

INFINITY FEDERAL CREDIT UNION

HOW TO TEACH AN OLD STATE NEW TRICKS

Maine's people and traditions are changing. Infinity FCU, one of the state's largest credit unions, is evolving with the times.

BY ERIK PAYNE

Since its founding in 1921, Infinity Federal Credit Union (\$349.2M, Westbrook, ME) has embraced change.

The first credit union in the state of Maine began as Telephone Workers Credit Union of Maine. Later, the cooperative expanded geographically into New Hampshire to become Telco of New England Federal Credit Union. Today, Infinity is a community-based cooperative serving Cumberland and York counties and the city of Bangor. It no longer operates in New Hampshire, opting instead to focus on its goal of eventually serving more members than any other credit union in the state of Maine.

"We have one of the larger fields of membership in the state, with the two biggest counties and the city of Bangor," says Kathy Guillory, Infinity's director of marketing. "There's a lot of opportunity here."

But Maine is a state that is changing quickly, and Infinity puts in the work to remain relevant.

The Pine Tree State is known for its natural beauty and lobster-rich cuisine. Tourism plays a large part in the state's economy — the slogan "Vacationland" has appeared on Maine's license plate since the 1930s. To wit, the service industry employs more Mainers than any other industry in the state. In 2017, 36.7 million visitors spent \$6 billion in the state, up from 27.9 million and \$4.9 billion in 2012. And in the fall of 2018, *Bon Appétit* named Portland, ME, its 2018 Restaurant City of the Year.

But there's another side to Maine. There's the rugged "True Mainers" who call the state home and who face pressing concerns.

Maine is the ninth least populous state in the nation, and since 2010, it has been one of the

slowest growing. The resident median age is 44.6, the highest among all 50 states. Maine has a historically low unemployment rate — it was 3.3% as of September 2018 — and a Department of Labor study projects Maine's workforce will shrink by one-third in the next 10 years.

"We've got a shrinking workforce, and one of our top concerns in Maine is our aging population," says CEO Liz Hayes, a native Minnesotan who took the helm at Infinity in 2014. "We've got growing companies without the workforce we need. It's difficult to attract new people for a number of reasons, including the weather. We're not California, we need to come up with creative ways to attract young people to our state. Thankfully, businesses and the community are coming together to do just that."



BEST PRACTICE

SHOW AND TELL

To compete for top talent, Infinity FCU offers referral bonuses and other workplace benefits. It also promotes the fact it has been named a "Best Place to Work" in Maine for each of the past seven years. "We love our jobs, and it shows," says Barbara Bartlett, chief HR officer.

With the exception of Bangor and its suburbs, northern Maine loses population and exhibits higher rates of unemployment compared to southern Maine. In fact, southern Maine's population growth keeps the state from negative population growth overall. Southern Maine includes Cumberland and York counties — the geographic areas Infinity serves — however, as "New Mainers" and "people from away" move

CU QUICK FACTS

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12-MO SHARE GROWTH

6.2%
12-MO LOAN GROWTH

0.25%
ROA





Clockwise from the top left: Telephone Workers Credit Union of Maine (1981); Telco of New England FCU (1982-1994); InFINITY FCU (1995-2015), InFINITY FCU (2016-present)

TALK THAT TALK

Mainers have words and phrases all their own. Here are a few people “from away” should know before they go “leaf peeping.”

Apiece: A vague way to measure distance.

Bean's: L.L. Bean. Headquartered apiece from Portland in Freeport.

Bug: Lobster

The County: Aroostook County, the northernmost county in the state.

From away: Not from Maine.

Leaf peeper: Out-of-staters who come in the fall to look at the foliage.

Mayonnaise: What you put on a lobster roll.

Steamers: Clams.

into Portland and its surrounding communities, the cost of living has risen.

“Most of my friends have left Portland,” says Ryan Wing, InFINITY’s director of IT and a native Mainer. “I’m glad it’s thriving, but it’s harder to afford for people who grew up here.”

Together, all these regional shifts have changed the way InFINITY handles its business.

TRUE MAINERS, NEW MAINERS, AND PEOPLE FROM AWAY

There are no states like Maine. It’s remote and sparsely populated. The winters bring nor’easters while the summers are mild. Picturesque and untamed mountains, forests, and coastlines dot the landscape. It can be a difficult place to live.

“There are people, and rightly so, who don’t want to lose the identity of what makes Maine special,” Hayes says. “There’s a deep, quiet pride.”

