CU Management

DECEMBER 2017

cues.org/cumanagement


Visit MyBoardPacket.com for a free instant demo!
• Requires no IT skills to manage portal
• Saves paper, publishing and mailing costs
• Archive board packets, policies, regulatory compliance and any other documents
• Discussions, calendars and voting
• Great for loan approval committees
• Great for NCUA examiner audits
• Works on all devices
MyBoardPacket.com is super user friendly and the customer service couldn't be better!
Safe 1 Credit Union
Judy Richardson
MY BOARD PACKET
Available on the App Store

CU Management

DECEMBER 2017

Spend Wisely

What's on your credit union's wish list for 2018?

Meet Geoff Bullock

2017 CUES Next Top Credit Union Exec

Getting Social

Instagram and Snapchat help credit unions connect with younger members

Geofencing for Cards

The benefits of adding location-based features

We Bring It!

How can you compete? By delivering leading-edge products and services. Seeking the very best for your members? We bring it.

Our technology lets you offer advanced solutions like custom CheckFolio® packaging, fully customized checks with designs unique to your brand and local community, and hyper-local checkpad marketing. Working with Harland Clarke, you can do more.

Do more with Harland Clarke.

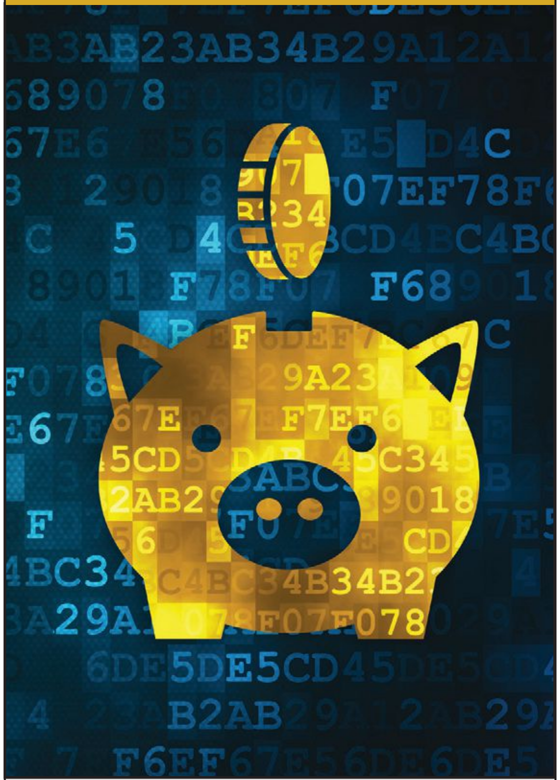
HARLAND CLARKE®

harlandclarke.com/bring

CREDIT UNIONS DREAMS Thrive HERE

Harland Clarke is proud to be the exclusive sponsor of International Credit Union Day

CU Management



DECEMBER 2017 vol. 40 issue 12

CUES is a Madison, Wis.-based, independent, not-for-profit, international membership association for credit union executives. Our mission is to educate and develop credit union CEOs, directors and future leaders.

December 2017 vol. 40 issue 12

Articles

JOIN US ONLINE.

@TheRealCUES

facebook.com/therealcues

linkedin.com/company/cues_2

feeds.feedburner.com/cues/feed

@therealcues

In Every Issue

CONTENT CREATED JUST FOR YOU

Subscribe to any or all of the following at *cues.org/enewsletters*! They're free and membership is not required:

CUES Advantage

CUES Director Advantage

CUES Business Lending Edge

CUES Canadian Corner

DECEMBER 2017

Web-Only Bonus

HR Answers: Mental Health Accommodations

What are employees' and employers' rights under the ADA?

cues.org/1217hranswers

New! CUES Podcast

Episode 41: Credit Union Industry Insights

In this episode, guest Mike Lawson, editor and host of CUbroadcast, shares his insights into top credit union industry trends and why, in a digital world, it is still important to have face-to-face connections.

Subscribe via iTunes, Google Play or Stitcher (*cues.org/podcast*).

myCUES App

Why You Should Stop Comparing Yourself to Others

Stop the destructive habit of "upward" and "downward" comparisons.

Download the myCUES app *(cues.org/mycues)* to read this article under "Spotlight."

Online-Only Column

3 Famous Quotes to Help You Manage Year-End

Twain, Jung and Asimov teach how to look forward while peering back.

cues.org/1117leadershipmatters

CCUBE Members-Only

Strategies for Recruiting Younger Board Members

Short- and long-term tactics for developing younger board candidates and future directors, and why your credit union should care

Center for Credit Union Board Excellence members can access this at *cues.org/ccube.*

Not a member? Get a 30-day free trial by emailing *cues@cues.org*.

GET MORE CONTENT

Find personalized content in the myCUES app (*cues.org/mycues*).

Hear from industry experts on the CUES Podcast (*cues.org/podcast*).

Read a new article every weekday (*cues.org/cumanagement*).

Subscribe to our free email newsletters (*cues.org/enewsletters*).

Search our magazine's archive (*cues.org/marchive*).

Magazine Staff

President/CEO
John Pembroke • *john@cues.org*

SVP/Chief Learning Officer
Christopher Stevenson, CIE • *christopher@cues.org*

Managing Editor/Publisher
Theresa Witham • *theresa@cues.org*
Human Resources/Marketing Sections

Senior Editor
Lisa Hochgraf • *lisa@cues.org*
Board/General Management/Operations Sections

Assistant Editor
Danielle Dyer • *danielle@cues.org*

Director of Creative Services
Nicole Morrison • *nicole@cues.org*

Graphic Designer
Kristen Christianson • *kristenc@cues.org*

VP/Strategic Partnerships & Solutions
Karin Sand, CIE • *karin@cues.org*

Supplier Relations Manager
Kari Sweeney • *kari@cues.org*

Editorial Assistance
Laura Lynch • *laura@cues.org*
Products & Services Manager

Molly Parsells • *mollyp@cues.org*
Marketing and Media Assistant

Advertising/Sales Rep
Catherine Ann Woods •
cathy.woods@mediawestintl.com
Phone: 602.863.2212
Fax: 602.863.6551

Design & Production
Sara Shrode • *sara@campfirestudio.net*

CU Management (ISSN 0273-9267, cues.org/cumanagement) is published monthly—including an annual buyer's guide—by the Credit Union Executives Society (CUES®), 5510 Research Park Drive, Madison, WI 53711-5377. Telephone: 800.252.2664 or 608.271.2664 in the U.S.; 604.559.4455 in Canada. Email: *cues@cues.org*. Web site: *www.cues.org*. Periodicals postage paid at Madison, Wis. (USPS 0569710).

Manuscript submissions and advertising are welcome. The appearance of an advertisement does not imply endorsement by CUES. Editorial opinions and comments in the magazine are not necessarily those of CUES.

Annual subscription rate for CUES, CUES Director and CUES Supplier members is $89, which is included in dues. Additional subscriptions: $89. Non-member subscriptions: $139. Digital-only subscriptions: $69. Single copy: $10. Subscriptions outside the U.S. will be invoiced for additional postage costs.

For high-quality article reprints of 100 or more, call CUES at 800.252.2664, ext. 307.

POSTMASTER: Send address changes to:
Credit Union Executives Society,
P.O. Box 14167
Madison, WI 53708-0167.

Your CU's Wish List

If Santa visited your credit union, what would you ask for? Is something high-tech on your list? If so, you're not alone. 2018 could be a big year for technology investment.

From cybersecurity to disaster recovery, fraud prevention, business intelligence and compliance, just about every area of the credit union runs smoother with the right technology. But, unfortunately, budgets aren't infinite. "It's a real challenge to set priorities," says Brad Smith, managing director of technology at Cornerstone Advisors (*crnrstone.com*), a CUES Supplier member and strategic partner based in Scottsdale, Ariz. Read more in our cover story, "Spending Wisely," p. 10.

Is developing a Snapchat presence on any of your wish lists? I'm part of a group chat with some of my relatives, but I've never once "snapped." I do occasionally open the app to see what my family members are up to, but I must admit I'm fairly mystified about what to do next. There may be hope for those of us in the older demographic who don't yet get it, as a redesign is on its way (*tinyurl.com/snapchatredesign*). In the meantime, the platform is hugely popular with 16- to 24-year-olds, which is why some credit unions are adding Snapchat to their social media strategy: They want to connect with their younger members.

"We're the official credit union sponsor of the University of Texas at Arlington Athletics," says CUES member Shelley Carlson, VP/marketing for $1 billion Texas Trust Credit Union (*texastrustcu.org*), Arlington, in "Marking in a Flash." "Snapchat has been key in connecting with this younger, student audience. It's playful and fun. It gets the students involved. They're rewarded by the nature of the channel, its authenticity and immediate gratification." Read more about using Snapchat and Instagram on p. 20.

I'm more comfortable on LinkedIn. (Please connect with me there!) In fact, one of my top posts was a recent confession that I was getting teary while editing the article about Geoff Bullock for this issue. The CUES member and financial education specialist at $1.1 billion Firefly Credit Union (*fireflycu.org*) in Burnsville, Minn., was named the 2017 CUES Next Top Credit Union Exec in October at CEO/Executive Team Network™ (*cues.org/cnet*) for his adoption loan idea. "When we were adopting our second daughter, we were told it would cost $35,000. I remember the feeling in the pit of my stomach and the fear of 'How are we going to afford this?'" he shares in "Bridging the Gap to Adoption." Read and be inspired!

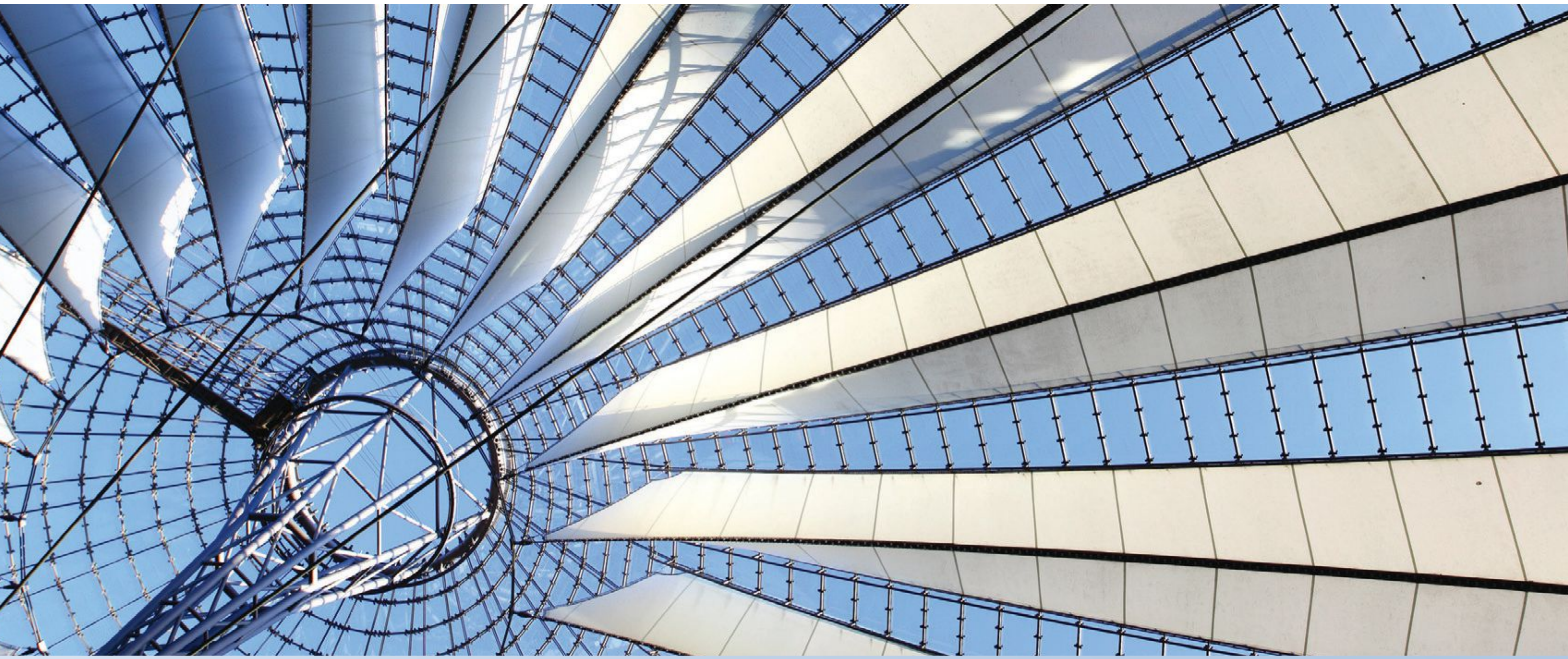
I wish you all a wonderful and peaceful holiday season.

