



Maybe We Should Call It 'Service and Sales'

SCOTT SPOOLMAN

While a sales and service culture might encompass different things at different CUs, it all boils down to doing what's best for members in the long run.

WHEN **Terry Belcoe** arrived at North Coast Credit Union in Bellingham, Wash., in 2001, "sales and service" wasn't in the credit union lexicon. But a new operating model was in order, and the desired result was improved sales and service. Still, Belcoe wanted to avoid using that phrase as the label for the new model.

"Whatever you call it," Belcoe explains, "it all boils down to finding the right mix of products for each member, making members feel more secure, and building relationships."

"Relationship building" is the tag line Belcoe's team adopted. Sales techniques are a big part of the model, which means connecting with people, listening and learning about their needs, educating them, and matching services with needs. North Coast em-

ployees had to begin thinking of themselves less as bookkeepers and more as active partners with members.

"Some employees take to it handily," Belcoe says. "They like the thought of educating members to serve them."

With considerable turnover among management and front-line staff, new principles were incorporated into hiring and training. Job candidates were evaluated on how well they could embody the credit union philosophy and work with members.

North Coast hired a full-time professional trainer who believes in proven sales techniques and includes them in orientations and continuing

training at all levels. The model includes an incentive plan emphasizing teamwork. Managers track progress monthly. Every quarter in which the credit union exceeds targets, everyone gets a percentage of the excess.

The results are positive. Before Belcoe arrived, North Coast suffered a significant loss of capital due to the failure of an indirect lending program. Net

worth was down to 7.16%. In response, North Coast reduced its asset size and worked toward restoring earnings and rebuilding capital. The credit union now has assets of \$107 million and 17,500 members.

"I'm pleased to say that as of the end of 2004, our net worth was back up to 10%," Belcoe reports. "Now we have the luxury of being able to grow. And having spent the past 3½ years putting this culture in place, I believe we'll be successful in doing so."



Terry Belcoe

'INCENTIVES ARE BASED ON SALES AND SERVICE [BECAUSE] IT'S CRITICAL FOR ANY CU TO BALANCE THE TWO.'

—STEPHEN MCGILL
EASTERN FINANCIAL FLORIDA CU



Building trust

Relationships based on trust also are a key to success at Affinity Plus Credit Union in St. Paul, Minn., according to President/CEO **Kyle Markland**. Affinity Plus, with 125,000 members and \$990 million in assets, also chose not to

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emphasize sales when it instituted a new model three years ago.

“We don’t call it a ‘sales culture,’” Markland explains. “We believe that a highly intensive service culture builds stronger trust with the members, which results in product penetrations.”

This intense service focus even might mean telling a member about a product available somewhere other than at Affinity Plus, Markland says.

The new model was a big change for the credit union. Some employees left. Affinity Plus took great care in hiring replacements, and it still does, Markland stresses.

Candidates are screened based on the values they espouse and on how genuinely they buy in to the service culture. Each candidate completes five interviews, on average, along with personality profile tests.

Training of new Affinity Plus employees is culture-based. New employees undergo 2½ days of training on credit union culture and the whys of Affinity Plus’ way of doing business before learning the hows of daily operations.

As for measuring success, Affinity Plus depends on its members. Every month, the credit union surveys a random sample of 2,000 members. It asks questions such as, “Given the choice to serve your needs vs. the organization’s needs, how often does the credit union serve your

needs first?” Or, “How likely are you to recommend the credit union to friends and family members?” Each department manager gets a monthly scorecard.

Markland believes the credit union’s overall success in meeting members’ needs—not individual performance—should determine employee incentives. So when Affinity Plus exceeds overall goals, based on member feedback, the highest performers receive bonuses.

Markland contends member satisfaction is the best measure of success at Affinity Plus. On that score, the credit union has improved during the past three years.



Kyle Markland

Determining the real goal

At Eastern Financial Florida Credit Union in Miramar, with \$1.8 billion in assets and 193,000 members, President/CEO **Stephen McGill** agrees the financial well-being of members is the real goal of a sales culture. But he insists it calls for more than order taking. It was challenging for Eastern Financial Florida employees to break out of the traditional work-for-salary framework.

“We convinced them that informing members about products and services would earn them extra pay and help the members and the organization as well,” McGill says. “It had to be a win all the way around.”

It was important, says McGill, to have a carefully

developed values-driven culture built on four cornerstones: outstanding member experience, exceptional employee experience, operational excellence, and financial soundness through strategic growth. This tied incentive plans together, as each employee’s critical tasks were connected to the four cornerstones around which goals were set.

As both team and individual performance are measured, most employees get two opportunities to earn more. The credit union invites all employees to attend an annual WOW Sales and Service rally to celebrate success with a dinner and awards ceremony.

The new model made a huge difference, says McGill. When it was Eastern Airlines Employees Federal Credit Union, members used the credit union’s services regularly. After Eastern Airlines ceased operations in 1991, the credit union served the needs of 600 new select employee groups. But some companies didn’t value credit unions as Eastern Airlines had.

To woo potential members, Eastern Financial Florida started a sales model around its insurance program, which was generating \$90,000 annually. The program grew, and Eastern Financial Florida now offers 10 ancillary programs earning \$3 million in revenue—all attributable to a well-developed sales and service culture, says McGill.

Working through the pitfalls

McGill cautions that Eastern Financial Florida discovered pitfalls along the way. The credit union was so successful in sales that staff began neglecting service and made errors. The credit union recently realigned incentives and created the Member Care Unit, which follows up two days after each sale and sends out surveys to check member satisfaction.

Shortly after these changes, accuracy and completeness ratings returned to 90%

or better.

“Incentives now are based on sales and service,” says McGill. “It’s critical for any credit union to balance the two.”



Stephen McGill

No matter

what you call it, says Markland, sales and service starts and ends with member needs.

“If we really serve our members, then our products should add value for everyone,” he suggests. “Product penetration will result if we’re truly serving needs.”

Belcoe concludes, “I don’t believe cultivating a sales and service approach is something you can fake. If you talk sales and service but don’t incorporate it throughout the culture, you’ll fail. We believe heart and soul in relationship building. This is what we are.”

