



Anatomy of
ROGUE
CREDIT UNION



ROGUE CREDIT UNION

APART FROM THE PACK

Rogue Credit Union doubles down on loyalty and forges its own path in service of its Southern Oregon market.

BY MARC RAPPORT

Nestled in a scenic valley renowned for its orchards and recreational pursuits, Rogue Credit Union (\$1.5B, Medford, OR) is reaping the fruits of a decade-long strategy with the simple goal of having the most loyal members in the nation.

Gene Pelham had been at Rogue for five years — as the credit union's president/CEO for one year — when the cooperative's first-ever experience in the red prompted Pelham and his board to double down on the business by focusing on the members rather than the numbers.

"In March 2008, our leadership team gathered around a table," Pelham says. "I slid a pile of poker chips across the table and asked, 'Who's all in for loyalty?' We all were, and we've been all in since that day."

That was before the impact of the recession really became evident, before the challenges became even more real, but the die was cast and the Rogue team was not about to reverse course on building a solid foundation.

"We're not going to be the most efficient credit union out there," Pelham says. "We're not going to be the most profitable. But if we create member loyalty, we can create financial sustainability for our members and our credit union."



BEST PRACTICE

PRICING FOR THE PEOPLE

Rogue Credit Union prices its lending and saving products to be competitive but sustainable. Members buy in because they know they're being treated fairly.

The linchpin to Rogue's loyalty strategy is the Loyalty Filter, which calls on every employee to consider whether each decision (1) creates and keeps members who will tell others about their credit union, called a "promoter" at Rogue; (2) drives enough profit based on fair rates to sustain the credit union; and (3) expects and rewards participation from the member.

"If all else fails, take care of the member," Pelham says. "We do that and everything else will take care of itself."

It's a simple strategy that is difficult to execute. And execute Rogue has.

Membership at the credit union increased 11.13% year-over-year in the second quarter of 2018. By comparison,

annual membership growth for credit unions with \$1 billion to \$10 billion in assets and for all U.S. credit unions was 6.19% and 4.87%, respectively, according to data from Callahan & Associates. This marked the latest installment of a four-year string of organic double-digit member growth every quarter.

A growing list of cash-back rewards for member engagement is a linchpin of Rogue Credit Union's loyalty strategy. Read more about the Ownership Account on page 32.

"We don't buy members," says chief operations officer Jeanne Pickens. "We do very little traditional advertising or marketing. It's almost all word-of-mouth."

According to Pickens, Rogue hasn't rolled out a promotion focused solely on growing membership in the 18 years she's been there. That's the promoters in action.

As for rewarding participation, Rogue offers the Ownership Account, a non-transactional savings account that currently pays 3.00% for Rogue Rewards, money deposited from participation in the credit union's rewards programs.



Staff at Rogue Credit Union use the principles of the Loyalty Filter to evaluate member interactions and make decisions without consulting policy manuals or getting permission. What follows are creative decisions that empower members' financial lives and make them lifelong advocates for Rogue.



“We’re at the other end of the state from Portland and the state capital in this rural area on the California border. There can be this simmering angst that no one cares about us and we have to take care of ourselves. We’ve taken up that mantle.”

— GENE PELHAM, PRESIDENT/CEO, ROGUE CREDIT UNION

BUILDING TRUST AND BRANCHES

Other than the high-paying specialty account, Rogue’s rates are competitive but not cutthroat.

“Our strategy on pricing is to be better than most,” says executive vice president Matt Stephenson. “Our strategy on service is to be the best. Folks get into trouble when they try to have the best price and the best service at the same time. That’s a losing recipe.”

According to Stephenson, as long as consumers know they’re being treated fairly, they don’t care if a product or service is the cheapest.

“Trust is our most important currency,” the EVP says.

Rogue, meanwhile, has spent a lot of currency on its branching operations. The credit union places a premium on real estate that helps it build presence and visibility. And, yes, sometimes that means slipping in before Walgreens or another major retailer can snatch up a prime spot.

“We rarely lease,” Pelham says. “We own most of our buildings, which allows us to control some of the premier locations in our marketplace. We’re willing to pay to have those places because we know a branch is better than any billboard we can buy.”



A 3-PRONGED STRATEGY

Rogue goes all in on member loyalty by continually asking three questions:

- How do our decisions create and keep promoters?
- How do we create good profits that members value? That keep the credit union operational?
- How do we expect and reward member participation?

