

SOLUTIONS



AN ELECTRONIC REPORT FROM THE CUNA OPERATIONS OFFICER COUNCIL

Council Election Nets New Committee Members

The votes have been cast and the ballots counted in the first-ever election for CUNA COO Council Executive Committee members. This is the new roster of directors:

Three-year terms:

Dave Brugger, *VP Branch Operations, CEFCU, Peoria, IL*
Laurie Kusch, *VP Branch Operations, Columbia CU, Vancouver, WA*
Vicki Smith, *COO, Rogue CU, Medford, OR*

Two-year terms:

Suzanne Collier, *VP Operations, Resource One CU, Dallas, TX*
Anthony McCollim, *COO, Matcom FCU, Englewood Area APG, MD*
Cindy Wanamaker, *SVP Retail Services, Franklin Mint FCU, Media, PA*

One-year terms:

Philip Dzikowski, *SVP Finance/Operations, Florida Telco CU, Jacksonville, FL*
Sherry Mossotti, *VP Financial Services and Branch Operations, Empire FCU, Syracuse, N.Y.*

The positions of chair, vice chair and secretary/treasurer will be filled at the Executive Committee meeting held in conjunction with the upcoming CUNA COO Council Operational Dynamics Conference Oct. 10-13 in Annapolis, MD. The new members - Cindy Wanamaker, Philip Dzikowski and Anthony McCollim - will step in for departing members and founders Celeste Martinez, SVP Branch Operations for The Golden 1 CU, Sacramento, CA; Glenn Strebe, CEO of Air Academy FCU, Colorado Springs, CO; and Linda Murrow, SVP, Educational Community CU, Jacksonville, FL.

Terms for the new committee members have been staggered to assure that there is a constant rotation in Executive Committee members. Next year's election will only be for those elected to one-year terms. New terms take effect at the close of this year's conference.

Congratulations to the new committee! Come and meet them at this year's conference. ♦

A Y2K Checklist for Your Branch

Credit unions have been working hard to make sure their computer systems will work properly in the year 2000. But, there's more to making sure your branch is ready for the year-end date change than checking your credit union's computers. As a branch manager, you need to prepare for the year-end date change in several ways.

✓ **Communicate about Y2K.** Educate employees about what to expect during the last quarter of the year. Let them know that members have been advised by "experts" to get copies of their financial records, keep a weekend's worth of cash on hand, and ask questions about their credit union's Y2K readiness. Then, share your credit union's contingency plans for

these issues so they are aware of how your branch will be staffed during the coming months. Give them the tools they need to answer member questions about Y2K. And, continue to keep your members informed about your Y2K readiness as well.

✓ **Monitor your finances.** Take a good look at your liquidity plan and make sure you can fund all of your credit union's normal operations and meet members' needs as well. Then, consider cash demands for each branch including how extra cash will be stored and delivered. Be creative and look at alternatives for storing bagged coin, corporate checks, and personal money orders. Since you can stop pay-

ment on corporate checks and PMOs, do they need to be in a vault? And, what about Travelers Cheques? Do you have enough in stock? And, where can you store them?

- ✓ **Make reasonable preparations.** While no plan is fail safe, be prepared for extra member needs by increasing daily staffing requirements and limiting vacations during peak times. Stockpile office supplies—extra vouchers, pens, paper, printer cartridges and toner - you'll need to be pre-

pared for increased business. Also, look at your parking and traffic flow pattern.

Work with local law enforcement officials if you foresee any potential gridlock or other congested situations.

While no one knows for sure what will really happen when the new millennium begins, your branch can make the transition to the year 2000 very easily. Just follow your credit union's contingency plans and take time to prepare your branch! ♦

Community Events = Member Relations in Action

*By Brenda Dunbar, Citizens Equity
Federal Credit Union*

Recently, the suburban town where CEFCU's Washington Member Center is located held its first annual Cherry Festival. And, CEFCU employees were eager to participate in this important, first-time community event. Best of all, when the credit union's formula for community events was put to the test (see Solutions, July 1999), being a part of what goes on in our community is relatively easy, fun, and exciting.

