

MICHIGAN CREDIT UNION LEAGUE
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- ☞ MEMBER LOYALTY
- ☞ SAS CU RESOURCES
- ☞ INITIATIVE FUND OPTIONS
- ☞ SERVICE ENVIRONMENT
- ☞ EDUCATION EVENTS

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

CUs CAN 'EXPECT THE EXTREME' AT 2006 AC&E

By Linda Fletcher
MCUL Education and Events

What does the word "extreme" mean to you? Consult a dictionary and you'll get: *ex-treme* (ik-'str?'m) adj. 1 a : existing in a very high degree b : going to great or exaggerated lengths c : exceeding the ordinary, usual, or expected 2 : situated at the farthest possible point from a center 3a: most advanced or thoroughgoing b: maximum

There's no denying it's a popular word these days. Extreme sports, extreme makeovers, extreme dating... Hook that "e" word onto an activity, and suddenly you have an event that's larger than life. Something that propels itself-and you-into a whole new stratosphere.

That's why the MCUL didn't have to look far for a theme when it came time to plan the 2006 Annual Convention and Exposition (AC&E) in Grand Rapids. It's our job to make each AC&E more exceptional than the last one, and we knew this year's lineup would be spectacular-something member credit unions would talk about for years to come. So it seemed only natural when someone suggested that the perfect 2006 AC&E theme would be... (drum roll, please) "Expect the Extreme."

So what's extreme about this year's AC&E?

MORE S-S

Let's start with the most important news for small asset size credit unions. The SAS Conference has been moved to Saturday so more of you can attend. It's not always easy for SAS credit union professionals to get away for the AC&E on weekdays. So by popular demand, the SAS Conference is on Saturday from 12 noon to 3:30 p.m. to give more people the chance to participate. It's a separately ticketed event, and the \$40 per person cost includes lunch.

This year's SAS Conference topic will be "Comprehensive Board Policies - The Essence of Good Governance," presented by the popular speaker Mark Lynch. Lynch has been a credit

union member for 28 years and a credit union board director for 22 years. Now a resident of Sault Ste. Marie, he was the Deputy Chairman of Australian National Credit Union, then Australia's largest credit union, before moving to the U.S. In both countries, Lynch has been involved in consulting, speaking and training for many years.

In his presentation, he will discuss best practice board governance, a hot topic that all board directors and managers need to understand and implement. He'll explain exactly what best practice board governance is, and why it is a characteristic of high-performing credit unions.

This session will also give you a clear understanding of why it's vital to have a comprehensive set of updated board policies on hand at all times, especially given regulators' increased interest in how those who govern credit unions interact with those who manage them.

You'll also receive a complimentary IT Policy Bundle, courtesy of The CUcare Group.

MORE SESSIONS

What else is in store for you at AC&E Extreme? Well, we've kept the basic structure of the conference intact, including many of the popular features-networking with fellow credit union professionals, the Cyber Café, the Children's Miracle Network: CUs for Kids Silent Auction, the CMN Golf Outing, the Honors Breakfast, the Annual Membership Meeting, to name a few. But...there are several brand new events and some amazing twists on your familiar favorites.

To start, how about Ben Stein? Although you may only think of him as the droning teacher in *Ferris Bueller's Day Off*, or the host of the quiz show *Win Ben Stein's Money*, the real Ben Stein will surprise you. Economist, author, former President Richard M. Nixon's speechwriter, an instrumental part of the recovery of billions of dollars for investors and taxpayers in the Milken-Drexel junk bond scheme...his list of accomplishments goes on and on. MCUL is proud to present Mr. Stein as the keynote speaker at this year's AC&E. His speeches get rave reviews all across the country, so you won't

want to miss him.

As always, we have a great lineup of comprehensive educational opportunities available on all three days of the conference, and this year we have a wide range of sessions to choose from. Here are just a few of the breakout session topics you can choose from this year:

THURSDAY

- Grant Opportunities and Community Outreach
- Generations in the Workplace
- Using Your Web site to Drive Growth

FRIDAY

- Board Self-Evaluation
- Effective Coaching
- Who Hired Bonnie & Clyde: Minimizing Employee Fraud

SATURDAY

- Strategies of High Performing Credit Unions
- Writing Effective Documentation
- Supporting Your Business Lending Initiative

As always, we've been careful to include a good mix of topics for every credit union professional, from board member to HR director to marketing specialist. We even have some great personal development sessions that your guests may want to attend, in addition to the many other activities available for their participation.