Rogue Credit Union is building a network that marries today’s member loyalty with tomorrow’s trends. Read more about its branching strategy on page 34.

That commitment has required a significant investment. Rogue’s second quarter ratio of operating expenses to average assets was 3.84%, 93 basis points more than its peer group of billion-dollar credit unions and 74 basis points more than the average for all U.S. credit unions regardless of size.

Profits remain steady with a higher-than-average return on assets. Income rose sharply last year. Net income per member is higher than average, and members continue to grow in profitability.

Market share also is strong. As of June 30, 2018, Rogue had the highest deposit share — 23.8% — of any credit union in its primary market of Jackson County, according to the credit union. The highest among banks was 15.73% for Umpqua Bank, followed by JPMorgan Chase, U.S. Bank, and Wells Fargo.

Rogue’s deposit market share might be strong, but its auto lending share is much higher. Oregon Department of Motor Vehicles data shows Rogue makes 40% of all new and used consumer loans in its home market, says COO Pickens.



BEST PRACTICE

LOCATION, LOCATION, LOCATION

Rogue Credit Union owns its branch locations. It invests in prime real estate based on its belief that a branch beats a billboard every time.

Rogue has not had a quarter of year-over-year auto loan growth of less than 10% for the past five years. According to the credit union, its ratio of indirect to direct auto loans is 65.8%, but it has a strategy to engage these members.

The outbound contact team reaches out to new members through phone calls, emails, and direct mails. According

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to marketing manager Kelsey Esqueda, when Rogue reaches a member by phone, 47.55% of the calls result in an additional product or service, including loans, checking accounts, and electronic services.

“We approach these not as sales calls but as an introduction to the credit union,” Pickens says. The credit union’s reputation helps, she says, as years of building trust in the community paves the way for deeper engagement with new members and old.

SCORING WITH NET PROMOTERS

These traditional performance numbers are good, but the metric that matters most to the Rogue executive team is the Net Promoter Score. Rogue’s initial score on that widely used metric shocked Pelham, he says, but it has steadily been on the rise, from 69.98 in 2013 to 80.00 this year. Rogue monitors that progress through 1,300 monthly relationship surveys.



BEST PRACTICE INCENT ENGAGEMENT

Traditional growth metrics aren’t on the board when it comes to incentives for Rogue senior managers. The Net Promoter Score is because it’s considered the most direct measurement of success in building member engagement.

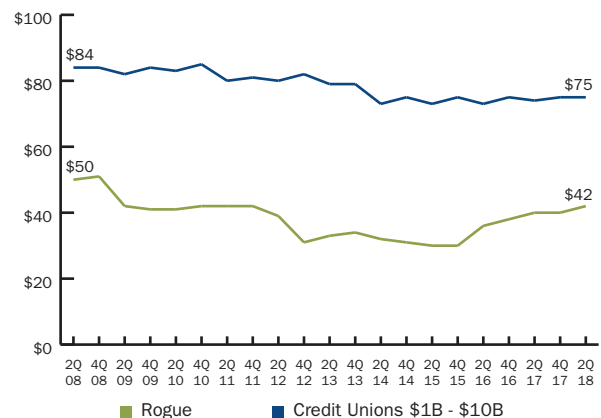
Those first surveys in 2008 were a call to action for Pelham and his team. For example, members thought the rewards program in place back then was unrewarding at best. So, Rogue eliminated it along with \$150,000 in fee income. That’s a sizeable chunk of change for a \$300 million credit union that was losing money for the first time in its history.

Fast-forward 10 years and Rogue Credit Union has among the lowest fee income per member ratios in the movement. It was \$42 in the second quarter of 2018, compared with \$75 for credit unions between \$1 billion and \$10 billion in assets and \$74 for all U.S. credit unions.

FEE INCOME PER MEMBER

FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

Rogue Credit Union’s fee income per member has been well below average since it began its loyalty strategy in 2008.



SOURCE: CALLAHAN & ASSOCIATES

That doesn’t mean the credit union isn’t making money. It is. Net income per member in the second quarter was \$77, compared with \$66 for its asset class and \$55 for all U.S. credit unions.

“We know how to maximize income and minimize expenses,” Pelham says. “And we do it with member impact in mind. That might mean not making an extra 110% on something when we only need to make 75% or not pushing a deal when we know it means walking away from money.”

To show promoters how serious it is about earning their loyalty, Rogue even renamed its collections team. Now, they are known as Member Solutions.

