

SUMMER 2010

# THiNK

The Magazine for Credit Union Executives

## INNOVATION

**SOMETHING NEW  
UNDER THE SUN**

INNOVATIONS IN CREDIT UNIONS

**GET OFF THE DIME**

TAKING ACTION

**THINK PRIZE**

THINK 10 CONFERENCE



John Brooks. Richmond, Virginia.  
His credit union lost power for three days.  
Thanks to shared branching, he was able to keep a firm grip  
on his finances. His original remodeling budget, not so much.



# For every negative there are thousands of positives

Flexibility and control in the face of an emergency.  
Another way we help you help your members.

Whether it's a natural event, or an uncontrollable situation, such as a power outage or a road closure, you don't have to risk losing members in the face of a branch-closing emergency. With CO-OP Shared Branching, you can still provide your members the vital financial services they need at more branches in more places than any other shared branching network. Powered by our credit union owned and designed Next Generation Network, providing a level of security, flexibility and control not available with any other switch technology. Make shared branching a part of your emergency recovery plan today. So you can always be there for your members, no matter the circumstance. [CO-OPNGN.NET](http://CO-OPNGN.NET)



## CEO Message



Dear Members,

As it was with our THINK 10 Conference in April, the spotlight is on innovation throughout our Summer 2010 issue of **THINK** magazine.

Denise Gabel, chief innovation officer, Filene Research Institute, says on page 7, "You need to talk to people outside your industry. People who know nothing about what you do often ask the very best questions. Outside voices and outside stimulation are what make inspiration happen."

We could not ask for a more perfect summation of what the THINK Conference, now in its third year, is all about (see story on page 4). Yet, as the stories in this issue make clear, the credit union movement itself is a wellspring of creative energy. Colleagues from more than 10 credit unions are quoted, sharing their experiences with you, and offering innovative approaches to marketing, technology and member relations issues for you to consider.

Cooperation and sharing are hallmarks of the credit union movement. That is why we took the further step at THINK 10 of introducing the CO-OP THINK Prize, a \$10,000 award for the most innovative and shareable idea that will have the greatest impact to credit unions. You can help us decide the winner at THINK 11, to be held May 14-18, 2011, at Disney's Grand Californian Hotel in Anaheim. However, we are also very interested in hearing "your one wish to change the movement." To enter, please visit [www.co-opthink.org](http://www.co-opthink.org).

At CO-OP Financial Services, we are dedicated to helping you take your credit union aggressively into the future. That will also take ongoing innovation on our part. In less than a year, we have acquired the CO-OP Member Center, putting us on the front line of member interaction with lending and other member support services; brought CO-OP Shared Branching past the 4,000 mark in nationwide locations; and expanded our line of access and convenience products, including check imaging solutions such as CO-OP My Deposit Home and Branch, and we have expanded our CO-OP Mobile offering to support the growing list of financial capabilities the portable phone has.

We will also continue to invest in the movement, through our business partnerships with more than 40 credit union associations, legislative support and the CO-OP Miracle Match program, benefitting Children's Miracle Network. The many elements of education and business counsel, such as the THINK Conference and this magazine, will remain a key part of our service to you.

Most of all, we will continue to make sure you experience unparalleled support from our organization. Thank you for the privilege of being your strategic partner.

Sincerely,

Stan Hollen  
President/CEO

## Contents



**4 INSIDE CO-OP**  
THINK Prize  
CO-OP My Deposit Merchant  
Annual Report

**8 FEATURE**  
Get off the Dime

**12 CHECK PLEASE**  
Should You Follow Your Gut?

**14 GOING GREEN**  
Credit Unions Go Green.

**16 INNOVATION**  
Something New Under the Sun

**20 PERSPECTIVE**  
Spiking Their Growth

**22 PRODUCTS**  
Deposits Anywhere? Check!

# INSIDE CO-OP

Forward Thinking from CO-OP Coming From Many Directions



## CO-OP MY DEPOSIT MERCHANT FOR SMALL BUSINESSES

With small businesses increasingly seeking credit unions for their accounts due to tight credit and frequent loan rejections from community banks, CO-OP Financial Services is introducing in August CO-OP My Deposit Merchant to serve this fast-growing business member segment.

CO-OP My Deposit Merchant is the latest in CO-OP's My Deposit suite of check imaging solutions for e-commerce, including My Deposit Home, enabling members to deposit checks from the comfort of their homes; and My Deposit Branch, allowing credit unions to electronically submit all deposited checks for processing via image.

Similar to My Deposit Home, CO-OP My Deposit Merchant supports business members with a higher volume of checks to deposit, using a high-speed scanner and easy-to-learn Web interface.

The latest My Deposit model is an excellent way to attract this hungry and often neglected (by banks) member, and serve the country by helping small businesses, the proven source of economic growth. Truly, the perfect way to help you uplift your community!

For more information, contact Business Development at 800-782-9042, ext. 7140, or via e-mail at [BusinessDevelopment@co-opfs.org](mailto:BusinessDevelopment@co-opfs.org).



**MARK YOUR CALENDARS FOR THINK 11 MAY 14-18, 2011 AT DISNEY'S GRAND CALIFORNIAN HOTEL, ANAHEIM, CALIF.**

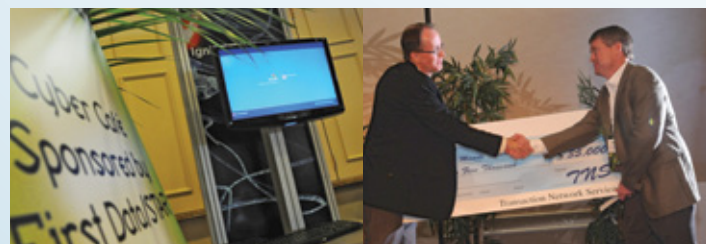
## CO-OP THINK PRIZE HIGHLIGHTS CONFERENCE

In its third year of existence, CO-OP Financial Services' THINK Conference drew a record crowd of nearly 400 credit union industry participants at the 2010 version of the event, held April 18-21 in Scottsdale, Ariz.

THINK 10 won rave reviews from industry observers, including Sarah Snell Cooke, Editor-in-Chief of *Credit Union Times*. In the April 28 issue, she wrote: "CO-OP didn't become the largest CUSO by accident."

The 2011 Conference promises to be even more exciting, as the *Times'* Cooke reported: "At the event, CO-OP announced its THINK Prize: \$10,000 for the most innovative and replicable idea that will have the greatest impact on credit unions. It has partnered with Filene to choose three finalists who will share their ideas at THINK 11, and the conference attendees will vote for the winner. With this one effort CO-OP is spawning innovation that's not a one-and-done deal; encouraging collaboration among credit unions; doing their own collaborating with Filene; fostering a sense of community with audience voting; and putting its money where its mouth is."

