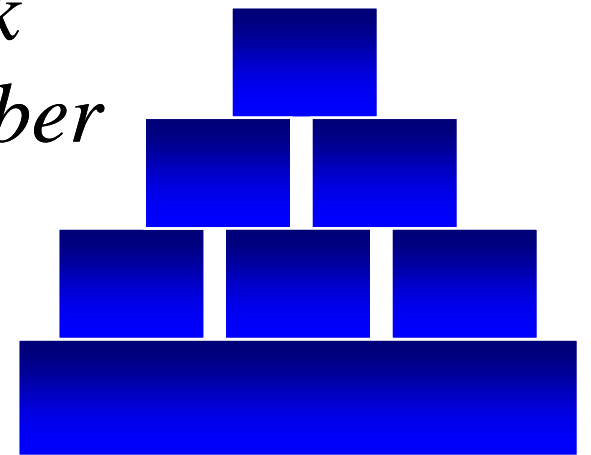
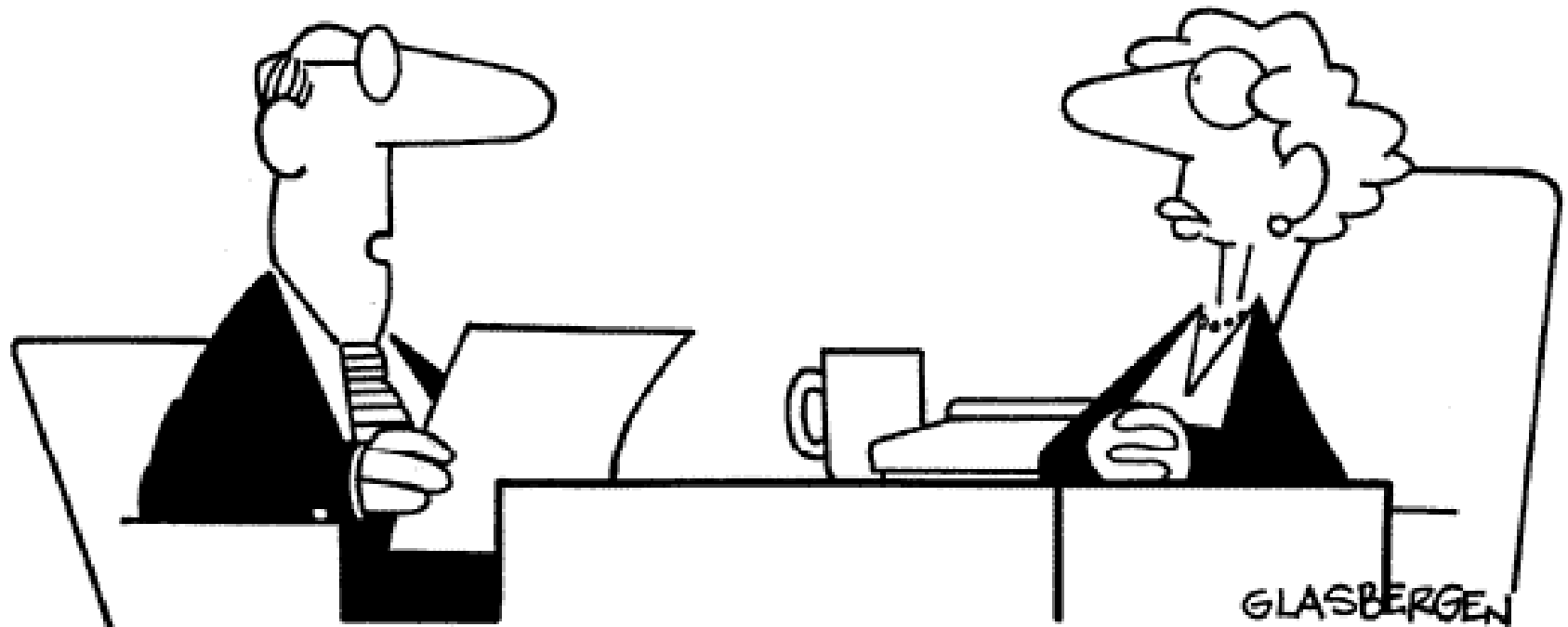


The Game of Operations:

*How Can I Make it Work
and Appealing to the Member*



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www.glasbergen.com



“My team is having trouble thinking outside the box. We can’t agree on the size of the box, what materials the box should be constructed from, a reasonable budget for the box, or our first choice of box vendors.”

Today's Conversation

■ Overview

- ◆ Strategic marketing process

■ 5 Building Blocks

- ◆ New ways to look at operations interaction
- ◆ Flexibility is the key to life