“We make sure our staff understands that just because someone is not paying their bills doesn’t mean they’re a bad person,” Pelham says. “We all

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1.36%
ROA



get caught in bad situations sometimes. We work to see these situations as an opportunity to help.”

A COMMUNITY HELPER

Another way Rogue catches the attention of promoters is through community involvement, including its sponsorship of the 65-year-old Pear Blossom Festival and Parade in Medford and similar efforts in other communities in the Rogue Valley.



BEST PRACTICE SPREAD THE LOVE

Rogue allocates more community sponsorship dollars to new markets where it is building a reputation. Branch management helps decide where resources go, which ensures staff buy-in.

“We don’t just write checks,” Pickens says. “We make sure we work side-by-side as volunteers, too.”

Another part of Rogue’s loyalty strategy is a living local theme that permeates the credit union’s branding and messaging.

“We’re at the other end of the state from Portland and the state capital in this rural area on the California border,” Pelham says. “There can be this simmering angst that no one cares about us and we have to take care of ourselves. We’ve taken up that mantle.”

Accepting responsibility for an entire region has helped build the trust that has become the credit union’s currency, Pelham says.

“We had no idea our living local strategy would resonate so strongly, but it has,” the veteran CEO says. “When in trouble, who do you go to? Your friends and family. That’s who we are. We’re here for good times and bad.”

WHO? WHAT? WHERE? WHEN? WHY?

WHO?

Jackson County, OR, was named for President **Andrew Jackson** when it was created in 1852. Medford, OR, was named after Medford, MA, when it was platted in 1883. The state incorporated Medford as a town in 1884 and as a city in 1905.



WHERE?

Jackson County is on the **California border in southern Oregon**. Via Interstate 5, Medford is 275 miles south of Portland, OR, and 365 miles north of San Francisco. The Pacific Ocean is approximately 100 miles to the west.

WHAT?

Medford is the **Jackson County seat**. The most recent U.S. Census estimate for the city’s population was 81,780. Timber and agriculture dominate an economy that now includes global fruit basket and direct mailers Harry & David as well as major health care networks.

WHEN?

A great time to visit Medford is during the Pear Blossom Festival. The **spring** event began in 1954 to celebrate that major crop still widely grown in the area. In nearby Ashland, the Oregon Shakespeare Festival that runs from **March through October** has attracted more than 20 million visitors since it began in 1935.



WHY?

Attracted by salmon runs, people have lived along the Rogue River for thousands of years and it remains a legendary destination for sportsmen.

Outdoors lovers of all kinds enjoy **trails, camping, fishing, paddling**, and the **magnificent scenery** of the great Northwest.

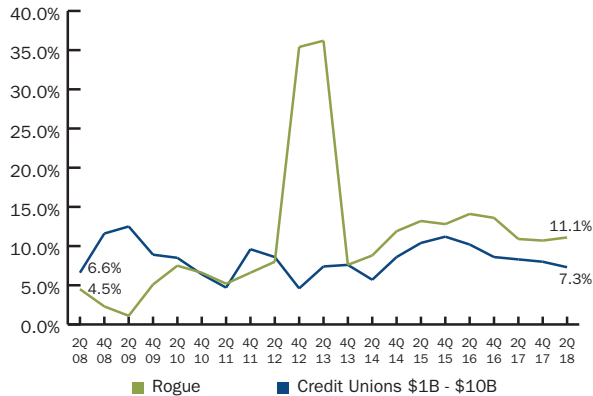


SOURCES: OSFASHLAND.ORG; LIBRARY OF CONGRESS

MEMBER GROWTH

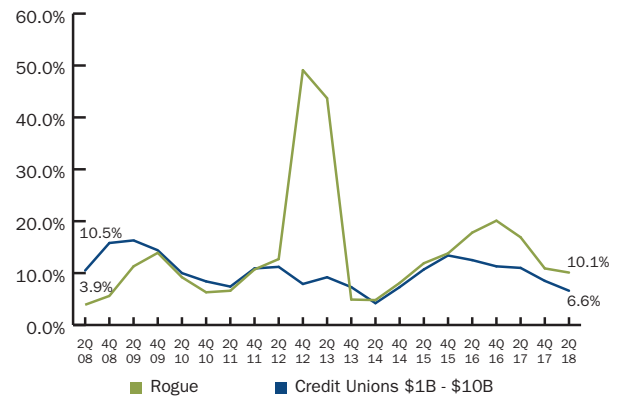
FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

Rogue Credit Union has not had a quarter with less than 10% year-over-year member growth in the past four years. Merging in the former Chetco FCU in late 2012 created the growth spike shown there and in early 2013.

