a CALLAHAN COLLECTION 2016

edition 2

REIMAGINE RETAIL

FOR MORE CREDIT UNION STRATEGY & PERFORMANCE VISIT

CREDITUNIONS.COM

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Even with the increasing prevalence of digital banking channels, the credit union branch remains a primary point of contact for many members. But the swiftly changing expectation in member experience has put an onus on credit unions to redefine or reimagine the retail experience for the next five, 10, or 20 years. But where to start? This Callahan Collection hopes to provide credit unions with that inspiration.

THE STATE OF RETAIL IN 2020

In five years, Americans will shop differently. How will this shift affect credit unions?

BY ERIK PAYNE

In many respects, retail remains central to the credit union business model. And yet, in the past several years trends in technology, convenience, and delivery systems have altered not just credit union branches but brick-and-mortar locations for retailers worldwide.

Things are already changing. At the credit union level, executives have seen the need to decrease branch size — if not branch locations. For example, in early April, as my colleague Aaron Pugh and I were onsite at Greater Nevada Credit Union ($584.8M, Carson City, NV), we discussed the institution's branch located in a Wal-Mart in Elko, NV. This was a branch located in a high-volume area that simply didn't require 10,000 square feet of land and building investment. It may very well be the new normal in branch footprint, but retail is more complex than size.

Also in April, Chris Gayomali of Fast Company wrote about shopping trends in 2020. That's a short time away, but the differences may be stark. Here are four ways shopping will change and the implications of each on both consumers and producers.

NO. 4: THE RISE OF THE POP-UP STORE

In late 2015 in San Francisco Westfield Labs, an entity "focused on innovating the retail ecosystem," according to its website, opened a concept called Bespoke in Westfield San Francisco Centre. It's pop-up space that tech and fashion retailers can temporarily rent to demonstrate and showcase products in ways they wouldn't be able to online. This benefits both consumers who can interact with companies they otherwise couldn't and online retailers who spend little on rent.

Credit unions such as Greater Nevada who are opening smaller — even sublet — branches are able to save on rent costs and reinvest that money in other areas of the institution. Banks such as PNC, Wells Fargo, and SunTrust have opened pop-up branches in the past. PNC opened its most recent in Chicago in May 2014.

"This pop-up branch is not a replacement for traditional branches. It is an opportunity to expose people and introduce who PNC is to more customers than we would have with our Chicago branch footprint," Todd Barnhart, executive vice president of branch banking at PNC, told American Banker.

> "This pop-up branch is not a replacement for traditional branches. It is an opportunity to expose people and introduce who PNC is to more customers than we would have with our Chicago branch footprint."

NO. 3: FROM 'BRICK AND MORTAR' TO 'BRICK AND MARKETING'

There are advantages to operating physical locations. Consumers and members can interact with employees and test products. There's a personal interaction between employee and member that differentiates in-store and online, even as many retailers try to create a uniform experience across all touch points.

But in 2020?

"The store of tomorrow is less about being transactional and more about the experience and ability to use the store as a media platform," says Ethan Song, cofounder and CEO of Frank & Oak, an online men's clothier considering using brick and mortar stores in the future.

"More important than the transactions we make is the idea of creating a sense of place and a feeling of community when a consumer steps into our stores," Song says. "Incorporating things like social gatherings and coffee shops in our stores underlines our commitment to building not just a store, but a place where people want to be."

In October 2013, GECU ($2.3B, El Paso, TX) opened a two-story branch in its hometown. The branch is tech-savvy and smaller than the institution's other locations and houses Kinley's Coffee House & Teas, popular with UTEP students. The partnership was a way for Kinley's to expand with minimal rent and for GECU to benefit from proximity to a popular university hangout. The tea house branch opened 100 new checking and savings accounts for students in the first month after opening.

NO. 2: YOU DON'T SELL PRODUCTS, YOU CREATE EXPERIENCES

Study after study, survey after survey has shown that people value experiences over products. For retailers, the opportunity is clear. Design or retro-fit a branch to create a member experience.

Eataly, an Italian food market and mall chain that comprises a number of restaurants, food and beverage stations, bakeries, and other retail items, was designed to mimic the feel of an Italian town where one could visit the local butcher, baker, fishmonger, etc. Fundamentally, it's a place to buy perishable groceries. However, it's designed to replicate an authentic Italian experience. Can't make it to Italy? No problem. Come find authentic Italy in New York City.