Theresa Witham

Theresa Witham
Managing Editor/Publisher

BFB | A DIVISION OF Gallagher Benefit Services, Inc.

ARE YOU PROTECTING YOUR Human Capital Investment?



An increasing number of executives are getting ready to retire over the next few years, fueling an already hot job market. The search area for the best candidates – your key executives – is expanding to a national level, all asset sizes, and your up-and-coming management team. How will you protect your human capital assets?

We'll identify and fix the gaps in your benefit program

BFB Gallagher specializes in executive benefits for credit unions and other nonprofits. Our customized solutions help attract, retain, and reward the executives who are vital to your credit union's success.

Contact us to schedule an educational session about nonqualified benefit plans

Liz Santos
877-332-2265 ext 599
Liz_Santos@ajg.com

www.BFBbenefit.com

PREFERRED PARTNER NAFCU SERVICES

CUES POTENTIAL. REALIZED. PREMIER SUPPLIER MEMBER

CUES
POTENTIAL, REALIZED.™

Life Stages Guide Member Conversations, Marketing

Are you just starting out on your own? Raising young children or empty nesting? Going through a divorce? Retired? These are among the nine life stages around which Prospera Credit Union has structured its marketing.

The life stages are depicted in a "placemat" that sits on the desks of financial service representatives and on a smaller display for tellers so that branch employees can guide conversations with members, says CUES member Kristina Flores, VP/marketing for $235 million Prospera CU (*myprospera.com*), Appleton, Wis.

"It's the first thing members see when they sit down to talk to a financial service representative. They'll read it, and many times, they'll point to one stage and say, 'That's me!'" Flores says.

Member service staff enter the life stage data that members volunteer or share in conversations using a simple code for the core processing system. In fact, entering that data is a key performance indicator on which employees are measured. Both external marketing and personal interactions are guided "through the lens of life stage," she explains.

FSRs are trained to introduce a range of financial products and services likely to be useful to members in each life stage, and those recommended services extend beyond Prospera CU's offerings. For example, parents of young children are introduced to children's accounts, educational savings accounts and e-services that may save them time in their busy lives. While the credit union cannot provide this service directly, developing a will to ensure that their children are provided for may also be discussed.

This emphasis on life-stage marketing is "very transparent," Flores notes, and reflected in its print brochures and checklists of products and services. Based on projections that this will be the first year marketers spend more on digital than traditional channels, Prospera CU is also studying ways to expand and better target its online marketing.

"These are all tools that we use to deliver on our brand promise, 'Personal, tailored guidance to prosperity," she adds.

Its success in categorizing members by life stage allows Prospera CU to tailor marketing offers, typically merging life stage and product data from consumer segmentation information supplied by Raddon Financial Group's MCIF system (*raddon.com*), to which it subscribes.

This segmentation also helps identify the best marketing channel, such as digital campaigns for young adults and radio spots for parents. "What is a parent of teens doing? They're driving teens to a lot of activities, and since teens control the radio, we did a lot of research and surveys to find their favorite stations," Flores notes.

SEND US YOUR THOUGHTS
We welcome signed letters to the editor. Email *theresa@cues.org*.

"Every conversation is an opportunity for success."

Debra Fine, author of *The Fine Art of Small Talk*, will speak at CUES' Directors Conference (*cues.org/dc*), Dec. 10-13 in Marco Island, Fla.

4 Reasons Bosses Should Encourage Meditation

"It's not uncommon now for big corporations to encourage meditation during breaks and even hold meditation events during working hours," says Barbara Cox, Ph.D., of Dr. Cox Consulting, a consulting psychologist and coach who specializes in working with innovative leaders and organizations. "Research shows there are significant effects on physical and mental health for people who practice meditation, self-hypnosis and other stress-management tools." Among the benefits:

• **Improved ability to manage stress.** Life is filled with stress, and the average work day can provide a host of new triggers that add to stress, whether it's a demanding supervisor, a difficult client or uncooperative co-workers, just to name a few.

• **Increased quality of sleep.** Meditation can help people with their sleep issues, according to research by Harvard University, Northwestern Memorial Hospital. That doesn't mean meditating only before bedtime. It also helps to practice meditation during the day, so you can more easily get into that relaxed state at night.

• **More mental energy.** People can often feel tired during the work day, even if they don't have a physically demanding job. One reason is mental exertion, some of which goes back to all that stress.

• **Greater ability to concentrate.** For many people, it doesn't take much to let their minds wander—especially these days when distractions such as smartphones are close at hand. Those who meditate are better able to focus on ideas and remember facts without getting easily distracted.

Read more in the full version of this article at cues.org/092517skybox.

PAYMENTS FUEL GROWTH. CO-OP FUELS PAYMENTS.

- Payments
- Networks
- Member Service
- Growth and Retention Services

Balancing relentless security and a seamless experience is the surest way to capture your share of the 52% of all transactions that card payments will represent by 2019. Created for the betterment of credit unions, CO-OP helps you strike that balance to achieve top-of-wallet status—and grow.

Get empowered at CO-OPfs.org.

Be There. Be More.

CO-OP FINANCIAL SERVICES

Geofencing

Five things to know about the benefits of adding location-based features to cards

By Jamie Swedberg

Geofencing may not be a term that's used in everyday conversation, but it's a well-established principle that dates back to the early days of smartphones. Basically, geofencing means using location technology (such as the GPS on a consumer's mobile device) to create a virtual geographic boundary, allowing software to trigger a response when the device enters or leaves a particular area.

More recently, geofencing has been paired with credit and debit cards to offer consumers two new types of services: improved security and fraud prevention, and marketing offers linked to their physical location. Every demographic can potentially benefit, but it's especially appealing for millennials, who are used to exchanging data to get better access to goods and services.

"Whether it's geofencing or other technologies that are tied to mobile, we will see use definitely increase over time," says Jon Rosner, VP/digital consumer experience for the Card Services business at CUES Supplier member Fiserv (*fiserv.com*), Brookfield, Wis. "Based on the expectations of people here in the United States, we should be looking for increased applications from a security perspective and from a service perspective."

Some large banks are already making use of card-related geofencing, but credit unions have been slow to get on the bandwagon. Here's what CUs are beginning to realize as they learn more about this technology.

1. Geofencing Is Your Best Weapon Against Card Fraud

Credit and debit cards are dumb; they don't have RFID tags or other location capabilities. But point-of-sale terminals have locations assigned to them, and mobile devices (which are generally in purchasers' hands, pockets or pocketbooks) have GPS. That means when a transaction is initiated, a card processor can check the physical location of the consumer and compare it to the location of the card being used in the terminal. If they're close together, everything is probably okay. If they're not in the same place, it could indicate a problem.

Fiserv is one card processor that offers fraud-prevention geofencing technology, as part of its CardValet mobile app (*fiserv.com/payments/card-valet.aspx*).

"Safety and security and fraud are top of mind for many, if not the majority of credit unions," says Rosner. "When you think about data that's been compromised, how do you ensure that a member's debit and credit card is not used by a fraudster or a criminal? With this mobile app, you can set alerts and also control or restrict transactions based on the location of the phone relative to the location of where the card is being used. So if the phone is in Ohio and the card is attempting to be used in Florida, there is the ability for the member to receive an alert, or to restrict transactions that do not match their physical location or a geographic area that they designate."

Rosner says one of his company's clients is seeing a significant decrease in fraud loss with the adoption of this technology. He estimates the rate could exceed 53 percent for credit unions that have high adoption rates.

Depending on the way geofencing technology is used in a CU's mobile app, it may not even be necessary for members to receive a notification. As long as they've opted into the app's use of their device's GPS, the card processor can include their geographic location as part of the data used by its processing algorithm to assess fraud risk.

"Transactions are scored based on potential for fraud," explains Lou Grilli, director of payments strategy at payments processor CSCU (*cscu.net*), a CUES Supplier member based in Tampa, Fla. "Say a transaction is scoring high enough that it looks like potential fraud. Then if the phone is not near the terminal, it increases the score ... and then maybe that turns it into a decline. If the phone is within 10 feet of the terminal, that might mean it decreases the score, [so the processor will] let it go through and not bother the cardholder. I've seen a couple of banks doing this. I'm not seeing credit unions doing it yet, although I know it's an interesting discussion point among some of the technologically forward-thinking [organizations]."

2. Using Geofencing to Make Location-specific Offers Can Be a Great Revenue Generator

The use of geofencing to make marketing offers is so far less widely adopted than geofencing for fraud prevention. But thanks to mobile wallet platforms such as LifeSteps Wallet (previously known as CU Wallet) by CU Solutions Group (*cusolutionsgroup.com*), Livonia, Mich., a CUSO majority-owned by the Michigan Credit Union League, many credit unions are familiar with the concept.

It's simple: If members opt in to allow the app access to GPS and agree to receive notifications, then they will get an offer when they approach a business with which the credit union has negotiated an agreement. Generally, they can pick the types of offers they'd like to receive—coffee, for example, or nail salon services.

"[LifeSteps Wallet] not only renders local offers on behalf of the credit union, but they have links to order ahead," says Richard Crone, CEO and founder of Crone Consulting LLC (*croneconsulting.com*), San Carlos, Calif. "The beauty of this is that it not only provides a value-added service to the member; it also provides a new revenue stream outside of the credit union to increase its earnings.

"And it can be quite high," he adds. "We estimate that if a credit union does this right and if it was fully mobile payment-enabled, the upward potential is $400 per member per year in new revenue."

To put that in perspective, he notes that $400 is three times as much revenue as average CUs are currently making. And it brings in new money from outside the institution, adding to the overall prosperity and economic power of the membership. Crone says that's preferable to NSF fee income, which is just "robbing member Peter to pay member Paul."

There's one catch: To make it pay, CUs absolutely must deploy the technology within their own branded app.

"If they're doing it inside Apple Pay, if they're doing it inside Android Pay or Samsung Pay, they won't get paid," Crone says. "All they'll end up doing is paying. Credit unions were the most active [financial institutions] in signing up for Apple Pay and, when they did this, as published in the Jefferies Report (*jefferies.com*), they had to pay 15 basis points on every credit transaction and a half a cent on every debit transaction."

3. Geofencing Can Deepen Member and Partner Relationships

Rosner says it's important to think of geofencing adoption not just from a fraud-reduction perspective, but also from the point of view of driving increased loyalty.

"Our clients at Fiserv on average see an increase of over two transactions a month after their users adopt CardValet," he says. "They have a better feeling of safety and security when using their debit and credit card. If they feel safer about the product and safer with what they get from their credit union, they're more likely to increase their spend.

"So we've seen that data quantitatively .... [Consumers] who might be lower spenders and not as engaged with their debit and credit cards with that financial institution, they're the ones who might see an up to three transactions a month increase after enrolling with this mobile technology."

Making geotriggered offers can also improve member loyalty, says Grilli.

"Many apps and mobile websites use the location to find an ATM, restaurant, hair salon, etc., near [the member]. The bigger question is what's the best way for credit unions to harness this capability to make the members safer, more secure, happier, more loyal? The use case to push offers for local merchants or businesses that affiliate with a credit union—that is a very viable and a promising use case, as long as it doesn't get too intrusive and as long as the content remains relevant to that user. The ability to create a personalized profile ('I want offers for coffee,' 'I don't want offers for fast food,' etc.) is one way to get content that is more relevant."

By presenting members with offers for products and services from local merchants, credit unions increase their presence in the community. They can also forge stronger relationships with local merchants.