There’s also a strangeness. Like the woman Hayes saw skateboarding home from the grocery store in a work skirt and Bean Boots. Or the bat control servicemen who show up on house calls with no gear other than a pillowcase. These are “True Mainers,” who carry Maine roots several generations deep and like to do things the way they’ve always been done. But Maine’s economic future might ultimately

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— LIZ HAYES, CEO, INFINITY FCU

depend on “New Mainers” (immigrants) and “people from away” (those who relocate from within the United States).

In southern Maine, one of the largest “New Mainer” groups since the turn of the century has been immigrants from Somalia, though in recent years the influx has grown more diverse with new arrivals from Iraq, Ethiopia, and the Democratic Republic of the Congo. Four years ago, one of the credit union’s senior branch managers, Rachna Bhatia, noted an opportunity in the New Mainers coming into Infinity branches to open accounts.

lives of immigrants. The credit union has built strong relationships with these and other immigrant-focused organizations and now offers financial education and translation assistance. The work helps New Mainers better understand their financial options in a new country and allows the credit union to promote itself to new communities of potential members.

“We’re able to say that we’re equipped to help your community,” Bhatia says.



BEST PRACTICE

SPEAK THE LANGUAGE

As New Mainers move in, Infinity has likewise expanded the languages spoken among its employees. Right now, it’s up to 11, including Somali, Russian, and French.

“Because the banking system is different here, they didn’t understand the terms of the loan or they didn’t have the right identification to match our procedures,” Bhatia says.

Infinity reworked its procedures to make signing up for an account more accessible. For example, the credit union no longer requires a passport. Additionally, it designed loans to help cover the cost of becoming a U.S. citizen and to make a security deposit on housing. Infinity sets a maximum limit of \$1,500 on the security deposit loan and allows borrowers eight months to find a job before the 12-month loan term kicks in. Since introducing that product in February, Infinity has made 20 of those loans, says Kandy Moreau, Infinity’s chief lending officer.

As a longer-term strategy, Bhatia connected with several local organizations, including ProsperityME and the Intercultural Community Center, that ease a New Mainer’s transition into the country and focus on improving the

MORE MEMBERS, MORE RELATIONSHIPS

With nearly \$350 million in assets, Infinity is the fifth-largest credit union in Maine. However, a spate of mergers is changing the makeup of the region’s financial cooperatives.

In late 2017, Ocean Communities Federal Credit Union (\$170M, Biddeford, ME) merged into Northeast Credit Union (\$1.4B, Portsmouth, NH), extending the billion-dollar cooperative’s geographic reach into Cumberland and York counties as well as several others. In February 2018, Atlantic Federal Credit Union (\$376.1M, Brunswick, ME) and York County Federal Credit Union (\$316.5M, Sanford, ME) announced their intention to merge, which will create the largest state-headquartered credit union in Maine.

“That’s changing the landscape in Maine,” Moreau says. “And I think we may see a few more.”

Infinity is growing well in its own right, however. The credit union’s third quarter member growth of 6.49% far outpaces state and asset-based peer averages of 4.05% and 3.20%, respectively. And these are not empty memberships. Infinity’s average member relationship was more than \$26,000, nearly \$10,000 more than both state and peer averages as of Sept. 30.



“Our focus is on serving more members while building those relationships,” CEO Hayes says.

Admittedly, serving more members than any credit union in Maine is a tough task, but Hayes believes Infinity can do it. In late 2016, the credit union launched a low-balance rewards checking account that encourages high levels of engagement. It has also established a small business services team. In addition, the credit union plans to open a new branch every 18-24 months.

However, Infinity has no plans to enter indirect lending — Hayes is not a fan from a business, financial, or cooperative model perspective — but the credit union might be open to the right merger if approached with caution. Mergers are never as simple as they seem on the surface, Hayes says, because they can wreak havoc on organizational culture and strategic direction.

“But if there is a conversation out there about merging, I want to be at the table,” the CEO says.

Of course, any merger or other opportunity would have to align with the twin cultural and strategic pillars that Hayes has built. From establishing a decision-making system called

MOE — which stands for “member-organization-employee” — to incentivizing deeper relationships, Infinity is building a culture of empowerment where member participation is the fuel that makes the cooperative run.



BEST PRACTICE

EMPOWER DECISION-MAKERS

Infinity strongly believes in the MOE framework. As long as employees consider the “member-organization-employee,” they are empowered to make tough decisions.

It will likely take Infinity years to hit its goal of serving more members than any other credit union in the state, if it’s ever able to. As of the third quarter of 2018, Infinity had nearly 17,500 members — 16th in the state and more than 20,000 off the top spot. But even if it doesn’t hit that lofty goal, Hayes believes setting this strategic direction provides a clear benefit to members and employees of Infinity today, tomorrow, and beyond. ▲

WHO? WHAT? WHERE? WHEN? WHY?

WHO?