**SHARE GROWTH**

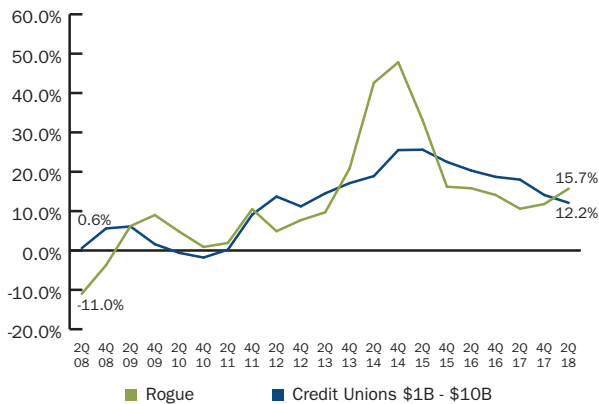
FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

Deepening engagement with its members has helped drive share growth at Rogue, including a jump of 10.09% year-over-year in the second quarter of 2018. The credit union launched its Ownership Account in early 2016, adding those deposits to the mix.

**AUTO GROWTH**

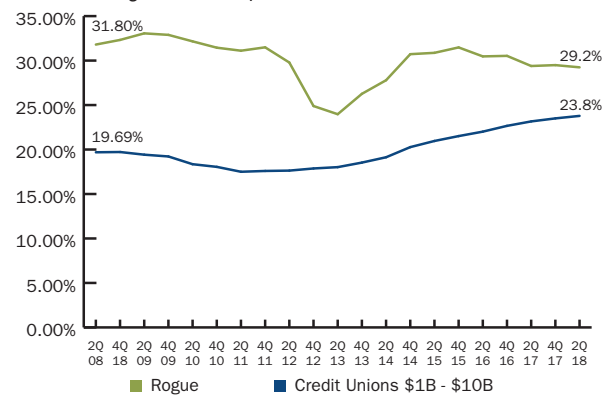
FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

Rogue has not had a quarter of year-over-year auto loan growth of less than 10% for the past five years.

**AUTO LOAN PENETRATION**

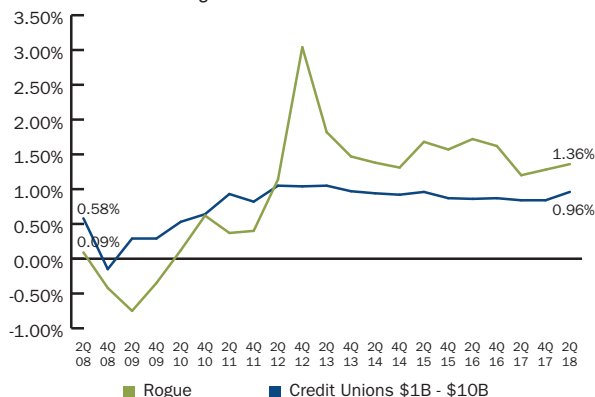
FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

State DMV records show Rogue landing 40% of new and used car loans in its core market area. That lending success shows in the credit union's auto loan penetration among its membership.

**RETURN ON ASSETS**

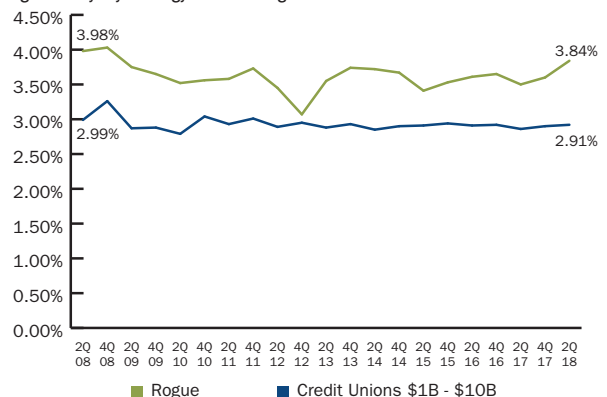
FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

Rogue's strategy of member loyalty with a focus on profits has helped produce a return on assets that has been consistently higher than the average billion-dollar credit union since it merged in the former Chetco FCU in late 2012.

