

One of the most accurate definitions of Operational Excellence is; ‘A philosophy of the workplace where problem-solving, teamwork and leadership results in the ongoing improvement in an organization. The process involves focusing on the member’s need and creating a culture where employees are motivated and empowered to continually improving the current activities in the workplace.’ In our opinion, Schools Financial Credit Union embodies this definition. Through this submission, we will provide you with some of the many reasons that we hope you will select Schools Financial as the winner of the CUNA Operational Excellence award for 2018.

#Goals

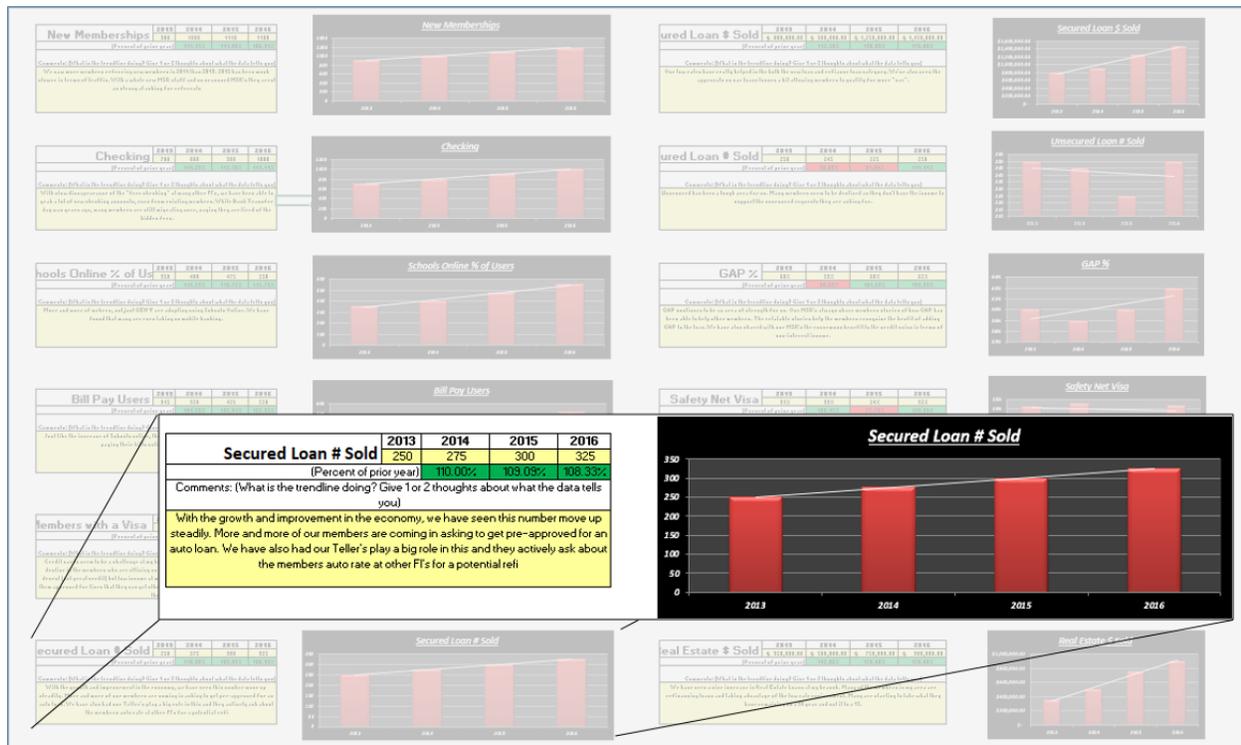
We live in a time where the “hashtag” has become synonymous with identifying and intensifying a point. Searching, “#Goals” on Instagram, results in 57 million responses. Goals, setting goals, focusing on goals, it’s all essential to finding success.

Schools Financial has a unique process in our approach to goal setting. Like most organizations, our ten year, three year and one year strategic targets are set at the Board and Executive level. Conversely, goals at the retail level are set through a method of self-evaluation, group negotiation and collaboration.