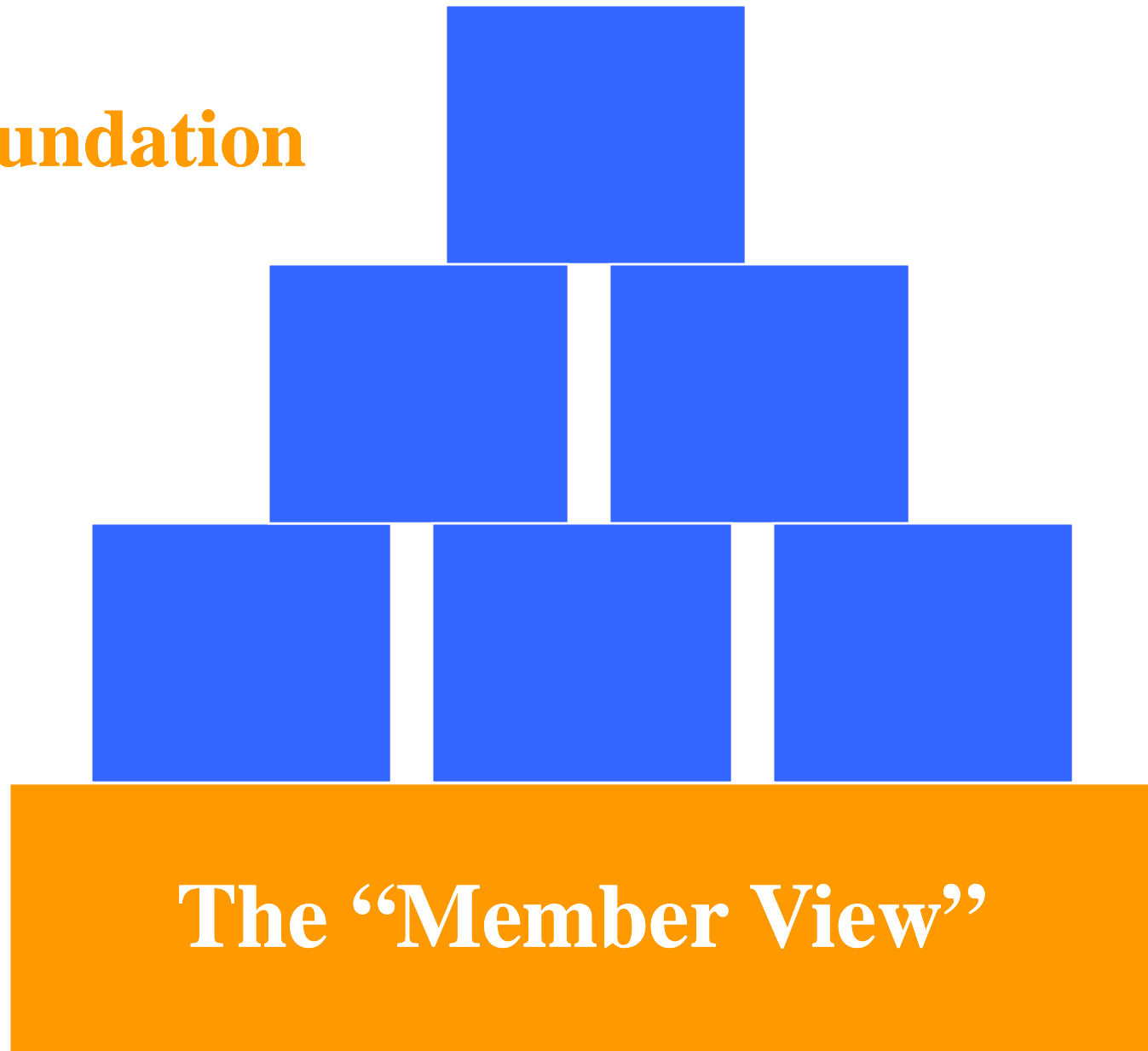
■ Case Studies

- ◆ Getting the ideas off the shelf and into action
- ◆ Make the most of what you have
- ◆ Delivery is everything

■ Measuring

- ◆ Numbers are important but trends

The Foundation



The “Member View”

Why?

- Need good foundation of knowledge in order to effectively:
 - ◆ *Set strategic direction*
 - ◆ *Know what to focus on*
 - ◆ *Leverage limited resources to achieve best results*
- To avoid making bad decisions
- To avoid starts and stops

What Information Do I Need?

- **Stakeholders**

- ◆ **Staff:**

- Operational Pitfalls*

- ◆ **Members:**

- Product Usage, Product Need*

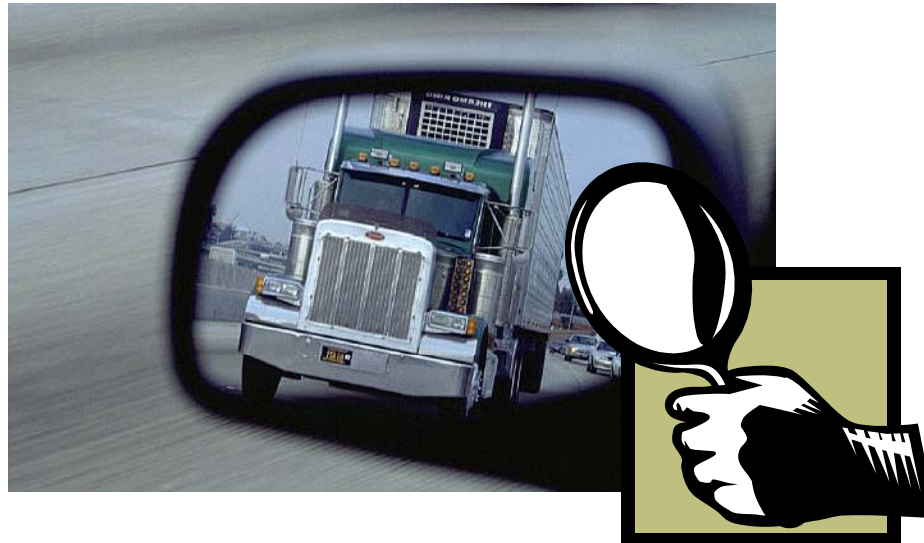
- ◆ **Potential Members:**

- Awareness, Market Usage, Product Need*

Let's Take a Look...

The “paperwork”

Reversing the Lens



How Do I Get The Info I Need?