To some degree, credit unions already follow this model. In addition to products and services, institutions develop and sell a member experience. Members are not simply customers, they are owners, decision-makers even, and are treated thusly. It's this experience that already differentiates credit unions and banks.

NO. 1: THE CONSUMER NEED FOR INSTANT GRATIFICATION

As our pace of life increases, free time and available interest wanes. Convenience will be king and retail companies that specialize in same-day deliveries of goods and services will be mainstream. So believes Instacart, a delivery startup founded in San Francisco that operates a team of independent contractors who deliver groceries from stores such as Costco and Whole Foods.

At credit unions and other retailers the shift toward instant gratification has transformed the selling model. Automated loan decisioning has grown and institutions have focused more on shortening turnaround times on applications of any kind. But new regulations, specifically TILA/ RESPA, will lengthen the time it takes to go from applying to funding.

Instead, the way credit unions can satisfy members looking for instant gratification is online and on mobile. Creating virtual platforms that allow members to apply for loans on digital devices is just the beginning.

The future is nigh. Will you be ready?

THE BRANCH IS NOT DEAD

Financial institutions cannot afford to ignore the costs associated with operating a physical network. Credit unions must make smart decisions about branch placement, expansion, and contraction.

BY SUZANNE MCGANN & JANET LEE

The rise of mobile and electronic branching channels have heralded the end of the brick-and-mortar branch.

Or have they?

The number of branches a credit union operated averaged 3.3 in 2014; that's up from 2.7 in 2008. Thirty-nine states plus the District of Columbia had more credit union branches in 2014 than in 2013. And 441 credit unions added at least one new branch in 2014.

The branch is not dead, but financial institutions cannot afford to ignore the costs associated with operating a physical network. Credit unions must make smart decisions about branch placement, expansion, and contraction.

In this webinar, Callahan's Janet Lee, an industry analyst, and Susan McGann, a functional analyst, review branching data and BranchAnalyzer — part of Callahan's Peer-to-Peer analytics suite.

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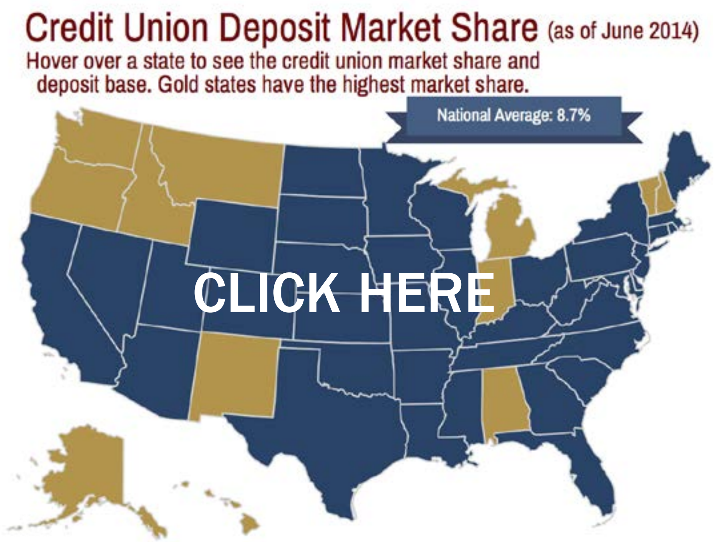
BRANCHES, DEPOSITS, TRANSACTIONS, AND MORE

Is the credit union footprint shrinking? Find out in this infographic.

BY ANDREW BOLTON



MAZUMA MAKES ITS MOVE

A Kansas City credit union stakes new ground in an upscale suburb while reorganizing to serve both new and traditional members.

BY MARC RAPPORT

CU QUICK FACTS

Mazuma Credit Union
OVERLAND PARK, KS

$557.5M
ASSETS

57,811
MEMBERS

11
BRANCHES

10.55%
12-MO SHARE GROWTH

14.14%
12-MO LOAN GROWTH

0.50%
ROA

Google isn't the only business bringing a Silicon Valley ethos to the Midwest.

The technology company raised eyebrows when it chose the Kansas City metropolitan area as a launching pad for its move into broadband Internet and cable television. Google Fiber went live in Kansas City in 2012. That same year, Brandon Michaels became president and CEO of Mazuma Credit Union ($557.4M, Overland Park, KS).