Every October, Branch Managers are provided with a “Business Plan Document”, outlining their branches results, including; the two prior years as well as a year-end forecast for the current year. This data allows leadership of the branch the opportunity to look at what is happening in their specific location at a product-specific level. This provides the ability to see how they are trending - year over year, as well as identify issues and opportunities that have led to under-performance or sudden increases in performance. The end result of this product-by-product exercise is to have each Branch

Manager and corresponding Supervisor provide a calculated estimate of what they project their goals for the upcoming year to be. The built in calculation for percent-increase/decrease help aim for reasonable and trend-based targets. Below you will find an example of this worksheet:



Upon completion, the Retail Leadership team consisting of the Regional Branch Manager, Retail Sales Manager and SVP; Member Services/CRO meet to review the compiled data. With the Strategic targets in-hand and aware of the Organization's overall goals for the upcoming year, the Retail Leadership team is able to determine which product goals require adjustment in order to achieve the organization's targets.

	New Memberships		
Branch	2017 Forecast	2018 Goal	% Increase
Madison	3766	4100	108.87%
Fruitridge	3118	3280	105.20%
Calvine Pointe	2465	2670	108.32%
College Greens	1709	1794	105.00%
Placerville	1569	1669	106.37%
Yuba City	3305	3600	108.93%
Roseville	2557	2740	107.16%
Orangevale	753	825	109.56%
Laguna	1452	1525	105.03%
Natomas	2248	2362	105.07%
Folsom	1092	1150	105.31%
Totals	24034	25715	107.00%

At the November Branch Manager’s meeting the results are reviewed product by product and as a group, adjustments are made as needed. The worksheet has a built-in calculation to identify outliers; this helps to point out if one branch is performing above or below peer branches in their targeted increase or in some cases unrealistically above peer so that changes can be made accordingly. This exercise accomplishes a few things: empowerment, collaboration, teamwork, accountability and ultimately buy-in. As a team, we are able to collaboratively determine each branch’s goals, product-by-product. We identify and capitalize on the strengths of some branches to carry a heavier load for some products and vice-versa for others. Buy-in; the Branch Manager’s ability to commit to a goal versus being told a goal, truly changes the outlook of this goal setting process. Seeing their prior years’ data provides a fact-supported trend of what can be accomplished (with a stretch of effort). The beauty in this process is that it also sets the stage for the organization’s sales efforts through the year.

The buy-in and accountability that is created in the goal setting process directly transfers to taking ownership of achieving those set goals. Schools Financial creates a yearly calendar assigning a Branch Blitz to each Branch Manager. A Branch Blitz is a monthly grass-roots, organic campaign and product-specific promotion focused on a particular product or service. We strategically align our Branch Blitz’s with our Marketing department calendar to closely coincide with their targeted efforts and focuses for each month.

2018 Branch/Marketing Sales Focuses				
	Due Date to T/E	Marketing Branch Promo Incentive	Branch Focuses	Responsible Manager
January	12/5/2017	Visa 1.99% Balance Transfer	Visa- Balance Transfer/Checking	Cindy/Nate-V Indo/Jonathan-Chk
February	1/2/2018	New Online Banking	Auto- Safety Net GAP	Carole and Wanda
March	2/6/2018	Home Advantage	HA, 1st Mortgage	Fran/Kellie
April	3/6/2018	Home Loans/ Equity	Equity and Checking	Greg/Indo
May	4/3/2018	Home Equity	Auto- Safety Net GAP	Carole and Wanda
June	5/1/2018	Visa Double Reward Points	Visa	Fran/Nate
July	6/5/2018	Visa Balance Transfer	New Mebership Checking	Cindy/Jonathan
August	7/3/2018	Tools for Schools	Unsecured products	Greg/Kellie
September	8/7/2018	Auto Loans	Auto- Safety Net GAP	Carole and Wanda
October	9/4/2018	Visa 1.99% Purchase	Visa	Cindy/Indo
November	10/2/2018	Defer A Pay	New Mebership Checking	Fran/Jonathan
December	11/2/2018	Auto Loans	Auto- Safety Net GAP	Carole and Wanda

Similar to our goal setting process, as an organization we encourage our leaders to strategically think through the creation of each Blitz. Managers are expected to complete a business plan, to be approved by the Retail Leadership team prior to sharing with staff. This business plan includes items such as; a quantifiable goal for said promotion, requested budget (when applicable), how the results will be tracked and communicated and the logic behind the set goal of the promotion.

