



GAZETTE

4th Quarter

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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

Detroit Hosts NCUA Small CU Workshop

The NCUA Small CU Workshop, held Oct. 23 at the Greater Grace Temple in Detroit, was rated highly by those who attended.

Seventeen participants from 12 CUs under \$20 million in assets provided very positive feedback regarding the two topics covered at the workshop - "Effective Ways to Manage your Loan Portfolio" and "Delinquency Control: Effective Collections/Best Practices for Small CUs," presented by the NCUA's Nick Sanimanco and Gerry Goldenbroit. Also attending the meeting were the NCUA Small CU Specialists John Karisny and Jack Grimshaw. "The NCUA is encouraging both federal and state-chartered CUs under \$10 million in assets to join its Small CU Program, or SCUP, which is specifically designed to help small and low-income designated CUs," said Karisny.

"Specialized assistance to small CUs is provided by economic development and small CU specialists, and all the services are provided free of charge," he said.

Federal and state-chartered CUs can enroll in SCUP by contacting the NCUA Region I office at 518.862.7400. State-

chartered CUs should also contact OFIS to request their concurrence. The NCUA is also offering technical assistance and low-interest loans to low-income designated federal and state-chartered CUs. "In 2004, the NCUA has provided \$1 million in grant money to low-income CUs for technical assistance alone," Karisny said. "For 2005, the agency has requested \$800,000 in technical assistance funds as a congressional appropriation.

"If Congress approves the appropriation, the NCUA would have these funds available for a number of low-income designated CU initiatives." NCUA rules define low-income as a CU with a majority (50.1 percent) of its membership at or below 80 percent of the national median household income. CUs can determine whether or not they qualify for the low-income designation by visiting the NCUA Web site at www.ncua.gov or contacting the NCUA Region I office.

According to Karisny, the NCUA has tentative plans for at least two SAS workshops in Michigan for 2005 - one in the Upper Peninsula and one in the Metro Detroit area.

Getting Your Foot In the Door: Meeting with SEGs

*By Debby Gears
Detroit Edison CU*

Are you tired of trying to set up site visits (AKA membership drives) with SEGs and never getting your foot in the door? Maybe it's time to think outside the box and try something different to open those doors.

Instead of a membership drive, offer an educational presentation.

This is a great way to introduce yourself and the credit union to everyone within your SEG. You're on their turf,

so this is a less intimidating way for them to get to know you. There are several ways to approach SEGs to ensure a positive response.

Since all employees are entitled to a lunch break, conduct your presentation during lunch time. I like to refer to these presentations as Lunch and Learn programs. Since you're not infringing on the employee's work day, you will be less likely to be turned down.

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It also helps to pick a topic that will catch people's attention. For example, it's almost impossible to read the paper or watch the news without hearing something about identity theft. Sound statistics such as "9.9 million Americans experienced ID theft in 2003" can only help support your case. Now you've got their attention.

A solid understanding of your topic is essential, so be prepared to do some homework. Lunch and Learn programs aren't expensive, but you do have to spend some time putting a presentation together that will "wow" your audience. If you're in a lunch room setting, PowerPoint and overheads may be out of the question. However, you can still put together a great presentation without them. Whichever route you choose, your handouts should contain ample information so the audience can spend their time listening versus writing.

Remember, practice makes perfect so prep time is crucial. Enlist your coworkers to be your practice

audience and ask for their feedback. Conduct a mock question and answer session with them to further prepare for the big day. If you have an in-house expert on the given topic, ask them to be your support person and attend the presentation.

If your budget allows, provide pizza and pop for lunch or just pop and cookies. Consider hosting a raffle for a special prize.

In addition to a great presentation, offering food and/or a raffle will probably increase the size of the audience.

How do I know these programs work? Detroit Edison CU (MW) hosted a Lunch and Learn program earlier this year and it was a huge success. Following our initial presentation on ID theft, with an audience of 100, I received phone calls and e-mails from various DTE Energy sites requesting our program. (We are a single SEG credit union; however, each DTE Energy site is treated like an individual SEG.) Needless to say, we hit the road, many doors were opened and new relationships were born.

Automated Coin Counters Can Offer Members Additional Service

An estimated \$10 billion in change lies between couch cushions, inside piggy banks, at the bottom of purses and on dresser drawers around the country -- yet only 25 percent of credit unions offer automated coin counting services for their members, according to new study conducted by CUNA and automated coin-counting machine manufacturer DeLa Rue.

More than 2,000 credit unions of all sizes were examined and only a small percentage offer automated coin-counting services. Many credit unions do offer coin-counting services, but members are required to roll coins prior to being counted and deposited. This may lead members to seek alternative services from higher-priced competition and non-financial institutions.

