**SURVIVING AND THRIVING**

**IN THE NEW ECONOMY**

An interview with Evie Rasmussen

I don’t have to tell you that these are trying times for credit unions...as Randy reminds us over and over, we are losing about one credit union every day. If you and I don’t want to become one of those statistics, we need to do things differently.

Having gone through a number of mergers several years back—seven of them to be precise—and unfortunately the last one did not go well. We are still wrestling with the recovery three years later. That’s the bad news. The good news is that we learned some valuable lessons that have put us on a path for better things in the future. What we learned is applicable to all credit unions.

This is not the 80’s. Times have changed, and we have to adapt to the new operating conditions if we want to survive. We have to work smarter, more efficiently and effectively. Because if we don’t, we may go away. In order to survive and prosper, we have to rethink everything—top to bottom.

**Culture change at the credit union.**

Change—everything—always starts with people. Do we have the right people, doing the right things, at the right time? Evie Rasmussen included. Are we delivering the right services, providing the right access, at an appropriate price, with the right number and type of people? Are we working effectively and efficiently? Is everyone pulling their weight? Are we working as a team? Do we have people who are willing and able to make the required changes, in workload and attitude, to make the rejuvenated company work? You might ask yourself the same questions.

**Identifying the keys to success**

While we wrestled with the people issues, we settled on the key things that we would use to rebuild our shop: networking, imaging, delivery systems and data processing.

**Networking.** Critical to running a tight knit team is making sure that everyone operates with the same rules, the same information, the same focus, etc. Networking is more than technology, equipment, bells and whistles. Its uniform policies that everyone has access to. Its uniform procedures that everyone knows and follows. It’s access to the same information so that everyone can do their job and make reasonable, informed decisions. It’s the ability to monitor day to day progress with meaningful reports. On and on.
**CU*NorthWest** provides a regional advantage for NorthWest US based credit unions. In addition to providing CU*BASE data processing, CU*NorthWest offers a variety of solutions to meet credit union needs. To complement its operational and technical offerings, CU*NorthWest provides popular electronic services like on-line banking, bill payment and presentment, and e-mail marketing. The CUSO also offers credit unions access to critical business partners like WESCONet (networking), eDOC Innovations (imaging services), and Xtend, Inc. (back office, marketing and related services). CU*NorthWest is a 100% credit union owned CUSO, headquartered in Liberty Lake, Washington.

**Imaging.** While the promise of a “paperless office” has gone by the wayside for most businesses, we saw imaging as a way to get a leg up on our competition. Having all documents in an electronic form enables everyone in the organization to have access to the same decision making data. It saves time simply because there’s no longer a need to run around looking for a file. And it’s a real bonus when the auditors are here.

**Delivery Systems.** Finding more and better delivery systems, specifically a shared branch network, is crucial to adding efficiencies. We live in a mobile society especially as baby-boomers retire. We found that offering thousands of outlets and 7-11 Vcom units to be invaluable to our members and the results have been incredible. Lobby traffic has shifted greatly as members moved to locations closer to where they live and work. We have gone from four offices to two, not for economic reasons but because the members have spoken by their usage.

**Data processing.** Crucial to the success of the rejuvenated organization is having a data processor that delivers all the things we need. We wanted a data processor on the front edge of technology; one that delivers the services we feel are critical, and brings its clients into the decision making process to formulate future plans. We needed more than a client/vendor relationship...we wanted a true business partner.

**Where to start?**

Now obviously we were not able to change everything overnight. But, since everything starts with people, that’s where we started. The changes were dramatic. We required all employees to sign a contract outlining what was expected of them. It expressed the urgency of the situation and the necessity of making the changes we were about to make. We fully expected that some employees simply would not be able to make the change, and we were right. Out of the original 33 employees, we are down to 14 staff and management people right now. We have been able to do that because the new credit union operates more efficiently and effectively.

The employee changes took place over a three year period. While we were changing the employee culture, we were also making technology changes, and refining our vision of what the optimum data processor would look like. We upgraded equipment, activated our network, and began the changeover to document imaging. This experience was a great help in establishing criteria we would use to make our most important decision; choosing our data processing partner.

**Choosing a data processor.**

How do you go about making such a big decision? Well first, it’s about deciding what is important. For us, it was not about what we needed today but what needed to insure our tomorrow. Our goal was to make maximum use of the new system: to choose one that helped us operate more efficiently and effectively. We spent 3 years reviewing various data processing solutions; They were either too expensive, “cobbled together” from various products or nothing more than a glorified bookkeeping system. But we still needed to make more loans, offer newer and better services, attract new members, and manage our people and processes more effectively and be able to afford it. We began to think it was not possible to find what we were looking for—but then we did!
We found CU*NorthWest, and we’re happy we did

CU*NorthWest introduced us to the CU*BASE GOLD core processing solution. We liked CU*NorthWest right away and the data processing platform met our needs and then some. In addition, the delivery, operations, and support from a credit union owned and governed CUSO CU*NorthWest made it even better. But beyond the physical characteristics, CU*NorthWest demonstrated the flexibility to listen to our needs and aspirations, and the willingness to work with us to help make ourselves better. A real partner! But even beyond the partnership with CU*NorthWest was the network of partners they represented and gave us access to the cuasterisk.com network, particularly CU*Answers, the author of CU*BASE and chief architect and sponsor of CU*NorthWest.