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2018 Branch Blitz - Business Plan

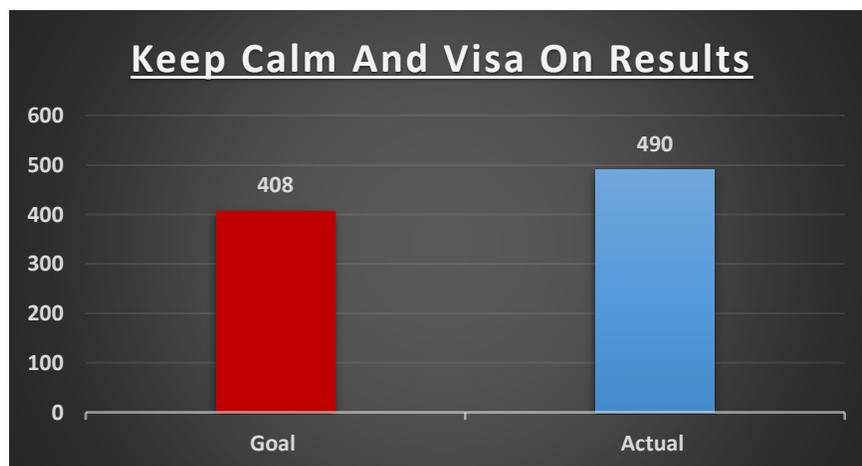
Name of Individuals Leading Blitz: Click or tap here to enter text. Click or tap here to enter text. Click or tap here to enter text.	Blitz Start Date: Select a start date	Blitz End Date: Select an end date
Product(s) Focused On: Select Choose an item. Choose an item.	Name of Blitz: Click or tap here to enter text.	
Description / Proposed Plan: Give a brief description of your blitz		
Quantifiable Goal: Be specific	Budget Requested? Choose an item Source of Funds: internal or external, if external partner name Amount? Click or tap here to enter text.	
How Will This Blitz Be Tracked? <input type="checkbox"/> Manually Tracked By Branch <input type="checkbox"/> Manually Tracked By You <input type="checkbox"/> Established Reporting Mechanism (if so, which?) (Existing report name, SalesNet, CUNA, L360, etc...)		
How Often Will Results Be Shared? Choose an item if other, please explain		
By Who? Click or tap here to enter text.		
What Awards Will Be Given? Briefly explain what will be awarded, how often and stipulations related		
Winners Include: <input type="checkbox"/> Individuals <input type="checkbox"/> Branches <input type="checkbox"/> Other Team Breakdown (if so, explain) Click or tap here to enter text. <input type="checkbox"/> Grand Prize		

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2018 Branch Blitz - Business Plan

Reasons/Logic Behind Set Goal: Click or tap here to enter text.
Please add any additional comments not addressed on the document here: Click or tap here to enter text.
*Please include any supporting documents / material such as; calculations, projections, artwork, images etc... when submitting

To provide an example of the success derived from these blitz's, we recently had a promotion called "Keep Calm and Visa On!" Knowing that many people are doing holiday shopping in the months of November and December, we encouraged our staff to offer our outstanding Visa credit cards. The goal was set by taking the average of the total Visa's sold in November and December from the prior two years and adding a 50% increase to them. To us, this would be defined as a successful campaign. We promoted this to our staff with two incentives; \$10 for every Visa sold at the individual level through the duration of the promotion and a grand prize of \$500 to be shared between five winners via raffle (every Visa sold equated to a raffle entry) if we achieved our goal of a 50% increase. The results were outstanding! We sold 490 new Visa's between November and December, 120% of our set goal or 180% of our average.