One of Portland’s most famous sons was Hollywood filmmaker John Ford. Ford, the director of more than 140 films, won six Academy Awards for his work. In 1998, Portland erected a 10-foot-tall bronze statue of the director in the historically Irish neighborhood of Gorham’s Corner.

WHAT?

The International Cryptozoology Museum calls Portland home. Established in 2003, visitors can see stuffed jackalopes, yeti footprint casts, and a nightmarish model of Bigfoot.



WHERE?

Portland, OR, takes its name from Portland, ME. Each of the Oregon city’s co-founders wanted to name it after his hometown. A coin toss settled it — crushing the chance at a hipster enclave called Boston, OR.

WHEN?

The first factory designed to specifically manufacture chewing gum was built in Portland by businessman John Curtis in 1850.

WHY?

In 2009, Portlanders assembled the world’s then-largest lobster roll. Containing four gallons of Miracle Whip and 48 pounds of lobster meat, the roll came in at a stomach-filling 61 feet, 9.5 inches. Yum!

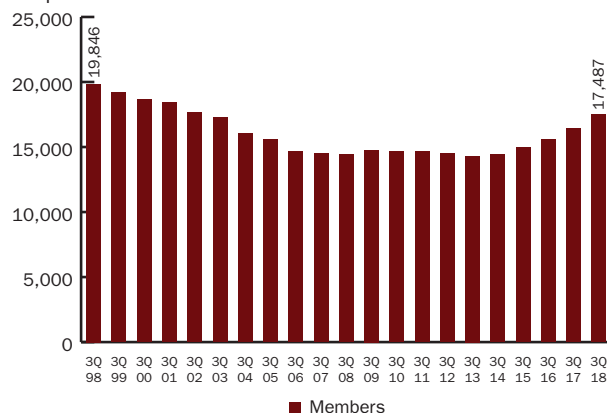


SOURCES: BANGORDAILYNEWS.COM; MENTALFLOSS.COM; INTERNATIONAL CRYPTOZOLOGY MUSEUM

MEMBERSHIP

FOR INFINITY FCU | DATA AS OF 09.30.18

Total membership at Infinity FCU started to decline in the late 1990s. A renewed focus on serving more members than any other credit union in Maine has underpinned a rebound in the roster.



RETURN OF THE MEMBER

FOR U.S. CREDIT UNIONS \$250-\$500M | DATA AS OF 09.30.18

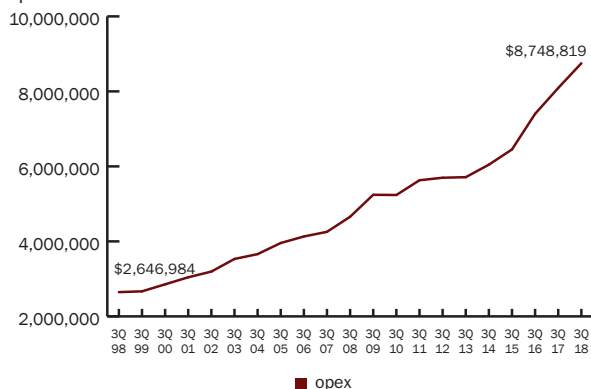
Infinity ranks 17th among credit unions in its asset-based peer group and No. 1 in Maine in Callahan's proprietary member value metric. By implementing a member-first decisioning filter, the credit union's ROM has jumped nearly 30 spots since 2014.

Rank	State	Name	Total ROM Score
1	WI	PCM	98.98
2	IA	Linn Area	98.13
3	WI	Westby Co-op	95.69
4	MI	Adventure	92.47
5	MA	Boston Firefighters	92.25
6	CA	Foothill	90.09
7	WI	Prospera	89.47
8	CO	Denver Community	89.09
9	ID	Beehive	88.71
17	ME	Infinity	86.40

OPERATING EXPENSES

FOR INFINITY FCU | DATA AS OF 09.30.18

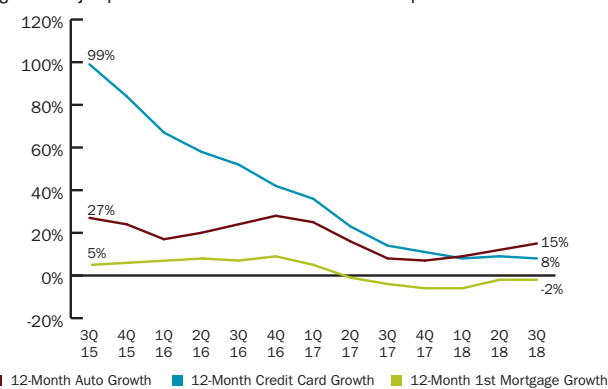
Operating expenses at Infinity have steadily risen in the past decade. They have continued to rise as the credit union focuses on adding staff, branches, and expertise in the name of member service.