Plan on joining us next year to decide the CO-OP THINK Prize winner! Or, you can enter the competition yourself by going to [www.co-opthink.org](http://www.co-opthink.org).



## ANNUAL REPORT NOW AVAILABLE

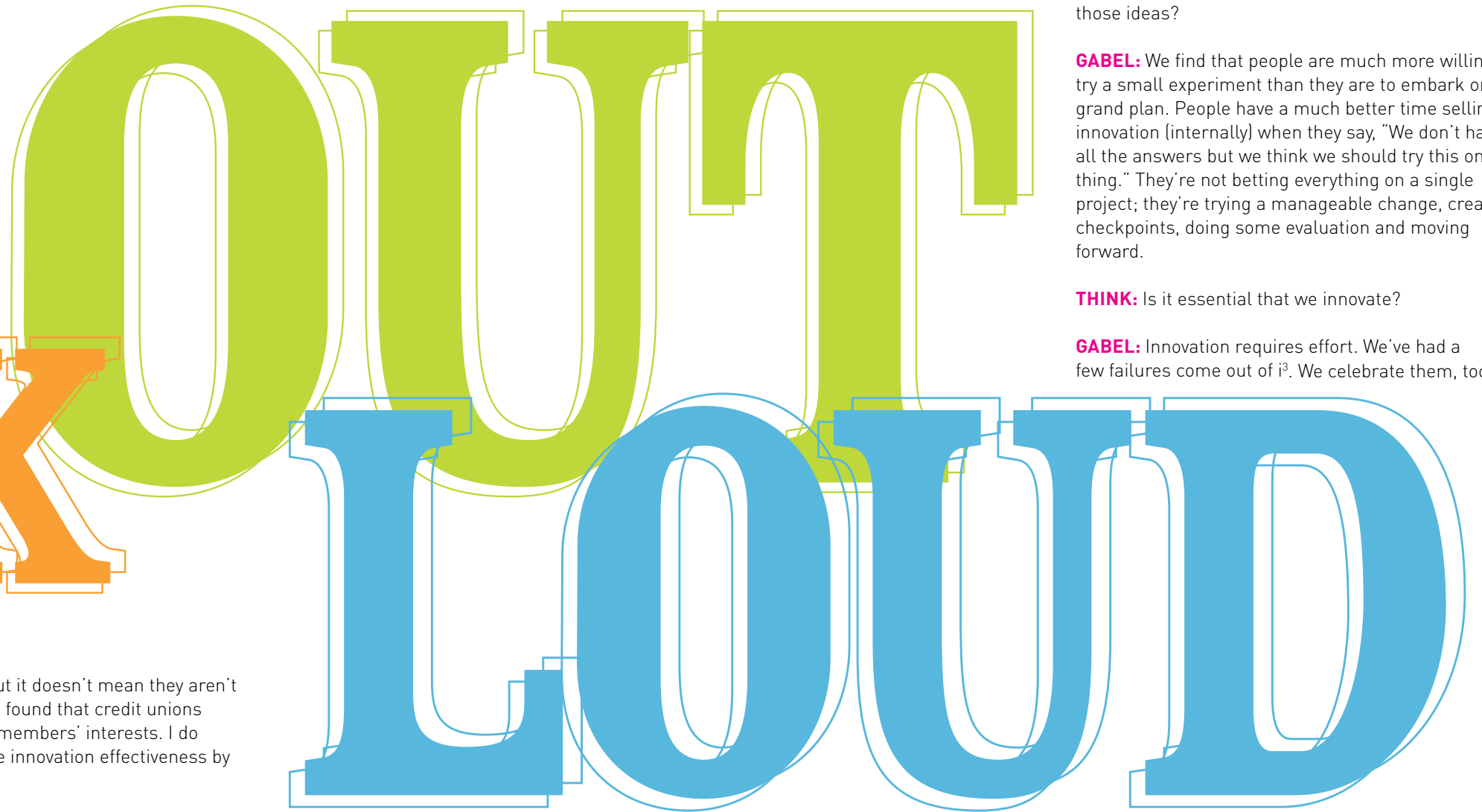
The CO-OP Financial Services 2009 Annual Report is now available to CO-OP member credit unions. It can be accessed at [www.co-opfs.org](http://www.co-opfs.org), click on CU Member Access, then Extranet. After signing in, click on Library/Annual Report.



## DENISE GABEL, FILENE RESEARCH INSTITUTE'S CHIEF INNOVATION OFFICER, ON BEING AN "IDEA PERSON"



Denise Gabel is trying, as Mahatma Gandhi suggested, to be the change she wants to see in the world. As chief innovation officer at the Filene Research Institute – and champion of the Institute’s innovation group, i<sup>3</sup> – she is the originator of many an inventive concept. But Gabel is at least as proud to have fostered the innovative spirit in multiple generations of i<sup>3</sup> leaders. THINK sat down with Gabel to talk about why igniting our collective imagination is more critical than ever.



**THINK:** Is the credit union industry good at innovating?

**GABEL:** Credit unions have a long history of innovation. They were among the first financial institutions to come out with debit cards. They have been among the first to adopt mail-in deposits.

On the other hand, I think much of the change you see at credit unions today happens at the incremental level. It’s not necessarily game-changing. The critical question today is what type of innovation will be required to be relevant to consumers in the future. I believe we will need both incremental and disruptive innovation.

**THINK:** So, sometimes it’s hard to see the innovation that’s taking place because it’s more evolutionary than revolutionary.

**GABEL:** I also think there’s confusion between being innovative and being slow. Credit unions have processes in place where decision-making takes a great deal of collaboration and consultation: It isn’t quick. Sometimes I’ll speak to someone who serves the industry and they’ll complain that credit unions aren’t purchasing their

products quickly. That may be true. But it doesn’t mean they aren’t willing to adopt new ideas. In fact, I’ve found that credit unions will go to great lengths to serve their members’ interests. I do think that credit unions could increase innovation effectiveness by picking up speed.

**THINK:** Do you think credit unions should be more aggressive?

**GABEL:** The short answer is yes. Admittedly, there are a number of credit unions that remain very well capitalized and are doing very well right now. There are others that have been through tremendous strain, often through no fault of their own, and are now undercapitalized and highly regulated. In these cases, you can’t advise people to see the glass half full. As one executive told me, “I’d like to be thinking about innovation, but I’ve got a bucket and I’m bailing water at the moment.” Fair enough.

That doesn’t mean I don’t see a value to being innovative, even for credit unions that are dealing with other issues right now. Bailing water still requires innovation.

**THINK:** You recently attended an innovation workshop, but it doesn’t sound like it’s related to credit unions. What’s the scoop?