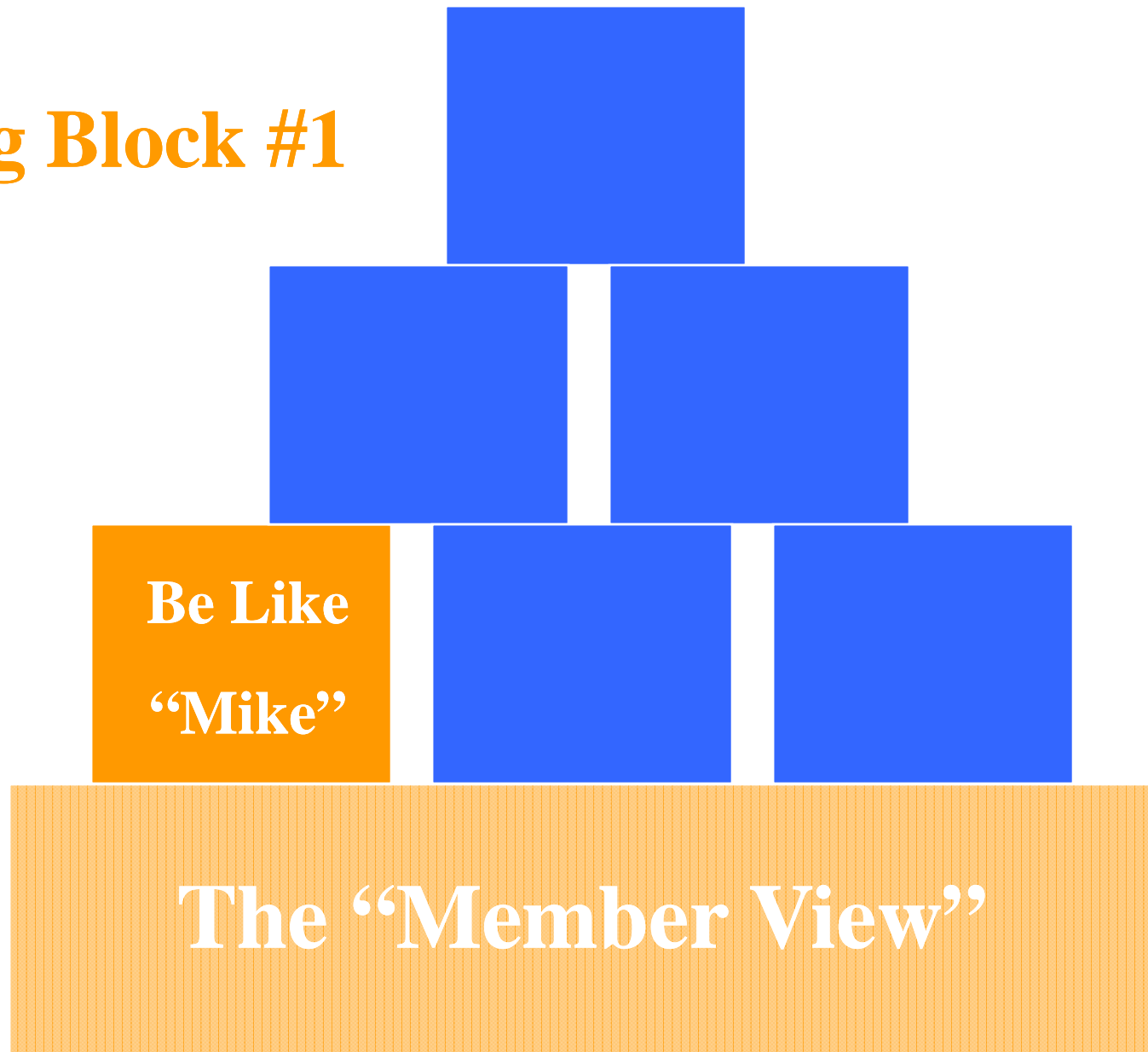
- **Take-Home #1:**
Knowledge Map
- Gather information you don't have
- Analyze/view information you already have in a different way:
 - ◆ *Fact-Finding:* Research, Assessments, Surveys, Focus Groups, etc.
 - ◆ *Big Question:* Do it yourself, or turn to outside
- **Take-Home #2:**
Analysis

The Secret

Spend the time.

Build a base of information and then simply update.
Involve the operations staff early and often...front line staff, too!

Building Block #1



Be Like Mike...

...*(the CEO)*

Align with Organization's Goals

- By creating a DIRECT LINK between Marketing, Operations, and the credit union's needs:
 - ◆ Meaningful impact on the bottom line
 - ◆ Gain credibility
 - ◆ Focus efforts
- Think like the CEO...
 - ◆ Balance sheet
 - ◆ Competitive dynamics & member movement
 - ◆ Stakeholders (return on resources)
 - ◆ All areas working together

Examples of Bottom Line Impact

- 1) **Attracting Desired Loans** *(types, terms)*
Versus deposit gathering
- 2) **Composition of the Market**
Versus market share
- 3) **Leveraging Capital** *(Maximizing Return)*
Versus focus on expenditures
- 4) **Deepening the Base**
Versus general expansion

Make the Math Simple

Where should I invest my \$1 of capital?

- New products?
- New facilities?
- Staff?
- New technology?
- ***Marketing?***

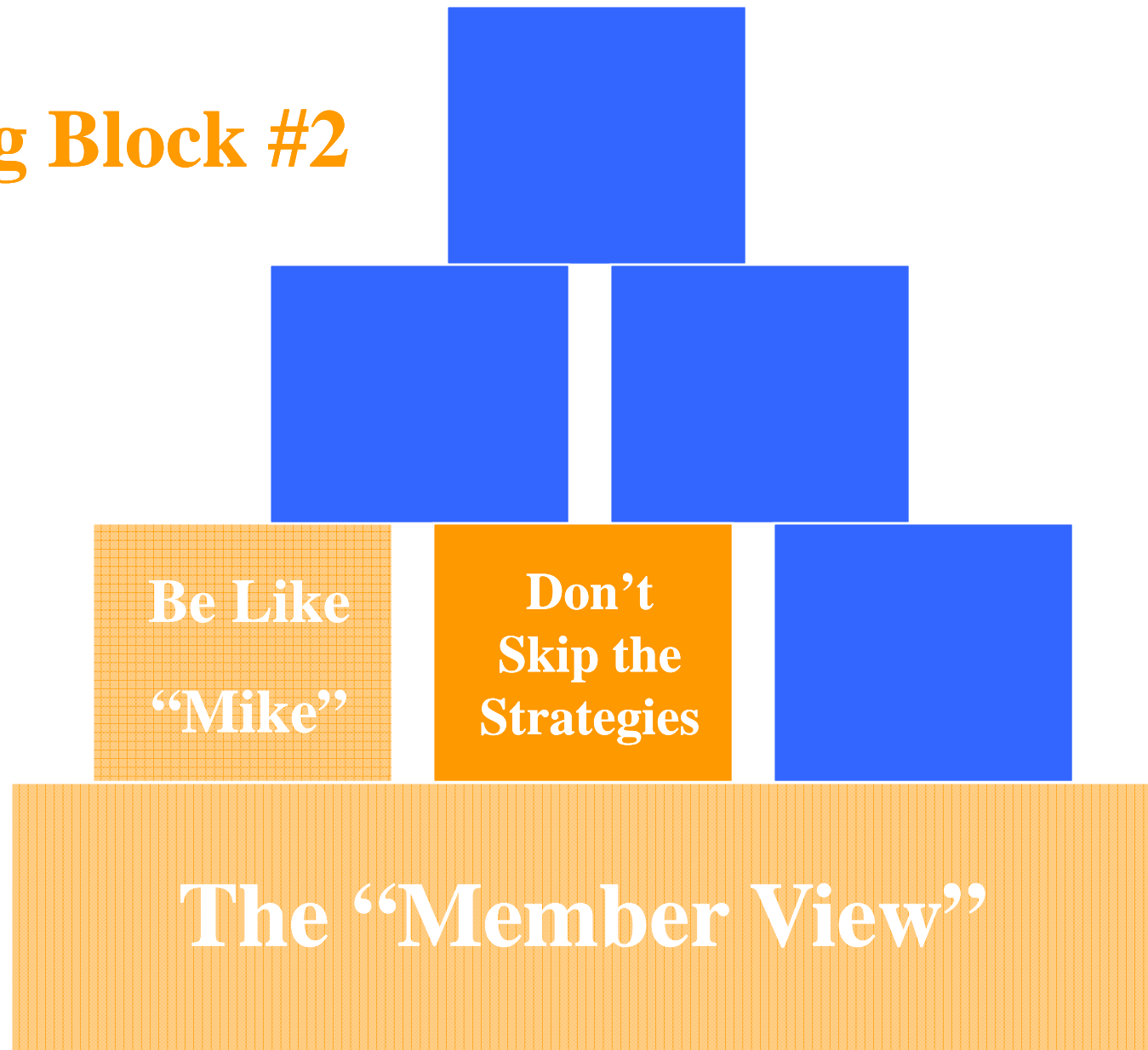


The Secret

Become Indispensable

Position yourself and the marketing function as a resource contributor versus resource “eater”. Be the leaders of change and focusing of efforts.