PRODUCT LOAN GROWTH

FOR INFINITY FCU | DATA AS OF 09.30.18

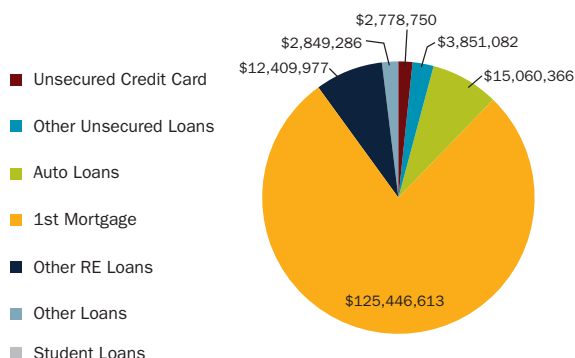
By 2014, Infinity's loan portfolio was heavily concentrated in first mortgages. Starting in midyear 2017, the cooperative has been selling the mortgages it originates to jump-start an otherwise dormant consumer portfolio.



LOAN COMPOSITION

FOR INFINITY FCU | DATA AS OF 09.30.13

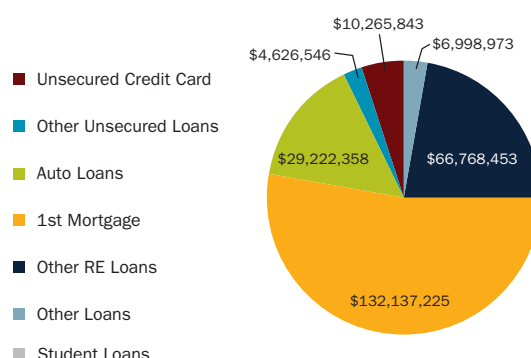
Infinity was historically a risk-averse lender that focused overwhelmingly on first mortgages to A-credit borrowers, likely to the detriment of other credit-worthy members in need. "You can have too many mortgages," says CFO Mike O'Brien.



LOAN COMPOSITION

FOR INFINITY FCU | DATA AS OF 09.30.18

Infinity's recent focus on consumer lending underscores a new philosophy toward risk and service. "We're going to lower investments and first mortgages," says CFO Mike O'Brien. "We're going to reinvest that in consumer loans."



SOURCE: CALLAHAN & ASSOCIATES

A NEW DAY. A NEW CULTURE. A NEW BALANCE SHEET.

After playing it safe for more than a decade, Infinity FCU sets a new course with checking accounts, consumer loans, and chutzpah.

BY ERIK PAYNE

The Infinity Federal Credit Union (\$349.2M, Westbrook, ME) of today is widely different, both culturally and financially, from the organization Liz Hayes inherited when she assumed the role of CEO in October 2014. That's by design and for survival.

Twenty years ago, Infinity had more than 20,000 members. Ten years ago, membership had dropped to 14,000. When Hayes joined the Pine Tree State credit union, she knew the cooperative had to embrace new ways to encourage growth, starting with its strategic direction.

The credit union hadn't had a chief lending officer since 2009, and members of the senior team worked together to approve low-risk loans, mostly first mortgages to A-paper borrowers. Instead of benefiting from the new memberships and fee income loans produce, Infinity prioritized other ways to generate earnings.

"We ran an investment model," says Mike O'Brien, the credit union's CFO of 19 years.

O'Brien estimates he made as many as 1,000 trades per month in mortgage-backed securities of all sizes and risk levels. Investments as a percentage of assets peaked at 42.7% — nearly \$115 million — in midyear 2011. And although the credit union consistently earned yields higher than state- and asset-based peers, the model wasn't serving members very well.

"We were safe and our capital ratio got to 11.5%, but we were losing members hand over fist," O'Brien says.

Infinity's aversion to risk was slowly killing the cooperative, and the board knew it was time for a change.

"Nobody wanted to stay where we were," says Sam Novick, the current board chair for Infinity. "The time was ripe."

READY FOR RISK

After an 11-month search for its new CEO, Infinity tapped Hayes.

"We needed someone who was willing to take more risks," Novick says. "Someone who was keen to work with staff and create a strategic plan."

Hayes joined Infinity from Affinity Plus Federal Credit Union (\$2.2B, Saint Paul, MN). As a person "from away," Maine slang for a non-native, Hayes prioritized listening and within two months had met with every employee to understand their view of the credit union.

"I know what I know," Hayes says. "But I don't always know if that's the best way. So, I'm all ears."

