

# Credit Union Times

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## FOCUSREPORT // Back-Office Efficiencies

RETENTION

### Recouping New Member Costs Hinges on Time, Devotion



myre said. “What you don’t want to do is have the member relations adviser throw a million products at [new members]. You don’t want to throw everything at the wall and see what sticks.”

After working with another vendor, AmeriCU went back to Deluxe Corp. in 2007 to utilize the company’s call center program. Known for its checking services, the St. Paul, Minn.-based firm also has a service that contacts new members to gather feedback on how their relationship is going with the credit union.

Rightmyre said while marketing is tailored by demographic, talking with AmeriCU’s MRAs helps to pinpoint custom solutions. Members that make the visit into the credit union’s financial centers to have that discussion are rewarded with a \$25 gas card.

Members who have new mortgages or have joined online are the prime contacts. Rightmyre said indirect auto loan borrowers make up the majority of calls. As the case with many in the industry, on the indirect side, once a member has made that final car payment, they tend not to do any more business with the credit union.

AmeriCU is bucking that trend. The percentage of indirects that took out a Visa card or a mortgage has increased, Rightmyre said. Of its active auto indirect loan members, 45% have additional products and services with the credit union. Management is confident

#### The Rundown

- ▲ Members don’t want to be overwhelmed with products and services.
- ▲ Some CFOs want to see quicker returns on investment.
- ▲ Vendor vetting still a critical piece of the puzzle.

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The first 90 days after a new member signs on have taken on new meaning as the industry continues to experience slowed membership growth.

That time frame is especially crucial if the member’s entry came

through an indirect loan. Behind the scenes, the expenses to build on those new relationships have become more scrutinized as credit unions seek out solutions that offer more long-term return on their investments.

For several years, the \$970 million AmeriCU Credit Union underwent a few transitions in its quest to find an efficient and a realistically applicable model to keep new members engaged with more products and services, said Timothy “Tab”

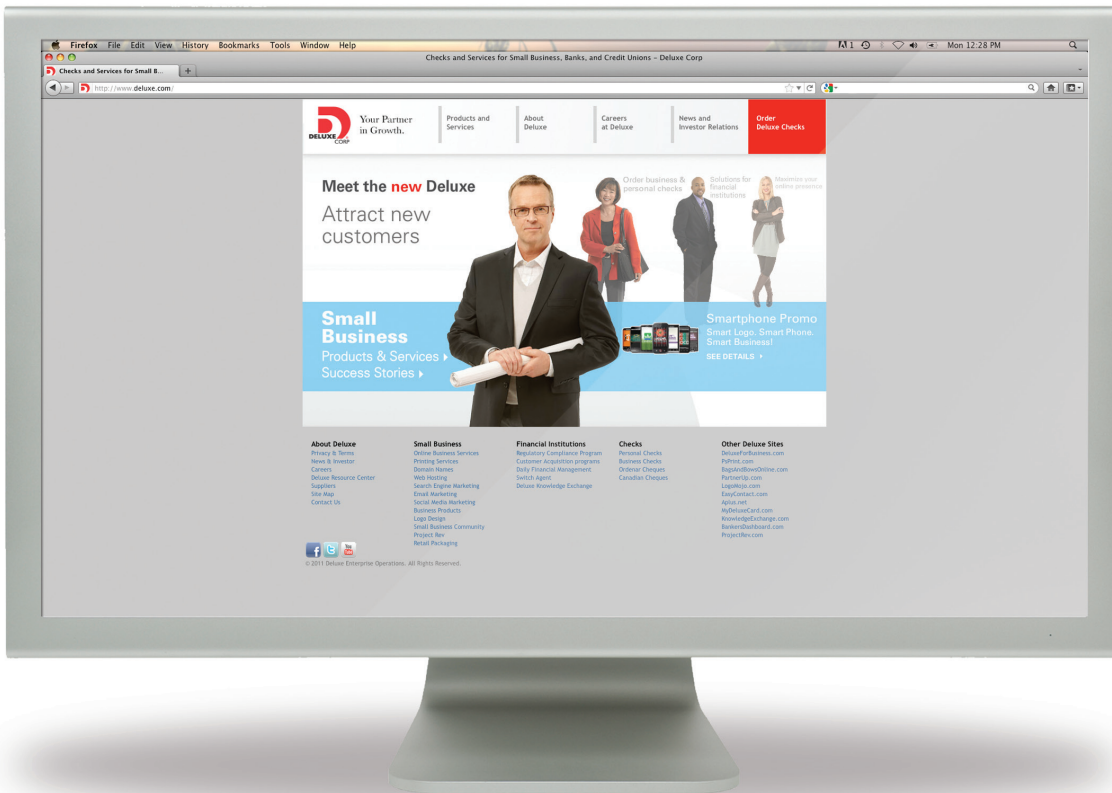
‘You don’t want to throw everything at the wall and see what sticks,’ said Rightmyre.