"Credit unions have typically been, because of their membership restrictions, consumer-oriented," says Crone. "But

payment is [members'] most frequent service interaction." Payment is what credit union members take with them when they leave the credit union and use throughout their lives, he says.

"Credit unions want to bond with their community. This gives them a chance to actually bring value to their local merchant base in their backyard, and feed and care and foster the relationship with local merchants by representing their membership. Hey, guess what? That's the charter of a credit union, to represent their membership collectively for financial services. So, if they don't move on these new mobile payment technologies, they won't be fulfilling their charter. I really believe this."

Grilli adds that there have been some proof-of-concept experiments conducted in which members opt in to location services and upload a photo. When the mobile banking app senses that they are about to enter a CU branch, a pop-up appears in the teller software, allowing member-facing personnel to greet the member by name and suggest relevant products and services.

"That would be a really cool customer service experience," he says.

4. Geofencing Apps for Cards Are Not Hard to Market

Processors and CUSOs that offer geofencing invariably provide marketing materials to assist CUs in promoting the products and touting their benefits. These are useful as part of 360-degree marketing campaigns, using such vehicles as direct mail, email, website marketing and social media.

But there are two other important ways to drive adoption among members.

The first, Rosner, says, is to weave the opt-ins for the mobile app into the member life cycle. That way, they'll already be in a position to receive offers and benefit from security enhancements.

"We're at a number of credit unions where when a member comes into a branch and opens an account, they are issued a card," he says. "As part of that welcome process, the credit union will also have them set up mobile banking, online banking and mobile app functionality using CardValet, before they leave the branch."

The other strategy Rosner suggests is to recommend geotriggered fraud protections after a member has suffered some kind of security breach.

"Unfortunately, if a member suffers a fraud, it's a little bit like locking the barn door after the horses are out," he says. "But at the same time the credit union apologizes for the fraud, they can say 'We'll take care of it and get you a new card and account issued and, by the way, we strongly recommend that you use our CardValet app to mitigate fraud in the future.'"

Members in that situation are more likely to adopt the technology because they never want the fraud to happen again. "It goes along with the principles of marketing," Rosner says. "The right product to the right person at the right time."

5. Your Members Won't See Geofencing as 'Big Brother'…

… so long as you're thoughtful about the ways you use it. Members tend to be wholly enthusiastic about the security benefits of geofencing.

"When you think about the member experience, safety and security is really top of mind," says Rosner. "So the ability to receive an alert in real time, literally the moment someone swipes a card, to have your phone vibrate with a push alert, is a tremendous benefit both to the member and to the credit union."

And consumers across the U.S. are getting used to the idea of giving up a bit of privacy for a good reason. There are many, many mobile applications that already ask permission to access users' location in order to provide better service.

"It's really across every demographic, but the leading market for this is the millennial, the transaction-rich, lending-robust backbone for revenue in the credit union," Crone says. "They're happy to share their location for a benefit. They're doing it today with Facebook and Twitter and SnapChat, and even on the iPhone itself. If the credit union can tap into that by delivering value based on their preference, it's not spam. You've opted in for offers, and we'll send you offers."

But CUs must never abuse that relationship. There have been some efforts to, for example, push car-loan rate offers to members who enter the vicinity of a dealership. The problem is, location is one thing and intention is quite another.

"Maybe I have a fairly new car, and by the way, maybe I already have a loan with my credit union for that car," Grilli says. "Don't bug me. That's annoying, and I'll probably end up turning off push notifications because I just got something that was, while completely relevant to my location, not at all relevant to my actions."

What credit unions must do, he says, is use geofencing judiciously and be very careful about intrusive push notifications. Let members choose what content they want to receive. Members are inherently receptive to technologies—even creepily omniscient ones—that offer a tangible benefit, but they're easily turned off by constant irrelevancies. If they opt out, they're usually gone for good.

That would be a terrible outcome for a technology with so much to offer both credit unions and members, so let wisdom be the watchword.

Jamie Swedberg *is a freelance writer based in Georgia.*

More on Card and Geo Tech

Marketing in a Flash, p. 20

Meet the Big Spenders (*cues.org/0917spenders*)

Before the Breach (*cues.org/0517before*)

Payments University, Aug. 13-14, Denver (*cues.org/payments*)


financial services @ the speed of life®
07 : 34 : 00 PM
Can we afford to go out to dinner?
07 : 35 : 00 PM
Yep. Dinner and a movie.
Think it. Do it.
Move and manage money
at the point of thought.
fiserv.com
fiserv.
© 2017 Fiserv, Inc. or its affiliates. All rights reserved.

Bridging the Gap to Adoption

2017 CUES Next Top Credit Union Exec Geoff Bullock had personal inspiration for his adoption loan project.

By Diane Franklin

For Geoff Bullock, helping prospective parents realize their dream of adopting a child is a personal and heartfelt mission. He and his wife, Nicole, have experienced firsthand the enormous expense associated with adoption.

"When we were adopting our second daughter, we were told it would cost $35,000. I remember the feeling in the pit of my stomach and the fear of 'How are we going to afford this?'" says Bullock, a CUES member and financial education specialist at $1.1 billion Firefly Credit Union (*fireflycu.org*) in Burnsville, Minn.

"We ended up selling our home and devising an elaborate plan to make it work," he explains. "Now we are the parents of two amazing little girls, and it's been the richest experience of our lives."

Bullock used this journey as the inspiration for a unique adoption loan product, Bridging the Gap. His passion shone during his presentation at CEO/Executive Team Network™ (*cues.org/cnet*) in Las Vegas, culminating in being chosen the 2017 CUES Next Top Credit Union Exec (*nexttopcreditunionexec.com*) from a field of five Finalists. The award recognizes an individual under the age of 35 for exceptional leadership potential.

Fulfilling a Need

In his live presentation, Bullock reported that there are 100,000 orphaned children in the United States. Sadly, 20 percent of them will never be placed in a permanent home. Meanwhile, four out of five people who are interested in adopting don't proceed because of the upfront costs involved.

"I felt an adoption loan would be a great way to help these families and also connect our credit union with the community," says Bullock, who joined Firefly CU in December 2016. "The NTCUE competition gave me an effective platform to share the idea and develop it within our credit union."

Bullock had several champions at Firefly CU, including President/CEO William Raker, CCE, a CUES member; Chief Marketing Officer Marty Kelly; and Director of Marketing Traci Berhow.

"From the beginning, Bill Raker was incredibly supportive of the idea," says Bullock. "He provided me with great advice, asked all the right questions and championed all the right things."

Raker's support came from his belief that this loan perfectly embodies the CU philosophy of people helping people. Moreover, he thinks other CUs can replicate the idea.

"My message was, 'Geoff, this is a fantastic idea. I'm behind it 100 percent,'" says Raker. "There's a universal need and appeal for this product. Any credit union could offer it, regardless of size or location."

Attractive and Convenient

The Bridging the Gap loan is an unsecured line of credit to be used on an as-needed basis over the adoption process. At rates as low as 5.99 percent, the loan covers up to 90 percent of adoption costs ranging from $5,000 to $40,000 with a maximum repayment period of seven years. Firefly CU will be working with Minnesota adoption agencies on this program.

"When the loan is completed, we'll provide the borrower a gift in the form of a $500 savings account in the name of the child. This is our way of welcoming the child into the credit union movement," Bullock says.

Plans were to launch the Bridging the Gap product in November to coincide with National Adoption Awareness Month (*tinyurl.com/2017nam*).

Bullock has been gratified by the overwhelming response this has generated. There have been numerous comments on his CUES Next Top Credit Union Exec web page (*tinyurl.com/ntcuebullock*), and many people are sharing project details with their adoption networks. "I could never in a million years have imagined this dramatic outpouring of people saying, 'We need this. This will change our lives,'" Bullock says.

Bullock lives with the inspiration for his adoption loan project every day. He and Nicole are the proud parents of Alaya, 7, and Annika, 4. "Our lives revolve around our two little girls and their schedules and their energy," Bullock says. "We're also very involved in our church, Blue Oaks Church in Brooklyn Park, Minn."

Door-Opening Experience

As the 2017 competition winner, Bullock will receive a $20,000 educational package, including an all-expenses-paid attendance at two CEO Institutes—one in 2018 and the other in 2019. He already has a bachelor's degree from North Park University in Chicago and an MBA from Concordia University in St. Paul.

In addition, Bullock will receive two remote coaching sessions from CUESolutions provider and challenge sponsor DDJ Myers Ltd. (*ddjmyers.com*), Phoenix. As a Finalist, Bullock found Deedee Myers' coaching to be very valuable.

"She was fantastic," he says. "I was able to incorporate her coaching into my project presentation. I'm grateful to Deedee and all the time she spent with me."

Bullock sees his victory as an incredible door-opening experience for his career. "I think my next step will be to move into a higher-level role, such as vice president. I would definitely love to be a CEO someday, and I can't think of a better person to learn from than Bill Raker. He's been an incredible mentor to me. He was at the conference when I won and was advocating for me all the way."

Another important person was in the audience to witness Bullock's triumph—his wife. Her presence at CEO/Executive Team Network wasn't always a certainty, due to complications after surgery this past summer.

"I did a lot of the work required for the competition ... from her hospital room," Bullock reports. "It was a goal of ours that, if I was chosen as a Finalist, she would travel with me to Las Vegas. To have her in the room when I was announced as the winner was really remarkable."

Reflecting on his Next Top Credit Union Exec experience, Bullock is grateful to have met so many people focused on furthering the careers of young people in the CU movement.

"I can't say enough about the work that CUES does in this competition, as well as ... sponsors Currency Marketing (a CUES Supplier member, *currency.ca*, Chilliwack, British Columbia) and DDJ Myers," he says. "Everybody has been incredibly supportive. Through this process, I have truly grown as a professional and as a leader."

Diane Franklin *is a freelance writer based in Missouri.*

More on Specialty Loans

We Have a Loan for That! (*cues.org/0415loan*)

Making Fans for Life (*cues.org/0616fans*)

Creating Options for First-Time Homebuyers (*cues.org/1216options*)

More on CUES Recognition

He Leads or Gets Out of the Way (*cues.org/1017outstandingchiefexec*)

Dedicated to Excellence (*cues.org/1117exceptionalleader)*

CUES Recognition programs (*cues.org/recognition*)

How to Spot Budget Weaknesses

Ask two questions: 'Does it connect to your strategy and risk appetite?' and 'Where does it leave you vulnerable?'

By c. myers corporation

C. myers has helped a lot of financial institutions develop budgets. Budgets are for setting expected short-term revenue and expenses, and also developing longer-term forecasts.

A CU's budget and forecasts are built on key assumptions worth testing. That's why, once your base budget is solid (read more about the mechanics of strategic budgeting at *cues.org/112017ccube*), it is time to link it with your strategic success measures and your appetite for risk and to put it through a wind tunnel to uncover vulnerabilities.

Link It to Strategy

As you compare the budget with the CU's measures of success, be on the lookout for any metrics that conflict with your strategy.

For example, a CU that has a strategy to target members in their mid-20s to mid-30s may have previously set success metrics for low loan delinquency or aggressive asset growth. These may not be appropriate for the new strategy, given that younger members are likely to have more credit risk and unlikely to bring large deposits. Inappropriate metrics can handcuff strategy, causing management to pull back in order to meet the old success measures.

It's also important to gauge if there's a match between the CU's appetite for risk and the risks in the budget. For example, if the CU has decided it can take on more credit risk, how is this reflected in the budget? Is there a change in the loan mix or higher loan yields or a higher provision for loan loss expense? If the answer isn't apparent, ask senior management.

For interest rate risk, it's a good idea to take the financial structure the CU is forecasting for the end of years 1 or 2 and run it through its interest rate risk model. A similar review should take place to make sure the intended structure does not breach loan concentration limits.

Stress It

Once directors and senior staff are comfortable with the budget and have had good strategic dialog about it, put key assumptions through a stress test. Doing so helps stakeholders understand key vulnerabilities.