The new CEO quickly identified a few changes to make. First, she set a strategic direction: Serve more members than any credit union in the state. She also set a goal to build a new branch every 18-24 months, thereby investing more in the organization.

“Culture is personal to the organization. You have to make it authentic.”

— LIZ HAYES, CEO, INFINITY FCU

Infinity's current chief risk officer, Sandy Cloutier, was the credit union's interim CEO before Hayes arrived. As the acting chief executive, Cloutier joined the Maine Credit Union League. Hayes piggybacked on that impulse, hoping to expose the credit union to more industry knowledge and insight. She partnered with several data-focused companies and established a data warehouse.

These were the first steps in a major culture change. Infinity had a top-down culture at the time, and Hayes knew employees needed to feel empowered if the credit union were to succeed in the long term. So, she pitched her vision for Infinity to several well-respected senior employees to

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“ We take a deeper dive into a member’s story before making calculated decisions based on the risk presented. ”

— PETER ST. ONGE, LENDER DEVELOPMENT OFFICER, INFINITY FCU

earn their trust. She had no designs to build a new culture unilaterally because she knew for a new culture to take hold, everyone must build it.

“Culture is personal to the organization,” Hayes says. “You have to make it authentic.”



BEST PRACTICE

GET THE BRAND RIGHT

When Infinity rebranded in 2015, it specified new brand guidelines that included saying and spelling “Infinity” rather than abbreviating “IFCU.” It also asked employees to donate 25 cents to a swear jar earmarked for charity when they used the initials.

To make Infinity’s culture authentic, senior managers took several months to consider and introduce a vision statement — “We do banking differently to keep you a step ahead in life.” Then, they and other managers brainstormed a set of core values.

Aiming to answer why they were excited to come to work at Infinity every day, the teams wrote words and phrases on sticky notes. Sentiments like “We love our job and it shows,” “We are compassionate,” and “We care” appeared. Notably, the word “financial” did not.

“That’s not how our employees think,” Hayes says. “It’s about the member’s life.”

Today, Infinity displays its core values on posters in branches and offices. And whereas Infinity’s staff workshopped the credit union’s new vision and core value statements, Hayes did institute a philosophy all her own. Called MOE, which stands for “member-organization-employee,” it’s a decision-making tool that empowers employees to make tough decisions and do the right thing.

“Sometimes a ‘yes’ on a loan decision isn’t always in the member’s best interest,” says Caitlin Fields, an assistant branch manager at Infinity. “If they run it through MOE, they can justify it and we’re going to have their back.”

MOE is a topic of constant conversation within the credit union, and it’s become second nature to run decisions through the filter. Supervisors use MOE to coach front-line staff through complex member decisions, but they never make the call for others.

“We empower them by asking what decision they think we should make,” says Portland branch manager Rachna Bhatia. “We help them get to the decision and provide a sense of support.”

Support is so important at Infinity that each of its branches has a consultation station where branch employees can discuss tough decisions.

“Because you don’t always have the answers, it’s nice to discuss with others,” Fields says. “A few heads are better than one when it comes to helping our members.”



BEST PRACTICE

GIVE STAFF THE RIGHT TOOLS

Infinity considers business needs for departments as well as opportunities and gaps in performance. It has a formal, curriculum-based training structure that gives employees access to constant training when and where they need it.

A CHANGE IN THE BALANCE SHEET

MOE has proven an effective tool to support member service. It also provides key decision-makers a lens through which to view loan decisions Infinity wouldn’t have made only a few years ago.

“We want to be a traditional credit union,” says CFO O’Brien. “We’re now making loans. We don’t want to be an investment portfolio.”

Buoyed by investments as it was, Infinity cannot simply turn on the lending jets — it needs to free up liquidity. To do that, O’Brien will oversee a gradual run-off of the credit union’s investment portfolio, 78% of which matures in five to 10 years, according to data from Callahan & Associates.

While Infinity waits for those investments to mature, it is borrowing against the value of its investment portfolio in a transaction called a reverse repurchase agreement, or repo. When compared to raising short-term rates on a CD, for example, a repo is a cheaper way for Infinity to build liquidity. And although not necessarily inexpensive, O’Brien also sees value in opening more checking accounts.

“There’s not a lot of money in Maine,” the CFO says. “The population has been the same for 40 years. Because



“We want to be a traditional credit union. We’re now making loans. We don’t want to be an investment portfolio.”

— MIKE O'BRIEN, CFO, INFINITY FCU

we’re all fighting over the same pool of members, the key is to get checking.”

So, in late 2016, Infinity rolled out High 5 Checking that pays an APY north of 5% for members who carry balances up to \$5,000 and make more than 25 debit card transactions per month. But that’s not all. Members that add a \$500 direct deposit can get paid two days ahead of their scheduled payday. And Infinity reimburses up to \$10 in foreign ATM transaction fees.

