



## CREATING A BUSINESS PLAN IN CU\*BASE



*CREATED IN COOPERATION WITH  
UNITED ADVANTAGE NW FCU*

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## Integrating Your Business Plan to CU\*BASE Analysis

### Keeping Your Annual Goals Front and Center

You've spent hours working with your team to create a business plan for the coming year and have received buy-in from your board of directors. You're excited to turn your plan into results and get to work. But that business plan gets lost under a stack of papers on your desk and before long you've forgotten half the items you said you'd accomplish.

Most of us aren't looking at our plans regularly to double check what we said and the progress we've made to meet our goals. That's why CU\*Answers is going to work on a way to import your business plan into the Comparative Tiered Scoring Analysis in CU\*BASE. Imagine taking line items from your plan and importing them directly into the comments.

In the meantime, we challenge you all to do what Evie Rasmussen and her team at United Advantage NW FCU have done by filling in comments for each Tiered Scoring line item in CU\*BASE. Take a look at the goals they've set for themselves and challenge your teams to create their own. Then use the **Tiered Svcs Monthly Comparison (MNMGM #27)** to enter them in.

The beauty of this feature is that you can track your service progress not only from year to year, but monthly and quarterly too, making it easy to see whether you're on track. So get your goals in there!

Description	02/2011		02/2012		02/2013		02/2014		Comment
	Members	%	Members	%	Members	%	Members	%	
ATM	6,652	25.9	7,330	27.5	8,037	28.6	8,874	29.4	
Checking/Debit	6,169	24.0	6,933	26.0	7,718	27.5	8,675	28.8	
Credit Card	6,654	25.9	7,026	26.4	7,627	27.1	8,088	26.8	
Active Audio Response	1,028	4.0	958	3.6	976	3.5	889	2.9	
Active Online Bankng	8,140	31.7	9,167	34.4	10,253	36.5	11,512	38.2	
E-Stmt Enrolled	7,071	27.6	8,435	31.7	10,001	35.6	11,135	36.9	
Bill Pay Enrolled	1,100	4.6	1,320	5.0	1,690	6.0	2,195	7.3	

Comments for Goal 4 Subgoal 07 for 2014 (2014 to 2014 Avail):  
 Annual growth since conversion has not been as high as anticipated.  
 Largest growth has been 1.3%. More online marketing is needed.  
 2014 goal is to increase Bill Pay enrollment by 2%.

Choose up to 4 months for me using a  Month  Quarter  Annual interval ending Feb 2014 [MMYYYY]

Goals written by:



### Goal 1: Primary Financial Institution

<b>Special Accounts with Dividend Application</b>	(13 selected) Members with checking accounts often consider the CU as their PFI and closer to the stakeholder category we are trying to attract. This does not include MM checking as often it is used for higher dividends not as the PFI. 2014 goal is to increase checking by 15%.
<b>Account Active 5 Years</b>	Member retention is vital to any business. While the goal is to retain members, it is even more important to have them use the CU. The 2013 goal was to remove costly members who use the CU as an ATM - thus eliminating nearly all dormant accounts. 2014 goal is to rebuild 5 year + active.

## Using the Tiered Services Monthly Comparison

Found on the Management Analysis Dashboard (MNMGMMD) menu, this could be a day in itself. The dashboard is:

1. **A centralized penetration analysis** with automated trending for the entire time you are on CU\*BASE. It tracks progress on goals for increasing member product and service penetration.
  - Discuss your credit union penetration awareness and tools you use daily, weekly, monthly, and annually to understand what and how much members are doing with the credit union.
  - Is it clear to everyone? Can you improve it?
2. **A member relationship analysis** scorecard system that allows you a picture of how a member's total services, product use, and balance contributions add up. It *segments, for lack of a better word, the levels of membership from customer to member to owner.*
3. **A dashboard for automated communication** and direct contact strategies, with easily recognized member demographics like age and gender.
  - This dashboard, in unison with Member Connect, can generate data files for all kinds of contact strategies. So the whole A.S.A.P. (Ask, See, Act, Profit) process is directly tied into this option.