**OPERATING EXPENSE/AVERAGE ASSETS**

FOR CREDIT UNIONS \$1B-\$10B | DATA AS OF 06.30.18

A heavy investment in an expanding branch network and the people who provide the service shows in Rogue's ratio of operating expenses to average assets since it began its loyalty strategy a decade ago.



SOURCE: CALLAHAN & ASSOCIATES

AN ACCOUNT OF OWNERSHIP BENEFITS

A growing list of cash-back rewards for member engagement is a linchpin of Rogue Credit Union's loyalty strategy.

BY MARC RAPPORT

Member loyalty is adding up in one Oregon cooperative thanks to the wild success of the Ownership Account, a non-transactional savings account that comes with every membership at Rogue Credit Union (\$1.5B, Medford, OR).

The account rewards members for their participation in the Rogue Rewards benefit programs that include cash back on credit cards, rounding up debit card charges, e-statement sign-up bonuses, youth account incentives, and sweeps from other deposit accounts. Members can keep their money in the Ownership Account as long as they want — and currently earn a return of 3%, well above market rates — but once they take it out, they can't re-deposit it.

That's not a bad incentive to nurture a nest egg.

Rogue launched the Ownership Account program in February 2016 as a way to reward members for engaging with the credit union and to promote the credit union difference.

"It's probably the best tool we've ever seen to help credit union members recognize the credit union difference," says executive vice president Matt Stephenson. "They own their credit union, and they get a lot of value out of that ownership."

In fact, Stephenson says the account is the glue that holds together Rogue's whole engagement strategy. More than \$3.4 million of the \$5.4 million the credit union has deposited into Ownership Accounts to date is still there. And of the credit union's nearly 129,000 members, approximately 62% of them — or 81,400 — have balances.

The high interest rate plays a role, but president/CEO Gene Pelham thinks there's more to it.

"Members respond to it because they see where their member benefits are going in a clear way," Pelham says. "It's not like that 1% cash back is going into the ether of a regular checking or savings account."

The Rogue Rewards program and Ownership Account loom large in the word-of-mouth marketing that sits at the center of the credit union's growth strategy. Ownership Account holders with balances large and small are quick to spread the word about the benefits of Rogue membership.



BEST PRACTICE

Rogue channels rewards into a designated account that clearly demonstrates to members the value and benefits of being a member-owner.

"My absolute favorite story is about a gas station attendant who, each time he sees a Rogue card, asks the customer if they'd like to set their purchase at 1 cent over the dollar, so they can get the maximum 99 cents in their Ownership Account," Pelham says. "He also told us he now has about \$70 in his own account and that this is the first time he's ever saved any money himself."

Another anecdote about the grassroots marketing effect comes from one of the credit union's top-balance Ownership Account holders.

7 COOPERATIVE PRINCIPLES

Rogue's Ownership Account taps into the cooperative principles and strikes a chord with members. Giving members a clear way to see the benefits of ownership speaks to No. 3, and adding a charitable component speaks to No. 7.

1. OPEN AND VOLUNTARY MEMBERSHIP
2. DEMOCRATIC MEMBER CONTROL
3. MEMBERS' ECONOMIC PARTICIPATION
4. AUTONOMY AND INDEPENDENCE
5. EDUCATION, TRAINING, AND INFORMATION
6. COOPERATION AMONG COOPERATIVES
7. CONCERN FOR COMMUNITY

CU QUICK FACTS

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10.1%
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“Getting people to see the value and benefits of their credit union membership and ownership is something the entire movement is supposed to be trying to do.”

— GENE PELHAM, PRESIDENT/CEO, ROGUE CREDIT UNION

When Pelham called the member to thank him for his loyalty to the credit union, an office employee told him the member wasn't there but the Rogue loyalty benefits were the talk of the office. That led to a conversation about how those members, too, could get more into their Ownership Accounts.

“Getting people to see the value and benefits of their credit union membership and ownership is something the entire movement is supposed to be trying to do,” Pelham says. “The Ownership Account is the best way we know of to do that.”



WATCH AND LEARN

Hear Gene Pelham discuss Rogue Credit Union's member loyalty strategies in the Callahan webinar “Reward Members And Promote The Credit Union Difference.” Visit CreditUnions.com/videos to watch the webinar today.

To keep the chatter going and find ways to reward different types of participation, new benefits are on the drawing board.

In September, Rogue launched a limited-time Give and Save offer that allows members to transfer up to \$1,000 into their Ownership Accounts in exchange for donating to the CU4Kids charitable program for Children's Miracle Network Hospitals. There is also a skip-a-payment component tied to it.