Building Block #2



Think Strategies...Not Tactics

What <u>TO</u> do	What <u>NOT</u> to do
Think global, then local, then more local.	Think only local.
Think strategic direction first.	Think promotion first.
Understand the market dynamics.	Do the same thing as last year.
Implement strategies that fit your credit union.	Do the “next hottest” thing that comes along.
Think flexibility.	Stay task driven.



Involvement Everyone...

But start from the Member View!!



Take Home Items

- Take-Home #3:
SAMPLE STRATEGIC
MARKETING PLAN OUTLINE
- Take-Home #4:
FIVE KEY QUESTIONS
To assist in evaluating marketing
processes, programs or promotions



Turn Strategies... Into Tactics



Strategy:

Increase Member Relationship Depth

TACTICAL EXAMPLES

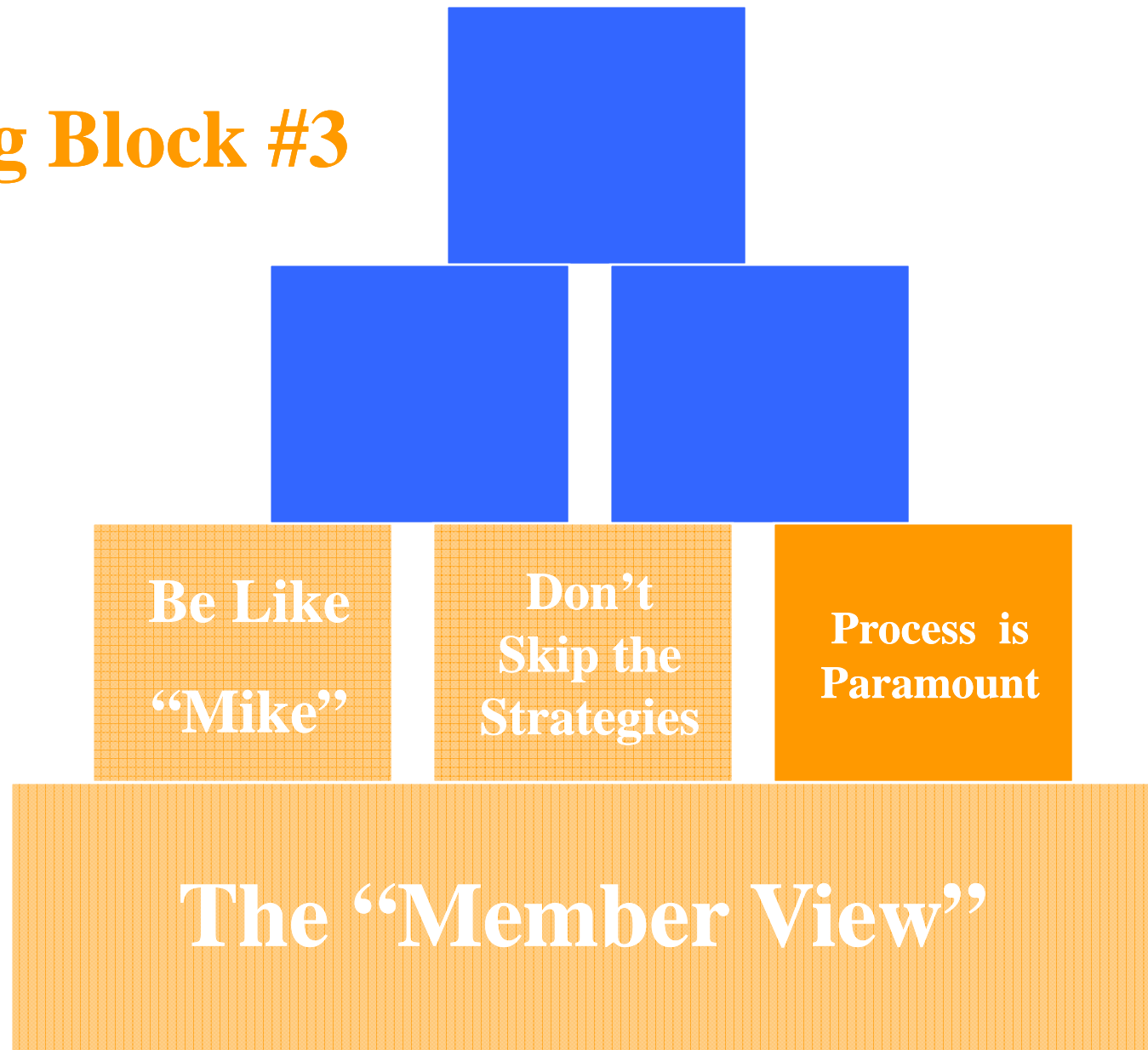
- **Decision Tree**
- **Offer cards**
 - ◆ *Business card-sized offers for immediate use*
- **Scratch and win**
- **Referral program**
 - ◆ *Incent both the member and potential member*
- **Package your products and services**
- **“2nd visit” offers**
 - ◆ *Incentive for the next time they come in to the credit union*
- **Personal hand written messages**
- **Focus on the 1st 90 days**