So after selling the value, time to get to work...

- Bring up the Dashboard and select the months you want to trend for the Board brainstorming/presentation. Three formats come to mind if you have been on the system long enough:
  1. Annually comparing the last four years.
  2. Quarterly for the last four quarters of the selected month.
  3. The last four months from the selected month.

The remaining screens in this dashboard are separated into goals related to how you hope members will use your products and services.

For all of the items listed under each Goal, you can see the standard Trend display and two Comparative Relationship Breakdowns (to see these, drill down by clicking on the lookup button in front of an individual item on any of the Goal screens).

Consider what this might mean to the frequency, the directness, and the approach to targeted sales and follow-up programs.

### Comparative Tiered Scoring Analysis

Balances

Breakdown of 2195 members with Bill Pay Enrolled for February 2014

Drill down and 0 points analysis for February 2014



Summary # Members Loan Balances Sayings Balances

Level	# Members	%	\$ Loans	%	Avg Loan/Mbr	\$ Savings	%	Avg Savings/Mbr
BASIC SERVICE	163	7	1,403,839	2	8,613	3,839,956	13	23,558
VIP-SILVER	524	24	712,614	1	1,360	817,847	3	1,561
VIP-GOLD	254	12	1,177,284	2	4,635	991,967	3	3,905
VIP-PLATINUM	1,254	57	61,771,063	95	49,259	23,586,580	81	18,809
<b>Total</b>	<b>2,195</b>		<b>65,064,800</b>		<b>29,642</b>	<b>29,236,350</b>		<b>13,320</b>

Goals written by:



## Goal 2: Analyzing Member Savings Relationships

<b>Additional General Savings Present</b>	Members are encouraged to use their CU by adding savings for specific reasons: vacation, Christmas, taxes, education etc. 2014 goal is to increase to 60%. This adds to our education and stakeholder focus.
<b>Non-IRA CD Present</b>	Since 2011 the CU has stopped offering CD's to curtail and even lower growth. In 2014 we are in a measured growth environment. Our goal is to increase reg CDs back to 2012 level of 2%.
<b>IRA Shares &amp; CD Present</b>	IRAs and CDs are expensive money. Since 2011 we have stopped offering CDs to decrease assets/increase capital. The goal is only to regain to 3% unless loan demand increases.
<b>Money Market</b>	(8 selected) MM accounts, even though they cost more, dividends can be changed more quickly than other vehicles. There is no specific goal for MMs and little growth is anticipated until the FED raises rates - perhaps sometime in mid-2015.
<b>Savings with Negative Balance</b>	Obviously, the CU would prefer not to have any negative savings, however the current average of .1% is acceptable. Mbrs are penalized with negative points preventing them from attaining a gold or platinum level until the account is rectified.
<b>Checking with Negative Balance</b>	Negative accts is another ZERO preference, however, with the right instruments can actually make the CU income via Courtesy Pay and other fees. Keeping negative checking below 1% does not encourage mbrs to use money they do not have - generally. Therefore, there is a negative 300 points assigned to them.
<b>Aggregate Balance to \$10,000</b>	UA mbrs are not, in general, savers. And at this point we are not in need of additional savings until loan demand increases. With the events of 2011 thru 2013 we asked the large saver to remove their deposits. it was only in late 2013 that we started encouraging more savings. this area is slated to decrease to 85% in 2014.
<b>Aggregate Balance to \$20,000</b>	Higher agg balances are being encouraged to a small degree to avoid liquidity crunch. Goal is to move to 5% and higher.
<b>Aggregate Balance to \$30,000</b>	Asking mbrs to increase their savings systematically. Goal is 3% in 2014.
<b>Aggregate Balance to \$50,000</b>	Larger savers cost more and until we need the excess liquidity we are not providing the incentive. However, systematic savings is a plus to mbrs and goal is 1.5%
<b>Aggregate Balance to \$999999</b>	Large savings balances have been discouraged since 2011 to reduce assets, improve capital and only upon loan demand increase will we look for higher savers again. Goal is 2.5%
<b>Misc. OTB Savings Account</b>	The CU has partnered for OTB deposits starting in late 2013. Marketing is slow as savers regain their comfort with the established industry. Goal - 10% by year end.