“You would think their favorite benefit is the rate, but it’s not,” says Kathy Guillory, director of marketing. “It’s all the other things.”

Infinity has nearly 3,000 active High 5 accounts, or nearly one account for every five members. But for it to be a sustainable form of liquidity, O’Brien says the credit union needs to reach the 24,000-member plateau at the same product penetration rate.

On the loan side, Infinity has made big changes as well. Rather than sticking to a black-and-white, policy-based decisioning philosophy, Infinity makes room for shades of gray.

“We don’t base our decisions solely on credit score or debt-to-income,” says Peter St. Onge, Infinity’s lender development officer. “We take a deeper dive into a member’s story before making calculated decisions based on the risk presented.”

The result of this shift is twofold. First, Infinity now approves riskier loans. The credit union brought in a representative from the University of Lending to assure the staff was well-trained on how to work with C, D, and E paper borrowers.

“It can be a little bit of a shock to make this transition, especially when you’ve been so conservative for so many years,” says chief risk officer Cloutier.

Second, Infinity recognized that truly serving more members than any other credit union in the state required

a different product mix. So, it has started making more consumer loans and selling its first mortgages.



BEST PRACTICE

FUEL THE ENGINE

Member engagement is essential for credit union success. As such, Infinity is not keen on building a roster of one-off members. “We don’t want members who only come to us for an indirect loan, or only a mortgage, or only a checking account,” says CEO Liz Hayes. “Member participation is the fuel that makes us go.”

In the past four years, Infinity has nearly doubled its auto loans — without the assistance of indirect lending — and increased credit card lending fivefold. First mortgage loan growth, on the other hand, has declined every quarter since the second quarter of 2017 as the credit union now writes loans according to secondary market standards and sells them.

It’s a new strategy that will return measured growth. Consumer loans won’t grow the cooperative’s assets quickly, but they will expand Infinity’s margins and add members. And Infinity will keep its capital ratio stable until it can safely grow faster. The near-term goal is to get to 24,000 members, O’Brien says, although it will be several years before Infinity reaches it. But he, like the rest of Infinity’s senior team, knows the credit union will get there.

“We’ve had to safely unwind a balance sheet that was more than 40% investments,” O’Brien says. “But I have faith in Liz. She’s going to win this game.”

27 TRILLION WAYS TO MAKE BETTER DECISIONS

The information contained in Infinity FCU's data warehouse contains many stories to improve member service.

BY ERIK PAYNE

Infinity Federal Credit Union (\$349.2M, Westbrook, ME) started building a data warehouse three years ago to give employees better access to performance data and provide real-time information for better decision-making.

In the past three years, the credit union has added layer upon layer of information to the warehouse. So much, in fact, that Fred Lizotte, Infinity's business intelligence officer, says all the information contained in the warehouse printed double-sided on 8.5 x 11 paper would stretch 10 times taller than the Empire State Building.

94% The percentage of members with direct deposit who are active debit card users; members with no direct deposit almost never use their debit cards. Fred Lizotte, Infinity's business intelligence officer, discovered this when looking for drivers of debit card usage.

2 The credit union wants to add two more data sets to the warehouse: social media activity and call center voice data. But there's a problem. "It's difficult to accurately model this because the data is so unstructured," says Fred Lizotte, Infinity's business intelligence officer.

2015 Infinity started building its data warehouse three years ago. That's when the credit union purchased a data mart that retrieves data queried by a user from the multiple databases Infinity maintains.

49% The open rate of a refinance email that targets members who took out a consumer loan with Infinity but have a mortgage elsewhere. The data warehouse contains all the information necessary to automatically generate a form email from the consumer loan originator with whom the member worked.

\$10 The cash back members can earn when they make more than 40 debit card transactions a month using College Pathfinder Checking. Infinity offers this option because college students hold less cash in their accounts and are less likely to care about the high interest rate of High 5 Checking.

27 TRILLION The number of unique data points contained within Infinity's data warehouse.

8 The data contained in Infinity's data warehouse comes in eight varieties: Core, debit card, credit card, online banking, call center, mortgage application, Google Analytics, and demographic.

THE BEGINNING OF A BEAUTIFUL FRIENDSHIP

Infinity FCU's marketing and business analytics teams collaborate on product-specific initiatives as well as long-term branch expansion plans.

BY ERIK PAYNE

Kathy Guillory, director of marketing at Infinity Federal Credit Union (\$349.2M, Westbrook, ME), joined the Pine Tree State cooperative in January 2017. That's when she met Fred Lizotte, the credit union's business intelligence officer.