MORE AC&E

Here are more activities and events you won't want to miss. On Thursday, you and your guests can be part of the "Philosophy is Good Business" luncheon, where you'll join your fellow credit union friends and a handful of Michigan's Credit Union Development Educators for an interactive, philosophical luncheon experience. Later in the afternoon, after the first set of education sessions, you can check out the Exposition thanks to new Thursday hours, and from there you can step right into the very popular Welcome Reception, sponsored by CUcorp.

Friday will be a big and busy day at the AC&E. Following the Honors

Breakfast, our Keynote speaker Ben Stein will take the stage to kick off the conference in grand style. Next, the Exposition moves into full gear with a special Box Lunch in the Expo hall for all registered attendees, as well as the chance to win fantastic prizes. While you head for the Friday education sessions, your guests can enjoy a relaxing afternoon of pampering and a fashion show at the upscale Vasaio Life Spa. Then, you can meet up at the end of the day for a trip to Broadway, courtesy of the Grand Banquet, now on Friday night so everyone can join in the fun.

Everything about this year's banquet will transport you from Grand Rapids to the bright lights of Broadway, from the uniformed ticket taker who will give you a "play bill" and direct you to your seat, to the after-dinner entertainment, "Forbidden Broadway." A comic institution in New York and around the country for more than 20 years, this special blend of wicked yet affectionate parodies of Broadway's biggest musicals has won countless awards, including 25 Tonys.

Saturday morning opens with a full line-up of education sessions, followed by the 72nd Annual Membership Meeting. One of our new "Lunch and Learn" sessions, which are scheduled at the same time as the SAS

Conference, would be a great choice for your guests or an alternative for credit union professionals who don't attend the SAS Conference.

Your guests can also participate in an elegant luncheon and wine pairing in the Amway's award-winning 1913 Room.

The SAS Conference ends in plenty of time for you to attend our new Saturday evening off-site closing event at the Double J Ranch, so pack your cowboy boots and mosey off into the sunset with us. A special Chuckwagon (aka motorcoach) will transport you to the ranch for a real western evening, complete with a mouthwatering barbecue, a country band for some toe-tappin' and hand-clappin' line dancing, hayrides, roping demonstrations, and more. We hope everyone will join us for a rip-roarin' good time.

So...have we piqued your interest? Are you ready to experience AC&E Extreme? For all the details and to register, check out the official AC&E Web site at www.mcul.org, Keyword: 2006ACE. That way, you won't miss a minute of the SAS Conference, Ben Stein, "Forbidden Broadway," the Double J Ranch, and everything else that's waiting for you in Grand Rapids at the 2006 AC&E May 18-20. We'll see you there.

GOVERNOR EVENTS RESCHEDULED

The Governor Granholm VIP Reception and Fundraiser Luncheon scheduled for Thursday, May 18 from 11:00 a.m. - 1:30 pm at the MCUL Annual Convention and Exposition (AC&E) has been cancelled, as the Governor will be traveling out of the country on a trade mission.

The fundraiser will be rescheduled at a later date. AC&E attendees who have already purchased tickets for this event may choose from the following options:"

- Transfer your contribution for the yet-to-be rescheduled credit union fundraiser for the Governor.
- Request a refund by contacting MCUL Political Affairs Coordinator Nancy Short at (800) 262-6285 Ext. 353
- Allow your contribution to be a voluntary contribution to the Governor's reelection effort.

In place of the Governor's fundraiser, there is a ticketed Philosophy is Good Business Luncheon from 12:15 p.m. - 2:00 p.m. the same day. Visit the MCUL Web site at www.mcul.org for more details.

