

1st QUARTER
2005

How to Establish Credibility as a Small CU

By Barbara Wirtz
SAS Contributor

In this day and age, getting things done means getting things done through and with people. Thus, credibility, influence and reputation become more important than ever. These highly valuable traits must be earned; you can't give them to yourself —others must attribute them to you. So a big part of taking care of business is taking care of your own business of building high credibility, being a positive influence, and developing an excellent reputation.

The advantage of being a leader of a small credit union is your closer contact with employees and members. It's much easier to build relationships with people you see and interact with on a regular basis. People can't trust a leader they don't know.

Credibility is developed through three stages: initial, derived and terminal. Your initial credibility with others depends on what they've heard about you, your derived credibility depends on others' experience with you personally, and your terminal credibility is the conclusion people come to after their experience with you.

As people interact with you initially, they'll look for things that reinforce or contradict what they had previously heard about you. Your reputation precedes you in many but not all instances. The most powerful stage of credibility is someone's actual experience with you so your words and behaviors become strong reputation builders. This gives you a great deal of control over the reputation you develop.

Once people draw conclusions based on their own experience, those conclusions are hard to change — no matter what someone else's experience has been.

Build credibility with each individual and those individual experiences will create a collective perception of credibility throughout the organization.

Credibility and reputation lead to greater influence.

In the old days of command and control, influence was not as important as it is today where collaboration and cooperation are needed. Positive influence moves people from compliance to commitment, from fear to confi-

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Protecting Member Data From Outside Cyber-Threats

In the world of cybercrimes, small credit unions are at no less risk than larger cooperatives. Asset size is not a primary consideration for an attacker. In fact, small credit unions are prime targets for attack due to the perception of lower technical sophistication and available resources.

In addition, vulnerabilities found in one institution often highlight opportunities for hackers in others. With small asset sized credit unions comprising over 80 percent of the industry, credit unions under \$30 million in assets may have a stronger impact on the security status of the industry than one may think.

Every week there's a new report of some Web site being compromised or consumers getting "phished" with e-mails from fraudsters masquerading as credit card companies or financial institutions. What can a credit union do to keep its data safe?

Rosemary Cannon, chief internal auditor for North Island CU in California, recommends some helpful sources of information to stay on top of external security trends and issues:

www.cert.org, www.sans.org, www.nsi.org, and www.isaca.org. And she points to a number of best practices credit unions should consider:

- Enforce multiple layers of access control with multiple areas of security;
- Implement appropriate technology controls to meet access requirements;
- Harden systems—limit the capacity of servers and Web applications to only those functions necessary to support operations;
- Install system patches;
- Employ anti-virus software at all gateways, servers and workstations — and continue to update antivirus signatures for new threats; and

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The SAS Gazette is a quarterly publication for Michigan's small asset sized credit unions. External submissions are accepted. SAS Gazette reserves the right to edit all articles for clarity and require articles to include author's name, organization and contact information. All articles published solely represent the views of the authors and are not necessarily the view of the Gazette or the MCUL.

To submit articles or comments for the SAS Gazette send them to bkm@mcul.org

Online Marketing Mistakes: Getting the Hits You Want

Let's say you are looking for a certain product. Where do you begin? If you are near a computer, chances are you will command Google to track it down. Google will graciously reply with a list of links to companies that offer what you're after.

But what link do you click on? That largely depends, of course, on how Google ranks the Web sites it does, or perhaps doesn't, list — an issue that many organizations are increasingly concerned about. Indeed, for companies that depend on the consumers that search engines like Google send their way, a high search engine ranking makes all the difference in sales.

It is no secret that e-commerce is big business these days. U.S. consumers spent \$1.56 billion on line in 2003, a 19 percent increase from 2002, according to the Online Publishers Association and comScore Networks. But what does seem like a secret — at least to many of the world's biggest brand retailers failing on the Web — is how to successfully market to consumers in the topsy-turvy world of e-commerce.