To build your "wind tunnel," ask such questions as the following:

- What if loan growth is slower than expectations going forward?
- What if loan losses rise to a higher than expected level?
- What if non-interest income is materially lower than expected, either due to changes in payments systems, regulations or other demographic reasons?
- What if offering rates are lowered to maintain loan growth?
- How will an increase in deposit rates or pressure from the cost of funds mix changing to more certificates and money markets affect the budget?

Be sure to adjust your questions to reflect your CU's unique characteristics.

After stress testing to understand key vulnerabilities, circle back and ask:

- What other questions should we be asking? Your answer to this should be questions that help create deeper dialog about your CU's strategies and their reflection within the budgets and forecasts.
- What are the unintended consequences of what we're striving to do?
- Are we doing something that will create a barrier to strategic success?

The budget is more than a few key people checking off a task. Done right, it can help stimulate strategic thinking. Leaders who have a clear-eyed view of how the CU's strategy, risk appetite, metrics and other forces can impact the financials are well equipped to ask more strategic questions and drive better business decisions.

c. myers corporation (cmyers.com)*, Phoenix, has partnered with credit unions since 1991. The company's philosophy is based on helping clients ask the right—and often tough—questions to create a solid foundation that links strategy and desired financial performance.*

More on Budgeting

Elevate Your Budgeting Process, requires CCUBE membership (*cues.org/112017ccube*)

30-day free trial for the Center for Credit Union Board Excellence (*cues@cues.org*)

Budgeting's Not a Chips and Salsa Party (*cues.org/1017budgeting*)

CUES Director Strategy Seminar, July 25-27, San Diego (*cues.org/dss*)

CUES
POTENTIAL, REALIZED.™

CUES Executive Compensation Survey

Craft the right executive package when you purchase access to **CUES Executive Compensation Survey**. Reports include salary, bonus and benefits information on these executive level positions:

- Chief Executive Officer
- Chief Operations Officer
- Chief Lending Officer
- Human Resources Executive
- Senior CUSO Executive
- Business Lending Executive
- Collections Officer
- Executive Vice President
- Chief Financial Officer
- Marketing Executive
- Information Systems Executive
- Branch/Member Services Executive
- Business Development Executive
- Legal Council Executive

You'll also have access to:

- Benefits data per position, including:
  - Insurance plan type and cost
  - Retirement plan type and company contribution
  - Perks eligibility (paid parking, club memberships, etc.)
  - Employment contract details (length, renewal, severance pay, etc.)
- Side-by-side, year-to-year comparison reports
- Graphing tools
- Exclusive content explaining compensation trends, including data reports


Flight departs at dawn.
Diapers ran out at sundown.
Every transaction has a story.

Directors Conference 2017 Sponsors

PLATINUM Level Sponsors

CUNA MUTUAL GROUP
cunamutual.com
800.356.2644

DDJ Myers
Advancing Leadership Success
ddjmyers.com
800.574.8877

GOLD Level Sponsors

O.M. Financial Group
omfingroup.com
516.639.0556

SILVER Level Sponsors

aprio
aprio.net
855.55.APRIO

AON
McLagan.com
212.441.2093

BUSINESS COMPENSATION CONSULTING
bcc-usa.com
800.781.2099

BFB
bfbbenefit.com
877.332.2265

JMFA John M. Floyd & Associates
JMFA.com
800.809.2307

O'Rourke & Associates
orourkeconsult.com
800.394.1918

THE SHEETER GROUP
sheetergroup.com
407.217.2301

Thank you to these firms for their support at Directors Conference, Dec. 10-13 at Marco Island, Fla.

Sponsoring firms provided the information listed in this guide. CUES assumes no responsibility for claims made by the firms. This list represents all confirmed sponsors as of Nov. 9. A complete list of sponsors can be found at *cues.org/dc.*

CUES
POTENTIAL, REALIZED.™

Marketing in a Flash

How credit unions are using Instagram and Snapchat to connect with younger members

By Stephanie Schwenn Sebring

Marketers with a hankering for visuals love Instagram. Those seeking that elusive connection with younger audiences are starting to explore Snapchat. Both channels can capture life's moments. Despite the momentum (and best intentions), are they right for your credit union?

Instagram

Instagram *(Instagram.com)* touts 800 million monthly and 500 million daily users; 80 percent follow at least one business. While Wordstream.com offers slightly less robust usage stats, it describes most users as being between the ages of 18 and 29, with 80 percent living outside the U.S. Regardless, the numbers are big, and Instagram is growing lightning fast. Special tools have given the channel added versatility, and social marketers are capitalizing. They're finding new ways to capture their customers' attention with such enhancements as:

- ***Instagram Stories:*** Users share moments of their day with followers in real time. Photos and videos disappear after 24 hours and won't appear on the user's profile grid or feed. By posting more often, users (or businesses) can get their name (or brand) in front of more people, without inundating followers' feeds.
- ***Boomerang:*** Available in Stories or as a standalone app, it lets users create short videos that play forward and backward; it also enables a cluster of photos to play in quick succession, creating a mini video. Users can post from either app (Instagram or Boomerang). With Boomerang, users can save videos and post them later during peak hours.
- ***Business profiles:*** With accounts for business, users can gain insights about followers and posts, and promote posts to drive business objectives. Followers can view information within the profile—such as an address or contact info. Businesses can also get actionable information about which posts perform best, which days of the week and times are best to post, and the demographic breakdown of followers.
- ***Story search for hashtags and locations:*** Searching for a hashtag, users can find stories related to their interests. Businesses can capitalize on trending themes or location- related news.

While algorithms constantly change, the social media platform Buffer *(tinyurl.com/bufferblog)* recently shared top factors impacting Instagram post ranking. These include engagement (posts with more likes, comments and shares will be shown to more people), relevancy (for example, people who frequently interact with food photos will see more posts about food), relationships (users will see posts from other users they interact with), timeliness (more recent posts are given priority), profile searches (assuming that users who search for certain profiles want to see that profile's content), direct shares (reposting someone else's content) and time spent viewing a post. The greater number of relevant posts you devise and the more engagement you drive, the higher your ranking.

Achieving Success

With more than 1,700 followers, Instagram is the hottest new social channel for $11 billion Golden 1 Credit Union *(golden1.com)*, Sacramento, Calif., which added more than 600 followers during its member appreciation promotion in October. Aligning with International Credit Union Day, the week-long promotion featured daily prize giveaways on social media and used striking branch imagery.

"Visuals that evoke emotion, garner engagement and create brand loyalty are our ultimate goals," says SVP/Chief Marketing Officer Doug Aguiar. "But Instagram can also help to humanize your brand and keep your pulse on popular culture."

Before taking the plunge with any channel, Aguiar recommends reviewing its growth and engagement levels. For example, how many users spend time on the channel every day? Also significant is the amount of time these users spend. "At Golden 1, we added Instagram for the visual impact but also for its immediacy and reach."

Numbers are important, but so is the impact the channel will have on your brand. "Do the demographics align with your target market? Is the environment befitting of your brand?" asks Aguiar.

"It's perfect for us and our community events," he reiterates. "It also gives us greater ability to tell our story." The most popular posts feature members, employees or community events or connections. For example, an Instagram Story from a charity walk garnered 376 views.

Snapchat

If you've hung with any teen lately, you know Snapchat *(snapchat.com)* is their go-to channel. The app targets 16- to 24-year-olds and reports having 173 million daily users. Users "snap" with friends individually or in groups, using images and short videos to share both the minutiae and momentous. Content shared doesn't last long. Snaps disappear moments after the recipients view them.

As CEO Evan Spiegel shared with Wired.com, "Snapchat is predicated on the idea that images rather than words will become the dominant medium of communication in the age of the connected camera." In other words, the appetite for visuals is overtaking the digital world.

While many businesses haven't viewed Snapchatters as a primary target yet, more functionality and new features are driving more interest:

- ***World Lens:*** It features a Bitmoji (a cartoon avatar, like Roger Rabbit) in augmented reality. By bringing the Bitmoji into the real world and moving it freely within the space, users can create eye-catching, highly unique messages. Consider using this free tool to bring a mascot to life, used to introduce new initiatives, products or services—or be "on-hand" at an event.
- ***Geofilters:*** These special overlays for Snapchat images can be purchased for specific geographic locations. Initially designed for public places, users can now use these for business or private events, choosing where the filter is to appear (for example, at your credit union's branch) and when (for example, the week of International Credit Union Day). Snapchat users can then overlay the filter over their own Snapchat images.
- ***Custom Stories:*** Now with more flexibility, users can create stories on any topic or geofence the story to a specific location. Users decide who can add to the story and who can view it. For example, create momentum by geofencing a location during a branch grand opening or community event. Then have members share a snap from the location.

"Snapchat is a great way to get your audience talking about you, to use as an icebreaker, and create a connection with the people you serve," says CUES member Shelley Carlson, VP/marketing for $1 billion Texas Trust Credit Union *(texastrustcu.org)*, Arlington, Texas. "It's also fun for contests and other high-energy promotions. But for success, you need to have a plan and budget, be diligent and extremely well prepared."

Snapchatters love the immediacy, and Carlson notes that her CU uses its real-time appeal.

"We're the official credit union sponsor of the University of Texas at Arlington Athletics," explains Carlson. "We have a UTA branch on campus, strategically placed ATMs, as well as a UTA-branded 'Spirit' debit and rewards credit card. Snapchat has been key in connecting with this younger, student audience. It's playful and fun. It gets the students involved. They're rewarded by the nature of the channel, its authenticity and immediate gratification."

Carlson adds that it's important not to try to be your member's "Snapchat equal," but rather a financial partner—someone they can look to for advice.

Tapping into its University of Texas at Arlington connection, the CU's "I Want Free Stuff" campaign hit the mark with students. "The goal was to let freshmen and returning students know about the Texas Trust CU branch on campus and to show our UTA pride," says Toni Nichols, inbound and content coordinator for the CU. Students who snapped a pic using the CU's own Snapchat filter at the university's bookstore, had a chance to win $500.

Taking a screenshot of each submission, the CU chose a winner daily (five total) from more than 250 qualifying entries and 2,000 filter shares. Each winner's picture was posted in the bookstore to create fun and enthusiasm.

"Using a Geofilter for five days, we geofenced the area surrounding the bookstore," explains Nichols. "We used the creative overlay ('Boom!') to capture the moment with students. Because of the limited geographic location, the filter was very affordable." (Read about Geofilters at *snapchat.com/geofilters*.)

She adds that with Snapchat, every post disappears after 24 hours, so you need a protocol for how to track and capture entries. "As with any contest, you'll also need an alternate method of entry and a complete disclosure of terms and conditions. For this promotion, we needed a signed photo release from each participant."

The promotion took a fair amount of work, but Nichols believes that if you think it through, Snapchat can be very effective in connecting with younger demographics.

Pros And Cons

Some say Instagram is a must.

"I love Instagram," says Marne Franklin, digital director for Your Marketing Company *(yourmarketing.co)*, Greenville, S.C. "I honestly think it's the most engaging of all social platforms—perfect for a CU with great visuals or that wants to capture attention visually. If you have compelling photos or videos that speak to potential members without 'selling to them,' you can drive engagement; the right creative can make Instagram a great tool for organic growth."

Videos capture attention with the autoplay feature and enable you to share the moment with members. If you do use video, Franklin suggests using closed captioning so members can view the video without audio.

"I also love the Boomerang feature, which adds life and personalizes a brand really well," says Franklin. Boomerang shines on Instagram, but it can be used other places. Since Facebook's algorithm shows preference to video content, adding Boomerang content can help you gain an edge and improve your post's organic ranking and reach.

Video used to be cost-prohibitive, she notes, "but thanks to your smartphone, anyone can now create a brief, quality video."

Matt Maguy, a partner at James & Matthew (*jamesandmatthew.com*), Boston, a digital advertising agency, says there are a lot of ways to create narratives and to experiment with content on Instagram. "Some are even trying long-form content, three to four paragraphs, contained within the graphic. And followers are taking the time to read it."

Still, Instagram requires a meticulous approach.