**GABEL:** Actually, the three-day program was run by a school of engineering. I’m excited to see how this group tackles the subject. Meeting with a group of people who don’t work at credit unions is going to help me think creatively. You need to talk to people outside your industry. People who know nothing about what you do often

broaden your innovation circle. Isolate what you’re good at and find new ways to apply it. For instance, one thing credit unions have in abundance is trust. They win on that measure every time. Now they need to ask themselves how they can apply that same element of trust elsewhere – and not just by creating “super checking” or “super checking with interest.” Turn everything on its head and then ask, “What else could we be doing?”

**THINK:** Once you have inspiration, how do you sell those ideas?

**GABEL:** We find that people are much more willing to try a small experiment than they are to embark on a grand plan. People have a much better time selling innovation (internally) when they say, “We don’t have all the answers but we think we should try this one thing.” They’re not betting everything on a single project; they’re trying a manageable change, creating checkpoints, doing some evaluation and moving forward.

**THINK:** Is it essential that we innovate?

**GABEL:** Innovation requires effort. We’ve had a few failures come out of i<sup>3</sup>. We celebrate them, too,

ask the very best questions. Outside voices and outside stimulation are what make inspiration happen.

**THINK:** Some people identify themselves as innovative and others don’t. Are those labels helpful, or is innovation something anyone can cultivate?

**GABEL:** If I think about the attributes that innovators have, these are individuals who remain open to new ideas. They don’t mind admitting that they don’t know something. They’re resourceful. They view change as an experiment.

You can work at inspiration. Get everybody in on the process;

because they’re part of our learning plan. Recently, an i<sup>3</sup> team put together a trial based on a 60-day loan guarantee. Three different credit unions tried three different approaches. There was not one response. When they asked members why, they said, “We already trust you. We don’t need a guarantee.” That was good information – that the team captured in a very short period of time with very little cost – a good experiment.

Innovation isn’t easy, but it is important – to the health of any industry and to our personal sense of satisfaction. Without moving forward, you are either going to dog paddle or you’re going to sink. ■



GET OFF  
THE IDIOME

## IF TAKING ACTION HAS FALLEN OFF YOUR TO-DO LIST, HERE'S WHY YOU SHOULD ADD IT BACK ON.

You're talking to Kelly Schrader, senior vice president of marketing and member services at OnPoint Credit Union in Portland, Ore., and you can't help wanting to check your calendar. Schrader is talking about OnPoint's expansion plans: They are moving into the Bend, Ore., market with multiple branches. Why? "It's an area that's been especially hard hit in terms of housing values and unemployment," says Schrader. "We

think we can go in and provide a real alternative for them. We think we can help." Schrader seems unaffected by the bad year we're experiencing. Maybe this is because her credit union is growing its membership by 9 percent gross annually – a statistic that flies in the face of current reality. Are you sure we haven't traveled back to 2007? But no, it's today. By refusing to wait for the dust to settle, Schrader and OnPoint haven't simply

moved off the sidelines; They're winning the game.

OnPoint proves what rhetoric cannot: Action beats inaction.

"Some people must look at us like we're not even aware of the economy," says Schrader. "We've been affected by all the same forces every credit union is facing, but it's important to us to keep moving. We believe that we provide real value to our members and our community."

With that kind of mission, why would you hesitate?

### MISSION POSITIVE

Chances are your credit union has a mission too. But, one way or another, perhaps you've lost your missionary zeal. To be sure, the past few years have taken a toll – financially, operationally and motivationally.

"We have had a lot of uncertainty in this industry," says Ted Thames, senior director at Cornerstone Advisors in Scottsdale, Ariz. "Credit unions still don't know what the corporate crisis is going to cost them. Loan portfolios have

deteriorated, even beyond where they were a year ago. Long-term interest rates are expected to remain low. Yields on investments are also low. Then, examiners are out there telling credit unions they need to beef up capital and increase earnings. It begins to feel like a fog."

True. Thames goes on to point out that credit unions are acting conservatively in this environment because the environment calls for it – also true. This is not the time to incur unnecessary costs or take irrational risks. Even what passed for normal growth and investment in 2007 is not necessarily a slam-dunk

today. It's a new, more cautious world.

### TREADING WATER

And yet, certainly there's a cost to doing nothing – especially month by month, year by year. Randy Schultz, vice president of marketing at Weber Marketing Group in Seattle, cautions credit unions against falling into a downward spiral: "There's a difference between being conservative and, say, making a conscious effort to stop marketing altogether," he says. "The damage you can cause by closing the door on your brand can be felt throughout the organization. Yes, the

lack of visibility in itself will cause members and consumers to question your financial strength and motives, but it also has some extremely impactful outcomes internally for the staff and the culture you have worked so hard to elevate.”

When demotivation affects your staff, performance dwindles. Member service suffers – maybe to the point that members begin to drift. The spiral begins and, once set into motion, it’s difficult to break.

“Organizations, quite simply have psychological momentum. When

ment and management consulting firm in Stow, Mass. “After a while, being stagnant becomes a habit – one you need to break deliberately in order to move forward again.”

When you’re stuck in neutral, the thought of moving forward is, frankly, a little frightening. But consider the alternative. “There is indeed a slippery slope, and one we’ve seen some credit unions unable to rebound from without major changes and budget allocations,” says Schultz. In other words, the longer you sit, the harder and more expensive it is to get off the couch.

### DIVE IN, THE WATER’S FINE

What’s it like to take action in today’s credit union environment? Ask Tony Cortez, vice president of marketing at Meriwest Credit Union in San Jose, Calif. Meriwest has been busy this year launching its own iPhone app and rolling out a new program for youth and young adults, called Flow.

The product is an electronic checking account that comes with a customized debit card. It’s targeted at young members, ages 13 to 24, who open these accounts jointly with their parents. Flow has its own microsite ([www.meriwest.com/flow](http://www.meriwest.com/flow)), designed to appeal to the Gen Y market Meriwest has been wanting to connect with for years. It also has parental alerts that help parents monitor their kids’ cash flow – though, Cortez notes, “Surprisingly, these kids do a really good job of maintaining positive balances on their accounts.”

Like many credit union executives, Cortez is working with tighter budgets and under greater scrutiny. At the same time, he’s in sync with the credit union’s desire to keep innovating.

“In our market, it’s really an expectation that you’re going to provide cutting-edge service,” says Cortez. “We’re constantly trying to stay on top of new technology and to look for new ways to make the member experience great. Sometimes it’s something running

in the background that, for instance, enhances our online banking so that new members can set up and fund accounts online.”

The important thing: Always strive to improve. “We operate in a very competitive environment,” says Cortez. “If we don’t challenge ourselves to provide better products and services and go after new markets, we aren’t just going to stay in one place. We’re going to fall behind.”