**MICHIGAN CREDIT UNION LEAGUE
2ND QUARTER 2006 EDUCATION CALENDAR**

Month	Day	Event	Location
April	11	Third Party Due Diligence	Webcast/Audio/Live
	12	Call Center Conference	East Lansing
	21-23	UP Annual Meeting	Sault Ste. Marie
May	3	Thinking Like a Robber	Audio Conference
	10	Collector's Training School	Novi
	18-20	Annual Convention & Exposition	Grand Rapids
June	20	SAS Conference	Grand Rapids
	3-9	CUNA Regulatory Compliance School	Chicago
	6	CenCorp's Member Business Lending Training	Munising
July	7-8	MCUL Hike the Hill	Washington, D.C.
	11-14	CUNA's Future Forum & Annual General Meeting	Orlando, Fla.
	20	CenCorp's Member Business Lending Training	Mt. Pleasant
	20	Plastic Card Fraud	Audio Conference
	21-24	CUNA Mutual Group Discovery Conference	Las Vegas
	27	Serving the Whole Community with Loans	Webcast/Audio/Onsite
	27	How to Read a Credit Report	Internet Session
	28	Youth Summit	Novi
	6	It Takes a Village: Community Marketing	Audio Conference
	9-21	CUNA Management School	Madison, Wisc.
13	Understanding FICO Scores	Internet Session	
13	How to Sell From a Credit Report	Internet Session	
17-21	Business Lending Certification Institutes	Madison, Wisc.	
26	CURE Golf Outing	East Lansing	



Visit the MCUL Online Learning Center and take advantage of additional training for credit union professionals—available 24 hours, 7 days a week. For management, staff, and volunteers, the MCUL Online Learning Center brings together the best of the best to provide comprehensive information on a variety of topics.

Learn more and get started today at: <https://www.cuvlearning.com/mcul/>

SAS Resource Center

The MCUL has several resources to assist SAS credit unions. MCUL staff may be reached at (800) 262-6285.

CONSULTING

Consulting staff assist with policies, procedures, supervisory committee audits, examinations, FOM issues, charter expansions, official family training, budgeting, and fee-based planning sessions.

REGULATORY CONSULTING

A consultant is available to review compliance with major regulations and provide suggestions for improvement.

REGULATORY AFFAIRS

Operations Support Line phone assistance for compliance and operational questions and referrals to Lawyers' Hotline.

REGULATORY SUPPORT

Regulatory staff are available to discuss and conduct background research, where necessary, on any regulatory issue.

COMPLIANCE MANAGEMENT SYSTEM

Provides a comprehensive collection of informative releases on new regulations and updates on existing regulations, the impact of recently enacted state and federal laws that are relevant to CU operations. CMS is provided electronically or in paper format.

COMPLIANCE ASSISTANCE

Regulatory Affairs staff work with CU officials on compliance with state laws or regulations by discussing the possible ramifications of new mandates and then help the CU develop strategies to achieve compliance.

Carolyn Miller - SAS credit union consultant, Ext. 753

Steve Orr - compliance consultant, Ext. 486

Brian Paul - consulting services director, Ext. 462

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most, creatures of emotion. We make the majority of our decisions based on feelings or emotions. We attempt to justify those decisions logically. Our decisions regarding whom we do business with are almost always based on our feelings.

Obviously, making people feel a certain way is at the heart of the matter. In other words, the heart of the matter really is the heart of the matter.

TWO DIMENSIONS OF SERVICE

There are two dimensions of service technical and personal.

The technical dimension typically relates to quality. Certainly quality is important but it is generally not enough to create loyalty. If quality alone determined loyalty, how could you explain Domino's Pizza?

It's really quite simple. Domino's has found a way to make people feel good about dealing with them. Even

though they have not advertised their "30 minutes or it's free" guarantee for a number of years, most people still associate Domino's with rapid delivery.

They have created the feeling that you can depend on them when you are in a time crunch. In other words, they have mastered the personal dimension of service by creating a positive connection with people. And that has earned them tremendous loyalty, even though they have a lousy product.

You must master the personal dimension of service if you hope to make the quantum leap from member satisfaction to member loyalty.

Adapted from The Pocket Guide to Member Loyalty, by JoeSpeaks!

Chief Loyalty Officer Joe Huer.

Contact Huer at (800) 492-3548 or visit www.joespeaks.com

CUS HAVE OPTIONS WITH INITIATIVE FUNDS

By Paula Vaughn Ciszewski
Co-op Image Advertising Marketing Coordinator

Did you know that your SAS Initiative Funds can be applied toward the Michigan Credit Union Brand Campaign? It's true.

Several SAS credit union CEOs chose to support the '05 Brand Campaign by using some or all of their SAS Credit Union Initiative Fund allotted to their credit union.

Credit unions with \$20 million and under in assets qualify for SAS Credit Union Initiative Funds which can be used for any product or service from the League, CUNA and other partners.

These funds should not be confused with Michigan Credit Union Foundation funds, which are limited strictly to education events.