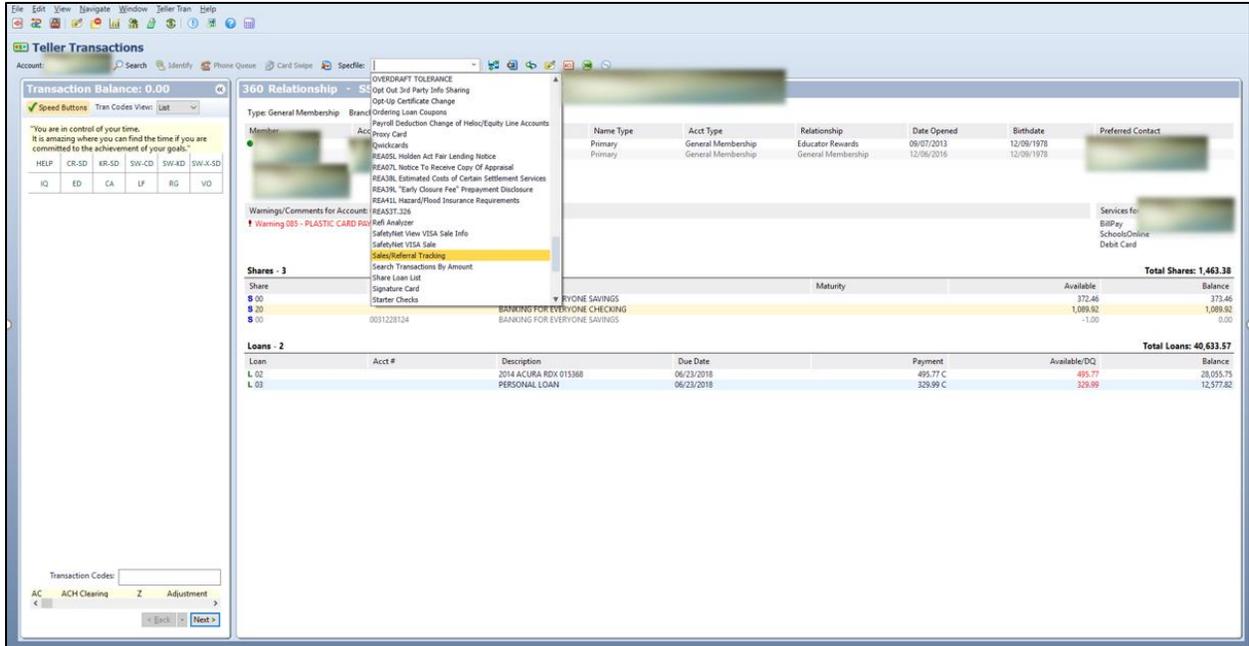
**Keep Calm and
Visa On – Through
the Holidays!**



**Get a
\$10 gift card
for every Visa you
refer that's
contracted!**

“You can’t manage what you don’t measure”

Another key element to Schools Financial Credit Union’s Operational Excellence is our ability to track performance. Schools Financial has a talented group of developers working in our Information Systems department. In collaboration with the Member Services team, our development team created SalesNet. SalesNet is an easy to use, sales referral and tracking application that interacts directly with our Core system. That said, employees serving our members can easily refer additional products and services without leaving our Core to set a referral. At the close of business, nightly, SalesNet scans our Core to validate any referrals that were converted to booked/opened, products and services. This close-to-real-time validation allows staff to be aware of where they stand in relation to their goals and also gives management the ability to track performance, daily rather than waiting for month end results. As an organization that believes in regular, timely coaching, access to this information is imperative.



(Referral Process through Core)

Branch	Start Year	Start Month	End Year	End Month
Yuba City	2017	December	2017	December

Individual Report

Angelito Cristobal [Individual](#) [Validated Sales](#)
[Claim Sales](#)

Branch Reports

[Branch User](#) [Strive For Five](#) [300 Club](#)
[Branch Validated Sales](#) [Use Start Year, Start Month Only!](#) [Use Start Year, Start Month Only!](#)

Raw Data Report

[Claimed Sales](#) [Claimed Referrals not validated](#)

Presidents Award

2018 [Qualified](#) [Non Qualified](#)

2017 [Qualified](#) [Non Qualified](#)

Branch Validated Sales :: December 2017

Employee	Checking	Consumer Loan Secured	Equity	New Membership	Unsecured Loan	Visa
Hailee Shannon	14	8	0	27	3	2
Jasmine English	7	0	0	7	0	0
Kellie Rottman	0	0	0	0	0	0
Kiran Johl	30	9	0	36	2	6
Kristy Montero	19	13	0	21	3	1
Maria Gonzalez	5	0	0	5	0	0
Melinda Conejo	21	10	0	24	5	1
Nicoline Powers	4	0	0	5	1	2
Saharon Oliver	6	1	0	9	2	2

(Validated Sales Page)

This intuitive referral system not only tracks referrals and identifies confirmed sales, but because it is driven by our Core, also functions as a cross-sell guide for our employees. Nightly, a job is run to identify the products, services and various flags on our member accounts. The Account Cross Sell function will identify potential opportunities to cross-sell our members and acts as a guide for our employees. As staff accesses an account, the first prompt an employee will see is a suggestion of products available to the member who is in front of them or on the phone, if calling through our Contact Center. Newer employees can click on pre-loaded scripting to assist with offering the potential products.

