Business Development for Community-Chartered Credit Unions

Presented by:
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Today’s Goals

• Discuss the credit union landscape
• Review of CUNA’s Top 10 Trends
• Review 7 Steps for great BD
• Discuss how they apply to developing business in your credit union’s community
• Share ideas and best practices
What’s Going On?

• Membership continues to grow. Total CU Membership in U.S. is 96.4 million
• The desire to create more “awareness” is gaining momentum.
• New and innovative tactics are taking over!
• A Tech Frenzy!!
Top 10 Trends

• **All Things MOBILE** – Ummmm…..ya!

• **Anti-bank sentiment** – still exists but is losing momentum

• **Consumer awareness** – 70% of folks under age 25 have no clue what a credit union is! SCARY!

• **Earnings rebound** – some good news

• **Staffing** – Credit Unions are starting to hire again!
Top 10 Trends con’t.

• **Lending** – continues to be the biggest focus and area of concern

• **Governance** – changes coming from “on-high”

• **Membership Growth** – Gain in market share

• **Technology** – changing more rapidly than ever – don’t get stuck playing catch-up!

• **Compliance** – regs, regs, more regs!
Membership

• 2.5 million NEW members in 2012
• Second largest annual gain EVER!
• Momentum shift
• What’s causing the continued growth?
  – Awareness
  – Education
  – Determination
Some Challenges....

- Potential members are younger and less wealthy
- More interested in transactional accounts than typical savings instruments
- Gen X and Gen Y are very demanding!
- They expect convenience and outstanding service **ALL THE TIME**!
- **What does all of this mean?**
It Means….

• That credit union marketing and business development methods must evolve!
• That credit unions have to take new trends and methodology seriously!
• That credit unions need to get serious about new technology!
• That credit unions will have to be willing to spend money.
Hot Tactics....

• Mobile
• Remote Deposit Capture
• Social Media
• Digital Marketing (video, e-marketing, etc.)
• Focus on attracting younger members
• Advocacy and Education
More Hot Tactics….

• Introduce potential members to the credit union industry by *going where they are*….
• This isn’t “Field of Dreams”
• Speak their language….a more modern vernacular
• Define VALUE and W.I.F.M.
• Get personal!
7 Steps To Better BD

• BD isn’t easy
• Dare I say it…..
• SEG BD is easier than Community BD
• While true, many of the same skills are necessary and useful…..
• Let’s look at 7 Steps…..
Step 1: Understand What BD Is and What It Isn’t

- *Is* an intense focus on building relationships; *isn’t* showing up at a charity event.
- *Is* reaching out to centers of influence; *isn’t* pressure-selling.
- *Is* important for ALL credit unions; *isn’t* just for SEGs anymore!
Step 2: Do Some Research!!

- Segment membership, identify trends, categorize savers and borrowers, and ascertain which members are either already profitable or on the cusp of profitability.
- Obtain demographic data, census data, trend studies.
- Get to KNOW your community intimately
Step 3: Identify Target Markets

- Do you want to reach out to civic and cultural organizations?
- Do you want to do a targeted mailing to household within a 2 mile radius of your branches?
- Show your support for the community by getting involved in the community!
Step 4: Train Your People!!

- Business development requires a specific skill set on the part of the employees charged with its tasks.
- Clearly define the BD role.
- Provide training and development programs to help employees achieve success.
- Self-educate as well!
Step 5: Go Out to the World and Prosper!

- BD pros need to be out of the office meeting with people
- Don’t chain them to desks or hold them to a time clock
- Hold them accountable!
- But give them the freedom to “fly!”
- Handle gossip and grumblings
Step 6: Don’t Be Afraid to Sell

• It’s what we do!
• Enough fuss!
• Cross-selling platform implementation, development, and execution.
• Communicate VALUE above all else…. 
• Because nothing else matters!
Step 7: Meet the Mayor….

- Reach out to elected community leaders
- Get the to know and love the credit union
- Position your credit union as a catalyst to community development
- Get to know your community’s “centers of influence”
More About BD.....

• BD needs to be in “C-level” discussions
• BD needs to be part of the strategic planning process.
• BD touches every aspect of the organization.
• BD isn’t going away – it’s just going to get stronger!
• BD is crucial for credit union growth, viability, and sustainability.
Let’s Hear From You!!!
Summary....

• Community BD is about building relationships......period!

• It is about building relationships with people that can HELP you to:
  – Gain access
  – Get in front of the people in charge
  – Research and preparation are your most valuable assets
Why I Do What I Do....
Thank You!!

- CU Business Development Academy
  - The most comprehensive business development training in the industry…
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