't let the lofty titles of CEO or CFO throw you. While you can use this tool to get a good understanding of the full picture of an executive level position in these areas, you can also use it to breakdown the requirements to assist with development of a Member Service Representative, a Branch Manager, or a Lending Processor.

Speaking to the operations role, it is broken down into twelve areas which include back office operations, branch sales, internal controls and



---

compliance, site management, electronic delivery systems, and business development and more! The best part—these skill sets were developed by your peers—people who do these jobs everyday and know what is important. You can rate yourself, or a staff member you are helping, and easily identify their strengths and weaknesses in reaching their long term career goals and from there, develop a plan of action.

We all know that technical skills are only one side of the equation! Leadership competencies are critical and that is where the Career Architect comes in. Career Architect identifies sixty-seven (67) attributes that define successful leaders, what to watch for if you overuse these skills and how to develop them

if you identify deficiencies in any areas. These attributes will be different for everyone depending on your credit union, your own career goals at any point in time, and your own leadership style.

The best thing about both programs is that they are affordable and can be used by all areas of the credit union to initiate discussions about recruitment, career pathing, staff development and recognition, organizational design, and role definition. Once you start talking and sharing ideas, you create a natural dynamic that will keep things moving in the right direction—a formula for success that starts one individual at a time! To order, call CUNA Customer Service at 1-800-356-8010, ext. 4157 ♦

---

## New Thinking for the New Millennium

Denise Wymore, a consultant from Extreme Arts and Sciences, had everyone put on their thinking caps, and thinking outside the box was the only kind of thinking these caps allowed! This lively presentation focused operational thinking on the next credit union branch...on the web and with the member in mind.

Denise began her discussion with an analysis of the credit union industry and how we stack up against our financial industry competitors. And, in the age of the Internet, our competitors are not just banks. Beginning with [pokemon.com](http://pokemon.com) and ending with [askjeeves.com](http://askjeeves.com), it's easy to see how the Internet is changing the way everyone, including credit unions, do business. The good news is, credit unions can and should use the web to their advantage. Not only is there a wealth of information out there, but the web can be used as another strategic delivery channel.

And, Denise showed us more ways to change the way we think about organizational alignment. In fact, she suggests we turn it upside down. First, she says throw out all the old organizational charts

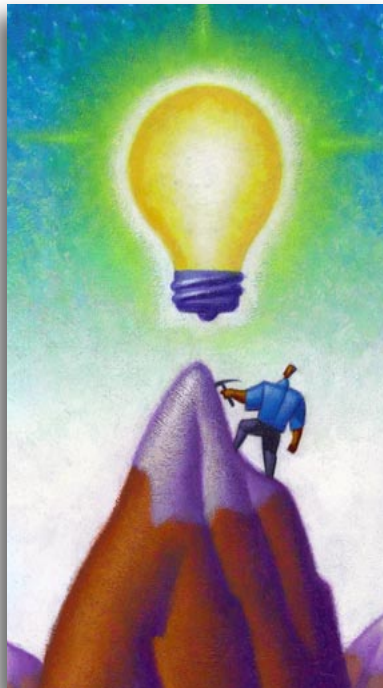
that start with the Board and CEO at the top and work downwards through layers of managers to someone who may serve the member.

Then, create an organizational chart with the member at the top with service channels for the member to use. Typically, you'll get three channels: face-to-face, phone/mail, and web. These channels are supported by regulation, communication, and technology or any of your support areas.

Finally, the whole chart is in a big circle which represents the vision of your Board and CEO. The point is, when you put the member first, you'll find a whole new way to begin to meet their changing financial needs!

For more new thoughts, here's a list of Denise's must see, creative thinking web-sites:

- [pets.com](http://pets.com)
- [pokemon.com](http://pokemon.com)
- [autobytel.com](http://autobytel.com)
- [nextcard.com](http://nextcard.com)
- [move.com](http://move.com)
- [askjeeves.com](http://askjeeves.com)
- [amazon.com](http://amazon.com)
- [customers.com](http://customers.com)
- [monster.com](http://monster.com)
- [masie.com](http://masie.com)
- [redherring.com](http://redherring.com) ♦



## FRAUD—The Crooks Are Getting Smarter

Don Thompson, Senior Risk Management Specialist for CUMIS Insurance Society, Inc. fielded questions related to fraud and the latest trends in this area at one of the many roundtables at the conference. The good news is that plastic card fraud is down, due in part to better member education and neural networks. The bad news? Check fraud is the fastest growing area of concern. Color copiers and check paper stock abound and so do bogus checks!

Don recommended that credit unions use the check holds available to them through Regulation CC, including at their ATM machines, if they accept deposits. Your front line staff must be familiar with the legal limitations of proper check holds and when they can extend the holds even longer.

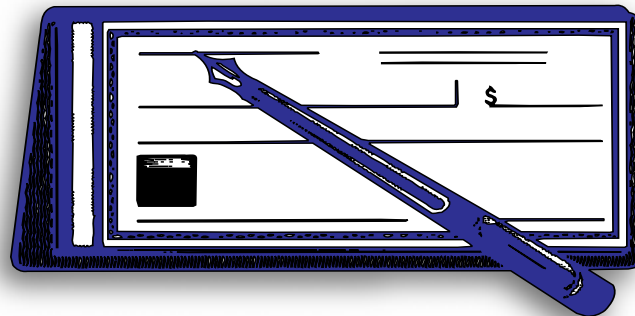
He also suggested that calling a financial institution to see if there were enough funds in an account to cover a check, wasn't enough. There might be enough money in an account, but that doesn't really matter if you are dealing with a counterfeit check!

**Suggestion?**  
Call the maker of the check to confirm its authenticity. It might take a few more minutes, but the extra time could save thousands!

Identity theft is

also on the rise and it was suggested that credit unions verify as much information as possible when working with new members. Sponsors may cooperate to verify member eligibility and employment and a quick letter of thanks from your staff may confirm a family member relationship or help confirm a correct address. The participants agreed that one of the biggest challenges was helping staff, many with limited experience, develop a "sixth sense" when something just doesn't feel right and acting on that instinct.

Speaking of staff, unfortunately, internal fraud, still keeps CUMIS investigators busy. It's important to review your processes to ensure enough checks and balances exist to keep staff honest and that you do sufficient background checks when hiring new staff. CUMIS may pay the claims, but we all effected by fraud and increased insurance premiums that ultimately negatively impact our members.



Many credit unions have developed local networks with law enforcement and other area financial institutions to share information. Together, we can outsmart the crooks! ♦



# SOLUTIONS

© 2000 Credit Union National Association, Inc. All rights reserved.

*Solutions* is a web-based newsletter published quarterly by the CUNA Chief Operations Officer Council at [www.cuna.org](http://www.cuna.org), click on Councils, then the CUNA Operations Council. Send news and COO Council information to editor, Cindy Wanamaker, SVP Retail Sales, Franklin Mint FCU, 1974 Sproul Rd., Suite 300, Broomall, PA 19008; phone 1-610-325-5070; fax 1-610-325-5265; e-mail [cindyw@fmcu.org](mailto:cindyw@fmcu.org). For Council membership and administrative information, call Cheryl Sorenson, manager of Council Administration, at 1-800-356-9655, extension 4393 or e-mail at [csorenson@cuna.com](mailto:csorenson@cuna.com).



CUNA & Affiliates