First, our Member Center team reviewed the Cherry Festival sponsorship and participation options. Being one of the larger businesses in town, it seemed appropriate to sponsor the Entertainment Stage, which highlighted local talent on Friday and Saturday evenings. But, the employees wanted to be involved in the event as well. So, we staffed a booth in the merchant's tent and participated in the festival parade.

Our booth in the merchant's tent used the

theme "Friends and Neighbors You Can Count On" which emphasized our credit union's local ownership. The booth was open 1 - 9 p.m. on both Friday and Saturday, so staffing was tight between the office and the festival. And, employees were aware they would be working some overtime. However, the community was so excited about the event, the excitement was contagious and our employees couldn't wait to take their shift at the festival. Both days, employees wore special CEFCU Cherry Festival shirts. And, posters were displayed in the Member Center encouraging members to visit the CEFCU booth at the Cherry Festival.

Saturday afternoon, the festival wrapped up with a parade through town to the fairgrounds. Employees decorated a truck with CEFCU signs, balloons, and streamers. An employee dressed as CEFCU's mascot, Buck, rode in the back of the truck and several employees walked the parade route to hand out candy. ♦

Moving Up — Will You Be Poised for the Millennium?

*By Sherry A. Mossotti, Vice President-Financial
Services & Branch Operations Empire Federal
Credit Union, Syracuse, NY*

As reported in the recently released CUNA Credit Union Environmental Scan, 1999/2000, the future has never looked brighter for CEO-bound operations professionals. According to the Scan and shifts in demographics, "Leaders are in short supply. Already, 6% of baby boomers have retired, and

large numbers will make their exodus from full-time careers by 2008." Where will tomorrow's leaders come from and will you be poised for the millennium?

The Scan also reports that existing leaders are retiring earlier—age 62 versus the traditional 65-year-old norm. In fact, the Scan reports that 20% of all credit union CEO/managers plan to retire in the next five years, and there are fewer potential leaders to choose

from, because the number of 35- to 45-year-olds is projected to decline 15% by 2015. Putting it all together and you find the pool of CEO candidates decrease, and your chances for moving up into the number one spot increase. Here's some tips to help you reach the ranks of credit union CEO:

- Get involved—in community organizations, in the chapter, in your league. Volunteer for committees, councils, or even national trade associations such as CUNA, NAFCU, or CUES.
- Continue your education. Many colleges offer courses through the Internet, mail correspondence, and non-conventional methods. If you have an associates degree, start working toward your bachelors. If you have a bachelors, work on your masters. Even if you're only *attending* college when an opportunity arises, you can still add it to your resume to make yourself more marketable to a potential employer.
- If college isn't for you, consider self-development schools requiring less of a time commitment. Look into CUNA's Management School, local leadership training such as the National Association for Community Leadership or Dale Carnegie classes.
- Education that can easily be completed at home includes credit union-related home study programs like the Credit Union STAR (Staff Training And Recognition) modules, or MERIT, available from your state league.
- Do your research. If you do get an interview, research the potential employer. Research the industry (if it's not credit unions). Research the competition.
- Prepare for your search ahead of time. Purchase some inexpensive books at your local bookstore, such as *Best Answers to the 201 Most Frequently Asked Interview*

Questions by Matthew J. DeLuca, *The Complete Idiot's Guide to The Perfect Interview* by Marc Dorio, or *175 High-Impact Resumes*, by Richard H. Beatty. Get your resume in shape before you need it. Prepare a couple of resumes and be sure to *tailor* your resume to the specific job responsibilities outlined in the advertisement. (There are several firms on the Internet who will review your resume and provide pointers for a low fee, and some will even review your resume for free!)