"It's important to keep messages consistent with your brand and not random," explains Franklin. "Make sure your employees are trained and trusted to post, that they understand your brand and how you want to present yourself. For best results, post at least a few times weekly. Be authentic with your sentiment and reinforce messages in a way that's memorable. If your messages seem disingenuous, you can lose viability or even hurt your brand."

Be Strategic

"When you analyze and strategically plan for a channel, you'll have much greater success," says Bryce Roth, cooperative outreach director at $840 million Verve, A Credit Union *(verveacu.com)*, Oshkosh, Wis. Roth is also president and co-founder of Chatter Yak! *(chatteryak.com)*, a social media credit union service organization based in Oshkosh.

"The same goes for your messages—be thoughtful to the audience or genre you're communicating with. Choose quality over quantity," advises Roth. "And don't let any channel detract from your brand, which can happen if the channel is not properly integrated into your marketing plan."

He sees many CUs enthusiastic about Instagram, but slower adoption rates for Snapchat. To see if Instagram is right for you, Roth suggests taking a step back first. Try this litmus test: Does the channel disseminate information or evoke the response you want? Does it enhance your brand? Only then will you know if the channel is right for you. Then craft your plan.

If your CU is already an Instagram user, Roth recommends implementing a business profile so you can access the analytics and integrate the platform into your Facebook Business Manager account. It also makes it easier to manage your ad spend and run cross-platform advertisements.

What About Snapchat?

"It's a great fit for a business that wants to target 18- to 24-year-olds," says Franklin. "And if you have that niche, perhaps try a promotion centering on college kids, a teen or community event. Or if you want to spend a few hundred dollars to geofence a specific area, it can be valuable."

"For me personally, it's my favorite channel," adds 34-year-old Roth. "It's interesting, and the augmented reality function through World Lens is awesome. I could envision bringing an animated spokesperson to life for a CU or any business." He also sees it as an opportunity for anyone with a smartphone to experiment with augmented reality—and to use the animation across other platforms. Once you create the animation in Snapchat (maybe a short video with your Bitmoji), you can transfer it to other channels like Facebook.

But does Snapchat make sense for your brand?

Franklin tells her clients that no matter how you use the digital process, to ensure success, focus on what you know works for your CU. "The benefits of every channel must be weighed, and for me, Snapchat isn't tipping the scales just yet. Snapchat users expect the highest level of online and mobile functionality. If your user experience isn't up to a Snapchatter's standards, they may become frustrated."

"Before trying Snapchat, ensure you're active on the platforms that will have more of an immediate impact on your target audience," adds Maguy. "Don't get on platforms that you remain silent on or because the competitor down the street is doing it."

Limitations

It's difficult to promote products on either channel because they often trigger compliance requirements, a task that's problematic, explains Roth. "For example, you can't click through to a website for a disclosure like you can on Facebook or Twitter, unless you're using the Stories feature on Instagram or paying for an advertisement. Snapchat is even more challenging."

Note that with both Snapchat and Instagram Stories, images disappear, making your content tricky to archive or retrieve for an audit. Roth has seen software options that let you archive posts for regulatory purposes, but the process would have to be closely managed.

"As CUs, we operate under a set of regulations," he adds. "Whatever channel you choose, you still need to be compliant."

Ask internal compliance experts or tap into outside consultants for help. For example, Golden 1 CU has partnered with Ethan Wall *(socialmedialawandorder.com)*, an attorney specializing in social media law, to review and assist with its policies.

Maguy sees some CUs disappointed with their social channel outcomes simply because they're not anticipating if they have the resources to make them successful. "Ask if you can afford to be on all these platforms," he says. "Realize the amount of work to keep a channel running and have a dedicated social media person."

"And remember, everything you do on social should provide value," adds Roth.

Stephanie Schwenn Sebring *established and managed the marketing departments for three CUs before launching her business. As owner of Fab Prose & Professional Writing, she assists CUs, industry suppliers and any company wanting great content and a clear brand voice. Follow her on Twitter*@fabprose.

More on Social Media & New Tech

Geofencing, p. 10

#MemoriesAreGolden (*cues.org/1117insidemarketing*)

#GoingSocial (*cues.org/0217goingsocial*)

OpenMic Entertains, Educates (*cues.org/0617openmic*)

Spending Wisely

How CUs will use 2018 technology and scarce dollars to bring members a smoother ride

By Richard H. Gamble

CU leaders plotting their 2018 technology strategy face a long list of needs, a shortage of resources, and products and vendors that are still evolving.

"The list is longer than usual," says Brad Smith, managing director of technology at Cornerstone Advisors (*crnrstone.com*), a CUES Supplier member based in Scottsdale, Ariz.

Digital innovation. Cyber security. Vendor management. Disaster recovery. Fraud prevention. Business intelligence. Operational efficiency. "It's a real challenge to set priorities," he notes.

2018 won't be an easy year for chief information officers, predicts Kirk Kordeleski, CCE, senior managing partner and CFO at Best Innovation Group (*bigfintechmedia.com*), Tampa, Fla.

"They know there are technology-based investments that need to be made, but routine operational issues and limited budgets hold them back. Some clear winners will emerge but, regrettably, there will be losers," he says. "How well they use data mining and analytics will be one test."

Back-Office Collaboration

Staying near the leading edge of technology is expensive, so $2 billion G&F Financial Group (*gffg.com*), Burnaby, British Columbia, is doing what CUs often do to compete: collaborating. It has joined nine other Canadian CUs in the Back Office Collaborative (*ccua.com/BOC*).

"Together, we have the scale of a $10 billion CU in Western Canada," notes CUES member Christopher Goodman, CCE, G&F's VP/information technology. "We can afford technology solutions none of us could afford alone."

BOC has carved out three tech projects, Goodman says. One is omnichannel.

"We need member service to move seamlessly from one channel to another," he explains.

Board • CEO • Organization

Refresh Board Governance

Board Training & Development Plans

Board Succession Planning

Board-CEO Relationship

CEO Performance Evaluation

Committee Refresh

Contact Deedee Myers directly to begin the conversation.

Deedee Myers, CEO
800.574.8877 | deedeemyers@ddjmyers.com

Call Us Regarding:

Executive Search

CEO Evaluation/Compensation

Strategic Planning

Strategic Organization Alignment

Bench Strength/Succession Planning

Board Governance/Development

DDJ Myers
Advancing Leadership Success

ddjmyers.com | 800.574.8877

"We have the services, but they happen now in discrete channels. The solution has to be API-driven and cloud-based."

Goodman is part of a BOC team building omnichannel architecture using Backbase (*backbase.com*) as the foundational transport layer on which G&F Financial is building the services, with help from software developer Fincuro (*fincuro.com*), Trivandrum, India.

"We wanted a global firm with a perspective outside the traditional credit union conduits," he explains.

The second BOC project is secure messaging for members; the third is a data mining and analysis venture. "Smart data discovery will be big in 2018," Goodman predicts. "We're pretty sure we'll find statistically relevant and useful connections we never would have expected."

At the top of the 2018 technology wish list of Guy Russo, CSE, is "a completely secure ID for our members, one that's easy to manage and unhackable." Russo is CIO of $2.4 billion Community America Credit Union (*cacu.com*) in Lenexa, Kan.

"In the short run, that goal is elusive," he concedes. "In the long run, blockchain might provide it." Or, Russo envisions, avatars might simulate face-to-face transactions.

Coming sooner, perhaps starting in 2018, could be CU chatbots that use natural language. It might be like talking to Alexa, Siri or Cortana, saying, "What will my balance be January 18, after scheduled payments and deposits?" Or "What will my taxable interest income be for 2017?"

"We'll be able to simulate human interaction without the cost," Russo predicts. "Members will get the satisfaction of conversing with a branch employee without the branch overhead. Voice response technology is getting better. The preparation is already under way."

Better technology won't necessarily exclude credit unions with small budgets, Russo suggests. "The costs for things like artificial intelligence are already coming down, which will spread its potential usefulness."

Thinking Small

If Russo thinks big about what's coming, many of his peers deliberately think small about what's just around the corner and immediately practical. The 2018 technology anticipated by CUES member John C. Wintermeier, CSE, CCE, CIE, SVP/CIO of $1.5 billion Achieva Credit Union (*achievacu.com*) in Dunedin, Fla., depends more on configuration than invention.

"We're focused on perfecting our virtual environment and taking a fresh look at core providers and card processors, looking for tight integration and a seamless, efficient and automated employee and member experience," he says. He thinks things like blockchain and biometric authentication hold long-term promise, but Achieva CU wants near-term benefits.

"Resources are limited, and we need to spend wisely, so we expect to roll up our sleeves and continue improving our internal infrastructure."
John C. Wintermeier, CSE, CCE, CIE

"Resources are limited, and we need to spend wisely," he observes, "so we expect to roll up our sleeves and continue improving our internal infrastructure."

The one futuristic technology Wintermeier is watching is behavioral analytics that could streamline member access and cut down on fraud. "We're looking at potential partners and may go that way," he says.

For $5.9 billion Patelco Credit Union (*patelco.org*) in Pleasanton, Calif., 2018 will be a year of enhancing "the member experience journey," reports Kevin Landel, CIE, SVP/CIO.

"We're working to get to the point soon where any member can get any service and be helped by any team member—regardless of the channel they choose—and never have to tell their story twice," he explains. Patelco CU has the right channels, but they still come with boundaries that can frustrate members. And the technology that obliterates boundaries "is complex and potentially expensive," he notes.

To stay on the right path, Landel consults peer groups, networks at conferences and constantly reads, he says. And more than ever, he looks outside the financial services industry. "Our member experience is a consumer experience, so they may get their first taste of innovation in the retail space. That sets their expectations, so we need to watch Amazon, Walmart and Starbucks."

Focal Points

Ask the experts what CUs' top priorities will be in 2018 and you will get different answers. Cornerstone's Smith cites two: building out the digital channel and improving the automation of loan origination.

Automated loan origination needs a lot of work in 2018, he suggests. Many CUs took the plunge in recent years to capitalize on the mortgage boom with semi-automated web-based apps, he reports. Some have expanded that automation to consumer loans, but the experience remains labor-intensive, and CUs are struggling to meet the expectations of members who have seen the TV ads for two-click, 10-second approvals.

Many members who start the process give up, Smith reports. CUs are looking for technology that lets them move among channels efficiently, but most vendor solutions still don't meet market expectations. It's hard to buy solutions that make an app as easy as Rocket Mortgage, he notes. It's also difficult to find vendor solutions that allow a call center or branch rep to take over a member's online app and help him or her complete it.

For Stu Fisher, a former CU tech exec who is now principal consultant at Sentient Consulting (*sentient.consulting*), San Francisco, better security automation should probably top a CU executive's wish list for 2018. Many of those 143 million consumers whose confidential identifiers were stolen in the Equifax hack are credit union members, he notes, and their personal data are now being sold to a whole range of criminal enterprises. A surge in attacks is inevitable, and credit unions will have to become systemically skeptical of contacts from people who now have information CUs traditionally used to verify the person, he explains.

Also, look for a surge in real-time P2P payments, Fisher says, now that MasterCard has rolled out its push-to-debit payment service, Mastercard Send (*tinyurl.com/mastercardsend*). Traditional P2P payments take a day or two to settle; the new Mastercard solution can be used

MY BOARD PACKET

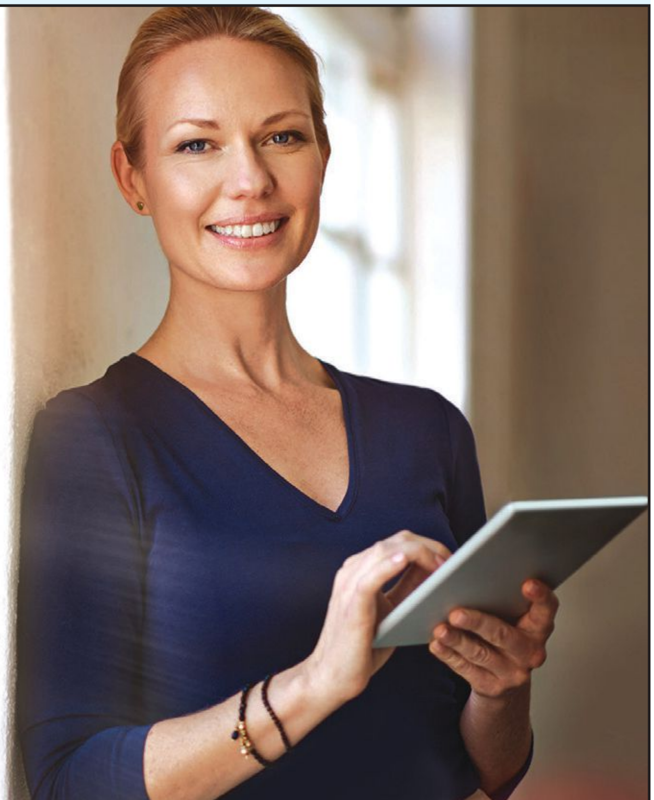
Kenny O'Reilly
President
805.489.9402 ext. 1220
Sales@MyBoardPacket.com

Founded: 2001
Headquarters: Arroyo Grande, Calif.
Member since: 2014
Website: MyBoardPacket.com

MyBoardPacket.com is a secure online board of directors portal, which allows organizations to easily organize and distribute critical board room documents.