The Secret

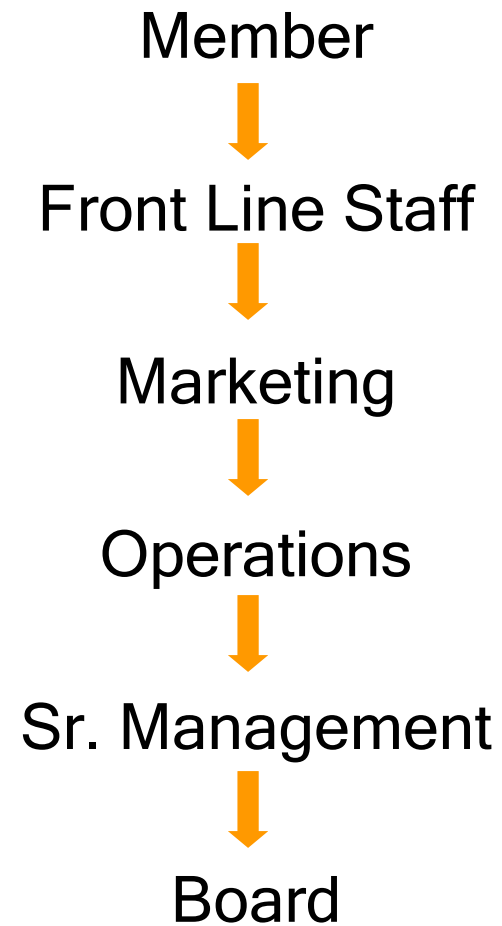
Tactics for Show, Strategy For Dough.

When you have perfected your strategies tactics will become very evident and virtually self-enacting. The process is paramount and will focus all efforts.

Building Block #3



Operations Planning



Critical Planning Process Points

- **Members**
 - ◆ *Ask what they want/need*
- **Front line staff**
 - ◆ *Find ways to get info*
 - ◆ *Challenge their thinking*
 - ◆ *Prompt idea exchange*
- **Marketing**
 - ◆ *Leaders of change*
 - ◆ *Lead with involvement*
 - ◆ *Overall plan review*

■ **Operations**

- ◆ *Better, not just easier*
- ◆ *Keep member focused*
- ◆ *Balance sheet alignment*
- ◆ *SWOT*
- ◆ *Involved, as a support*

■ **Sr. Management**

- ◆ *Focused on return of investment*
- ◆ *Leverage the capital*

■ **Board**

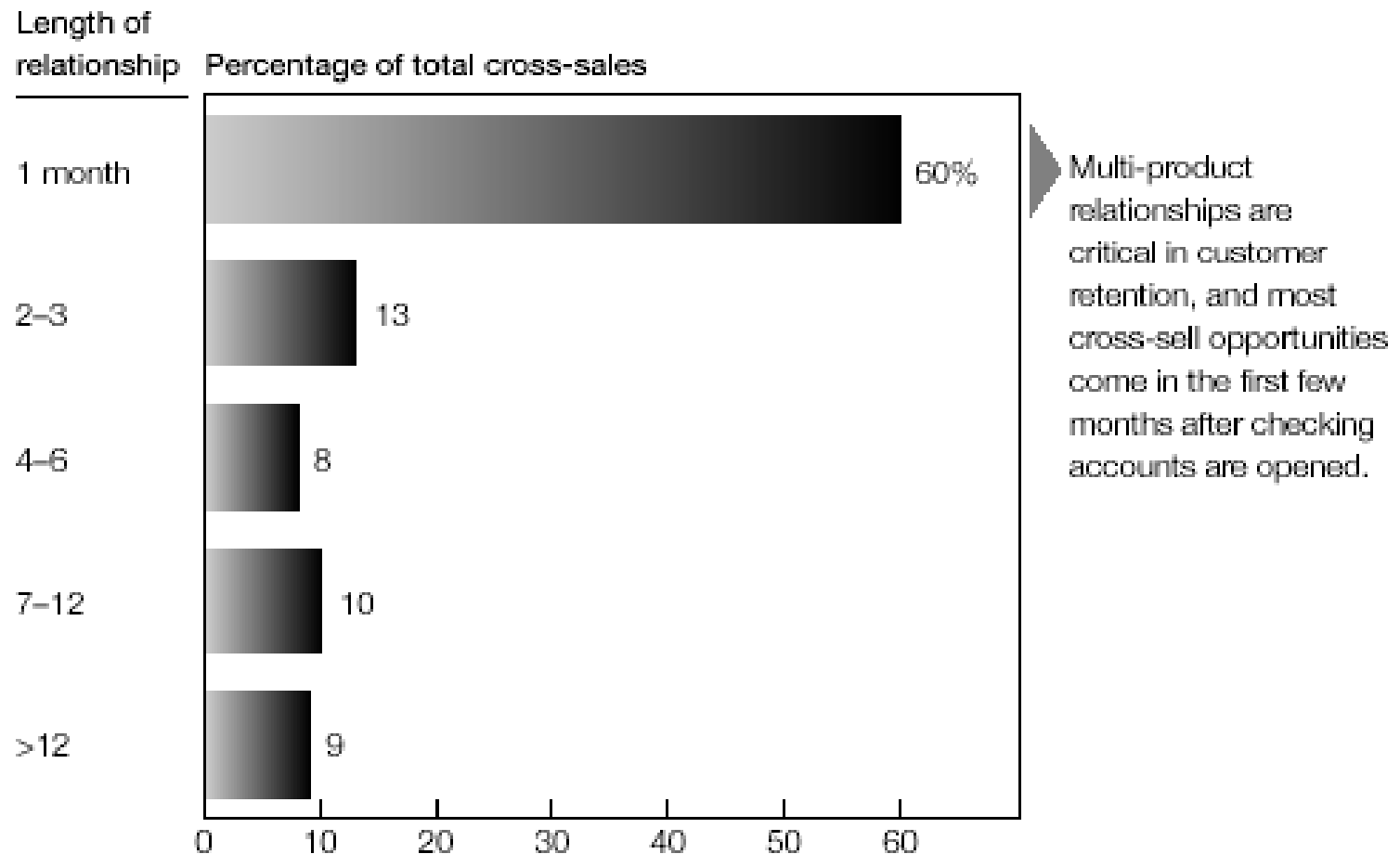
- ◆ *Member focused*
- ◆ *Creating resources*

On-Boarding is Critical

- 90 day window
- Involve
- Educate
- Manage expectations
- Communicate
- Understand the needs

The Commitment Matters...