- Consider reading self-improvement books, such as *Work Happy, Live Healthy* by Tom Welch, *Top Dog* by J. David Pincus and J. Nicholas DeBonis, or *How to Think Like A CEO: The 22 Vital Traits You Need to be the Person at the Top* by D.A. Benton.
- Register your resume with head-hunting firms, such as D. Hilton & Associates, The Woodlands, TX, and your state league.
- Search for growth opportunities in places like CUNA's "classifieds;" or NAFCU's "job opportunities." Be sure to search the Web for local classified ads.
- Attend industry-specific conferences and schools to be sure you remain current on pertinent issues. Make time to read credit union-related trade magazines and journals. (Read what your CEO is reading!)
- "Practice Makes Perfect." Send resumes. Interview. Apply for positions with like qualities to the CEO. This will refine your interviewing and follow-up skills, and prepare you for the big opportunity when it comes along.

The future looks bright for COOs striving for the CEO position. Take advantage of some of the tips above and watch for future articles in CUNA COO newsletter, *Solutions*, on developing your talents, and you're sure to find the climb an easier task. ♦

Measuring Branch Productivity is More Than Just Numbers

For years, branch managers paid close attention to the numbers when it was time to figure their contribution to the bottom line - number of loans, number of new savings and checking accounts, number of teller transactions vs. ATM transactions, etc. While important benchmarks, numbers can't tell the whole story about your branch. As a manager, you need to get to know your members. And, find-

ing out more about your members is as easy as 1, 2, 3.

First, compile the numerical data about your branch. What types of loans are you doing for your members - new or used car loans, home equity credit lines, or unsecured bill consolidations? How often do you sell credit insurance on these loans? Then, compare this to the amount and number of new certificates or

money market accounts you're opening. Are your members' savers or borrowers? And, how do your members stack up to members who use other branches or the "average" member at your credit union? Analyze the number of teller vs. ATM transactions and other numbers that give you a snapshot of your membership.

Next, look at your community. Its size, its industry, its median income. Is it a bedroom community, more rural, or metropolitan in nature? While you can get a general overview of this information from your local chamber of commerce, many credit unions are using infobases that collect data such as income, occupation, and marital status from the nation's top databases. This information is then appended to the credit union's file on each member. Then, look at what products and services your members are using. If fami-

lies in your community typically have two cars and your members currently have only one car loan with the credit union, then your branch may want to cross-sell vehicle loans.

Finally, you may want to take all of this information and create a snapshot of your branch over the last five years. Look for trends that either match or buck your credit union's performance. Are loans increasing at the same rate? Are automated teller transactions increasing or decreasing? Is your overtime sky high or moderate? Tracking your branch over time provides a more consistent, reliable view of your performance.

So, add up your numbers and take a good look at your members...you'll find how out how easy it is to make your branch's productivity meet your credit union's expectations. For more information on measuring branch productivity, check out CUNA & Affiliates

Credit Union Operations of the Future— Will Your Credit Union be Ready?

By Sherry A. Mossotti, Vice President-Financial Services & Branch Operations Empire Federal Credit Union, Syracuse, NY

Financial Services continue to accelerate at an ever-increasing pace. According to *The Financial Executive*, produced by Anthony Arneri & Associates, "credit unions will need to plan for magnitudes of change of 25% to 50% every three to five years in at least the first half of the first decade of the 2000s."

What does this mean for financial executives? Well, if you're not already using the Internet, you may already be behind. Recently, while conducting some research on the Internet, America On-Line presented me with a Web Banner, touting the new AOL Platinum Card. My own Credit Union offers two cards, a Classic and Gold with interest rates of 13.9% and 12.9% APR, respectively. With the AOL offer of only 3.9% for balance transfers and in February, 2000, a fixed rate of 9.9% APR, I had to investigate further. What was the catch?