Lizotte introduced Guillory to Infinity's data warehouse and showed her several real-time reports and dashboards culled from various data sources, from core to Google Analytics.

Since establishing its data warehouse in 2015, Infinity has been busy filling it with rows and rows of source data that would stretch 10 times taller than the Empire State Building. Learn more on page 17.

"My eyes lit up," says Guillory. "This was the beginning of a beautiful friendship."

For Guillory, this treasure trove of data is the starting point for much of her marketing work. When she needs to identify or make the case for a new product, she starts with the insights Lizotte's data warehouse provides. Today, the marketing and business intelligence teams at Infinity work closely together to the clear benefit of members and the cooperative.



Kathy Guillory,
Director of Marketing,
Infinity FCU

Here, Guillory and Lizotte talk about the partnership between marketing and BI, product-specific collaborations, branch expansion planning, and more.

WHEN DID THE PARTNERSHIP BETWEEN MARKETING AND BUSINESS INTELLIGENCE START?

KATHY GUILLORY: On my first day, Liz [Hayes, CEO] and I were talking about the

strategic plan. She said, "You have to meet Fred." He showed me some of the dashboards, and I thought it was amazing that we have access to so much information.

He's now my starting point. When I'm making the case for a new product or whatever else, I have data to back up my decision. I don't just say, "I think this is a good idea." I can set goals and expectations for everything we do.

IS THAT HOW YOU, FRED, WANT PEOPLE TO USE THE DATA WAREHOUSE?

FRED LIZOTTE: Yes. One of my goals with the warehouse and our reporting is to get staff comfortable making decisions based on data. In the past, people might say, "I feel like we should do it this way." I'd ask, "Why is that?" and it was a hard question to answer.

I know people are using the warehouse now because when I ask them "why" they can back up their decision. They say they know they want to do something because the dashboard shows if we do it, we'd be more efficient, or gain more members, or something to that effect. It's created more-informed employees who make better decisions that impact the member experience.

WHAT ARE SOME PRODUCTS OR PROMOTIONS ON WHICH YOUR TEAMS HAVE COLLABORATED?

KG: Earlier in the year we partnered to find out which products really get people through the door and lead to more active memberships. We found out — auto loans and checking accounts.

WHAT HAVE YOU DONE AROUND AUTO LOANS?

KG: We can see in the warehouse members who have an auto loan, mortgage, or credit card payment somewhere else. We've been successful getting members to refinance their autos with us because all it takes is a quick phone call and online application. And we started a more formalized mortgage cross-sell initiative in March.

WHAT DOES THAT MORTGAGE INITIATIVE ENTAIL?

FL: When a consumer loan closes, the warehouse reviews the borrower's credit report to see if there's an opportunity



Fred Lizotte,
Business Intelligence Officer,
Infinity FCU

“When I’m making the case for a new product, I have data to back up my decision. I don’t just say, “I think this is a good idea.” I can set goals and expectations for everything we do.

— KATHY GUILLORY, DIRECTOR OF MARKETING, INFINITY FCU

to refinance a mortgage. If the logic fits and the member could benefit from a refinance, the warehouse automatically generates an ongoing monthly campaign — written by marketing — to encourage that member to move their mortgage.

KG: It’s a template letter from the consumer loan originator. Our open rates on these emails are 49%. We’ve brought in more than \$1 million in first mortgages from this initiative since March. People open the emails and see there’s a good offer, whether it’s a rate or a discount on closing costs.

WHAT HAVE YOU DONE AROUND CHECKING ACCOUNTS?

KG: One of our signature products is our High 5 Checking — it’s like a Kasasa checking account. We have nearly 3,000 members using it. We created a spin-off from High 5 called College Pathfinder Checking. Fred was critical in developing that.

After playing it safe for more than a decade, Infinity FCU sets a new course with checking accounts, consumer loans, and chutzpah. Learn more about High 5 Checking on page 14.

FL: It’s similar to High 5 but geared toward the profile of a college-age student — 18 to 24.

KG: We looked at the High 5 balances in the accounts of our college students and saw they have, on average, \$60 in there. The interest rate incentive of High 5 didn’t mean much to them, so we incent active usage with \$5 or \$10 at the end of the month. That’s a cup or two of coffee. It’s a half-a-tank of gas.

INFINITY’S BRANCH EXPANSION PLAN INCLUDES OPENING A NEW BRANCH EVERY 18-24 MONTHS. HOW HAS BUSINESS INTELLIGENCE HELPED YOU UNDERSTAND WHERE TO PLACE THESE LOCATIONS?