Account Cross Sell (ACS)

MEMBER INFO:

Account	Name	SSN	Birthdate	Home Phone

ACS SERVICES SOLD:
none

OTHER OPTIONS:
[Sell/Refer Other Products](#)
[Cancel and Return to Symitar](#)

AVAILABLE SERVICES:

Product	Sell	Try Later	No Sale	Script	Facts
VISA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	View	View
Bill Pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	View	View

[Accept Selected Options](#) [Cancel/Quit ACS](#)

VISA

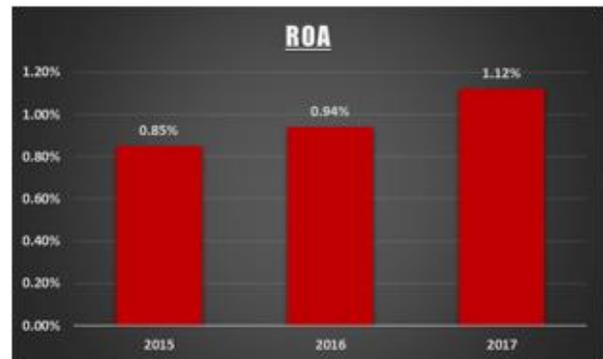
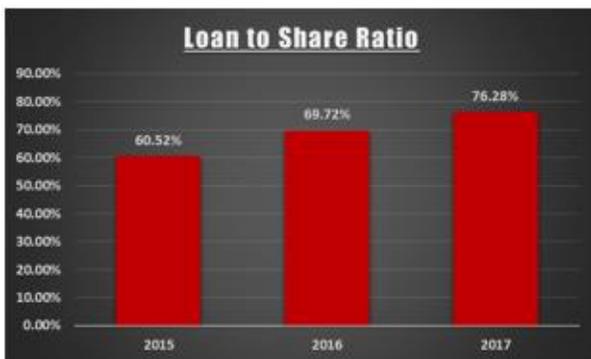
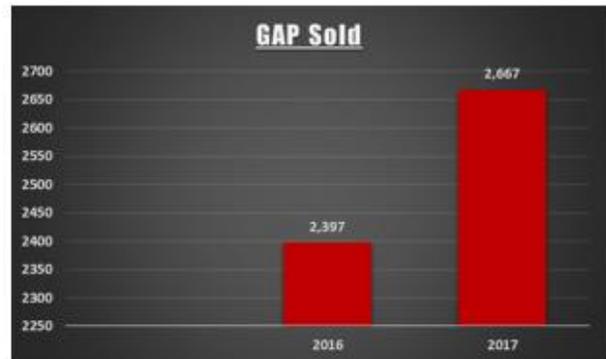
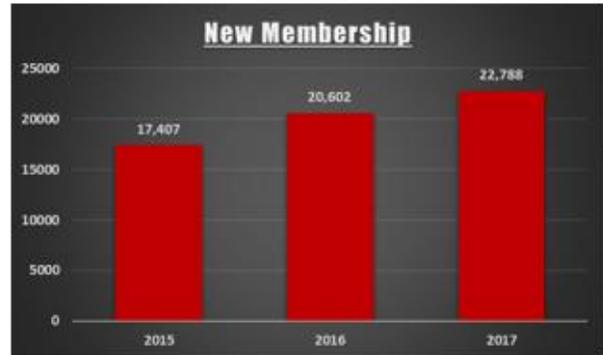
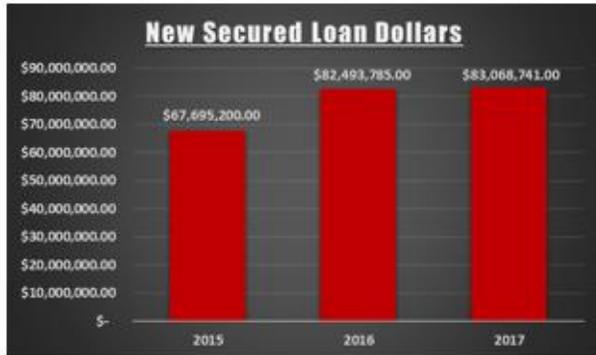
I noticed you don't have a credit card with Schools. Did you know that our rates are lower than most other credit cards and we don't charge balance transfer or annual fees? I can help you apply for one of our credit cards right now.