### PUSH YOURSELF

Ready? Set? Or still feeling a little stuck? According to Balzac, it’s normal to find movement difficult when you’ve been idling a while. Here are a few of his suggestions for shifting gears when your gears feel a little sticky:

- Leave the office. “If you’re in the habit of coming into the office and focusing on the negative, go off site,” says Balzac. “A change of scenery is one of the simplest ways to shake up your routine.”
- Get a different perspective. “Sit down with someone who’s going to tell you something you haven’t heard before and commit to listening to what they’re going to say.”
- Reframe what’s going on. “Instead of zeroing in on doubts, say, ‘We’ve got a really good hand. How can we make it better?’”
- Limit your exposure to the news. You want to stay informed; you do not want bad news on a continuous loop throughout your day.
- Exercise, take a walk or watch a funny movie. “Sometimes activities that feel like distractions relax your mind and open the door to inspiration.”
- Talk about the future. “It always feels foolish to think about how great things are going to be tomorrow when things are difficult today, but you need to take a break from thinking about what can go wrong and start asking what can go right. Let’s engage in a little wishful thinking.”



If you’re feeling the inertia, so is your staff. Yet, who better to solve problems, identify opportunities and champion new ideas than the people who make your organization hum? Bring people together to talk about new ideas; consult with your team one-on-one to get insights on how the organization is running. Got a problem? Put five good people on it. Hint: Communicating that you’re open to change and interested in input gets the ball rolling right away.

Want to create momentum? Be successful. Start small if you have to. Load the dice if necessary. Pick a project or initiative that’s a shoo-in, then shoo it in. Later, you’ll have the forward energy to absorb mistakes, but for now give yourself a couple of easy wins.

## “Innovation doesn’t always have to have a dollar sign attached to it...being on a budget forces you to be more creative..”

### LOOK THIS WAY

What does a winning credit union look like in 2010? Something like this:

This past spring, OnPoint challenged its members to nominate teachers who made a difference in their lives. The winner of the OnPoint Prize for Excellence in Education would win a year’s worth of mortgage payments. OnPoint began as Portland Teachers Credit Union, so this was a message that resonated with core membership. With public media coverage and an enthusiastic

member response, OnPoint collected 340 nominations in just eight weeks.

“Of course, the stories are all wonderful,” says Schrader. “It was inspiring for us to read them, and I think we inspired the community as well.” As of this writing, the prize winner had not been selected. But even without the hoopla surrounding the award, plenty of gains were made.

“We wanted to show support for our members who work in education,” says Schrader, “but we also wanted to make a statement to the community. Even though these have been difficult times, we wanted to help everyone remember what’s important.”

Contrast this with typical news from the world of banking in 2010.

In one of the most difficult years for financial services ever, OnPoint demonstrated the kind of strength that inspires loyalty and trust – not by waiting for conditions to turn favorable, but by illustrating how to carry on with style regardless of the conditions around you.

### ONWARD AND UPWARD

If there’s a final argument for making a move, it’s that sooner or later, movement will become the norm again. Credit unions that are prepared for the challenges of

renewed growth will flourish. Those that aren’t, won’t.

“We’re already seeing a cautious optimism on several fronts, including credit unions being much more decisive with their marketing, developing focused strategies and well-thought-out tactics,” says Schultz. “We’re assisting them now with developing ROI and ROO scenarios for everything from branding messages to campaigns to branch retail environments. Budgets are increasing and credit unions are seeing – although the window is closing – that there is still a great opportunity to differentiate themselves from other financial institutions.”

In time – possibly a short time – taking action is going to be an imperative again. The question is: *Why not start now?*

“Innovation doesn’t always have to have a dollar sign attached to it,” Cortez asserts. “In fact, being on a budget forces you to be more creative with the resources you have.” Plagued by doubts? Says Cortez, “At some point, too many questions kill innovation. When you start analyzing and reanalyzing, you’ll find there’s a downside to everything.” Problem: This gets you nowhere. And maybe right now the very act of doing something – anything – has a value. Find an idea, do your homework, check your gut, and go.

You may wonder why you ever stopped. ■



you’re moving, you tend to keep moving. When you’re stagnating, you tend to focus on the things that are preventing motion,” says psychologist Stephen Balzac, president of 7 Steps Ahead, an organizational develop-

# SHOULD YOU *follow* YOUR GUT?



*When* you face uncertainty every day, the last thing you want to be is impetuous. This isn't a time for being whimsical: You need more analysis, consultation, deliberation and data. Or do you? Intuition is actually one key to breaking out of paralysis, according to psychologist and intuition expert Gary Klein, Ph.D., author of *Streetlights and Shadows: Searching for the Keys to Adaptive Decision Making* (MIT Press) and partner in MacroCognition, a Yellow Springs, Ohio-based research and consulting firm.

Klein isn't talking about psychic ability or snap judgments. He's spent the past several years studying the process of intuition, which he believes is really a deep form of expertise we develop with experience.

He uses the example of Harry Markopolos, the man who blew the whistle on Bernie Madoff. "Markopolos looked at Madoff's numbers and immediately thought, 'This isn't real,'" says Klein. "It wasn't that he did an instant comprehensive analysis; he came to this conclusion intuitively. The numbers simply didn't look right. When he went back and looked closely at the numbers, his analysis indicated that his intuition was correct."

Markopolos wasn't accessing psychic phenomena. Years of experience with just these kinds of numbers gave him intuitive insight. Without "doing the math," he could apprehend what was happening – then follow his gut toward more concrete findings.

Your own intuition may come into play in a variety of ways. You walk through a branch and leave feeling like your staff is stressed and underperforming. You meet with a prospective vendor and wonder how she will deliver so many services for so little money. You respond to a marketing proposal with unusual enthusiasm, believing this is just the time to promote a new message.

Should these intuitions alone lead to action? Klein says no. "You

should never simply trust your intuition, just as you should never trust only data. It's a place to start, not a place to finish." But according to Klein's book, *The Power of Intuition*, tuning in to your gut can reap the following benefits:

- Size up situations more quickly and with less effort.
- Recognize problems and anomalies more quickly.
- Feel confident that the first option you think of will usually be a good one.
- Have a good sense of what is going to happen next.
- Avoid getting overloaded with data.
- Be calm in the face of time pressure and uncertainty.
- Find alternative solutions when a plan runs into difficulty.

*"You should never simply trust your intuition, just as you should never trust only data. It's a place to start, not a place to finish."*

"To believe you have to do everything deliberately is such a stressor," says Klein. "It's paralyzing. Our analytical minds can only look at one thing at a time. When you don't use intuition to help inform your decision making, you create a tremendous bottleneck. If you choose not to tune in to your intuition, I think you're toast." ■

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Christopher Cortez. Santa Fe, New Mexico. A convenient, surcharge-free ATM whenever and wherever he needs it. All because his credit union looked ahead, and steered wisely. Just like he'll need to do.