KG: We opened a branch in Portland in the summer of 2017 and have another one coming this summer. As we looked at our potential branch markets, the logical step was to ask where our members live. We can look up all our members’ home addresses, but Fred can take it a step further and look up their daytime transaction activity. He pulled a list of the

top towns where members transacted between 8:00 a.m. and 6:00 p.m. Monday through Friday.

We found out where our members live and where they work are vastly different — sometimes 20 or 30 miles different. They work in Portland, south Portland, Westbrook, and Scarborough and live in the smaller, rural towns. This information helped us ask smarter questions about where to build a branch: Do we want to be where our members are at night when we are closed? Or do we want to be where they are during the day?

WHAT ROLE DOES THE DATA WAREHOUSE PLAY IN ONBOARDING OR RE-BOARDING?

KG: Fred built a marketing campaign manager that shows me the results of all our activities. It gives us the whole picture of whether some of our activities are worth it or not.

We try to guide our members to the right products and services early in the relationship. After they’ve been with us for three months, we transition into ongoing member engagement where we mine ACH data and look at the different products and services they use or don’t have and tailor messaging that way.

We also target members who are at risk for leaving because they fall into one of several buckets. Either they have a single loan product maturing within six months and no checking relationship, or their direct deposit or other loan product was poached. We try to be proactive in getting to them before they close their account. By the time they say, “I’m closing my account,” they’re gone.

And then we have a re-boarding program for truly dormant members who haven’t used their account in six months. In the past, we wouldn’t talk to them for two years. When we tried to re-engage, we wouldn’t have their email or mailing address. We’d have no way to track them down when we could have been communicating with them all along. ▲

CU QUICK FACTS

Infinity FCU

DATA AS OF 09.30.18
WESTBROOK, ME

\$349.2M

ASSETS

17,487

MEMBERS

4

BRANCHES

9.8%

12-MO SHARE GROWTH

6.2%

12-MO LOAN GROWTH

0.25%

ROA

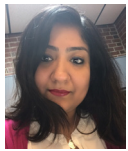
WITH GRATITUDE

Callahan & Associates wants to thank the following individuals at Infinity Federal Credit Union for sharing their time, insight, and dining suggestions to make our Maine trip a fruitful one.



BARBARA BARTLETT, CHIEF HR OFFICER

"We have a culture of achievement where employees can get the support and advocacy they need. It's a breath of fresh air."



RACHNA BHATIA, BRANCH MANAGER

"Coming from banks, I was surprised by the things we could do for our members to change their financial lives. I've found meaning in what I do – which is important to me."

MIKE O'BRIEN, CFO

"It's members, organization, and employees – in that order. That's what I believe. And that started the minute Liz walked in the door."



SANDRA CLOUTIER, CHIEF RISK OFFICER

"I've done every job at this credit union. I laugh when I say I'm the one who put processes in place. I remember why, so I'm also the one who knows why they should be removed."



CAITLIN FIELDS, ASSISTANT BRANCH MANAGER

"We change a lot of lives. It's rewarding to help people through different transitions in their lives."



KATHY GUILLORY, DIRECTOR OF MARKETING

"I was looking for an organization driven by its mission. When I came here I said, 'Wow. This place is all heart.'"



LIZ HAYES, CEO

"We have so much talent here. If I had walked in and everybody was 'Make the donuts, punch the clock, go home,' that would have been a slog. Everyone was ready and excited to try something new."



MAUREEN ST. JOHN, SENIOR PERFORMANCE MANAGER

"I had my eye on Infinity for a while. This position enables me to draw on what I've done in my career to develop new projects and support pretty much everyone."



RUTH LEAVITT, VICE PRESIDENT OF MEMBER EXPERIENCE

"We're working to grow the business and stay current, so there's opportunity for people to create their own path for themselves. That's one thing I love about working here."



FRED LIZOTTE, BUSINESS INTELLIGENCE OFFICER

"I was looking for an opportunity to make a big impact. Infinity is a great place to feel empowered to make decisions that affect our members in a positive way. I love my co-workers, too, which is always a plus."



KANDY MOREAU, CHIEF LENDING OFFICER

"I had heard about credit unions, but this opportunity came up out of the blue. I wish I'd landed here 30 years ago."



SAM NOVICK, BOARD CHAIR

"I've been a member of the credit union for a long time, and I've volunteered frequently in my life. When I saw an opportunity to join the board, I decided I might like it. I love what I do."



PETER ST. ONGE, LENDER DEVELOPMENT OFFICER

"We're not black and white. We listen to our members' stories and understand that bad things do happen to good people. We give first opportunities and second chances."



RYAN WING, DIRECTOR OF IT

"I'd been a credit union member for years but never actually worked for one. To see how much giving back to the community and serving members drives Infinity is pretty amazing."