Michaels is a third-generation credit union manager who served as the vice president of finance at San Francisco Fire Credit Union before joining Mazuma in 2009 as chief financial officer. Perhaps true to his Golden State roots, his vision for Mazuma is more reminiscent of a California start-up than a traditional financial institution, but it is serving the credit union well.

"Mazuma has always aspired to be bigger and better than it currently is," Michaels says.

This is the story of how Mazuma is turning aspirations into reality.

Did You Know? Mazuma is a Yiddish word for "money." The credit union took on that new name in 1998, part of what it jokingly refers to as a "mid-life crisis."

DISMANTLING SILOS FROM THE TOP DOWN

When Michaels joined Mazuma — which was founded in 1948 and formerly known as Federal Employees Credit Union before rebranding under its current moniker — creative stagnation, analytical deficit, and operational silos had grown so strong that senior staffers rarely knew what was going on outside their office walls.

This was no way to respond to a market that demands agility, so when Michaels became CEO, he led a re-organization of the institution that included replacing nearly all the C-level managers, adding to and enhancing the vice president roster, and implementing a new, institution-wide culture that not only encourages — but in fact inspires — collaboration.

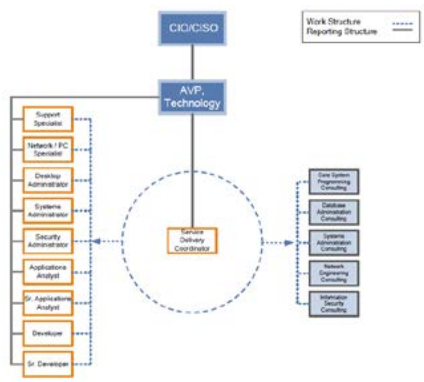
And to address those silos, Mazuma now has roles dedicated to the effective flow of information among various parties.

"Silos don't work," Michaels says. "As I built out my own leadership team, I looked for people I knew would not have that management style. We don't have a complex mission or vision statement, so the ongoing purpose for all of us is the same — to make Kansas City a better place to live, work, and bank."

According to Mazuma's chief operating officer, Deonne Christensen, the executive leadership team now works together to prioritize all projects rather than presenting pet issues independently and competing for resources on a per-department basis.

In support of this unification, executives jointly create their "Rally Cry," a document that outlines the organization's current most important objectives and shows how their programs and initiatives, both current and desired, contribute to those goals.

MAZUMA TECHNOLOGY TEAM ORG CHART



THIS EXAMPLE PROVIDED BY THE MAZUMA TECHNOLOGY TEAM SHOWS HOW A STAFFER IN THE MIDDLE FACILITATES COLLABORATION ACROSS THEIR TEAM AND UP THE LADDER.

Loan growth is currently one such front-and-center priority. Consequently, the credit union posted 9.4% year-over-year growth in this metric as of second quarter 2015, according to data from Callahan & Associates.

GROWING WITH ITS CITY, STANDING BY ITS MEMBERS

This new era of soul searching has also caused Mazuma to boil down its institutional identity into a simple, timeless mandate for both employees and its more than 55,000 members: Bank Happy.

Happiness is a state of mind to be sure, but the right location doesn't hurt either, which is why Mazuma also considered not just how it served its members but from where.

> “We don’t have a complex mission or vision statement, so the ongoing purpose for all of us is the same — to make Kansas City a better place to live, work, and bank.”

In early 2015, the credit union left the headquarters in midtown Kansas City, Missouri, that it had called home for more than 30 years and opened its first new branch in a decade, located in the neighboring suburb of Overland Park, Kansas.

Overland Park is the second-largest city in Kansas, with an estimated population of 184,525 in 2014. Its per capita and household incomes are above the metro area’s averages, while its cost of living is below national levels. It also skews young, with an average resident age of 37.8 in 2012, according to the American Community Survey.

The credit union’s new 53,000-square-foot building is located in an upscale office and retail development. The building itself is brimming with personality, including conference rooms with Steam Punk, Lego, and underseas themes, easy-on-the-eyes terraces and glass-walled offices, and staff amenities that include exercise facilities, a nursing room, and even a ping pong table.

“Our longtime members told us, ‘We’ll give you this, but you cannot slack off on the service; you can’t do this at the expense of my money or my trust,” says brand manager Andy Dickhut. “So everybody here knows we have to deliver excellent service in return.”