To learn more about how partnering with the best-in-class ATM provider can give you the tools, counsel, and expertise to grow your business, visit

[CO-OPFS.ORG](http://CO-OPFS.ORG)



# Credit Unions GO GREEN

## ENVIRONMENTALISM AND CREDIT UNIONS FIND A NATURAL FIT.

If the connection isn't obvious, it is intuitive. Credit unions have taken a leading role in promoting sound environmental practices by championing paperless statements and in-branch recycling, making special loans for environmentally-friendly cars and home improvements, and constructing branches that meet U.S. Green Building Council LEED (Leadership in Energy and Environmental Design) certification.

Make no mistake: Credit union executives are not revealing themselves to be radical tree huggers. The environmental movement among credit unions has less to do with throwing back to 1970s activism than it does to following responsible practices – environmentally and financially.

"Our purpose is to help our members become smarter consumers of financial services," says Jim Moore, senior vice president of corporate communication and development at Ent Federal Credit Union in Colorado Springs, Colo. "Although that doesn't have a direct relationship to being eco-friendly, it does fit with leading a sensible lifestyle and doing things to improve one's quality of life. We think that saving energy and thinking about the environment helps people do both."

### ORGANICALLY SPEAKING

Do consumers care whether or not your credit union is "green"? According to a 2009 study by integrated marketing firm BBMG, they certainly might. BBMG found that 77 percent of Americans agreed they could "make a positive difference by purchasing products from socially or environmentally responsible companies," and 67 percent indicated that even in tough economic times, it was important to purchase products with a social and environmental benefit. There's a negative side as well: 71 percent of respondents said they would "avoid purchasing from companies whose practices they disagree with."

Yet, marketing and image alone aren't good reasons to pursue a greener organization. For starters, consumers are skeptical about "greenwashing." Companies that come off as insincere – or, worse, deceptive – about eco-consciousness run the risk of creating a backlash.

Better: Find ways to promote a greener organizational environment that both members and staff can support. These can become part of your marketing and branding efforts, but also express your credit union's commitment to being a solid environmental citizen. Here are a few ideas, ranging from simple to complex:

- Promote e-banking and paperless statements.
- Plant a tree through the National Arbor Day Foundation ([www.arborday.org](http://www.arborday.org)) for every member who converts.
- Initiate an internal recycling program.
- Volunteer for a habitat restoration project in your community.
- Conduct an energy audit at your branches and offices; share results with members.
- Install solar paneling.
- Encourage employees to carpool; provide facilities for lunching in.
- Offer incentives for members to buy energy-efficient cars and/or do eco-friendly home improvements.
- Consider building new branches to LEED standards (for more on LEED, see "Taking the LEED?") or converting existing branches.



### THE PAYOFF

Investing in a greener organization is just that – an investment. For Michigan State University Federal Credit Union in East Lansing, Mich., returns on that investment have been many and varied. When the \$1.8 billion credit union began planning a new headquarters in 2002, President and CEO Patrick McPharlin saw an opportunity to take on a new challenge. "He heard about LEED certification and decided it was something we ought to pursue," says Joyce Banish, vice president of university and community public relations. "He went on the Internet to find out about it and from that point on, he took leadership of this project."

McPharlin's project became MSUFCU's new 133,000-square-foot headquarters, which opened in 2008 with a LEED Gold Certification, the first designation of its kind in MSUFCU's community. The building is a marvel of environmental design, from its specially glazed glass that lets in natural light but keeps in heat to its high-efficiency air filtration system. Even the parking lot is eco-friendly. "Most parking lots develop a heat island effect (from the uninterrupted use of concrete)," says Banish. "We installed a system of small rain gardens throughout our parking areas. They break up the use of concrete and capture rain runoff so that it doesn't go into storm drains and flood nearby homes. Instead, the rain is filtered through gravel and sand and eventually goes into ponds we use to irrigate when the weather is dry."

MSUFCU doesn't stop there. They've donated use of the meadows adjacent to their building to the university to study the effects of rain and drought on native plants. They use turf developed by the university's School of Turf Science to conserve water. Building materials were chosen for their ability to mesh with the natural environment (including a roof that doesn't reflect heat) and low toxicity (including carpet that is installed without off-gassing adhesives).

The new headquarters has done more than save energy and promote environmentalism. It's fostered cooperation with the university that MSUFCU serves. It inspires staff – both in terms of

leading eco-friendly lives and feeling uplifted at work. "We have a beautiful cafeteria that overlooks the pond," says Banish. "It encourages people to stay on campus for lunch, which saves gas. But it also fosters a lot of problem solving. People sit down together in a nice environment and talk."

Improved air quality might sound like a nicety. In fact, says Banish, "We're seeing fewer colds and headaches because the air is healthier."

"[Creating a green building] was a way of being good to our members, our employees and our community," says Banish. "It was a natural thing to do." ■



## TAKING THE LEED?

### HERE'S THE LOWDOWN:

LEED is an internationally recognized green building certification system developed by the U.S. Green Building Council of Washington, D.C. It focuses on five key metrics, including energy savings, water efficiency, carbon dioxide emissions reduction, improved indoor environmental quality and stewardship of resources and sensitivity to their impacts.

LEED points are awarded on a 100-point scale; differing levels of achievement are reflected in levels of certification, from LEED Certified at 40+ points to LEED Silver at 50+, LEED Gold at 60+ and LEED Platinum at 80+ points. Find out more at [www.usgbc.org](http://www.usgbc.org).

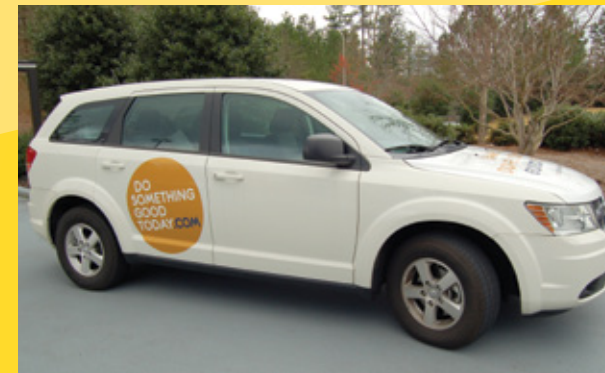
# SOMETHING

# NEW UNDER THE SUN

## INNOVATION IS ALIVE AND WELL IN THE CREDIT UNION INDUSTRY

We went searching for bright ideas and we saw many things. Some were patently awesome: Addison Avenue Federal Credit Union is unveiling an augmented reality ATM locator for iPhones in which the user actually sees the street ahead with ATM locations highlighted. Some, like the viral YouTube video showing Innovations FCU President and CEO David Southall leading a flash mob on the taxiway of Beaches International Airport as Lady Gaga blares in the background, nearly made our heads explode.

The most compelling ideas came from credit unions looking to connect with members and their communities in new and meaningful ways. Here, media and technology played a supporting role. Front and center were credit union values—service, citizenship and humanity. If those sound more old-fashioned than new-fangled, read on. Beyond gimmickry and hype, credit unions are finding truly innovative ways to express the differences that make this industry unique.