“Our members are incredibly generous, so we're anxious to see what's going to happen,” Pelham says. “Our people are getting creative in finding ways to reward members for new and more participation. It's inspiring.”



BEST PRACTICE

Rogue is adding a low-cost charitable option to its loyalty program to help members do something good while bolstering its image as an institution that cares about more than profits.

The Ownership Account itself was inspired by conversations with Diana Dykstra, the current president and



Rogue Rewards are diverse and include a one-time deposit of \$5 for enrolling in e-statements, cash back on credit cards, and a round-up feature on debit purchases. Rogue also contributes to a member's Ownership Account in exchange for a donation to CU4Kids.

CEO of the California Credit Union League, when she was at the helm of San Francisco Fire Credit Union.

“We talked with her about creating capital-type accounts, about putting bonus dividends in there and paying a little higher rate, and about how members would see the value in their credit union if we did that,” Pelham says. “And, boy, have they ever.”

6 NEW BRANCHES, 4 MORE ON THE WAY

Rogue Credit Union is building a network that marries today's member loyalty with tomorrow's trends.

BY MARC RAPPORT

In 2007, Rogue Credit Union (\$1.5B, Medford, OR) had five branches, one drive-up facility, and a few locations in local high schools. Today, make that 21 branches, including one at Southern Oregon University, and two drive-up facilities plus six high school locations run by students.

The nationwide branch count might be shrinking, but Rogue has added four branches in its existing markets and two more in new markets. It has remodeled two other branches, has two more under construction, and has another two after that in the planning stage.

What's going on?

"It turns out people still want branches," says Gene Pelham, president/CEO of Rogue.

So much so, he notes, that the credit union recorded 40% growth in one market when it put a second branch there to accommodate consumer demand.

Today, Rogue is accommodating growth that has bumped its members per branch from 4,856 five years ago to 6,435 as of June 30, 2018. The average for credit unions with \$1 billion to \$10 billion in assets was 8,323 as of midyear, according to data from Callahan & Associates.

The investment has been significant. Rogue reported \$63.9 million in land and building assets in the second quarter, compared with \$34.7 million for other credit unions its size. Its ratio of land and buildings to total assets was 4.20%, the second highest in its asset class, which posted a second quarter 2018 ratio of 1.45%.

Meanwhile, Rogue's second quarter ratio of operating expenses to average assets was 3.84%, 93 basis points more than its peer group of billion-dollar credit unions and 74 basis points more than the average for all U.S. credit unions regardless of size. Its efficiency ratio, however, was a healthy 73.64% and its ROA at quarter's end was 1.36%.

well above its asset-based peer group average of 0.97% and the national average of 0.90%.

And then there's that impressive member growth.

"We haven't had a quarter with member growth of less than 10% in quite some time," says executive vice president Matt Stephenson. "That has a lot to do with how we're serving our markets. We're clearly benefiting from competitors who are forcing their customers toward delivery channels they don't want."

Giving members what they want is evident in the credit union's new branch designs, which feature interactive teller machines outside and pods instead of teller windows on the inside.

"We have too much traffic in our branches and our members aren't there yet to change that way of doing business with them," Stephenson says of the credit union's decision to offer a traditional teller experience via the pods. "But when they are, we'll be ready."



Rogue's branch design emphasizes traditional service with the capacity to accommodate new self-service and consultative methods as member demand changes.

The credit union also has expanded its Saturday branch hours and closes at 5 p.m. instead of 2 p.m. As a result, Saturday transactions have increased 54%, loans have increased 57%, and account openings have increased 61%.

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“The rest of the world sees something coming and has this knee-jerk reaction. We see it coming, too, but we’re not going to disenfranchise a lot of members right now because of something we see 10 years down the road.”

— MATT STEPHENSON, EVP, ROGUE CREDIT UNION

3 WAYS TO SUPPORT STUDENTS

The Rogue Valley is home to some of the largest pear orchards in the country, but it's cherry picking that has become a specialty at Rogue Credit Union, which uses its six student branches as a training opportunity for future full-time staffers. The grow-your-own relationship sustains Rogue's roots as a teachers credit union while deepening its connection to the communities it now serves.

Here, Rogue employees offer tips for how to turn out the best performance from student branches.