Indeed, the facility’s hip look is a constant reminder of Mazuma’s vision to more effectively serve its target audience of 18- to 45-year-olds. However, it is still an effective headquarters for maintaining and growing the flip side of the credit union’s operations — its numerous, innovative services designed to serve historic, lower-income markets within Kansas City proper.

To date, these include a mix of payday lending alternatives as well as ATMs and best-of-breed online and mobile services.

WHEN LESS IS MORE

While currently serving both areas of opportunity and areas of need, Mazuma aims to reach 70,000 members and $700 million in assets by 2020.

As of third quarter 2015, it has 57,811 members and $557 million in assets.

Mergers are a possibility to meet this goal, Michaels says, as are expansions into territories around its hometown. Yet this desired growth won’t come at the cost of operational nimbleness.

For example, at the member-facing level, all front-line service responsibilities fall primarily to two groups: Mazuma’s branch-based universal agents and its centralized e-branch staff. The former are trained to handle multiple products and services in the branch and call center, from opening new member accounts to closing loans, and the latter are there when members need help with mobile and online applications, as well as to support ACH and wire transactions.

But these team members aren’t just in control of all member interactions, they are in control of their own professional destinies as well. That’s because motivated individuals from both groups have on-demand but optional access to training and examinations that can increase the scope of their responsibilities and provide bumps up the pay scale. Exam results also can help employees join issue-oriented special ops groups or even potentially open the doors to careers in other areas of the organization.

In addition, while the credit union is not currently as operationally efficient as some of its comparable peers, it’s looking to enhance performance there by shrinking the physical footprint it needs to serve members, both at the new headquarters and among its network of branches.

“We’re empowering our people to empower our members to take advantage of the best financial products and services in the Kansas City market,” Michaels says. “Both physical and cultural transformation are a huge part of this, and we’re well on our way.”

AN INSIDE LOOK AT THE CREDIT UNION’S NEW DIGS.

DO YOUR BRANCHES TURN HEADS?

BCU shares lessons it learned from tapping a retail-merchandising expert to create more appealing locations.

BY AARON PUGH

Retailers are famous for their complex merchandising formulas — those magic mixtures of hard science, emotional triggers, and sensory connections that encourage consumers to open their wallets.

The differences between for-profit retailers and credit unions are significant, but in the interest of moving products and services, the success of both hinges on two factors: attraction and engagement.

That's why in 2013, BCU ($2.3B, Vernon Hills, IL) looked to a retail merchandising expert for advice on how its 38 branches could better compete against not only banking peers but also other businesses that attract potential members' attention.

"Over time, our focus for branch locations has shifted from simply providing physical access to using renovations and new construction to increase member engagement inside and outside the branch," says Jill Sammons, the credit union's director of communications and brand strategy.

A UNIFIED BRAND

BCU has never had the luxury of thinking like a typical community financial institution, partly because an overwhelming majority of its branch footprint consists of select employee group (SEG) locations — only some of which offer public access.

In 2011, the credit union merged with Target Credit Union and picked up sites that operate under a separate brand within those corporate facilities.

Although this combination of SEG sites and freestanding public locations has been a benefit for BCU — which boasted 10.3% annual loan growth and 5.4% membership growth at third quarter 2015 according to Callahan & Associates — it also comes with additional hurdles in terms of brand development.

For example, BCU's Target locations — glossy, modern outposts that initially drew significant employee business — suffered declining activity within as little as one year of opening.

"For locations in a company's corporate headquarters, there are many other resources and messages competing for employees' attention," says Joline Epple, the director of marketing and brand liaison for these Target locations. "Sometimes it's tough for our messaging to get through."

In addition, the credit union faces the challenge of how to align its host company messaging while strengthening its own brand.

CU QUICK FACTS

BCU
VERNON HILLS, IL

$2.3B
ASSETS

204,791
MEMBERS

42
BRANCHES

12.39%
12-MO SHARE GROWTH

11.02%
12-MO LOAN GROWTH

1.28%
ROA

For a new perspective on possible solutions to those challenges, the credit union reached out to Judy Bell, a consultant who had worked as a group manager of creative merchandising solutions for Target before opening her own firm called Energetic Retail.