Goals written by:



### Goal 3: Analyzing Member Loans

<b>Mortgage Loan Categories</b>	(3 selected) Includes 1st fixed, 1st adj, and other fixed mort. Due to concentration risk concerns UA has ceased booking in-house mortgage loans of any kind since 2010. The decline has gone down as loans are paid off. UA will not do any in-house mortgage loans in 2014.
<b>Equity Loan Categories</b>	(3 selected) Includes 1st LOC, 2nd HELOC, & other adj mort loans. Due to concentration risk concerns, UA has stopped making any in-house mortgage loans. Therefore, the amounts, numbers and percentage continue to decrease. None are planned for 2014.
<b>All Other Loan Categories</b>	Includes all loans other than mortgage loans. Much was written in the b-plan to increase lending without bringing up the loan average. We slipped in 2011 but have gained momentum in 2012 and continue to see increases of 1% per year since. We are limited without mortgage loans but have expanded unsecured and auto. HIGH PRIORITY! Goal to move to 15%.
<b>Loan Delinquent Lvl 2 &amp; Up</b>	This includes all mbr loans who are delinquent over 2 months. Major movement has been seen since 2011 - 1% now down to .3%. GOAL is to keep delinquent loans below 1/2% of total loans.
<b>Aggregate Balance to \$1,500</b>	Smaller loans are generally not desirable to UA members yet take as much work as larger loans. There is no goal to increase smaller loans for 2014.
<b>Aggregate Balance to \$5,000</b>	Since loans are the highest priority increasing this area is important however, most UA members are looking for more expensive autos and higher LOC, unsecured. Goal is 5% up from 4.5% last year.
<b>Aggregate Balance to \$20,000</b>	Loans are the highest priority. Aggregate loans of up to \$20k are optimum and we have slipped in the last few years. 2011 showed 6.3% early 2014 shows 5.9%. Our marketing goals show an increase of overall loans and this area needs to increase back to 6.5%
<b>Aggregate Balance to \$150,000</b>	This aggregate category is showing a steady pace of 0.3%. Since we are no longer offering in-house mortgage loans it stands to reason that this area will go down from its current 2.4%, however, early 2014 results show slight uptick to 3%. Goal is to remain at current 3%.
<b>Aggregate Balance to \$9999999</b>	Due to concentration risk constraints, UA is not doing any in-house mortgage loans, which normally increase the average aggregate loan balance We do not expect the ratio to increase. But are working for a stagnant 0.3% for 2014.



**Coming 2015: Import your business plan from a Word document into the CU\*BASE Tiered Services Monthly Comparison!**

Goals written by:



## Goal 4: Analyzing Member Self-Service Products

<b>ATM</b>	ATMs, includes shared branching and is a stable in our delivery channel offering. We have moved from 18% in 2011 to 22% in late 2013. The goal for 2014 is 30%.
<b>Checking/Debit</b>	Several new "green" checking accounts have been added to encourage mbrs to use remote devises. Marketing functions are set to bring about an increase of 11% to overall checking in 2014.
<b>Credit Card</b>	Given UA's membership, unsecured loans are not at the forefront of our lending priority. Combined with other unsecured loans, Credit Cards are slated to increase to only 10% of the entire membership.
<b>Active Audio Response</b>	With the advent of mobile banking audio is no longer the channel of choice for most members. It is slowly moving downward and is expected to continue on that slope.
<b>Active Online Banking</b>	Active online banking continues to be at the forefront of marketing activity. Since 2011 we have grown from 15% of members to 23.5%. Our goal for 2014 is an increase of 7%.
<b>E-Statement Enrolled</b>	Charging for paper statements has had an impact on not only the fee portion but of increased e-stmt enrollment. From 16.5% in 2011 to the current 42.1%. Each quarter we add more members and new membership is as high as 71%. 2014 goal is an increase of 10%.
<b>Bill Pay Enrolled</b>	Bill pay has not had the positive impact we had hoped for when converting to CU*BASE. The yearly increases are slight - from 2.8% in 2011 to the current 6.1%. More online marketing is needed. A goal of 2% increase for the year is more ambitious than it seems.
<b>Valid Email Address</b>	Interesting that we have grown to almost 63% with valid e-mail addresses that we only have 42% signed up for e-statements. Perhaps older members that don't get charged? Soliciting email addresses is one of the core cross-selling functions of front-line staff. Our goal is an additional 8% increase for 2014.
<b>E-Notice Enrolled</b>	Selling e-notices has not only cut down on costs but put the member more in control of their own finances - covering part of the mission statement. UA has gone from 0% to 22% in a short time period. Cross-selling to new members increases this area each month. Our goal is for 99% of all new members and 30% overall membership.
<b>E-Alert Enrolled</b>	e-alerts is a more difficult sell as people believe with mobile they can spot needs quickly and don't need their phone plugged up with more messages. Cross-selling this is a high priority for loan delinquencies and needed deposits. It is slow going but our goal is for 3.5% by year-end.

Goals written by:



### Goal 4 Continued: Analyzing Member Self-Service Products

<b>Mobile Text Banking</b>	From 2011 to mid-2014 UA members use text banking thru FSCC and not the CU*BASE product. We are unable to track usage at this time. 2014 goal is to move text banking to CU*Answers as R&D shows it's superior to current. Most UA members have a smart phone and our mobile app has been very successful. We anticipate only a small percentage of mbrs will use text banking, primarily for the text alerts. Goal of 2.5% of mbrs by 12/31/14.
<b>Wrong Address</b>	There is no goal regarding wrong addresses – Ideally we would have none but as the number is small and manageable we will continue to monitor. If there is an increase we may establish a goal to address at that time.
<b>CU Marketing Opt-In</b>	CU Marketing is at 81% there is no goal for this area at this time.
<b>3rd-Party Marketing Opt-In</b>	Over 90% ratio for Third Party Marketing Opt. No goal needed.
<b>Reg E Opt-In</b>	UA has not depended on income from NSF fees nor do we for Courtesy Fees, even though they are available. We are currently at 3%, provide the option to current and new members, however have not set a goal for increasing the percentage.

Goals written by:



### Goal 5: Analyzing Member-Elected Deposits

<b>Payroll Deposit &gt;= 250</b>	We reward members with this form of direct deposit the same we would other delivery methods. However, ACH is the preferred delivery method and we encourage SEGs to use ACH. This and ACH are combined.
<b>ACH Deposit &gt;= 250</b>	ACH - is the method by which the deposit occurred. Far more efficient than mail, CD or other type of delivery channel between the Mbr/SEG and the CU. This includes ACH originations such as loan pmts via ACH. We have seen gradual forward movement each year from under 14% to the current 18%. Because of the efficiency we are cross-selling the delivery method. The goal is for 20% by year-end 2014.
<b>AFT Transfers Active</b>	Generally deposits are made directly to the account they are requested to go and the member has the option of having it auto moved or they take control and move it themselves via ItsMe247 or mobile etc. This method has seen gradual forward movement and is not on our 'watch' list.
<b>Loan Payment AFT Active</b>	This means deposits are put into one account then auto moved to a loan. Only around 5% of members use this feature and there is no reason, at this point, to see this increase.
<b>Loan Payment ACH Active</b>	N/A

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