Coinstar, the largest distributor of self-service coin counting machines, offers more than 10,000 machines at supermarkets and other stores, charges 8.9 percent, and has processed more than \$8 billion coins since its inception. There are

more than 120 machines in Michigan. "It is surprising that more credit unions don't take advantage of this convenience service to attract deposits, build member relationships, and differentiate their financial institutions," said De La Rue Marketing Senior Vice-President John W. Smith.

Only 3 percent of small asset sized credit unions nationwide offer automated coin counting services. Knife River CU in Hazen, ND, has \$5 million in assets and has offered coin counting services since they were chartered in 1986 and automated service for the past five years. "I feel that not requiring members to roll their coins is an important aspect of members service," said Manager Charlotte Ost during an interview with CUNA. "Because we are small and we are in a small town, if we don't do this for our members, they will take their money elsewhere. And if they take their coins elsewhere, they generally take other stuff with them too."

Members CU (PB) installed their first machine in 1995. "Due to member demand we purchased our first machine," said Vice President Karen Powell. "For the first five years, members gave us their coins and we processed them through the machine. In the summer of 2000, we switched to self-service."

The credit union offers the service free to members up to \$200, and charges 2 percent up to \$500, and 4 percent beyond that.

"The members love the coin counter, but it requires a lot of staff time transporting heavy bags of coin," Powell said. "I would suggest credit unions that are thinking about installing them to purchase machines that bag coins instead of sorting them in bins. It makes it a lot easier to send to the Federal Reserve."

To view the full CUNA and De LaRue study visit http://alliances.cuna.org/download/cu_coincountingsrvcs_whitepaper.pdf.

How your Credit Union Can Become A Better Strategic Marketer

By Anahid Lisa Derbabian
SAS Gazette Contributor

As a public relations and marketing consultant, I find that individuals often choose their communications tools merely by chance, rather than through a strategic decision-making process. Their selection of a particular communication tool may originate, for example, simply because an area newspaper called them that day with a good advertising rate.

A business owner I know recently spotted a glossy newsletter and decided to produce one like his competitor. So, he spent money and time on a tool that did not support his key goals or target his key audiences. Basically, it took him off course, because his decision was not strategically based.

Another business owner is comfortable with running ads, so even though other communications strategies may be more effective to her bottom-line, she forks out thousands of dollars each month for quarter-page ads in newspapers that do little more than get lost among the other ads.

A myriad of communications tools exist, such as publicity, direct mail, advertising, special events and marketing materials. Rather than engaging in seat-of-your-pants public relations and marketing, take a strategic and mindful approach.

Communications tools are not, in and of themselves, important. Your credit union's goals and success are what matter. So, choose and use strategically the right communications tools to enhance your visibility, sales and support and overall goals.

I have designed and implemented public relations and marketing plans for major local and national clients for nearly 20 years. Perhaps the following steps can assist

your credit union in becoming more strategic in your communications:

- Conduct a SWOT Analysis to assess your credit union's Strengths, Weaknesses, Opportunities and Threats. Ideas may emerge to help direct your marketing and public relations.
- Merge the SWOT findings with your credit union's key goals to focus your efforts appropriately, and be sure to keep them top-of-mind throughout the process.
- Establish your key audiences, both external and internal. Also, contemplate audiences you had not considered in the past.
- Develop key messages to communicate to each of your target audiences.
- Reflect on the many and varied communications tools, and determine which tactics will most effectively communicate your key messages to your target audiences and support your goals.
- Develop a communications budget that reflects the importance of these tactics to your goals.
- Continually evaluate the results that you are receiving and make adjustments as you go.

Remember that public relations, marketing and advertising each offer specific tools with which to support the growth and success of your credit union. Choose them wisely and strategically, and they will be your supporters for years to come.

Derbabian is a nationally accredited public relations and marketing consultant located in Birmingham, Mich. She has promoted small, medium and large companies and organizations, both nationally and locally. You may contact her at 248 202.0583 and at anahidderbabian@hotmail.com.

Making Your Members An Integral Part of Your New Marketing Team

By Debroah J. Schmidt
Loyalty Leader Newsletter

Most companies have a budget and a marketing plan but do not devote enough resources to ensuring the highest standards of customer service. Offering the best products in the world will not build customer loyalty.

If your members aren't happy with the service they receive, they won't do business with you, they won't come back and they'll tell others to stop doing business with you.

However, if you have a reasonable

product and your customers are delighted with the service, they will keep returning to do business with you. Plus, they will tell others about your products and credit union.

Word-of-mouth is a powerful marketing tool. Members who spread good news about your credit union's products and services are the best marketing team you can have. They are not employees and there is "nothing in it for them" to sell your products and services. So they're perceived as having higher credibility than a paid sales rep.

The majority of the sales process

has already been completed when a prospective member recommended by another member calls your credit union. It's much easier to close the deal because trust has been established based solely on the recommendation of their friend or colleague.