A MERCHANDISING MINDSET

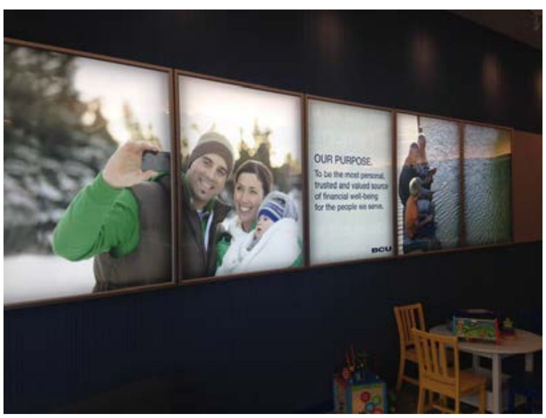
Many of the merchandising best practices Bell frequently recommends to her retail clients are also a good fit for what BCU wanted to accomplish.

"You always want to look at your competitors, but that's not just banks; it's retailers too," Bell says of her approach with BCU. "Both have products and services to sell. Just because you work in financial services doesn't mean you can't take your inspiration from a top fashion retailer."

For example, shoppers in the retail world often base their spending decisions solely on store appearance. And the same is true for potential members, whether they are employees in the workplace, shoppers in a strip mall, or drivers passing by on the road.

"You only have three seconds to get the attention of someone walking by, and then you have to make an emotional connection and encourage them to take action," Bell says. "At BCU, the branches had too many messages and the displays were small, so we started narrowing those down and then called out the ones that remained in a big, visual way."

The credit union replaced in-branch marketing materials and signage that had focused on products and services with ones that emphasized people and lifestyles, including the idea of financial well-being. These images — along with the credit union's purpose statement — are also displayed on wall sized lightboxes at one of BCU's recently renovated locations.



"Not many retailers outline that information and tell people their story, but it helps visitors think of you as more than just a business selling them stuff," Bell says.

Similar images and taglines, such as those related to credit union's trademarked "Life. Money. You." financial education program even appear on the website and in email communications to create a common link between physical and electronic channels.

TWEAKING THE FORMULA

Of course, not every best practice implemented by BCU and Bell translated perfectly from the retail world.

For example, stores typically want to keep a visitor on-site for as long as possible to increase their likelihood of purchase. BCU had to balance that desire against the efficiency demands of a not-for-profit model.

One way it addressed this dichotomy was by creating different types of spaces within the branches, with streamlined traffic patterns for transactional areas and dedicated, cost-efficient outposts for involved interactions or relationship development.

The credit union also removed costly, quickly dated pamphlets and flyers and now prints collateral on demand with a high-resolution color printer. Whenever someone requests information or a conversation develops cross-sell potential, branch employees simply print a product sell sheet — created by the marketing team and updated monthly with current rates, promotions, and disclosures — that the member can review and take with them.

"It's more cost effective and a live conversation almost always triggers a better close rate than someone just grabbing a brochure and walking out," Sammons says.

In several of its remodeled locations, BCU also has dedicated learning spaces — similar to Apple's Genius Bar — where visitors can educate themselves about the credit union's offerings using its large digital touch screens and tablets.

Of course, if the member does need help, branch employees are only steps away, which creates opportunities to onboard members into different electronic services.

A NEW PATH MOVING FORWARD

In the year since Bell's visit, her retail-driven advice has continued to inform best practices at SEG locations and freestanding branches alike, resulting in half a dozen redesigned locations and another seven set to be redesigned or opened in the next 16 months.

These merchandising-related improvements do represent a significant financial investment for BCU, yet much of this spending was already budgeted for as a part of the normal upkeep of these locations.

"We aren't initiating renovations just to add these features, but as branches come up for remodel, these are the types of strategies we will be using," Sammons says.

In terms of Net Promoter Score, a metric that gauges members' likelihood to refer the institution to others and one of BCU's most important metrics for measuring brand success — renovated locations, especially those in Target buildings, always score significantly higher than their historical norms.

»

"Not many retailers outline that information and tell people their story, but it helps visitors think of you as more than just a business selling them stuff."

HARNESS THE 5 SENSES TO SUPERCHARGE THE BRANCH EXPERIENCE

Retailers use sight, sound, smell, taste, and touch to their advantage every day. Here's how you can do the same.

SIGHT

Most people look left as they enter a location but turn right, according to Entrepreneur Magazine. Use that natural orientation when placing screens, marketing banners, or other collateral. And angled passageways and circular or U-shaped spaces and displays are more inviting than a straight row.