Like last year, the Cooperative Advertising Forum is once again encouraging credit unions to use their SAS Credit Union Initiative Fund to participate in this year's cooperative advertising effort. This year each SAS credit union was credited with \$600 as part of the Initiative Fund.

For more information, and to sign up for this option, SAS credit unions will want to review a recently posted briefing document on the cooperative advertising Web page at <http://mcul.cusiteonline.com/cuma/06BraCamSASCom.pdf>.

The page is password protected. For userID and password information, contact Karen Biestek at klb@mcul.org.

For free marketing tips developed especially for SAS credit unions, visit the SAS Credit Union Web page at www.mcul.org.

POCKET GUIDE TO MEMBER LOYALTY: RESOURCES FOR CUs

Stop worrying about what other credit unions (or banks) are doing because they are no longer your competition. You read that right. They are no longer your competition if your goal is to create the culture of service excellence that invites member loyalty.

If your attention is on other financial service providers then you are setting the bar way too low. Start thinking of your competitors as those organizations that are the best in the world at providing top-notch service. This will help you create the mindset that will move you in the direction of becoming a world-class service provider.

The best of the best includes companies such as Disney, Ritz-Carlton and Nordstroms. It doesn't matter that they are not in your industry.

What does matter is that these organizations have created models for service excellence that are unparalleled. The principles of service excel-

lence that they practice are universal, which means they transcend industry.

How much member loyalty would you create if your service culture paralleled Disney's?

WHAT IS LOYALTY?

What is loyalty? I regularly ask audiences to tell me, in one word, what loyalty is. The responses I hear most often are commitment, responsiveness, great service (ok some people don't quite get the concept of one word), dedication and excellence. Those are all certainly components of member loyalty, but none of them answer the question. In one word, loyalty is a feeling or an emotion.

Putting the two together, member loyalty is a feeling people have about you that inspires them to keep coming back.

It is a feeling that also inspires them to encourage their friends, family and colleagues to use your credit union's services. Loyal members do

not necessarily do this because of the quality of your service, but because of how they feel when they think about their experiences with you.

WHAT DO LOYAL MEMBERS DO?

Loyal members would rather fight than switch. (Yes, you are really old if you remember where that phrase came from.) Not only do loyal members keep coming back, they also become your effective sales force. Loyal members tell the world how great you are. Considering that it costs you considerably more to acquire a new member than it does to keep an existing one, that is worth more than any advertising or marketing campaign you can undertake.

Create enough loyal members and they will be the only sales force you will ever need. Eventually, you will be able to eliminate your entire marketing department. How much money will that save you?

NOTE TO MARKETING PEOPLE: That was a joke.

Human beings are first and fore-

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DON'T LET YOUR CU BECOME A MEMBER SERVICE OBSTACLE COURSE

Have you ever noticed how some companies seem to go out of their way to place obstacles between their customers and great service?

Here are examples of just a few of the customer service barriers I've bumped into during the past month:

- Signage that gives orders to customers:
- "You must stand behind the line until you're called."
- "Absolutely NO PARKING."
- "Commercial Banking Customers ONLY."

Harsh words like "should," "must," and "only" are likely to offend your members. Signs need to include words like "welcome," "please" and "thank you."

Sometimes humor can be used to soften the message on a sign:

"On a maternity room door: "Push. Push. Push;"

"In a non-smoking area: "If we see smoke, we will assume you're on fire and take appropriate action;"

"Business Hours As Opposed to Customer or Member Hours.

One local library locks the book return drop-box during

the hours that the library is open. This means customers have to find a parking place, get the kids out of the car, lock it and traipse into the library just to return a book.

Here's another one:

The post office has a sign posted by the mailbox rental area. It reads, "Box mail is available for pick up after 10:30 a.m." Located next to that area is a service window for mailbox renters. The sign on that door reads, "Mailbox service window is open 8 - 9 a.m."

In other words, you can only pick up your mail after 10:30 but, if you need to pick up a package that was too large for your mailbox, you have to come back the following day to catch the service window hours.

Obstacles that waste your member's time will eventually drive them away. Review your business hours to see if there is an opportunity to expand them or eliminate outdated rules.

Debra J. Schmidt helps companies boost their profits by leading them to greater customer, employee and brand loyalty.

Learn more at www.TheLoyaltyLeader.com