FIGURE 1: Time is of the essence*



* Source: 2003 benchmarking study of eight large U.S. banks by BAI Research and MarkeTech Systems International

Take Home Items

- Take-Home #5:
Marketing Action Points
- Take-Home #6:
Tips on Getting Valuable
Information To/From Front Line
Staff

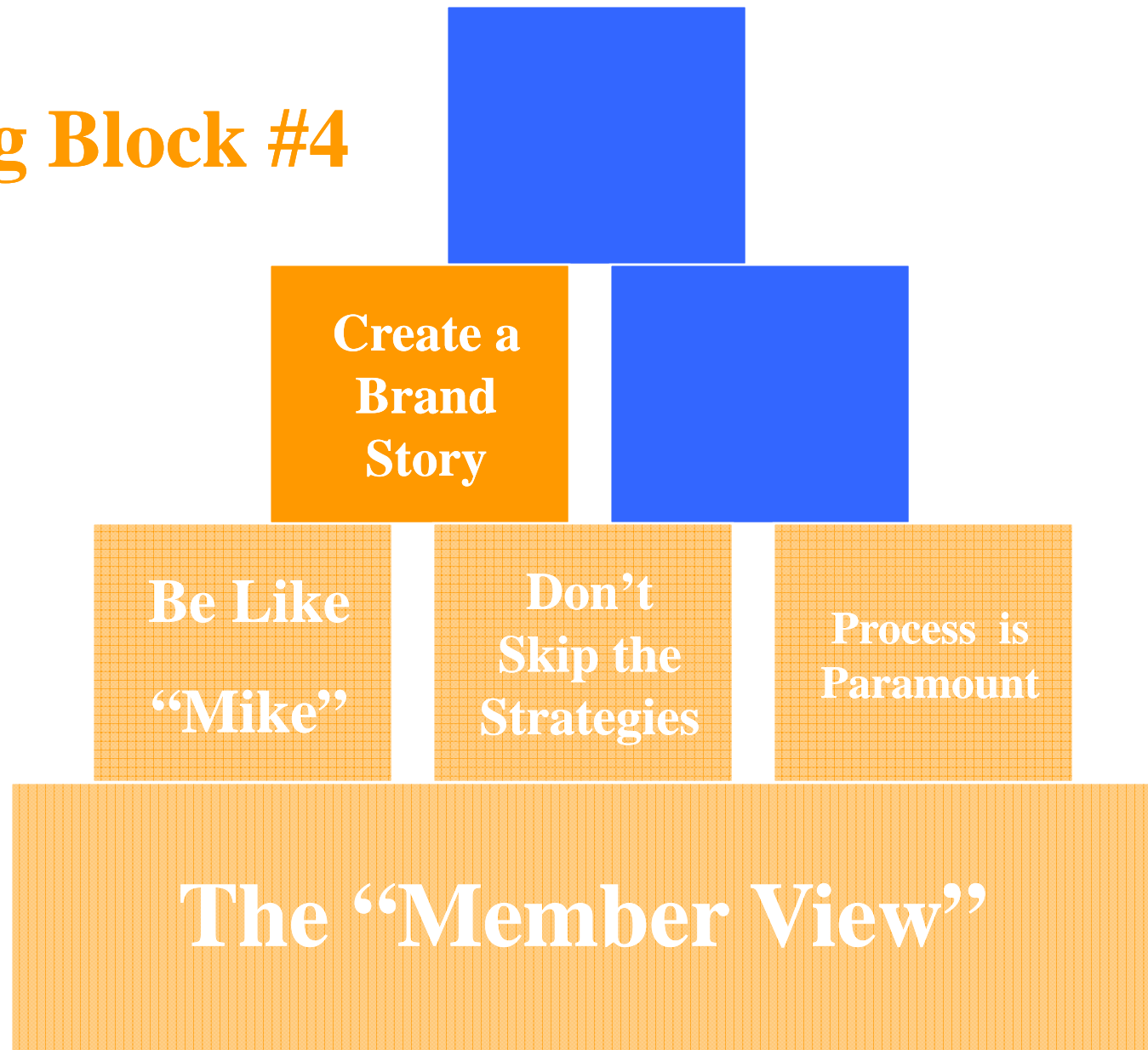
The Secret

Plan to Change...from a planned point.

“In preparing for battle I have always found that plans are useless, but planning is indispensable.”

Dwight D. Eisenhower

Building Block #4



Know Key Business Drivers

- **Organization's Business Plans:**
 - ◆ Key strategic initiatives
 - ◆ Business unit mission statement and key objectives
 - ◆ Balance sheet position
 - ◆ Growth objectives and strategies
- **Products & Services:** *Features, Pricing, Profitability*
- **Competition:** *Market Share, Products/Services, Differentiating Factors*
- **Image & Branding:** *Initiatives, Brand Awareness*
- **SWOT:** *Strengths, Weaknesses, Opportunities, and Threats*
- **Operational Issues and timetables-** *ensuring a smooth and capable schedule*