SOUND

According to the European Journal of Scientific Research, low volume music keeps customers around longer. However, slightly loud music moves people through stores faster without decreasing the amount spent. This indicates slightly higher volumes might be better for transaction-oriented environments like the drive through.

SMELL

A 2005 study from the American Psychological Association showed how a citrus scent decreased purchase amounts among impulse buyers but increased activity among contemplative shoppers who had an interest in a specific purchase.

"If you are selling high-risk items like cars, you may want to use scent rather than music," said Maureen Morrin, the project's head researcher, when speaking at an APA convention.

TASTE

According to Science Daily, hunger changes the way our brains calculate risk, meaning hungry people might not be in the best position to make good decisions.

To solve this issue, consider following the example of IntegrUS Credit Union ($20.1M, Dubuque, IA), which opened a café in its newest branch that serves fresh coffee, snacks, and breakfast items.

TASTE

Color choice, materials, and even the sturdiness of objects can alter people's perceptions of brand quality, so pay attention to the little things like your pens, your chairs, and your member-facing branch technology.

According to Martin Lindstrom, the author of Buyology: Truth and Lies About Why We Buy, testers who used an artificially weighted remote control thought the product was more usable, of higher quality, and worth paying more for than the same model without the heft.

HOW A BRANCH BUILDS MEMBER ENGAGEMENT

Jared Dryer, district manager at Bellco Credit Union, discusses how a new branch concept that favors technology and universal staffing models is building member relationships.

BY CALLAHAN & ASSOCIATES

The Denver neighborhood of Stapleton has more than 17,000 residents, approximately 3,000 of which are members of Bellco Credit Union. When the $3.4 billion institution opened its first branch in this young, tech-savvy community in April 2014, it did so using a new branch concept that favors technology and universal staffing models.

"We wanted to create an environment where members interact with our most knowledgeable staff," says Jared Dryer, north district manager at Bellco. "We use technology to change our staffing model and build stronger relationships with our members."

Learn how Bellco's Stapleton branch has reduced operating expenses and aided in building member relationships by viewing this webinar.

What You Will Learn:

- How Bellco developed the new branch concept.
- Why universal bankers and technology are key components to the model.
- How membership and loan growth rates compare to other branches.
- What financial results the branch has returned.

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Part 1: Introduction

Part 2: Branch Walkthrough

Part 3: Costs And Results

Part 4: Questions About Staffing, Location, And Reactions

Part 5: Questions About Downtime And Transaction Time

Part 6: Questions About Wireless Networks And Demographics

Part 7: Questions About Hours And The Future

Part 8: Questions About Hiring, Products, And Compensation

CLICK IMAGE TO PLAY VIDEO

CU QUICK FACTS

Bellco Credit Union
GREENWOOD VILLAGE, CO

$3.4B
ASSETS

259,091
MEMBERS

22
BRANCHES

14.98%
12-MO SHARE GROWTH

16.86%
12-MO LOAN GROWTH

1.43%
ROA

BUILD A BETTER BRANCHING SCORECARD

Desert Schools' monthly branching scorecard is an example for other credit unions to follow.

BY ERIK PAYNE

The perceived gap between efficiency and productivity on one hand and member needs and values on the other can be difficult to rectify at a credit union. Despite the seemingly divergent nature of these variables, they do occasionally support one another. For example, member needs can force new efficiencies and productivities.

Desert Schools Federal Credit Union (3.8B, Phoenix, AZ) calculates efficiency and productivity on a branch-by-branch basis via a branching scorecard. The four-year-old scorecard provides a quick and dirty look at branch operations and branch manager performance. It also shows how many members each branch is serving, with success designated as higher volume and more member services.

Ultimately, the scorecard motivates the credit union to figure out what a branch is doing right and to change operations or processes when something is wrong.

WHAT IT TRACKS

Unlike traditional balanced scorecards, Desert Schools' scorecard doesn't track a branch's historical deposits and loans. Instead, the report shows the revenue value of the products a branch provided to members in a given month and subtracts the branch's controllable expenses. This creates a performance metric that is easy to compare across branches.

SEE THE TEMPLATE:

Click Here to view Desert Schools' Branch Performance Management Report

Revenue

In terms of revenue, the largest contribution comes from monthly sales, which the credit union must adjust to a monthly figure.