Rightmyre, coordinator of marketing analysis and product development at the Rome, N.Y.-based cooperative.

“There are a lot of studies out there that say the first three months are the most important part of any relationship. When it’s new, everything is all warm and fuzzy,” Right-



Rightmyre



'We hear more and more businesses talking about the experience rather than sales. We focus on the experience,' Givens said.

that Deluxe's OnBoarding program can provide more opportunities to increase that percentage, he offered.

Still, fostering new member relationships takes time and the fruits of labor most likely will not ripen for up to two years, Rightmyre pointed out.

"You'll probably have a CFO upset with you because you're not going to see a return in the first six months. It's going to take some time."

AmeriCU shopped around to ensure it would find the most efficient program, Rightmyre said. Ultimately, Deluxe won out because of the staff's strong people skills. Some employee changes at the credit union led to some major overhauls initiated by Rightmyre, who felt the feedback program

was a bit too scripted. Deluxe was open to shifting gears and making modifications, he said.

From a back office perspective, Deluxe recognizes that credit unions are looking for ways to add value to members, said Susan Eick, vice president of program innovation, research and development at Deluxe. A 2010 acquisition of Cornerstone Customer Solutions, a direct marketing firm, helped the company build a customer acquisition and growth program even more. Incentives are included to bring in new members. Depending on whom the targets are, Eick said Deluxe can measure on the back end so that a credit union can ultimately measure its own ROI.



Givens

"Sometimes we lose sight of the fact that a program may do a good job of bringing clients in but not anchoring them. We want to help get the fat out of traditional marketing programs," Eick explained. "We want to help credit unions hone in on who their best members will be."

More than 50 financial institutions ranging from the very small to \$2 billion in assets are using the acquisition and growth program, Eick said. Deluxe is also doing more on the back office end through its regulatory compliance and fraud and security programs.

"Compliance is what keeps people up at night. Right now, there are larger initiatives from the government that will impact larger credit unions but the smaller ones are still concerned that it will someday trickle down to them," Eick said.

The \$455 million Mazuma Credit Union has been with Deluxe for at least 13 years, said Rob Givens, president/CEO of the Kansas City, Mo.-based cooperative. Over that time period, the credit union has been a participant in the company's collaborative forums aimed at bringing in new services beyond checking.

Givens was a part of the 2004 collaborative which included both credit unions and community banks. Debbie Baumann, vice president of operations at Mazuma, is serving on the current collaborative. Mazuma was involved in the creation of Deluxe's Welcome Home Toolkit and did a needs assessment for small business services.

"We hear more and more businesses talking about the experience rather than sales," Givens said. "We focus on the experience."

Check sales remains Mazuma's primary relationship with Deluxe. Givens said the company's call center program has helped to uplift revenue and give members a much better experience. Services such as net promoter score surveys were previously outsourced to other vendors. They have since been moved to Deluxe.

In cash-strapped, assessment-laden times, credit unions are continuing to look for ways to shore up their back office often with scaled down budgets. Selecting the right vendor to make it all happen remains a critical piece to not only protect the credit union but ensure that ROI is attainable, some experts advise.

"Over time, we've modified our processes. We've outsourced our [request for proposals] to professionals," Givens said. "The NCUA says you should be doing a good job of vetting vendors. That's always been important." ■

#### NEXT STEPS

VISIT Deluxe's website at [deluxe.com](http://deluxe.com)