So how do you turn your members into sales reps for your credit union?

It's easy -- simply do the unexpected. Look for ways to surprise and delight each member who does business with you.

Here are six ways to exceed mem-

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ber expectations:

- If you have an automated phone system be sure it is easy for your members to navigate and always offer an option to talk to a live person.
- Don't end any call until you have asked the member, "Is there anything else I can do for you today?"
- Thank your members any time they compliment you or your credit union.
- Ask new members how they learned about your credit union and, if possible, send a hand-written thank you note to the person who referred them.
- Reward members for their referrals that turn into business. Send a small gift to the mem-

ber who is singing your praises or referring new business. Base the size of the gift upon the amount of revenue their business and referral generates. I've sent my clients fruit baskets, American flag lapel pins, flowers and chocolates.

- Follow up with your members when they least expect it. Call five members each week just to say "thank you" and tell them how much you appreciate their business. You can also use these conversations to ask them for suggestions on how you or the company can do a better job of providing service. Be sure to listen carefully. They'll give you great ideas.

You'll find hundreds of sales and service tips in "How You Can Increase Your Sales in Any Economy." For more information visit: <http://>

Thinking Like An Editor: How to Get Publicity for Your Credit Union

By Laura Enock
CUVA

As far as you're concerned, the most important story a newspaper editor can cover is one about your credit union.

Newsflash ... editors don't quite see it that way.

The editor's job in a consumer publication is to provide relevant information regarding matters of interest to its particular readership. The editor has a duty to adhere to the publication's mission statement and to accurately reflect its message in the content of each issue.

What this means is that you'll have to step out of your marketer's shoes and stop thinking from the viewpoint of "what can I do to get more coverage for the credit union?" Instead, you can begin to look at it from another viewpoint, the viewpoint of the person who will decide whether or not to include your story in the publication.

You can stop being a pesky PR person looking for ink, and become a partner, a valuable resource who is continuously reliable for producing timely and relevant financial world information.

Here's what it takes to think like

an editor:

Pleasing the readers. Drop all the promotional content because editors aren't interested. While you need to think like an editor to sell your ideas, the editor needs to think like the reader. Advance your position by determining the interests of the publication's readers. What angle can you find for the editor that would be of value to the readership?

Pleasing the boss. The editor has another audience to whom he or she also answers: the publisher. Whether independent or conglomerate, the publisher's specifications must be met in all articles and features. If you're thinking, "editors sure are a people-pleasing group!" you're absolutely right.

Simplifying the process. Sure, they are hard workers, but like everyone else, they'd rather do less work than more. If your press release is clear, well-written and coherent as compared to a bank's jumbled submission, guess who'll be quoted in the article?

Approaching deadlines. There's stress in any job, but the added stress of deadlines can take its toll. Use caution in contacting

editors approaching deadline. Most of all, respect the editor's time.

Availability. You should be a familiar face to editors so that you immediately come to mind when they need a quote or information about something in your area of expertise (mortgage lending, investing, saving, debt relief). Send editors who might be interested a letter of interest addressing your proficiencies as well as your availability and willingness to provide information as needed.

Producing interesting copy from typically dry material. Don't send release after release stating who has what job and what's going on where. Editors are swimming in that type of rhetoric. Become an editor's right hand by delivering the interesting, different angle that makes great copy for eager readers.

For example, during the holidays you can send out a release about your holiday loan or holiday club. Continue in your editor's wingtips for a bit. You just may uncover a story you could have missed stumbling over your own shoes

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

January

16-19	Midwest Management Issues Conference	Miami, Florida
27	Working with the Thieves from Within	Internet Session

February

3-4	CUES Economic Summit	Ypsilanti
8	Developing a Marketing Plan Workshop	East Lansing
9-10	MCUL Marketing Conference	East Lansing
14-16	TechMecca	New Orleans, LA
16	CU CEO Roundtable	Saginaw
17	Risk Management & Fraud Detection	Internet/Audio Session
23	ALM Internet Session	
2/27-3/2	CUNA Governmental Affairs Conference	Washington, D.C.

March

8	Loan Officers Workshop	Bay City
8	Financial Counseling Certification Workshop	Bay City
9-10	MCUL Lending Conference	Bay City
15	Call Center Conference	Lansing
16-17	MCUL Governmental Affairs Conference	Lansing
22	Trusts & Member Accounts	Webcast/Audio/Live

April

1-3	Spring Volunteer Conference	Soaring Eagle Resort
7	LAS CEO Roundtable	Lansing/Saginaw
13-14	Member Business Lending Conference	Detroit/Lansing
19	Deposit Pricing Strategies	Webcast/Audio/Live
21	CU CEO Roundtable	Sault Ste. Marie
22-24	UP Annual Meeting	Sault Ste. Marie

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