- **Prime the employee pipeline:** Rogue regularly holds hiring fairs where group interviews conducted by branch and assistant branch managers identify candidates for teller, MSR, and other positions. It helps, too, that students are aware of the program. “We’re in our third year at SOU, but our relationship with the high schools date back to the late 90s,” says executive vice president Matt Stephenson.
- **Don't be afraid to ask tough questions.** Rogue interviewers ask scenario questions that help show how the potential new staffer would handle a difficult member or escalating service problem. “That tells us a lot about how you would handle difficult situations,” says Jeanne Pickens, Rogue's chief operations officer.
- **Give employees the opportunity to build on their student branch experience.** Melissa Wood rose through the ranks as she worked for the credit union during high school and college and became lending services manager in 2013. “I've had the privilege of overseeing two student branches,” Wood says. “It was an honor to coach students through the same program that has given me so much. It's rewarding to watch those students grow their professions inside and outside of Rogue.”

The ITMs also enabled the credit union to efficiently expand serving members from 7 a.m. to 7 p.m. Although approximately 75% of that usage are ATM transactions, the ability to talk to a person when needed is crucial. And so is being able to see someone face to face.

“Our surveys show that 60% say they prefer using the express teller machines to walking into a branch,” Stephenson says. “But if they want or need to talk to someone inside the branch, we need to be there for that, too.”



BEST PRACTICE GIVE MEMBERS WHAT THEY WANT

Rogue doesn't force members to use technology they're not ready to use. Members can choose between talking to someone live at the ITM screen or using the ATM functionality. They can also come in during expanded office hours.

According to Stephenson, 90% of Rogue's member growth is coming from existing markets; 79% is from existing branches.

That's happening while the average number of transactional branch visits per year has dropped from 17 to 13 in the past four years. Stephenson is quick to note that the credit union's digital channels are its fastest growing, by far.

“We're not putting all our eggs in one basket,” the Rogue EVP says, adding that Rogue recently updated its website, roguecu.org, and that a new internet banking platform will go live in January.

“We're not naïve,” Stephenson says. “The rest of the world sees something coming and has this knee-jerk reaction. We see it coming, too, but we're not going to disenfranchise a lot of members right now because of something we see 10 years down the road.”

WHAT'S IN A NAME: VICE PRESIDENT OF LOYALTY & EMPLOYEE DEVELOPMENT

Laura Hansen's role at Rogue Credit Union creates happy members and supports the staff that keep them that way.

BY MARC RAPPORT

LAURA HANSEN

VP, LOYALTY & EMPLOYEE DEVELOPMENT
ROGUE CREDIT UNION



Rogue Credit Union made creating “the most loyal members in the nation” a strategic focus in 2008. It even has an executive slot committed to it.

Laura Hansen has filled the role of vice president of loyalty since 2014. In 2017, she added employee development to her portfolio.

“Both departments complement each other,” Hansen says. “We are able to seamlessly couple technical and soft skill development with our loyalty culture training.”

Here, Hansen shares insight on the work life of an executive responsible for building and sustaining the high regard her credit union’s members feel toward their member-owned financial cooperative.

WHAT QUALIFICATIONS MADE YOU A GREAT FIT FOR THIS JOB?

LAURA HANSEN: I have a degree in innovation and leadership from Southern Oregon University. I’ve interned on Capitol Hill with the U.S. Senate and have completed Net Promoter Score certification. Our president/CEO said I was chosen because of my ability to influence, inspire, lead, and get stuff done. This is critical for someone in this role. My strong public speaking skills

“Both departments complement each other. We are able to seamlessly couple technical and soft skill development with our loyalty culture training.”

— LAURA HANSEN, VP OF LOYALTY & EMPLOYEE DEVELOPMENT, ROGUE CREDIT UNION

and political background were additional assets to the leadership role.

WHAT'S YOUR DAILY ROUTINE?

LH: My day is often filled with meetings and projects between the two departments. Plus, I'm often called into meetings for collaboration or insight.

I review NPS survey data and ensure timely follow-up with our members. I take coaching calls or offer feedback to one of the four employees I mentor. I also do weekly one-on-one meetings with my direct reports in addition to my daily interaction with them.

I block time on my calendar to review and prepare reports or staff communications and to plan for trainings and meetings. Additionally, I try my best to make time daily to read a relevant article or two to stay on top of the industry.

I also engage with employees in other departments. Engagement and trust are important in this role. I enjoy getting to know the employees of our Rogue family. I am intentional in recognizing and appreciating others. These are the top two employee motivators that should be practiced daily.