Range Online Media, an interactive marketing agency, has researched the issue. Drawing on several years of experience working with about 200 clients, Range identified and compiled the most common oversights or missteps companies made while trying to attract consumers on line. Here is the list:

Flashy designs graphics and Macromedia Flash make your site look cool, but without text to encourage search results, customers may never make it to your home page. "Flash" includes graphics or banners on Web sites that change, or flash, various messages. Search engines like Google are designed in such a way that they search only among HTML text and ignore content that is presented in Flash.

"The use of flash is very common," says Anthony Muller, director of

search optimization at Range. "Even Fortune 500 companies will have the entire site in Flash, making them invisible to the search engines."

Muller recommends that the majority of the Web site be in HTML, which attracts search engines, and working in small flash banners if you feel it is absolutely necessary.

Ignoring meta-tags are an integral part of crawler accessibility and most people don't even know what they are. "A meta-tag is code that a search engine sees that helps it identify what that specific Web page is about," explains Muller.

"When you go into a search in Google, the link in blue that pops up is the actual title meta-tag of the Web page. So if your site is selling computers and you ignore your title tag, or you just put computers in the title tag, it's not too descriptive for a user." To add meta-tags to a site, a three-line HTML code, which includes tags and titles, is inserted onto the Web page. Familiarity with HTML, an HTML editor or a Web designer is necessary to add meta-tags to a site.

Don't use fancy words. Select words used by the general population or you will hide your product with words that are irrelevant to searchers. Keep it simple or no one will find you, Muller stresses.

Text links should be used to interrelate every page of a site, creating a link architecture that encourages greater search returns. Muller explains that sites that are rich in content will almost always rank better because all a search engine sees is HTML text. Search engines use text links and the terms within to better evaluate the relevancy of the pages they are linking to for part of their ranking process. Beyond customer usability, site maps are essential to

create a jump path to all other pages on the site so that crawlers can more accurately index the entire site, thus increasing related search returns.

"Search engines look at how pages link to each other," stresses Muller.

Failure to think long term and plan for changes is one of the most resource-consuming mistakes you can make. You must leave room for alterations in the initial design phase. Muller says he often sees many clients spend millions up front on a Web design and then are very hesitant about making alterations.

Muller suggests thinking of Web sites as fluid and ever-changing — "something that you need to slightly manipulate and alter based on buying patterns and search engine traffic and all sorts of other situations that you can't really check until the site is up there. Don't just paint yourself into a corner and be stuck with something," Muller adds.

Don't block out search engine crawlers with homegrown content management systems. It's essential to have a search-engine-friendly package. Content management systems can generate URLs or add random IDs to the users that visit a site, which confuses search engines. All this creates very complex Web addresses that prevent crawlers from finding your Web site, essentially blocking them.

Tracking users on your site is important, but many tracking methods can keep you from showing up in the search engines. A lot of tracking blocks the crawlers or they find an infinite number of the same pages, confusing the crawler. Muller suggests pixel-based tracking software such as Range's tracking tool because it does not affect the Web URL at all.



By Adam Malecek

Following Up on a Press Release: Should You or Shouldn't You?

By Laura Enock
Credit Union's Virtual Assistant

You've come up with a great publicity angle for your credit union's latest promotion. You've sent out a rock-solid press release to a well-targeted media list.

That was yesterday.

Now you want to know what the response was. You want to hear from the media. You want to know when they plan to run your story. Actually, you want to know if they plan to run your story.

Congratulations. You've just run into the most nerve-wracking aspect of a PR campaign.

In an advertising campaign, you call all the shots. You tell the publication which issues you want to appear in, you get your ads, and you pay your bill. In PR, you call none of the shots and even when an editor does choose to run your story, you have zero control over how and when it's run.

Publicity experts are divided over whether to follow up on a release. On the one hand, editors are busy people. They have deadlines to meet. And if they're interested in your release and need more information, they'll call you.

On the other hand, if you have a good angle, a follow-up call may make just the difference between an editor recognizing and using your story — or sending your release on a quick trip to the recycling bin.

In most cases, your best bet is to place a call to the editor before you send the release. Mention the news angle so they know it's coming. Make sure you're speaking to the right person and that you're sending it via their preferred method of receipt — whether it's fax, e-mail or snail mail.