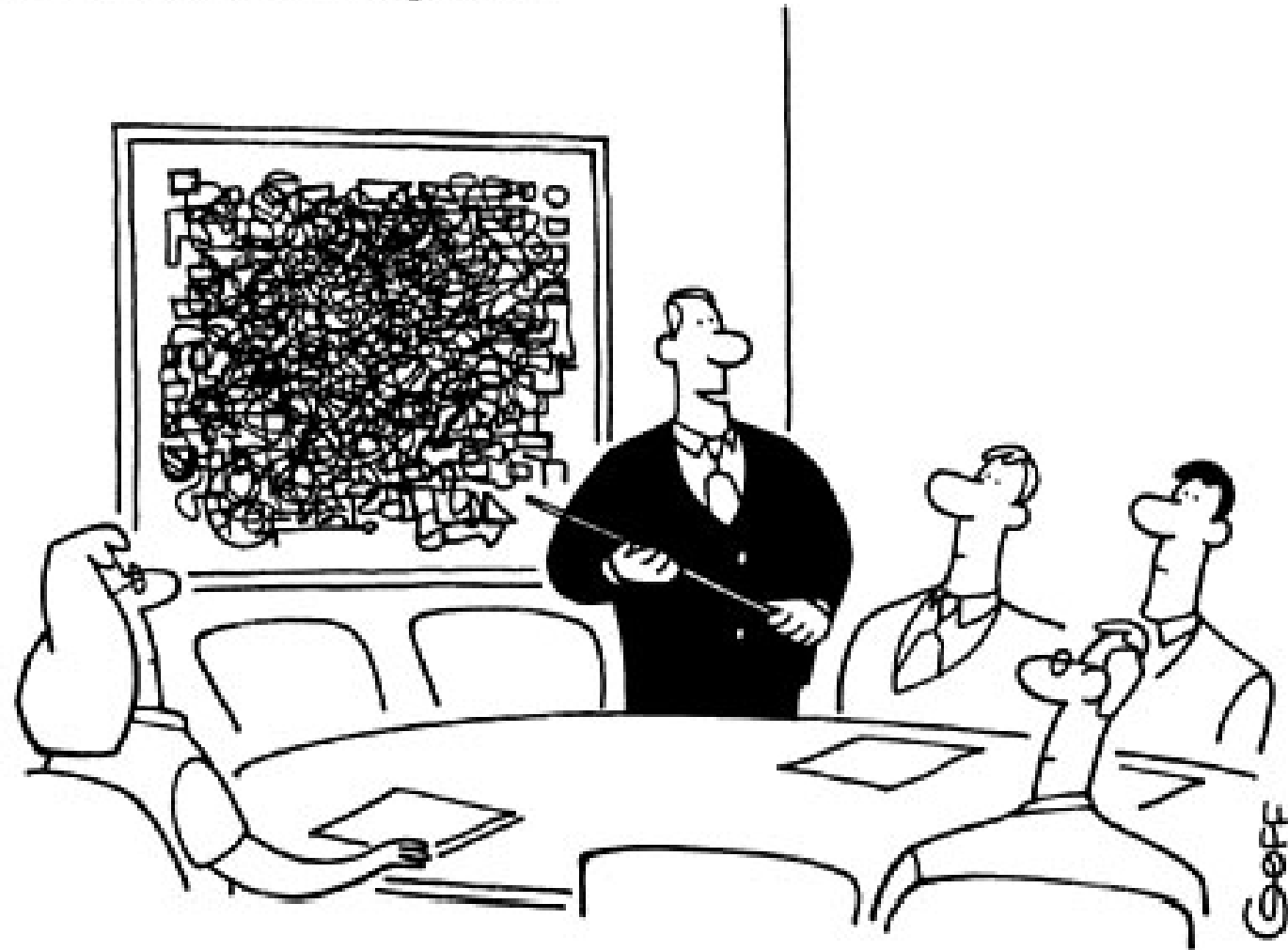
Brand Taglines

ALWAYS LOW PRICES. *Always.*

Expect More. Pay Less.*

Take Home Items

- Take-Home #7:
BRAND STORY SAMPLES
 - ◆ Letter from the Umpqua Bank President
 - ◆ Washington-Mutual Culture: The “WaMu Way”



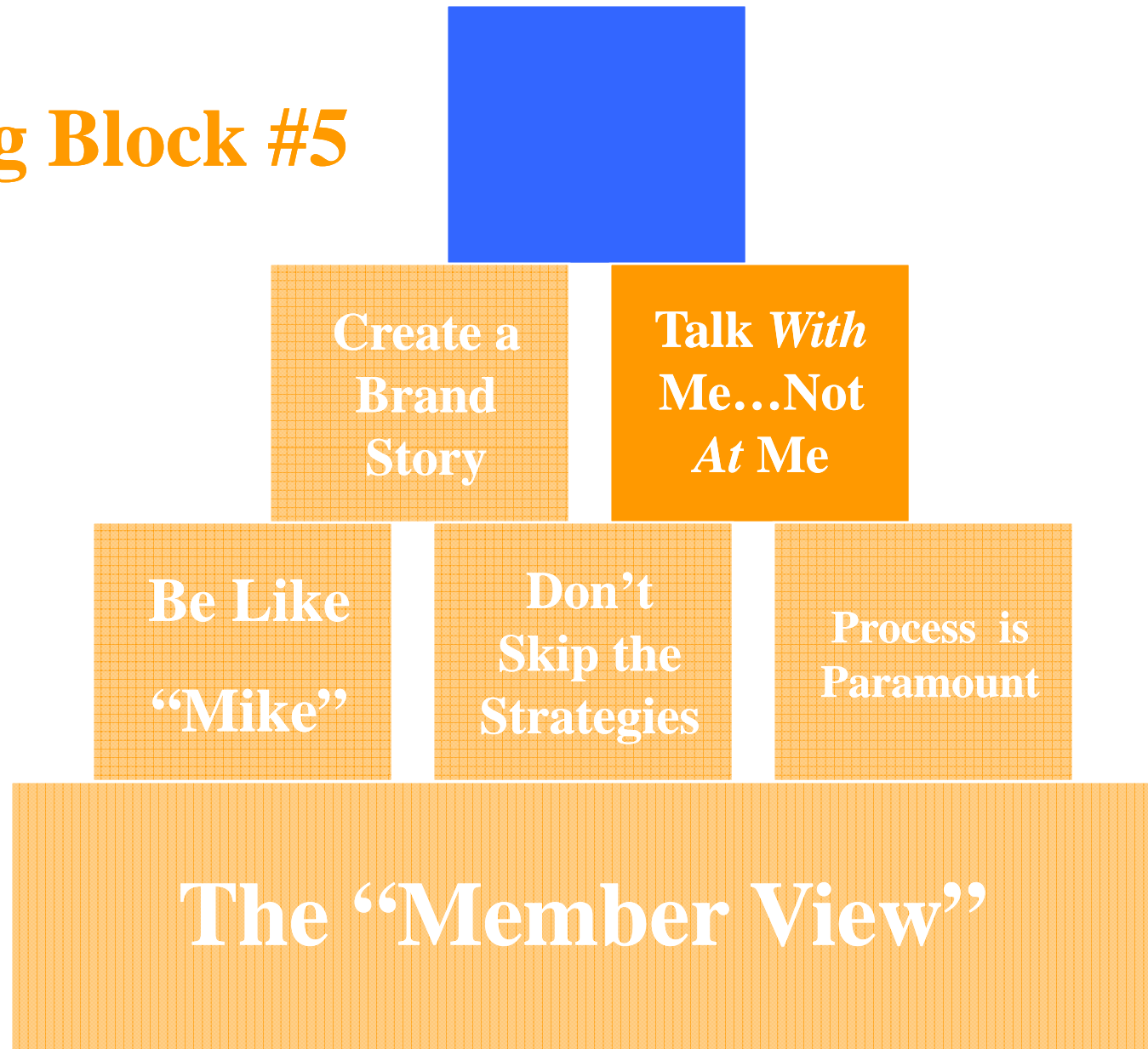
**"And that's our plan.
Any questions?"**

The Secret

Manage ALL of your touch-points.

Your Brand is your most precious asset. Ensure that everyone understands the lifeblood to your success and longevity is not tomorrow, but today and yesterday. Manage all areas of the member interaction...from their viewpoint!