### Who Was That Masked Van?

LEGACY COMMUNITY  
FEDERAL CREDIT UNION

It started in February. Unsuspecting people in and around Birmingham, Ala., were approached by a white Dodge Journey sporting the logo "DoSomethingGoodToday.com" and then treated to free tanks of gas, meals, groceries or haircuts. The Journey showed up with toys after a family lost everything they had in a fire. People logged in to the DoSomethingGoodToday.com Web site for more information, but for a solid six weeks the force behind the random acts of kindness remained a mystery.

On Legacy's 55th anniversary – March 25, 2010 – they held a discounted gas promotion at a local Shell station and revealed their identity, along with their new tagline, "Do Something Good With Your Money." President and CEO Joe McGee also announced the credit union's intention to form a "Legacy for Good Foundation" to continue the campaign's efforts, and the Legacy Initiative for Financial Empowerment to provide scholarships to college students who want to assist financially underserved areas and underutilized businesses.

Do Something Good Today created a buzz and captured the

imagination of the community: It was marketing genius at its best. But better still, it did so while conveying Legacy's very best aspects. It's one thing to tell your community that you're a good corporate citizen. It's quite another to show them how it's done.

"Fifty-five years ago, there were nine people who contributed \$5 each to form a credit union called University Credit Union," says McGee. "They wanted to do something good for the (University of Alabama Birmingham) community and help them with their financial needs. Today, the vision of our founders is still being realized as we continue to do good things for our community."

It's a long way from 1955 to the present. Taking that original message to a jaded public in the year 2010 required some new thinking. Billboards went up. Videos went live on Facebook. Local TV covered the story. But while tactics were new, the message was not – and that was part of its charm. Spreading the word that credit unions do good with their money may not be novel, but it never gets old.

## TECHNOLOGY CREDIT UNION

**Working with Whiz Kids**

Though there's no shortage of tchotchkes and giveaways to deploy when you're trying to win the youth market, truly innovative ideas for connecting with youth are few and far between. That's why Sarah Samuel, vice president of business services for Technology Credit Union, decided to take a closer look when the chance to sponsor a new program called Innovative Youth came her way.

Innovative Youth is an online after-school and summer program for kids ages 7 to 17. It's designed to help young people develop their innovative ideas, learn about global commerce and explore future career opportunities – all with guidance from Access Growth, a global growth consulting and innovation management firm. The program provides training that connects business, science and technology in four key areas: gaming, global communications, global innovations and product design, and commercialization.

Innovative Youth is the brainchild of Access Growth founder Mark Godwin, whose 10-year-old nephew showed him the potential for youth-generated innovation. "I was watching him and his brother for the evening," says Godwin. "I was exhausted but he was bored. So I challenged him to create a cell phone with all the features he would like to see. I told him to make a list of all the features, then make a prototype of his product.

"Both boys were quiet for three and a half hours. When they were done, I was amazed," says Godwin. "My nephew gave a

presentation to my senior mobile analyst the next morning, and the following week I showed the prototype to Fujitsu. It was a fantastic experience for a 10-year-old."

Although Godwin's nephew's project did not become a multimillion-dollar global sensation, it did teach everyone involved that young people have more potential than they're given credit for – and that this potential is worthy of encouragement.

Tech CU agreed. Samuel works with Godwin and Access Growth in providing startup and growth services to Tech CU members. When she heard about Innovative Youth, she knew this was an opportunity to make a meaningful impact on young people's lives – and not just for marquee value.

"As part of the Innovative Youth program, participants who earn money from their work open a CUTMA account at Tech CU," says Samuel. "It's a way of establishing a relationship with these talented students and helping them learn about financial management. It's also a way to connect with their families via a positive experience."

For Samuel, making meaningful connections is all in a day's work, whether she's working with business leaders or future leaders. "You can launch new products, but at the end of the day they can only go so far in differentiating your organization," she says. "We want to bring value in terms of education and the programs we support."

## AMOCO FEDERAL CREDIT UNION

**New School Financial Literacy**

While the banking industry was still wringing its hands over the 2008 crash and subsequent bailout, AMOCO Federal Credit Union in Texas City, Texas, saw a different problem. "With all the changes in the economy, people needed financial literacy more than ever," says Tina Linquist, vice president of marketing for AMOCO. "We wanted to be there for them with no strings attached."

Although AMOCO is a SEG-based credit union – and not likely to benefit from a widespread media campaign the way a community credit union would – they didn't let their focus stop them from reaching out to everyone. With help from PTP New Media, AMOCO

created "Earn or Burn," a reality-style video show that followed real families making changes in their financial lives.

"Each family was different," says Linquist. "We established goals, which usually involved either paying off debt or saving money." Families also earned points for their successes. Meeting a goal earned a point; if, say, they doubled their goal, they received two points. The family with the most points at the end of the campaign won \$20,000 toward the accomplishment of their remaining objectives.

The stories ran on a local morning television show, then became part of a dedicated site at [www.earnorburn2009.com](http://www.earnorburn2009.com). AMOCO also ran TV spots during the campaign. Although many viewers were not eligible to join AMOCO, the credit union offered free counseling through BALANCE Financial Fitness to anyone who requested it. Nearly 500 requests for help came in.

If you've ever had the sneaking suspicion that you aren't one of the cool kids, don't despair. PTP NEWMEDIA ([www.ptpnewmedia.com](http://www.ptpnewmedia.com)) can help. Whether they're creating credit union viral videos based on "The Office" (Xceed Financial Credit Union's "The Cube," [www.xperienceonline.org](http://www.xperienceonline.org)); facilitating the exchange of new ideas on their collaborative credit union blog, CU Grow ([www.cugrow.com](http://www.cugrow.com)); or hawking pro-credit union T-shirts members might actually wear on CU\*SWAG ([www.cuswag.com](http://www.cuswag.com)), PTP helps credit unions build affiliation by – well, let's just say it, by being cool.

Though he clearly has his finger on the pulse, PTP founder James Robert Lay has none of the annoying traits of the average hipster. He actually likes bringing credit unions into the 21st century. "We don't see a problem in trying to make credit union sites creative, interesting or interactive," says Lay, who came of age at the intersection of credit union growth and Internet dominance – the early and mid-2000s. While many around him scratched their heads at the prospect of combining the two forces, Lay saw natural affinities.

Pay a visit to [www.dominoaffection.com/video.html](http://www.dominoaffection.com/video.html) to see the vision in action. Shell Federal Credit Union members share their ideas for starting a "change reaction" with just \$5. The videos themselves are entertaining and the idea is catchy. But what strikes anyone with a marketing background is this: People are making and sharing their video stories on a credit union-sponsored site. Why? Because it's cool.

CU Grow has the same colloquial feel, and in fact it's easy to get caught up in the video interviews with conference presenters (which are unerringly both short and sweet) as if you are actually attending the conferences. "The idea for CU Grow started as an idea on a napkin at Starbucks a year and a half ago," says Lay. "The response has been great. The whole idea was to give people the opportunity to inspire other people."