Once you've sent it you can call the editor. A short professional call is appropriate, but avoid calling on a publication's deadline day (find out what they are for each publication, keep it on your records, and be absolutely religious about not calling on those days).

If your aim is to follow up without actually looking like you're doing so, there are several "ploys" you can try, but be careful; you don't want to overdo them.

Double-check that they received the release with an excuse that, "Some people have had trouble receiving my e-mail attachments today."

Let them know that the story is an exclusive. You'll get more attention for

an exclusive story, which means that you give it to only one media outlet.

Call and add some news that wasn't available when the release was written.

Check in to give them some information you "forgot" about before.

Calling to add more information, whether it was actually available before or not, is really a legitimate reason to contact an editor. But to be fully "legit," write your release with just enough room for an informational follow-up call at a later date.

Remember also that there are press releases and then there are press releases. If you're sending out a release to let people know your CEO is retiring or that you've started offering investment services, you can't expect an editor to give it a whole lot of attention. And a follow-up call for that type of release is usually not justified or appreciated.

In short, it's perfectly acceptable to follow up on a release as long as you make the call brief and professional. But it's even better to have planned the release in such a way that leaves room for legitimate follow-up. After all, effectively connecting with an editor is precisely how your press release — and your credit union — will garner the attention it deserves.

Discovering Niche Market a Key to Learning Members Desires

By Teresea Sweeny
Credit Unions Executive Society

We've heard it thousands of times: Competition is exploding. New players are popping up in all directions thanks to deregulation. Now here's two more.

"A few years ago, Bill Gates said banking is a dinosaur," said John Zells, CCE, SVP/chief marketing officer at \$465 million IBM Southeast Emp. FCU, Boca Raton, Fla., at CUES' Executive Marketing Institute. "He's now trying to develop automatic payment systems."

Another example: State Farm, the well-known insurance company, recently placed a newspaper ad that read, "Bank with a good neighbor." The competition is coming, that's clear. But how will credit unions compete?

They need to know their "value propositions." "If we don't know why people buy from us, it really becomes difficult for us to compete," he stressed.

Very good companies have very well defined and com-

municated value propositions based on three possibilities. First you can differentiate on operational efficiency (best price). Examples include Home Depot, Wal-Mart and McDonald's. Behaviors of those businesses include speed, efficiency and cost cutting. Credit unions can decide to go this route, but it is very difficult. "A lot of companies compete very effectively on price like Wal-Mart, and it can be successful for credit unions," Zells said. But you need to make the decision to build your business model to support that.

Another possibility is to differentiate on product excellence. Maytag, Nike, Volvo and Intel chose this route. They specialize in innovations, a passion for quality and continuing improvement. Zells doesn't believe credit unions can compete based on the quality of their products. There's not much difference in the quality of an auto loan from the consumer's viewpoint, just price.

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dence, from adequacy to excellence. Your degree of influence is directly related to your ability to reach out and connect with others in meaningful ways. Influence is about serving others, bringing out the best in them, and making them feel important. It's pulling people together to work toward a shared goal and enjoying the rewards of achieving that goal.

Leaders are used to evaluating the performance of their staff, but you must remember that your staff is always evaluating your performance as well.

If you'd like to learn more about that criteria, attend the SAS Conference on May 19 in Grand Rapids for "Minding Your Own Business: Building Credibility as a leader of a Small Credit Union."

There will also be a session entitled "Conductors Extraordinaire: Orchestrating Excellence in Small Credit Unions" which will focus on how to getting the musicians in your credit union to deliver outstanding performances for your members.

For 25 years, Barbara Wirtz has been showing leaders how to improve organizations, serve members, and build business by turning good ideas into reality. She has helped clients in 13 states and in Romania. Join her for her sessions if you'd like some insights into how you can build your credibility with others and orchestrate excellence in small credit unions. Barbara can be reached at (541) 344-8213 or bwirtz@wirtzconsulting.com

Finally, the last way to differentiate is based on customer intimacy. Think of Nordstrom, Hyatt, Disney and Dell. These companies anticipate needs, offer personalized solutions and customer empowerment. This is the direction credit unions should move, according to Zells: "Products and services are not sustainable competitive advantages; relationships are."