I clicked on the offer and read further. Interesting..... no annual fee. No cost for balance transfers. A no-gimmick credit card with limits higher than my current Gold card. So I applied. Here's where the catch comes in, I thought. Nope, wrong again. By providing only my name, address, mother's maiden

name, and birthdate, I had an \$8,000 credit line in less than 30 seconds. Today, a month later, I still haven't signed anything. I did call to confirm my mother's maiden name and the account number where my AOL charge posts, but that's it. It couldn't have been simpler.

Days later, I visited Victoria's Secret in the mall. Good sale, so I stocked up. As I presented my credit union VISA at the register, the clerk (probably making only minimum wage) offered me a credit card. The interest rate was higher - 18% APR, BUT... this card offered ninety-dollars worth of store coupons just for signing up, which, by the way, "wouldn't take more than a couple of minutes," she told me. She was right. I only gave her my name and social security number and had a \$1,000 credit limit within 30 seconds.

As a long time, loyal credit union VISA card user (of course it helped that I was employed there—boosting my loyalty), what possibly possessed me to take another institution's credit card? Unfortunately, loyalty only goes so far, and when it's money out of the pocket, one must weigh things more carefully. Just as some cut coupons, or shop sales, you've got to cut corners wherever one can.

My point? Simple. We're falling behind. Competition is becoming more intense. If we don't begin looking for more ways to make

things easier, faster, more accessible, more convenient, we won't be their first choice for long. Then of course, the Internet doesn't help. Currently, 60% of households with children have computers and many are already on-line. And, with Web TV, accessing the Internet will be as easy as changing the TV channel. What's to keep our members coming back to us?

Now's the time to really assess your credit union's direction and carve out your niche. In defining your credit union's future, here's some things to consider:

- The call center has emerged as a critical part of credit union delivery methods, and continues to grow in importance for Financial Services;
- Non-bank financial service providers will increase their market share by 30%;
- Member loyalty will continue to decrease;
- Internet, telephone, and e-commerce banking will continue to increase at a

record pace;

- The size of the institution will become less important - in fact, Netbank.com offers some very lucrative rates on savings, loans, and checking to lure member accounts away, simply by avoiding much of the cost associated to brick and mortar;
- Emphasis will turn from back office operations to front-line member contact. Salaries will need to increase in order to attract and retain qualified sales individuals, organizations will flatten their hierarchical structure, management and operations will serve the front line staff who directly impact the members;
- Emphasis will be on skills-based service, which focus on member needs and multiple-product relationships.

Where does your credit union stand in wake of these changes? If you're not planning for a rapidly changing future now, you may just be behind the curve already! ♦

WELCOME NEW MEMBERS

The CUNA COO Council would like to welcome our members that joined the Council from April - August of this year.

- **Christy Lee**, Community Educators CU, Rockledge, FL
- **Thomas K. Ryan**, Digital FCU, Maynard, MA
- **David A. Lambert**, Michigan CU League, Plymouth, MI
- **Danuta Sieminski**, Polish & Slavic FCU, Brooklyn, NY
- **Carl E. Shields**, Memphis Area Teachers' CU, Memphis, TN
- **Dawn Hailey**, Omni American FCU, Fort Worth, TX
- **Catherine J. Tierney**, Community First CU, Appleton, WI
- **Liston Cartledge**, America's First FCU, Birmingham, AL
- **Kevin M. Lee**, First Resource FCU, St. Joseph, MI
- **Alayne L. Charlton**, Orange County Teachers FCU, Tustin, CA
- **Karen Langley**, Southwest Resource CU, Baytown, TX
- **Sabina Montgomery**, Norton Community CU, San Bernardino, CA
- **Craig F. Burkhard**, MacDill FCU, Tampa, FL
- **Mark A. Young**, Maine State ECU, Augusta, ME
- **Scott McCaw**, Philadelphia Telco CU, Trevese, PA
- **Eric B. Ovlén**, Spokane Railway CU, Spokane, WA



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