Building Block #5



Guidelines for Effective Communication

- “Bottom Up” & “Top Down”
- Integrating member to the credit union
 - ◆ *The first 90 days are CRITICAL*
- Proportionate touch points
- Touch the member 5 to 7 times a year beyond the statement
- “Touch” the member without selling
- Reach members on their level

Follow-up and Follow-through

- **Communication**
 - ◆ *Senior management/board*
 - ◆ *Staff*
 - ◆ *members*
- **Flexibility Updates**
 - ◆ *Changes*
 - ◆ *Modifications and timing*
- **Progress updates**
 - ◆ *Month-end*
 - ◆ *Quarter-end and roll-up*

Communicating: Important as Measuring

- **Communicate with...**
 - ◆ *Senior Management/Board*
 - ◆ *Operations*
 - ◆ *Staff*
- **What do I communicate?**
 - ◆ *Progress on objectives*
 - ◆ *Results*
 - ◆ *Environmental changes*
 - ◆ *Modification of objectives*
 - ◆ *Competitive landscape changes*
 - ◆ *Impact on their areas*

Take Home Item

- Take-Home #8:

- ◆ Communication Drives Retention
- ◆ Added Value = Sales Opportunities

Get This Critical Feedback

From Members AND potential members

- Overall brand message
- Differentiation from competition
- Product and service offerings
- Buy factors and preferences
- Scale ratings
- Loyalty *(not just satisfaction)*
- Operational challenges

These Work Best

- Direct mail
- Personal calls
- Branch intercepts
- Postage paid feedback cards, tellers, CSR's, etc.
- Bounce back requests in newsletter
- Retention planned actions
- Consider focus groups

Take Home Item

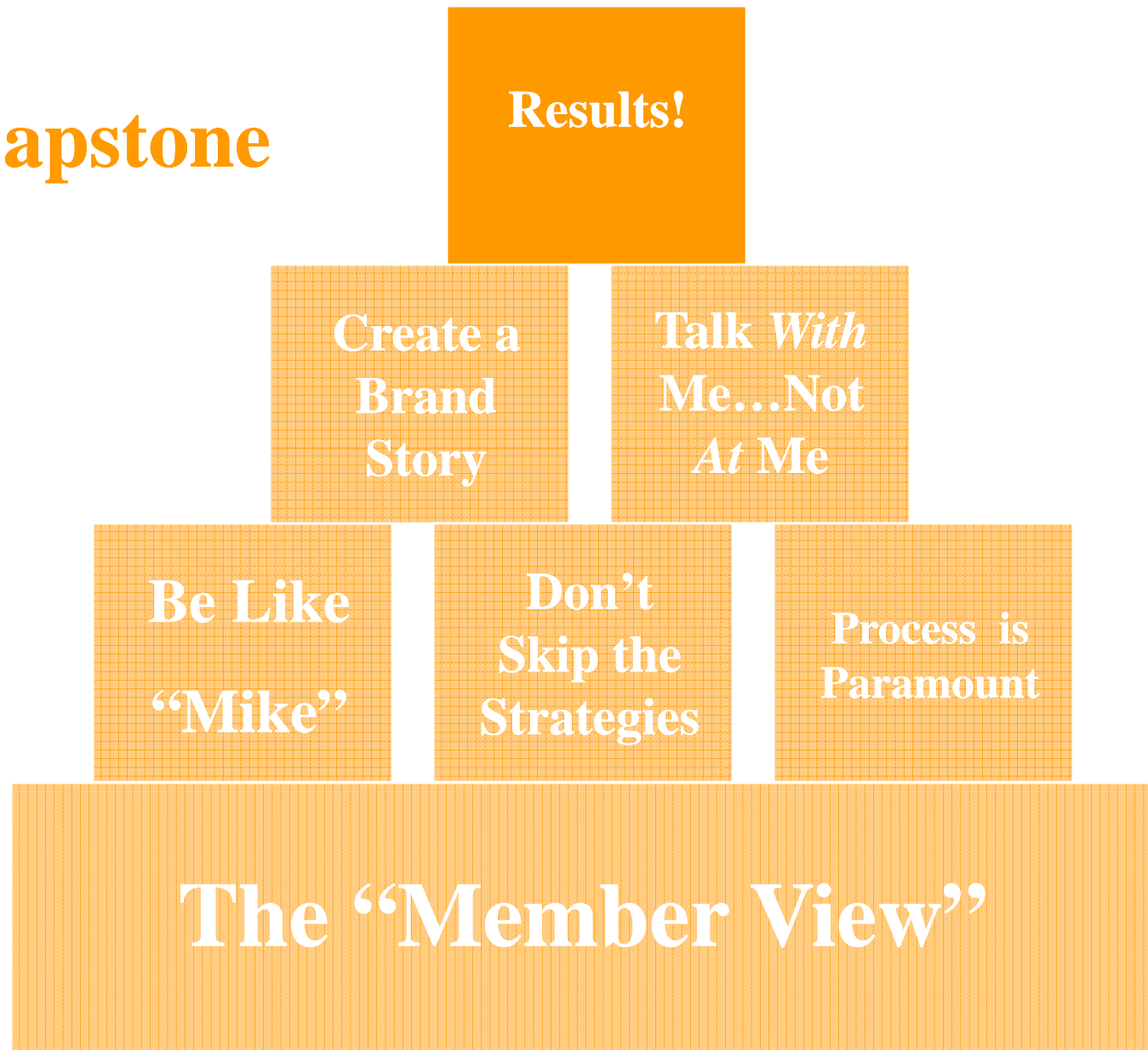
- Take-Home #9:
Seven Tips For A Successful
Focus Group

The Secret

There is NO SUCH THING as over communicating...

Effective communication is built on personal perception... however, you can create a reality by always being on the forefront of all issues and ensuring contact happens at least 6 times with staff and every 60 days with members.

The Capstone



The Secret

Be a student of the game.

Be successful because you say you are (and you can then prove it!) Learn from your actions, prepare for everything, create alternatives, share success/failure, constantly seek ways to become better/faster/stronger!

Wrap-Up: Key Take-Home Points

- **View life from the members eye**
- **Find ways to do more for the CU**
- **Involve the stakeholders**
- **Focus on what matters *Most***
- **Be Strategic and Planned**
- **Have a process, but be *Flexible***
- **Always look *Forward***
- **Knowledge is *Power***
- **Get your *Story* out there**