Created for credit unions in 2001, MyBoardPacket is known as the "easiest-to-use" secure portal solution on the market.

MyBoardPacket works on all your modern devices. Visit *MyBoardPacket.com* for a free instant demo!



"Members expect to be able to do on their smartphones all the things they did on their desktops, but that's still a real pain point for credit unions."
Brad Smith

to initiate a payment that posts and clears in real time, he explains, a boon to workers in the sharing economy like Uber and Lyft drivers.

"The fact that you have a debit card validates you," he notes. "Look for this to become the predominant way people exchange funds going forward."

Channel parity will also have to get attention, Smith points out. Credit union marketers talk about providing a uniform member experience across all channels, but that's easier said than done, he cautions.

"Members expect to be able to do on their smartphones all the things they did on their desktops, but that's still a real pain point for credit unions," he explains. That's because they often use different vendors and systems for online and mobile banking. In 2018, the pressure will be on current mobile suppliers to provide that parity or on credit unions to find mobile providers that can, he says.

More credit unions will take advantage of geolocation for authenticating members who carry smart phones in 2018, Smith predicts. "The technology is there. Big banks are using it. And before long, credit unions will be promoting their car loan rates to members they 'see' sitting in car dealerships."

Artificial intelligence and machine learning, especially when applied to credit decisions, are developments to watch in 2018, Kordeleski says. Vendors have developed revolutionary products and are targeting credit unions, but cultural resistance to substituting AI for human intelligence persists.

Technological breakthroughs in machine learning are moving communication from keystrokes to natural language, Fisher reports. Systems are now able to understand and respond intelligently to both typed and spoken language, he notes.

"Voice will be the interface of the future," he declares. Early inroads should start to surface in 2018.

Who Will Provide?

Where will the technology advances in 2018 come from?

For useful innovation in 2018, Kordeleski says, keep an eye on CULedger (*culedger.com*) and its use of blockchain technologies for sovereign identity and secured contracts. Also watch for innovations by Constellation Digital Partners (*constellation.coop*) in the area of cloud-based credit union solutions; Credit Union 2.0 (*cu-2.com*) for digital strategy; and OnApproach (*onapproach.com*) for data management and analytics that will enable credit unions to reap technology benefits if they pool resources and collaborate in their work, he concludes.

Some innovations will come from fintech companies, some from core processors and some from financial institutions themselves, Russo suggests.

Core processors are stuck with legacy value and have to protect their market share, he notes. Fintech companies have no such constraints and therefore are freer to try things. They're also freer from regulation, but looking to build a user base from regulated financial institutions like credit unions. Still, they don't always understand the compliance responsibility their products will have to support, he points out.

Core processors will bow to growing pressure to open their boxed solutions to foreign apps in 2018, Russo predicts.

"We're on the cusp," he adds. "Core systems have always been closed, but customers are pushing to pick the apps they want and have them fully integrated into the core platforms, seamlessly and with little effort."

Smith agrees core providers will feel the pressure. "The emergence of new credit union tech players is loosening the stranglehold core system providers have long enjoyed," he notes. "We're seeing more core conversions now than perhaps we've seen in any of the past 25 years."

But win-win remains a possibility. Potentially, the fintechs could liberate the cores from heavy R&D lifting, says Russo, and the cores could bring fintechs the user volume they need.

In the current technology marketplace, Patelco CU finds that long-term technology purchases have essentially disappeared, Landel notes. "We used to buy or build solutions for the next five to 10 years. Now the next technology is already being designed and built while we're rolling out the current one."

So Patelco CU follows a "platform strategy," buying foundational systems and building on them. And it designs what it wants but uses both internal and outside developers to do much of the actual building.

"We have hybrid solutions," he says. "That gives us continuous improvement flexibility, but it means we can never stop pedaling."

Richard H. Gamble *is a freelance writer based in Colorado.*

More on Technology

Fitting the Core to the Pieces (*cues.org/0217fitting*)

Timing the Leap (*cues.org/0816timing*)

CUES Podcast Episode 33 on digital adoption (*cues.org/podcast*)

Will Blockchain Help CUs? Part 1 (*cues.org/1216blockchainpart1*), Part 2 (*cues.org/1216blockchainpart2*)

Payments University, Aug. 13-14, Denver (*cues.org/payments*)

School of IT Leadership, Sept. 12-14, Denver (*cues.org/payments*)

Cornerstone Advisors (*cues.org/cornerstone*)

CUES Employee Salary Survey

CUES Employee Salary Survey provides you with insight, statistics and customizable reporting tools to help you attract and retain well qualified, non-executive professionals.

Benchmark your organization against others based on asset size, region, membership size and more. Reports include salary and bonus information for several positions, with access to:

- Benefits data per position, including:
  - Insurance plan type and cost
  - Retirement plan type and company contribution
  - Perks eligibility (paid parking, club memberships, etc.)
  - Employment contract details (length, renewal, severance pay, etc.)
- Side-by-side, year-to-year comparison reports
- Graphing tools
- Exclusive content explaining compensation trends, including data reports

You also have access to:

- *CUES JobWrite*™, which allows you to craft customized position descriptions based on job-related duties, qualifications, and responsibilities
- The ability to save search criteria for later use and export reports to Excel

MARQUIS

Tony Rizzo
Chief Marketing Officer
214.778.3037
tonyr@gomarquis.com

Founded: 1980
Headquarters: Plano, Texas
Member since: 2004
Website: gomarquis.com
Twitter: @GoMARQUIS

MARQUIS is a Plano, Texas-based company that is focused on getting results for over 750 financial institutions nationwide. MARQUIS sets its clients apart from their competition by providing expertise in data analytics, MCIF, CRM, consulting, digital and direct marketing—along with CRA, HMDA & Fair Lending compliance. For over 30 years, MARQUIS' focus has been to partner with clients to realize provable results with its software, services and consulting. To learn more, visit *gomarquis.com.*

Good for Growth

Facilitating a CU's entry into new markets

By Lisa Hochgraf

CUES member Matt Krauter, SVP/new markets for $500 million Blackhawk Community Credit Union (*bhccu.org*), Kenosha, Wis., calls himself a "salesperson by trade."

"I manage the new markets that we open up or merge in," Krauter explains. In addition to being involved directly with the CU's front-line sales force and other growth initiatives, Krauter brought to Blackhawk Community CU's 2017 merger his experience from six mergers at other financial institutions.

"I've been involved in the work but never had formal training in it," he says. "That's what really drew me" to attend CUES' Mergers & Acquisitions Institute in June at the University of Chicago Booth School of Business.

Krauter says that Steve Morrissette—adjunct associate professor of strategic management at the University of Chicago and lead faculty for the institute—did an excellent job of marrying theory to real life. In particular, Krauter was pleased to hear Morrissette tie the idea of a "sales funnel" to tracking discussions with and information about potential merger partners. This supported the direction Krauter is taking at Blackhawk Community CU.

"Sometimes that pat on the back launches you forward," he says. Listening to Morrissette "reaffirmed my strategy and gave me several more tools that will smooth my process and make me more confident about what I'm doing."

Krauter also valued getting Morrissette's perspective on matching culture and building business relationships when considering merger partners.

"Relationship management is the most challenging part of mergers," Krauter says. "A successful merger is about gaining support from all stakeholders. To succeed, it's important to keep communication transparent, so everybody is working for the relationship."

"Mergers complement the positive business practices we're already doing" to grow the credit union, he adds. "Post-merger we welcome our partners to the Blackhawk family and implement our organic activities, community involvement and business development, which grow the market."

Lisa Hochgraf *is a senior editor at CUES.*

CHICAGO BOOTH Executive Education

Mergers & Acquisitions Institute

Alphabetical list of participants in the June 2017 Mergers & Acquisitions Institute: Douglas M. Allman; Brenda Astorino, CCE; Chad Bostick, CIE; Jody Caraccioli; E. John Culp II; Aeton de Long-Hersh; Matthew J. Dodds, CCE; Randy Doerksen; Kelli Ellsworth-Etchison; Joan Geraghty; Ed Gravley, CIE; Eric Ketcham; Matt Krauter; Ric Mathias; Peter Myers; Frank M. Padak; Luis Peralta; Elijah B. Roberts, CCD; Karen L. Rosales; Ryan Ross; Joseph Schroeder; Bolor Smith; Karen Smith; William Tschida; Bill Urick; Patricia Wesenberg

More on Growth

Manage Your Way to Growth (*cues.org/0417facilitysolutions*)

The New Earnings Model (*cues.org/0816new*)

The Perfect Storm for Scuttling a Merger (*cues.org/0917perfect*)

Strategic Growth Institute, July 23-26, The University of Chicago Booth School of Business (*cues.org/sgi*)

Currency™

Tim McAlpine
President & Creative Director
877.230.1516 ext.162
tmcalpine@currencymarketing.ca

Founded: 1990
Headquarters: Chilliwack, British Columbia
Member since: 2010
Website: currencymarketing.ca
Facebook.com/currencymarketing
Twitter: @currencyupdates

Currency Marketing is a credit union-focused marketing firm based in Canada and founded in 1990. Today, 100 percent of our clients are in the credit union movement. Our business success comes from our great people and staying focused on our goals. We are credit union members, sit on credit union boards and support events and organizations that promote the cooperative principles. Our two core programs aim squarely at connecting credit unions with young adults.

It's a Money Thing is a financial education program that provides credit unions with access to a library of content that they can share on their websites, in the community and on social networks. Each professionally designed and researched content pack includes a video, infographic, article, presentation, handout and social media graphics.

Young & Free is a spokesperson-driven program for attracting young adults to a region's credit union. Young & Free results to-date are incredible: More than 250,000 young people now call credit unions home.

Currency has also partnered with CUES since 2010 to bring the dynamic CUES Next Top Credit Union Exec competition to life.

Visit *currencymarketing.ca* to learn more.

Do Employee Incentives Work?

Yes, but there are better ways to improve results.

By Mike Neill, CSE

Do you have a question about improving sales, employee performance or sales cultures? In this column, Michael Neill, CSE, offers his best advice in response to your questions. Neill is president of Michael Neill & Associates, Franklin, Tenn., and a CUES strategic partner in offering *ServiStar* (*cues.org/servistar*).

Question: What do credit unions need to know about incentives?

Answer: Incentives are the most talked about issue around sales and service culture development. There is a lot of confusion around how incentives work and how and when they should be used. In my work, I frequently hear about these eight myths about incentives.

1. Incentives Don't Work

Incentives do work. It's just a shame that they do. They work if certain criteria are met: The incentive must be enough money and be tied to a behavior that someone is willing to achieve. For example, if I offer you $10 to punch Colin but you don't want to, that incentive won't work. If I offer $10 million to punch Colin, you may still not *want* to do it, but the reward is likely high enough to overcome your reluctance.

The good news is that solid leadership and coaching work better than incentives. Good leadership and effective coaching impact behavior at a much higher rate than money does. Cash is your least profound driver of behavior. But it's easier to design an incentive program than it is to get leaders to lead or my managers to coach. And that's why incentives are so widely used.