Most inspiring: Seeing new media ideas at work. "People overcomplicate," says Lay. "New tools like social media represent a completely new way of thinking, but it isn't necessarily complicated. Communication was all grass roots when credit unions started out. We're really returning to that with social media. It's just a different way of communicating." And if you need help speaking the language, PTP can translate.

AMOCO is continuing its "Earn or Burn" program in 2010 – with a few changes. Challenges now run monthly, with participants blogging about their experiences online (see [www.earnorburn2010.com](http://www.earnorburn2010.com)). This year, the prize will involve raising money to adopt a family in need. "We thought it was time to remember that even those of us with financial challenges may be better off than others," says Linquist, "and that if we're in a position to help, we should."

"When you work in the credit union industry, you might think that people would automatically come to you for financial advice," says Linquist. "That just isn't the case. It takes a big, wild and crazy campaign to get people's attention. We've always made financial literacy a priority – that isn't new. But we are happy to have provided an opportunity for people to learn, whether or not they're our members. It's a great feeling knowing we made a difference."

# SPIKING

*their*

# GROWTH

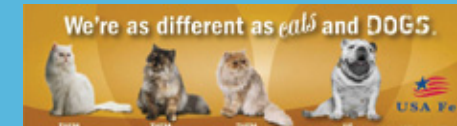
**USA FED TOOK A BITE OUT OF A YOUNGER DEMOGRAPHIC WHEN THEY HIRED A BULLDOG TO REPRESENT THEIR BRAND**



When Vice President of Marketing Todd Kern was hired at San Diego-based USA Fed Credit Union in 2007, he had one charge: Rebrand the credit union to attract a younger member base. Who knew a bulldog named Spike would lead to that success?

"Our market is fairly saturated with both banks and credit unions," said Kern. "And when you looked around at the financial marketplace, it was all the same and homogenous. We knew we wanted to get away from the traditional."

Traditional was exactly the word to describe USA Fed's old brand, which was portrayed not only in its marketing but even in the dress code. "The brand evolved to a point where even our dress made us look like bankers."



Bring in Spike the Bulldog – a cute and pudgy guy who would become the focus of a unique marketing campaign with a whole new set of rules. Why a bulldog? The idea came from a brainstorming session for a large promotional campaign the credit union was looking to launch. Spike was so lovable, however, that he became the face of the USA Fed brand.

"He just resonated with people," says Kern. "The brand was beginning to have a family feel with some fun wrapped into it. People even bring their bulldogs to our events."

But while Spike was a huge hit, he still needed to help USA Fed get its message out – credit unions aren't like banks. And then another light bulb

went off with a new tagline: USA Fed – 180 degrees from banking. Marketing came to reflect that difference, going from the traditional to modern and youthful. T-shirts with Spike's face were created, dog bone-shaped key chains were distributed at a variety of sponsored branch events, the Web site was redesigned to be more fun and edgy, and that bankers' dress code was out the window.

"Now we have a 'come as you are' policy," says Kern. "If employees want to wear jeans one day and a suit the next, that's all right. It's really created a lot of comraderie and a great internal culture."

While Spike is the face of the brand, says Kern, he's not the entire brand. The internal philosophy at USA Fed is even more important – "our people are our products and services."

"Our brand infiltrated our corporate culture," says Kern. "A lot of people think that marketing is about posters, but when it's really good, it seeps into the culture and your service."

So did it work? Before the rebrand was launched during the fourth quarter of 2009, the average age of a USA Fed member was 53. A year later, that age dropped to 43, while the average age of new members is now 34.5. And in 2009 alone 5,100 new members joined USA Fed while 4,100 new checking accounts were opened. ■



*Upward  
Dog*



**IS IT TIME FOR YOUR CREDIT UNION TO REBRAND OR GO IN A NEW DIRECTION? HERE ARE SOME DOG LESSONS FROM SPIKE:**

- Follow Your Instinct
- Love Your Owners
- Keep It Simple
- Have Fun
- Fat Cats Drool

# Deposits Anywhere? Check!

## Patelco Rolls Out My Deposit Home to Selected Members

With roughly \$3.6 billion in assets and 40 branches throughout the Bay Area, San Francisco-based Patelco Credit Union is among the largest credit unions in the country. Yet, they aren't relying on their size to provide members with the convenience they need. In May, Patelco rolled out My Deposit Home check imaging from CO-OP Financial Services under the name "Anywhere Deposit."

Employing state-of-the-art image capture technology, CO-OP My Deposit Home allows depositors to use their own scanners to send check images to Patelco's online banking Web site. By eliminating the need for members to visit a branch simply to make deposits, Patelco is opening a new world of efficiency.

"We're calling it 'Anywhere Deposit' because we know members want to do their banking wherever they are," says Scott Carlson, Patelco's marketing manager. "I'm envisioning members scanning their checks in at the office and saving themselves a trip to the branch or ATM during their work days." Although the concept of convenience is anything but new, taking time out during the day to run errands is fast becoming a relic of the old economy. Members don't just appreciate being able to make this extra leap into online banking; they expect it.

"Having a product that's specifically geared toward people who want to bank from their homes and offices is going to solidify our position as a serious player," says Carlson. "The Bay Area is a tech-savvy market and our members have many choices when



it comes to financial services. We know it's important to stay ahead of the curve."

At the same time, adopting new technology can be a challenge for credit unions. Any addition to online banking services has to be seamless: The potential for disaster across departments is high. For that reason, John Shields, Patelco's senior vice president and chief technical officer, was pleased to find a fit with CO-OP Financial Services. Patelco is a long-standing client, having participated in the CO-OP Network of surcharge-free ATMs since June 2002. "My Deposit Home is a reliable, market-proven solution," says Shields. "We liked the integrated