Of course, companies can't ignore the other propositions. "You have to be competitive in all three," Zells said, and exceptional in one.

To be exceptional with customer intimacy, credit unions need to anticipate member needs. They need to offer value, trust.

Knowing members, and anticipating their needs and wants, creates a new kind of marketing. In the past, marketing was broadcast communication, a one-size fits all approach. Today it's about getting the right message to the right member at the right time.

With the use of segmentation and CRM programs, marketing is much more effective. When it comes to purchase decision motivators, creativity accounts for just 15 percent. So all those expensive, glitzy campaigns might be fun, but they're not especially effective at influencing a purchase. Price isn't much better, accounting for 25 percent of purchase decisions.

But 60 percent of purchase decisions are based on getting the right message at the right time through the right channel. "It's timing," Zells explained.

To offer this perfect message, you need to know members, said Zells. Learn about your members. Use that knowledge to offer products and service solutions. You'll build relationships — and loyalty — by selling personalized products that meet the needs. And loyalty is key. According to Zells, 80 percent of customers who defect are satisfied. "Know your members or risk losing them."

"Find a partner you can work with that can give you an independent view," says Digital Defense Chairman/CEO Joe Cooper, "whether it's just the computer guy across the street that you trust. When considering vendor relationships a third-party review of the security systems can be very important. Retain the right to have a third party come in and look at how the vendor is protecting your data."

Other steps might include doing a Dun & Bradstreet report on vendors, "looking at their financial wherewithal to make sure they're going to be around for a while."

Ask tough questions and expect direct answers, says Rick Fleming, chief technology officer at Digital Defense. "If you ask a vendor what they're doing in terms of security and their answer is 'don't worry, we have it under control,' run. You need to be able to review at least an executive level report of a security review and understand how they do certain types of risk management before you connect them to your network."

Pressure of a different sort can come from members

themselves. Credit unions have traditionally been quick to respond to member requests for new and innovative ways to interact with the credit union through technology. "Credit unions are extremely service oriented," says Cooper. "If a member walks up and says, 'hey, I'd like to do home banking,' they're apt to really consider that quickly, given an environment where there are plenty of vendors who can make it happen.

"What credit unions need to do is put security into the mix of evaluating these technologies. I'm not going to say slow down and don't deploy the technology; just make sure that security is one of the really, really big check boxes that's looked at in the analysis."

By Lin Gensing-Pophal

**Second Quarter
2005 Michigan Credit Union League
Education Calendar**

May

3	Loan Pricing Strategies	Internet/Audio Session
5	Collectors Training School	Metro Detroit
12	CUcorp/GeniSys Credit Card Marketing	Frankenmuth
19	Forum Meetings	Grand Rapids
19	Small Asset Size Credit Union Conference	Grand Rapids
19 - 21	MCUL Annual Convention & Exposition	Grand Rapids
	CUcorp/GeniSys Credit Card Marketing	Marquette

June

8 - 9	MCUL Hike The Hill	Washington D.C.
15 - 18	CUNA Mutual Group Discovery Conference	Orlando, Fla.
16	CUcorp/GeniSys Marketing Session	Grand Rapids
17	Trainer's Network Meeting	Traverse City
18 - 21	CUES Annual Convention	Vancouver, BC, Canada
21	Credit Union CEO Roundtable	Muskegon
22-24	Bond Math University	Northville Twp.
29	Youth Summit	East Lansing

July

5 & 7	E-Lending School	Co-op League /Internet
10-22	CUNA Management School	Madison, Wis.
14-16	CUcorp Card Services Users Meeting	Mt. Pleasant
19 & 21	E-Lending School	Co-op League/ Internet
26 & 28	E-Lending School	Co-op League/ Internet
27	CURE Golf Outing	East Lansing

August

10	Credit Union CEO Roundtable	Alpena
17	Generating & Keeping Loans	Webcast/Audio/Live
22 - 25	Operations School	Northville Twp.
30	Forum Lending	Northville Twp.

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