2. Incentives Are the Best Way to Change Behavior

On the contrary, incentives won't change the behavior of employees who are what the Gallup Group (*tinyurl.com/yayys3gc*) calls "actively disengaged." These are the people who ask questions like: "How many of these do we have to do? What if I do 50 in the first week? Can I stop then and not do any in the next three weeks? What if I do 60 in the first month? Can I get credit for 10 the next month so I only have to do 40?"

Incentives will not change their behavior. In addition, incentives won't work for those that don't value the reward. If the incentive is a chance to win a cruise but I get seasick, I'm not going to be excited about winning that reward. Instead, commit to what we know always changes behavior: defining expectations, coaching effectively and holding employees accountable for performance.

3. Money Works Best

Research time and again has validated that money is not the primary driver of performance in those who are less than fully motivated. Money does work best if you are very

Q2
Grow Beyond

Janine Y. Kasper
Strategic Business Partner Manager
512.560.3674
janine.kasper@q2ebanking.com

Founded: 2004
Headquarters: Austin, Texas
Member since: 2012
Website: q2ebanking.com

Q2 is a leading provider of secure, cloud-based digital banking solutions headquartered in Austin, Texas. Q2 is driven by a mission to strengthen communities by strengthening the financial institutions that serve them with a culture of partnership and dedication to innovation for community-focused banks and credit unions. Q2 digital banking solutions are designed to deliver a compelling, secure and consistent user experience on any device and enable customers to improve account holder retention and to create incremental sales opportunities. To learn more about Q2, visit *q2ebanking.com*.

Digital Banking Solutions for an Always Connected World

Comprehensive, adaptable, and secure—anytime, anywhere, on any device

Today, developing strong relationships requires personalized digital banking experiences that stand out. At Q2, we're driven by innovation and partnership to help you stay ahead of technology—delivering rich customer insights, simplified operations, and peace of mind. Provide the connections and experiences your account holders want and gain the competitive advantage you need to grow.

Visit q2ebanking.com/connected

Q2

poor. But most credit union employees don't fall into that category.

In our research on the attributes and skills common among high-performing credit union employees, we found that CU staffers have more attributes in common with those who work for the Red Cross than those who work at banks. What does this mean? Our employees are more service-oriented than bank employees, who are more results-oriented. This explains why cash incentives may not change the typical credit union employee's behavior.

These employees are more likely to respond positively to immediate praise from a direct supervisor than to monetary incentives. To motivate them to achieve results, begin with a recognition program based on structured and objective results.

It would look like this: Employees earn points that they can accumulate to buy a day off, a jeans day, gift cards, etc. The program also works well with public recognition for high performers.

The objective part is important. Don't reward Jane because she's always so positive and smiling. Turn it around so that Jane earns 10 points for scoring high on an internal service survey. Or Marcus earns 25 points because he exceeded his minimum expectations in referral goals this month.

4. You Can't Create Sales Without Incentives

You absolutely can. On the other hand, you can't create sales without coaching and a strong culture. Your culture will drive behaviors. CUs that are focused on their mission—and lead to that mission—will be more likely to have employees who also work in a way that reflects the mission.

This requires being willing to coach employees on your core values. For example, if one of your CU's core values is mutual respect and a VP/operations is treating an employee without respect, the CEO needs to sit down with the VP and make clear it is not acceptable to speak that way to employees and ask the VP to apologize.

5. Everyone Loves Competition

There are lots of people who are not competitive and who find it morally objectionable at worst and manipulative at best. Personally, I'm competitive in the things I think I can win. My friend Doug is competitive all the time. But a lot of people are like me: They enjoy competition when they think they can win. Further, you can't make someone competitive.

The reality is making people compete against each other typically does not work, especially with the service-oriented people that CUs tend to hire. For competition to work at your CU, create a system in which employees are competing against a goal or a standard, rather than against individuals.

For example, if the minimum expectation is 50 referrals, everyone who exceeds 50 will be recognized. We can reward and recognize the top 25 percent at a higher level but we don't *only* recognize top performers.

Finally, I prefer the term minimum expectation instead of goal. "Be here to work at 8 a.m." That is not a goal, that is an expectation. With goals, we tend to achieve and then stop. But if it's a minimum expectation, we're more likely to go beyond.

6. Be "Fair" to the Back Office

I think we need to create incentives for the support areas. But they need to be reflective of the work they actually *do*. Define how support departments impact culture and recognize outstanding performance in these employees' behaviors.

For example, if an employee's or a department's score is X or higher in an internal service survey, they receive recognition. You can also pay employees for every money-saving idea the CU adopts. Or you could pay back-office staffers an annual bonus based on the CU's overall financial performance.

7. Everyone Needs Incentives

Just one group of employees needs incentives: Those who are unwilling but able to do something. According to my research, this group comprises somewhere between 60-80 percent of an organization's employees. But coaching also works and will turn them into employees who are willing and able faster than incentives.

For employees who are willing and able to complete the task, recognition from a supervisor for a job well done will make their heart sing.

For employees who are willing but unable, incentives don't work but training does. For the actively disengaged, the unwilling and unable, only accountability works.

Incentives are only one part of an overall employee performance management system. The other important components are: pre-employment testing, training, coaching, recognition and accountability.

8. Incentives Caused the Wells Fargo Situation

Incentives did not create the Wells Fargo situation. The problem was with leadership. Where you place your focus will create behavior. I interviewed a good friend of mine who worked in leadership at Wells Fargo. While I can't share her name, I can share her experience.

One day, the former CEO at Wells Fargo stood up in a meeting and said, "Everyone who banks with Wells Fargo should have eight different products." The VPs told the regional managers, who told the branch managers, who told their employees. And then someone in marketing said, "If everyone needs eight products, we need to incent employees."

But the incentive was just one of the things that happened. It was a leadership decision to live out and achieve a growth goal rather than to achieve a larger mission, and it caused a world of hurt.

Your core values should act as your guard rail for your CU's culture, guiding daily decision-making, helping employees navigate trade-offs and aligning everyone on a single trajectory.

Michael Neill, CSE, *is president of Michael Neill & Associates, Franklin, Tenn., and a CUES strategic partner in offering ServiStar* (cues.org/servistar). *Contact him at* mike@michaelneill.com.

Do you have a question for Mike? Email it to *editors@cues.org* with "Ask Mike" in the subject line.

Coaching & Incentive Resources

ServiStar (*cues.org/servistar*)

CUES School of Member Experience™ (*cues.org/some*)

Missing Their Targets (*cues.org/0817askmike*)

Hiring for Great Member Experience (*cues.org/1215hiring*)

Mental Wellness

When planning wellness programs, don't forget about mental health.

By Theresa Witham

When Madalyn Parker sent her co-workers an email that she'd be taking a few days off to focus on her mental health, the response was overwhelming. You may have seen this story all over your social media feed and even on the news. Her story went viral when she shared the response sent by her CEO Ben Congleton. He praised her for the message and wrote: "I use it as a reminder of the importance of using sick days for mental health—I can't believe this is not standard practice at all organizations."

How would you have responded if Madalyn were your employee?

Credit unions have an outstanding track record when it comes to employee wellness, devoting resources to both physical (*cues.org/1216healthy)* and financial health. (*cues.org/1116financialdistress*). But another important component of wellness is mental health. Chances are, many of your employees are affected.

According to the National Institute of Mental Health (*nimh.nih.gov*), about 43.4 million, or 17.9 percent of the U.S. adult population, experiences mental illness in a given year. These may include depression, seasonal affective disorder, anxiety, post-traumatic stress disorder and more.

The Anxiety Disorders Association of America (*adaa.org*) reports that 56 percent of surveyed employees say stress and anxiety affect their workplace performance while 51 percent say it affects their relationships with coworkers and peers.

The main culprits of work-related stress are:

- deadlines (55 percent);
- interpersonal relationships (53 percent);
- staff management (50 percent); and
- dealing with issues or problems (49 percent).

While most of us are feeling stressed, not many are upfront with employers about it. ADAA reports that fewer than half (40 percent) of employees whose stress interferes with work have talked to their employer about it. They're afraid:

- their boss would interpret it as lack of interest or unwillingness to do the activity (34 percent);
- of being labeled "weak" (31 percent);
- it would affect promotion opportunities (22 percent);
- it would go in their file (22 percent); and
- of being laughed at or not taken seriously (20 percent).

Of those who did speak to their employers, four in 10 were offered some type of help, most often a referral to a mental health professional (26 percent) or a relaxation or stress-management class (22 percent).

What are some ways employers can address mental health at work and help employees? First, look at your health insurance policies. What kinds of mental healthcare benefits does it include?

Second, consider offering an employee assistance program. These typically offer free, confidential assessments, short-term counseling and referrals to resources for employees who have personal or work problems.

Third, be sure you—and your CU's supervisors—are up-to-date on the Americans With Disabilities Act (*ada.gov*) and employees' rights to request reasonable accommodations for mental health issues. The Department of Labor (*dol.gov)* suggests a few accommodations to consider, including such flexible work environments as telecommuting, part-time scheduling or job sharing, and office adjustments like seating near natural light, the ability to use headphones with music and more. View a longer list at *cues.org/1217hranswers*.

Theresa Witham *is CUES' managing editor/publisher. Email her at* theresa@cues.org.

There's an App for That

A recent trend in mental health care is the emergence of apps to help manage mental health issues. Here are a few options:

AnxietyCoach from the Mayo Clinic is a self-help tool for reducing a wide variety of fears and worries that can contribute to everything from extreme shyness to obsessions and compulsions. AnxietyCoach helps employees make a list of feared activities and then guides them through mastering them one by one.

Breathe2Relax from the National Center for Telehealth & Technology guides users through breathing exercises to reduce stress, improve anxiety or calm anger.

CPT Coach by the U.S. Department of Veterans Affairs helps veterans, service members and others with post-traumatic stress disorder who are participating in cognitive processing therapy with a professional mental healthcare provider.

Happify helps reduce stress and anxiety through guided relaxation and meditation.

Headspace offers daily mediations for adults and kids.

CUES Goverance Leadership Institute™

April 15–18, 2018
Florida International University
Miami

June 10–13, 2018
Joseph L. Rotman School of Management
University of Toronto
Ontario, Canada

The fiduciary responsibility credit union board members and executives hold can't be taken lightly. Plan now to attend this prestigious program created specifically for the industry.

You'll learn how good governance can protect you as you examine leadership, strategy, and effective meetings, and gain a thorough understanding of key issues including risk management, influencing change, and succession planning.

Register today at **cues.org/gli**.

CCD Earn the prestigious Certified Credit Union Director designation.

Rotman School of Management
UNIVERSITY OF TORONTO

CUES
POTENTIAL, REALIZED.™

Plan Now for 2018 Elections

CUES eVote (*cues.org/evote*) voting software for credit unions streamlines merger and bylaw votes, board elections and membership surveys—managing everything from ballots to member service to tabulating the final results. Then CUES eVote follows up with an educational component to get new directors up and running. This easy-to-use, non-profit voting platform includes:

- hybrid elections—choose paper, phone or online balloting;
- customization—your bylaws, your time line and your needs govern the work CUES does for you;
- a state-of-the-art platform including sign-on with online banking, candidate rotation and voting confirmation certificates;
- access to voter behavior and turnout trends and targeted "get-out-the-vote" campaigns;
- increased security options—eVote's security is so tight, attempted fraud has been detected and stopped;
- synchronized vote tallying to ensure one vote per member;
- concierge service—staff and member questions are handled by CUES' staff;
- guaranteed confidentiality; and
- mobile compatibility.

If you are not sure you'll hold a board election, merger or bylaw vote, or membership survey in 2018 but still want to be prepared, CUES eVote offers flexibility. CUES can complete the following steps and then wait for your go-ahead:

- develop a customized vote, time line and secure login process;
- set up and review the trial voter list; and
- set up and test the voting site.

The best part is, if you do need your vote, the setup fee goes toward the cost of the full-service election. Get your prep work out of the way ahead of time and avoid a last minute scramble.