**"...easy for any member or small-business owner with a scanner and Internet connection..."**

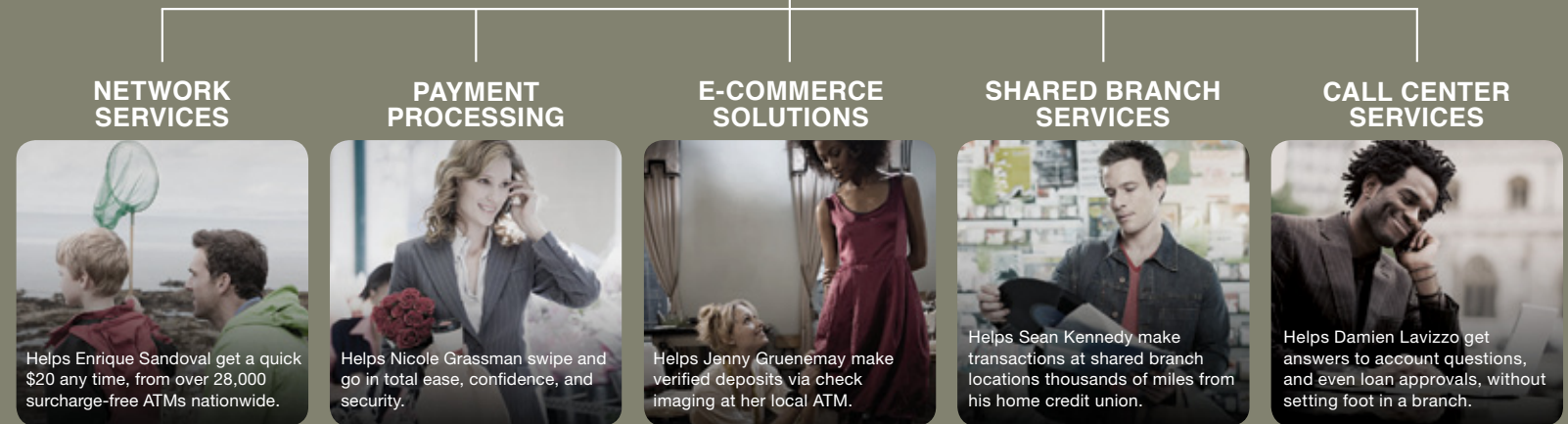
approach to online banking, with members able to print a deposit receipt and see their updated accounts immediately."

Members find My Deposit Home easy to adopt. The program does not require the installation of new hardware, making it easy for any member or small-business owner with a scanner and Internet connection to get up and running.

For more about CO-OP My Deposit Home, contact sales@co-opfs.org or (800) 782-9042, ext. 7140.

### THE CO-OP FAMILY OF PRODUCTS AND SERVICES.

Helps potential members like Emily Battaglia decide which credit union to join. As a CO-OP partner, her credit union knows that access, convenience, and connection are what grow membership in today's world.



### The many ways we help you help your members.

CO-OP Financial Services is in the business of helping yours. It's that simple. Visit [CO-OPFS.ORG](http://CO-OPFS.ORG) to learn more about the industry's most comprehensive and innovative product suite.





9692 Haven Avenue  
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**TURN  
“THAT’S A  
COOL IDEA”  
INTO \$10,000.**



The THINK conference was created to excite, energize and inspire new ways of thinking, and the **THINK Prize** aims to reward those who exemplify this creed.

If you’re an individual who likes to think big and dream bigger, we’d like to hear your thoughts on how to propel the credit union movement forward.

The THINK Prize winner will be awarded \$10,000 in seed money to bring their idea to fruition, along with additional pledges of financial support and business services from THINK sponsors. All entrants selected as semi-finalists will receive a \$150 gift card.

**ONE IDEA CAN CHANGE THE  
CU MOVEMENT. ENTER YOURS BY  
OCT. 15 AT CO-OPTHINK.ORG**



**THiNK**

**CO-OP Financial Services THINK Prize Contest Abbreviated Terms & Conditions**

**NO PURCHASE NECESSARY TO ENTER OR WIN.**

**Eligibility:** Open to legal US residents who are full or part-time employees of credit unions located in the US, 18+.

**Contest Period:** Begins on 6/25/10 at 12:00:01 am Pacific Time (“PT”) & ends 10/15/10 at 11:59:59 pm PT (hereafter, “Contest Period”).

**How To Enter:** 1) During the Contest Period, visit [www.co-opthink.org](http://www.co-opthink.org); 2) Complete the online registration form & the (6) Essay questions (collectively, with entry form, “Entry”) & 3) Click the “Submit” button. Entries must be received by 11:59:59 pm PT on 10/15/10.

**Limit one (1) Entry per person per credit union employee email address.**

**Judging: Round 1:** All eligible Entries will be judged on the designated criteria by representatives from CO-OP Financial Services & The Filene Research Institute. The top twenty-five (25) Entries, as determined in Round 1 by the judges in their sole discretion, will advance to Round 2 as Semi-Finalists. The Semi-Finalists will be notified on/or about 11/1/10.

**Judging: Round 2:** During Round 2, Semi-Finalists will develop a maximum five (5)-page business plan in Word format based on the designated Round 2 Contest Questions. Each Semi-Finalists’ business plan will be judged based on the “Round 2 Judging Criteria”.

**Round 1 & 2 Essay Questions & Judging Criteria are available online at [www.co-opthink.org](http://www.co-opthink.org).**

The three (3) Semi-Finalists receiving the highest scores during Round 2, as determined by the judges in their sole discretion, will be deemed the potential Finalists. All Round 2 online entries must be received by 11:59:59 pm PT on 12/31/10.

**Finalist Notification:** Potential Finalists will be notified on/or about 1/31/11. Finalists will work with a video production team to showcase their Business Plan in video format. Business Plan Video Entries must be submitted by 4/14/11.

**Online Voting:** Voting open only to credit union employees who are legal residents of the 50 US, 18+ years (hereafter, “Group 1 Voters”). Visit [www.co-opthink.org](http://www.co-opthink.org) between 12:00:01 am PT on 4/15/11 & 11:59:59 pm PT on 5/6/11 (hereafter, “Voting Period”), view the provided Entries & cast your vote for your favorite Business Plan Video Entry by clicking on the applicable “Vote”. Limit of (1) vote per person & per credit union employee email address per day during the Voting Period. Group 1 votes count toward twenty (20) percent of Finalists’ scores.

**Conference Voting:** Conference attendees (hereafter, “Group 2 Voters”) will cast their vote for their favorite Business Plan Video Entry during the

Conference. Group 2 votes will count toward (30) percent of Finalists’ scores. Conference Panelists (hereafter, “Group 3 Voters”) will also cast their vote & will count toward (50) percent of Finalists’ scores. The Finalist who receives the highest number of eligible votes in each of the (3) Groups will be declared the Grand Prize winner.

**Prizes: (1) Grand Prize:** \$10,000 Grant Award, awarded as a check, which winner may use toward executing his/her THINK idea (Approximate Retail Value “ARV”=\$10,000). **(3) Finalist Prizes:** A 5-day/4-night trip for Finalist & (1) guest to attend the 2011 THINK Conference (ARV=\$3,500). **(22) Semi-Finalist Prizes:** \$150 Gift Card (ARV=\$150). Total ARV of all prizes=\$23,800. Limit (1) prize per Finalist & Semi-Finalist.

**Grand Prize Winner Notification:** Potential Grand Prize winner will be announced at the 2011 THINK Conference on/or about 5/18/11.

For a list of winners, send a SASE by 6/30/11 to: THINK PRIZE Contest Winners, ATTN: Marketing Department, 9692 Haven Avenue, Rancho Cucamonga, CA.

Sponsor: CO-OP Financial Services, 9692 Haven Avenue, Rancho Cucamonga, CA 91730