DESCRIBE YOUR INTERACTIONS WITH DIFFERENT DEPARTMENTS AND YOUR WORK DIRECTLY WITH MEMBERS.

LH: I often meet with teams to help them focus on creating loyalty through exceptional service. I oversee the Loyalty Ambassador program, which represents every department and team at Rogue. I train everyone in the organization as it pertains to loyalty, so I'm fortunate to be connected to every department in the organization.

I occasionally speak directly with members either to help resolve an issue or to receive praise from a member regarding an experience with Rogue. Because of my role

here, community members reach out to me for assistance or if they have issues. I've also been known to show up at a branch just to interact with members or show them how to use our express teller machines. It's important to stay connected to the channels our members use so I can empathize with them should issues arise. I also interact with members at our annual meeting and volunteer events.

HOW DO YOU TRACK SUCCESS IN YOUR JOB?

LH: The success of my teams is my No. 1 priority as a leader. When they win, I succeed. When I assist in the development of others, we succeed.

Transparency is key at Rogue. We have key metrics from our department business plans that we track on an organizational dashboard. We have an annual Net Promoter Score goal of 73. NPS is an indicator of how likely our members are to recommend Rogue to their friends, family, and co-workers. We are currently at 80, which is approaching best in class.

Most importantly, if we're serving the needs of our members, exceeding their expectations while remaining financially sound and investing in the communities we serve, that's the true measure of success.

WHO DO YOU REPORT TO? WHO REPORTS TO YOU?

LH: I report to our chief administration officer, Karen Zerger, who oversees both of my departments, among others. I also report indirectly to our entire leadership team. Their guidance and support have been instrumental to my success. They empower me to do the right thing and believe in my abilities, which drives me to do my best.

The employee development manager and loyalty assistant report to me. Our employee development manager oversees two trainers, one instructional designer, a management/soft

skills trainer, and an administrative assistant. Our loyalty assistant manages our overall NPS survey program.

HOW DO YOU STAY CURRENT WITH TOPICS THAT FALL UNDER YOUR ROLE?

LH: I attend experience conferences such as Qualtrics as well as NPS and CUNA ELL conferences. I'm a big fan of articles from *Harvard Business Review*, LinkedIn, Filene, nwcua.org, CreditUnions.com, CUInsight.com, The

Financial Brand, and *Credit Union Journal*. A few of my favorite leadership books are *Multipliers*, *Five Dysfunctions of a Team*, *Emotional Intelligence 2.0*, *The Resonant Leader*, and anything by Brené Brown. I have Google alerts set up for NPS, member/customer service, and credit unions in general. It's important to stay on top of our ever-changing environment. 📌

WITH GRATITUDE

Rogue Credit Union's people personify the passion that has carried the Oregon credit union to new heights in member service and loyalty. Callahan & Associates wants to thank the following individuals for sharing their time and insight so other credit unions might be inspired to expand engagement with their members through outstanding service and products.



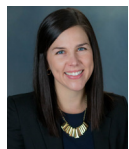
GENE PELHAM, PRESIDENT/CEO

"We're not aiming to be the most profitable or the most efficient credit union. We made a decision 10 years ago to have the most loyal members in the nation. That's how we've created financial sustainability. That's how we've created success."



JEANNE PICKENS, CHIEF OPERATIONS OFFICER

"Our reputation and the trust we build with our members every day is our most valuable commodity. It also means we don't have to go out and buy members. Word-of-mouth is our most powerful tool."



KELSEY ESQUEDA, MARKETING MANAGER

"If you take care of the member, everything else will take of itself. That defines our purpose and stands behind everything we do. People are inherently good and want to work for good, and that's what resonates with everyone on our staff."



MATT STEPHENSON, EXECUTIVE VICE PRESIDENT

"Our Ownership Account is a key component of our loyalty strategy and one of the best tools I've seen to help credit union members recognize the credit union difference — that they own their credit union and the value that's inherent in that."



LAURA HANSEN, VICE PRESIDENT OF LOYALTY & EMPLOYEE DEVELOPMENT

"Member loyalty is the driving principle at Rogue Credit Union. That begins with each of us who work here. Loyalty and employee development go hand-in-hand at our institution."



MELISSA WOOD, LENDING SERVICES MANAGER

"As a student teller, I grew up at Rogue. I knew I wanted to help others, and my career here has fulfilled that, from our community involvement to helping members improve their credit scores to working on a team developing new products."