Our partner, eBallot, Washington, D.C., has delivered more than 32,000 online ballots and served over 16.9 million voters worldwide since 2001.

Plus, our budget-friendly online-only option is perfect for smaller credit unions. You design the ballots, send out emails and gather results, but use eVote's secure platform. It's the best of all worlds—convenient online elections *and* security. Complete the online interest form at cues.org/evote or contact Laura Lynch, CUES' election coordinator, at 866.356.0726 or *cues@cues.org*.

AD INDEX

To advertise, email *cathy.woods@mediawestintl.com*. CUES Supplier members are noted in **blue**. Find out more at *cues.org/advertise*.

CUES Elects 2017-2018 Board Officers

Immediate Past Chair & Director Stephanie Sherrodd, CCE (right), passes the gavel to new Board Chair Kim M. Sponem.

In October, CUES elected its board officers for 2017-2018 during its CEO/Executive Team Network™ in Las Vegas. They are:

Board Chair—Kim M. Sponem, CEO/president, Summit Credit Union, Madison, Wis.

Vice Chairman/ Chairman Elect—Stu Ramsey, CCE, president/CEO, Pen Air Federal Credit Union, Pensacola, Fla.

Treasurer—Greg Smith, president/CEO, PSECU, Harrisburg, Pa., and

Secretary— Kelly Marshall, CCE, ICD.D, CEO, Summerland Credit Union, Summerland, British Columbia.

Other CUES board members include: Immediate Past Chair & Director Stephanie Sherrodd, CCE, president/CEO, TDECU, Lake Jackson, Texas; Past Chair & Director Joseph F. Hearn, CCE, president/CEO, Dupaco Community Credit Union, Dubuque, Iowa; Past Chair & Director Robert D. Ramirez, CCE, CIE, CEO, Vantage West Credit Union, Tucson, Ariz.; Director Erin Mendez, CCE, president/CEO, Patelco Credit Union, Pleasanton, Calif.; and Director Kris P. VanBeek, CCE, CIE, president/CEO, USALLIANCE Financial, Rye, N.Y.

New in 2018: Strategic Growth Institute™

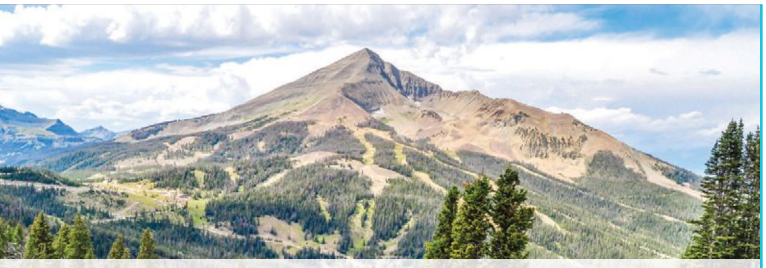
CUES is pleased to present Strategic Growth Institute (*cues.org/sgi*) to the industry as part of its 2018 educational offerings. Formerly Mergers & Acquisitions Institute, CUES has broadened the curriculum to provide an even more valuable educational experience.

"We've redesigned Mergers & Acquisitions to better serve the industry. We felt it was better to focus the themes of this institute on all the strategic growth options credit unions have," says CUES' president/CEO John Pembroke.

Strategic Growth Institute, July 23-26, will feature a curriculum designed specifically for the credit union industry where attendees will learn directly from the esteemed faculty of the University of Chicago Booth School of Business, one of the world's most prestigious business schools.

"Today's hyper-competitive and dynamic business environment requires credit unions to actively pursue growth, whether organically, through alliances, or mergers and acquisition," adds Pembroke. "CUES' Strategic Growth Institute is designed to help attendees understand and develop strategies and plans to take advantage of them."

Learn more and register at *cues.org/sgi*.



Execu/Summit® is March 11-16 at The Summit at Big Sky in Big Sky, Mont.

Reach the Peak of Excellence

Get ready for one of the industry's most distinctive conferences. CUES' Execu/Summit (*cues.org/es*), March 11-16 in Big Sky, Mont., has a unique schedule, book-ending educational sessions around midday networking or enjoying outdoor activities. This year's topics include:

Managing Board CEO Relations and **Building a Better Board** with Tim Harrington, CPA, president of TEAM Resources, Tucson, Ariz. No relationship in the CU is more important than the one between the board and CEO. What makes this relationship work is when both parties understand their roles and the proper balance between them.

Creativity and Innovation and **Prototyping** with Gert Garman, owner of Broad Perspective, LLC, Orlando. Participants learn how to get unstuck and keep things fresh in order to continually innovate.

Strategic Considerations for Growth-Minded Credit Unions with Peter Duffy, managing director, Sandler O'Neill & Partners LP, New York. This session will offer practical discussion of key growth, earnings, economic conditions, regulatory and capital trends in terms of their impact on merger and acquisition and future competitiveness.

Finding the Balance: Lead, Partner, or Stay Out of the Way? Improving Board & Senior Management Effectiveness with Ancin Cooley, principal, Synergy Credit Union Consulting, Elgin, Ill. In the absence of board leadership, a CU will likely suffer financially, and ultimately hurt its members. You'll leave this session with a practical road map for knowing when to lead, when to partner and when to stay out of the way.

Why Credit Unions Get Sued and How You Can Help Your Credit Union Avoid It with Christopher Pippett, partner, Fox Rothschild LLP, Exton, Pa. In this session, you will learn some of the most significant lawsuits and other claims brought against CUs in the past year and discuss tips for avoiding and/or limiting the exposure and financial impact to your CU. Learn more and register at *cues.org/es*.

2018

CUES SYMPOSIUM: A CEO/CHAIRMAN EXCHANGE
Jan. 28-Feb. 1
Grand Hyatt Kauai Resort & Spa
Koloa, Kauai, Hawaii

EXECU/SUMMIT®
March 11-16
The Summit at Big Sky
Big Sky, Mont.

CEO INSTITUTE I: *STRATEGIC PLANNING*
April 8-13
The Wharton School,
University of Pennsylvania
Philadelphia

CUES GOVERNANCE LEADERSHIP INSTITUTE™
April 15-18
Florida International University
Miami

EXECU/BLEND™
NEW
April 29-May 2
Hyatt Vineyard Creek
Santa Rosa, Calif.

CEO INSTITUTE II: *ORGANIZATIONAL EFFECTIVENESS*
April 29-May 4
Samuel Curtis Johnson School of Management, Cornell University
Ithaca, N.Y.

CUES SCHOOL OF APPLIED STRATEGIC MANAGEMENT™
April 30-May 3
Embassy Suites by Hilton Orlando
International Drive Convention Center

CUES SCHOOL OF BUSINESS LENDING™ I: *BUSINESS LENDING FUNDAMENTALS*
April 30-May 4
Embassy Suites by Hilton Orlando
International Drive Convention Center

CEO INSTITUTE III: *STRATEGIC LEADERSHIP DEVELOPMENT*
May 20-25
UVA Darden Executive Education
Charlottesville, Va.

Note: CU directors are encouraged to attend events listed in *blue*. For all future CUES events, visit *cues.org/calendar.*

CUES GOVERNANCE LEADERSHIP INSTITUTE™
June 10-13
Rotman School of Management
University of Toronto

STRATEGIC INNOVATION INSTITUTE™
July 15-20
Stanford Graduate School of Business
Stanford University, Stanford, Calif.

CUES SCHOOL OF BUSINESS LENDING™ II: *FINANCIAL ANALYSIS AND DIAGNOSTIC ASSESSMENT*
July 16-20
Crowne Plaza Seattle

CUES SCHOOL OF STRATEGIC MARKETING™ I
July 16-18
Crowne Plaza Seattle

CUES SCHOOL OF STRATEGIC MARKETING™ II
July 19-20
Crowne Plaza Seattle

STRATEGIC GROWTH INSTITUTE™
July 23-26
University of Chicago
Booth School of Business

SUPERVISORY COMMITTEE DEVELOPMENT SEMINAR
July 23-24
Kimpton Hotel Palomar San Diego

BUSINESS LENDING FOR DIRECTORS SEMINAR
July 23-24
Kimpton Hotel Palomar San Diego

DIRECTOR STRATEGY SEMINAR
July 25-27
Kimpton Hotel Palomar San Diego

PAYMENTS UNIVERSITY
Aug. 13-14
Embassy Suites by Hilton Denver
Downtown Convention Center

CUES SCHOOL OF CONSUMER LENDING™
Aug. 13-14
Embassy Suites by Hilton Denver
Downtown Convention Center

CUES SCHOOL OF ADVANCED CONSUMER LENDING™
Aug. 15-16
Embassy Suites by Hilton Denver
Downtown Convention Center

Feeling Uncomfortable? You Might Be Learning

By Hugh Blaine

*This post was originally published on the Claris Consulting blog (*clarisconsulting.net/blog*) and is reprinted with permission.*

We all have a comfort zone, a place where things are known, safe and predictable. But comfort can be the greatest inhibitor to accelerated performance. Without the discomfort of learning something new and growing beyond our current capabilities, we will not experience the greatest rewards possible.

A client once said that the last three months of our working together were the most uncomfortable three months of his professional life. We specifically discussed his leadership team's level of skill in being a magnet for top-tier talent, executing on strategic initiatives faster and more reliably, and fostering the mindset of customer excellence throughout the organization.

These conversations led him to realize that he had the wrong people in the right roles and, in turn, that his hopes for higher performance would be stalled if he didn't make significant changes. This meant asking several employees to leave. This CEO then asked for ideas about how he could become comfortable with making uncomfortable decisions. I suggested the following three strategies.

1. Link your discomfort with your purpose. The most important growth catalyst is to focus on the dream, hope or aspiration you have for your work or personal life. What is the one idea you will not tolerate leaving unfinished or undone? Hold this firmly in your mind when it comes to moving outside your comfort zone—without it, change is intellectual and not emotional. Feelings propel you to change faster than facts.

2. Associate discomfort with growth. This strategy is mental jujitsu. Whenever you feel discomfort, remind yourself that you are poised for or undergoing growth—in the sense that you're confirming the old way of operating is no longer working or that you are undergoing change and growing.

3. Fail forward faster. Discomfort doesn't have to last indefinitely. Remind yourself it will last as long as it takes to achieve the result you want. The faster you make mistakes, learn from them and regroup, the faster you'll eliminate the discomfort.

Which of these three strategies will serve you best this week?

Hugh Blane *is president of Claris Consulting (*clarisconsulting.net*), a leadership advisory firm in Seattle, and author of* 7 Principles of Transformational Leadership: Creating the mindset of passion, innovation and growth (clarisconsulting.net/book*).*

Read the full post and leave a comment at cues.org/103017skybox.

Recent Posts

"Get over yourself … Talk in terms of gain or loss for the credit union. 'If we don't do this, we will lose X or we will gain Y.' Tell the board how the gain aligns with strategic priorities. It's Presentation Skills 101. If you're thinking, 'I'm going to bedazzle the audience,' then you've lost them."
Lee Wetherington, director of strategic insight for ProfitStars (*profitstars.com*), a division of Jack Henry & Associates, Monett, Mo., in "Talking Tech With Your Board" on CUES Skybox: *cues.org/101617skybox*

"It's one thing to know what to do; it's another thing altogether to have the heart to step out and do it, knowing that that very act might create some resistance, some upset, some confusion. That is courage."
Michael Bungay Stanier, senior partner and founder of Box of Crayons (*boxofcrayons.com*) and author of *Do More Great Work*, in "Why It's So Important to Have Courage" on CUES Skybox: *cues.org/110117skybox*

"If your credit union doesn't offer members the ability to apply for and fund an auto loan—customized to their needs in the customer's preferred mobile manner—it risks being overlooked, while other financial institutions and online lenders step in to take that business."
Crystal Bullard, manager of business development for CUES Supplier member SWBC (*swbc.com*), San Antonio, in "Mobile Auto Loans Are the Way of the Future" on CUES Skybox: *cues.org/102317skybox*


IMPRESSIONS
ARE MADE,
NOT BOUGHT
James & Matthew
F.N.F 2007
JAMESANDMATTHEW.COM | A BRANDING & ADVERTISING AGENCY