Only Incent What Brings Value

As an organization that finds Operational Efficiency as a necessity to achieve Operational Excellence, our incentive structure is very targeted. While many organizations have an incentive-rich culture, we focus on encouraging staff to only sell products and services that financially benefit our members and not heavily rely on monetary incentives paid on a monthly or quarterly basis to motivate performance. Very few products/services result in a monetary incentive to our front-line staff. Specifically; GAP and SafetyNet (payment protection products through CUNA Mutual Group), funded Real Estate Loans and lastly, referrals to our Investment Services program are the only products and services that are incented on a regular basis. While this may seem counter-intuitive to some, we have found that it allows staff to be significantly more member-focused and liberates us from situations where employees sell erroneous products and services for selfish gain.

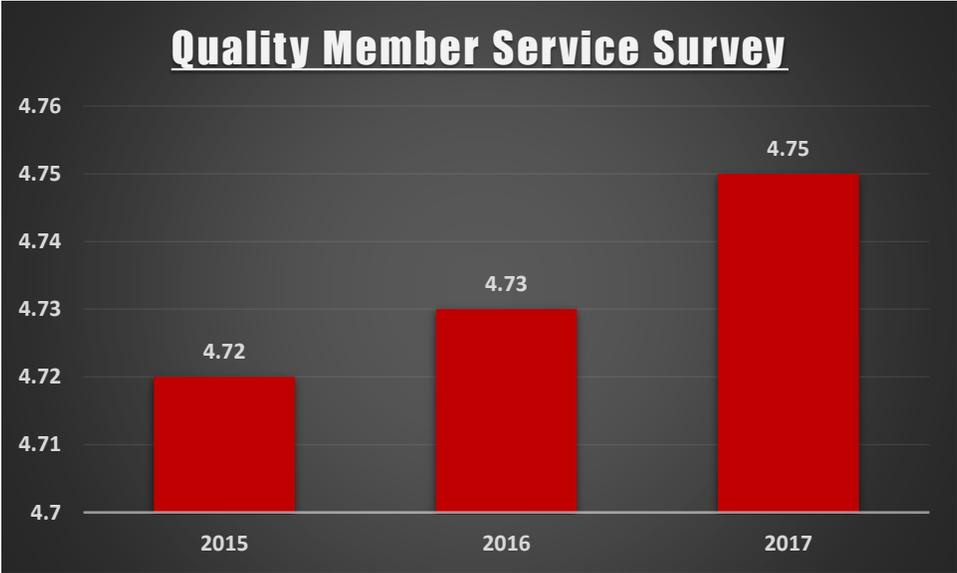
Results:

Over the past three years we have seen record breaking performance in several metrics. While many factors can be attributed to this success, consistent focus and regular communication & coaching have been vital. Below, we have graphically presented some of these metrics. To highlight a few; Secured Loan production has increased by 23% from 2015 to 2017. Membership has increased by 31% from 2015 to 2017. Our Loan to Share ratio has increased from 60.52% to 76.28% from 2015 to 2017.



While we are proud to share sales related metrics, one of the greatest accomplishments to add is our Quality Member Service score, or QMS. Monthly, we survey our members, which include declined loan applications, in order to provide us with an accurate picture of the level of service provided to our members. We intentionally mention the declined loan applications being included in the survey because it would be easy for any organization to boast of it's amazing service scores if it were to solely survey

and gather feedback from it's happiest members. By including declined loans in our QMS target, it ensures that even when conveying disappointing news to our members, it is done professionally, tactfully and with dignity. We regularly point declined to member to alternative solutions and provide guidance on how to improve their financial health. Over the past three years, we have seen our QMS score continue to steadily rise from 4.72 to 4.75 – a zero to five scale.



We began this submission by defining Operational Excellence. As you read through this submission it is our hope that you will find this defined by our practices and the results of those practices. With the many technological advances available to automate and digitize the vast array of operational and sales processes, we have found that even the greatest technology cannot replace organizational focus, teamwork & collaboration, accountability and phenomenal employees. Our staff knows and understands our organizational focus and bring that to the forefront of all that they do, day in and day out. Our employees make the difference. It is for these reasons that we hope you will select Schools Financial Credit Union for the 2018 CUNA Operational Excellence Award.