There isn’t enough space here to go through the checklist, so here are just a couple items that we identified as critical.

Management reports
When you are running a tight ship, with a short staff, you always need to know “how are we doing.” CU*BASE GOLD offers an extremely robust menu of reports for keeping tabs on all areas of your operations. These are not just CEO reports...we have detailed reports that give us daily, weekly, and monthly snapshots of “how we’re doing.” When we’re doing a membership drive, in a matter of seconds we can tell if our promotion is generating traffic, how each branch, and each MSR is performing. If corrective action is needed, we’re on it.

Research and action planning
Wouldn’t it be great to know the average age of your member (48?), how many members were in the bottom 2 tiers (80?), how many were active members (50%), who didn’t have loans and/or credit cards (60%). Well, you have that and more at your fingertips. You have the capability right now to identify your own opportunities, and then to make plans to capitalize on them.

- **Too many old members?** Run a promotion focusing on “Gen Y” folks
- **Not enough upper tier members?** Make selected members a great offer on checking, credit or debit cards
- **Too many inactive accounts?** Give them a reason to get active. Virtually everyone has 3 or more FI relationships these days. Non-participants need a reason to choose you.
- **Need more loan dollars?** Who doesn’t! As in the example above...give them a reason to choose you. Most families have 2 cars, and virtually everyone has several credit cards.

(Hint: If you need help with promotions, just contact the Member Reach team.)

Now is a great time to start your future

Doing our homework led to a successful conversion, and many productivity improvements. You already have access to what took us a lot of research to find out. If you are not using the system to the fullest, talk to the CU*Answers team. Or give me a call, and I’ll tell you how CU ByDesign, our new CUSO, can help you.
CU ByDesign... CU*BASE help, from a CU*BASE user

CU ByDesign is a CUSO combining the resources of two North West regional partners, United Advantage NW FCU and CU*NorthWest. The CUSO provides hands-on operational consulting/mentoring to help CU*BASE credit unions maximize their use of key components of the processing system. The CUSO is led by Evie Rasmussen, United Advantage CEO, and a CU*NorthWest board member.

The idea for CU ByDesign grew out of our (UANW FCU) search for a new data processing provider. We developed a close relationship with CU*NorthWest as we researched, planned and converted to the CU*BASE system. The learning process made both organizations realize the potential of a consulting service that would help other CU*BASE clients maximize use of their system.

The time and resource “squeeze”

We all have plans to improve our organizations, to make better use of our people, facilities, and processing system. Where we most often fall short is in finding the time to research, plan and manage the changes needed to make those aspirations work.

United Advantage faced the same problem before our conversion. Fortunately we made the time to list our data processing “wants,” chose the processor that met our needs, then trained in-depth. We had to do more than hit the ground running...we had to hit the ground productive. We did, and we believe what we learned in the process can help you as well.

Build momentum with small successes

Trying to change the course of your organization overnight is a sure path to failure, disappointment and bad morale. CU ByDesign is starting out by concentrating on a few areas, then growing our services. We suggest that you do the same. Pick a project, and ask if CU ByDesign can help. If it’s beyond our current scope, we’ll try to help you find assistance somewhere else in the vast CU*Answers resource pool.

Here are a couple of CU ByDesign mentoring opportunities that can help you immediately:

Efficiencies/Effectiveness. Using the CU*BASE system, limiting steps, maximizing resources (time, people, money) and building the numerous cost savings is the key to moving a credit union forward. Add in a solid network, eDOC, outsourcing to partners and in short, re-thinking how an operation runs today.

Management Reports. The fastest way to make improvements in your operation is by taking advantage of information that you already have. You could literally recoup thousands of dollars through cost savings, increased revenue, and better use of employee time by identifying and using key report data.

Case Studies: the power of collaboration

This series of Case Studies demonstrates how CU*Answers credit unions and cuasterisk.com network partners are improving their operations through collaboration. Some are forming CUSOs to take advantage of market opportunities. But, many others are earning their success simply by leveraging the accomplishments of other clients who have shared their ideas. All contributors have agreed to answer your questions. We urge you to contact them.

Tell us about your “great ideas.” Regardless of the size of your project, your contribution may be exactly what some other credit union has been looking for. Just put together the major details, and e-mail it to mhaehnel@cuanswers.com.com