"So we sold one more of these products, what's that going to contribute from a revenue standpoint to our financial statement?" asks Michael Foreman, senior vice president of retail sales at the credit union.

Sales revenue represents the incremental value provided to a member, Foreman says. He worked with the finance department and other business

CU QUICK FACTS

Desert Schools Federal Credit Union
PHOENIX, AZ

$3.8B
ASSETS

311,903
MEMBERS

47
BRANCHES

8.69%
12-MO SHARE GROWTH

16.87%
12-MO LOAN GROWTH

1.09%
ROA

“We’re using this scorecard to compare the performance of one branch and one branch manager against another.”

line managers to determine the incremental values of each new product provided to members every month. A loan for example, would be a margin, times a loan amount, times the average duration of that loan, minus any incremental expenses.

Additionally, Desert Schools tracks service revenue from teller, ATM, and shared branch transactions — which can be as little as $1.50 — as well as safe deposit income and other revenue. A fee reversal subtracts revenue from the scorecard.

Expenses

Staffing and occupancy, which branch managers can largely control, contribute the most to expenses. However, there are some variables within those fields that managers have no influence over.

The credit union operates three types of branches: traditional full-service branches, in-line branches — which are generally storefront locations in strip malls — and grocery store branches, mostly in Walmart stores, Foreman says. It also operates in different markets that incur largely different expenses.

To ensure its internal benchmarks are appropriate, Desert Schools divides its scorecard into three sections according to the type of branch. To smooth out noise from different markets, it handicaps expenses by calculating the average cost per square foot.

“If we didn’t level the playing field on occupancy, it would be difficult to filter out that difference from market to market,” Foreman says.

THE BOTTOM LINE

After determining revenue and expenses, Desert Schools calculates a net branch contribution, efficiency ratio, sales revenue per full-time sales employee (MSRs and branch managers), and service revenue per full-time service employee (tellers and ATMs).

It then uses this information to influence operational and member-facing decisions.

HOW IT’S USED

The credit union grades a branch’s performance metrics against the average performance of all similar branches. For example, it compares the efficiency ratio at its Black Canyon location against the average efficiency ratio at its 14 full-time branch locations

“We’re using this scorecard to compare the performance of one branch and one branch manager against another,” Foreman says.

Color-coding allows the credit union to identify top performers at a glance. Above-average performance is color-coded green while below-average performance is color-coded red. Within that context, it can determine how well a branch is managed, whether it is appropriately staffed, and whether it needs to change or shuffle employees or other resources.

With metrics such as revenue per full-time service employee, Foreman says the optimal performance from both an efficiency and a member value standpoint is close to the median.

“If you are showing too much efficiency, then you probably have long wait lines,” he says. “If you’re below average, you are probably overstaffed. We want people to come into the branch and not have to wait long to complete their transaction.”

ONE STEP FURTHER

Although the scorecard helps the credit union quickly and easily compare branch managers and operational efficiencies, it doesn’t pay much attention to retention, Forman says.

“What you see is what is coming through the front door in terms of transactions and new products,” he says. “It doesn’t give you a reading of what is going out the back door.”

For that, the credit union must look at additional reports and data.

In future iterations of the scorecard, Foreman would like to see new or augmented components that consider retention metrics such as active checking accounts, average profitability of membership, and services per household.

“There’s a bunch of metrics I would like to add on a branch-by-branch basis to give a more complete picture of how we’re retaining profitable members,” he says.

EXECUTIVE RESOURCE CENTER

Your time is valuable. So wouldn't you rather spend it in the most productive way possible?

The **Executive Resource Center** eliminates the need to produce from scratch the vital – but tedious to create – policies, templates, and tactical documents that keep your credit union running on a day-to-day basis. That way, you can spend your time thinking of ways to better serve members instead of clacking away on the keyboard.

With modules full of crucial documents designed for eight key areas of credit union operations, the ERC is a tool your entire credit union can use. Just go to the module related to your topic of interest and start downloading instantly.

Available exclusively to Callahan Leadership partners, the ERC contains documents related to:

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- **Human Resources**
- **Corporate Governance**
- **Operations & Branching**
- **Finance**
- **Compliance**
- **Marketing**
- **Lending**

For more information on how your credit union can leverage the Executive Resource Center, please contact us at 800.446.7453 or support@callahan.com.

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