

At CapCom Credit Union, It's All about Passion and Knowledge

Doubling and Redoubling Sales; Sharing the 'Ouch' Experiences

By Ann Cain

Organic Growth in a Shrinking Economy

A "tough economy" is not an excuse, according to the member-focused team at Capital Community Credit Union.

"Our tough economy is a *motivator*," says Kurt Thelen, chief executive officer, of the thriving ten-branch institution which has offices across Michigan, from Lansing to Grand Rapids and north to Greenville. "In fact," he continues, "Our motto this year is 'Growing from Within'. No matter what we're doing for our members, we know we can do more. There is *always* an answer if we ask them, 'How can we help you save your money? How can we help you make more money?' As long as we do that well, we can grow no matter what."

Thelen has reason to be confident. Even though Michigan's economy ranks near the bottom, its unemployment rate is nearly twice the national average, the auto industry continues to hemorrhage jobs, and many financial institutions in Michigan are shrinking, Capital Community stand out.

Capital Community can point to pure organic growth, thanks to the credit union's commitment to a powerful, enterprise wide sales and service culture initiative in partnership with Cohen Brown Management Group.

The partnership was initiated by Ann Marie Gunn, CapCom's chief operating officer. "I participated in a Credit Union Executives Society webinar and heard the most exciting speech by the CEO of a California credit union. He described how they had created this sustained sales growth by empowering their employees and really teaching them how to *help* members. I remember thinking as I listened, 'I sure hope they didn't do this all on their own.' So when the speaker said they had partnered with Cohen Brown, I was very excited!"

It Is What We Do, It Is Who we are!

CapCom moved quickly, deploying core Cohen Brown programs rapidly throughout the organization. First *Extraordinary Sales Leadership and Leading Breakthrough Service* for the credit union's leadership team, followed by *Proactive Relationship Banking* and the *Branch Sales and Service Series* for all branch employees.

The number of gap insurance policies sold doubled immediately and is still climbing: 44 in March, 55 in April, and 87 in May!



For many institutions, a mission statement is like the state bird – remembered when it's on the test and honored when the subject comes up, but otherwise mainly forgotten. Not at Capital Community, where they not only *can* recite their mission statement from memory, but do so with feeling:

"We are a passionate and knowledgeable TEAM dedicated to making each employee and member feel valued. We do this by identifying and matching products, services and education to ensure financial security for our employees and members so we may grow together."

Though the words are not all that unique, you get the impression they *mean* it when they say it. They are, well, 'passionate and knowledgeable' about their mission.

But that's not all. For Gunn, "This wasn't just about racking up more sales or scoring higher on service surveys. It was about *what we do every day*. How we treat one another, how we treat our members, how we make our community better. It had to include every one." So they also deployed *Breakthrough Service* for back room employees – operations people who serve the branch staff – and *Call Center Relationship Labs* for their staff who provide telephone support for members.

Following a core philosophy of Cohen Brown, these deployments were leader-led. That is, the classes were led by top executives from the credit union led the classes – not by Cohen Brown. For Thelen, that single element – leader-led – was pivotal.

"How can we expect our employees to believe in our commitment to sales and service if we cannot articulate it, and live it ourselves? When Ann Marie or Kathleen Fox, our VP of Human Resources, showed up to lead the classes – that really impressed the rest of the team. Our entire executive management team has participated in the classes' right along side the rest of the staff. The full top-down support is obvious to all."

For Renee DeMarco, CapCom's president, the Cohen Brown process was the execution model for a strategy CapCom had long embraced. Said DeMarco, "I *had* dreamed about this before – but the program exceeded my expectations. For all these years we have been preaching to employees the credit union philosophy – that it's not about sales but about 'people helping people'. It's about assisting our members to make their financial life better. So we had a fertile ground for this program, but we didn't have the model for drilling down into *how* to put it all together."

Rapid Culture Change

The change came quickly. Employees were excited about the prospect of changing how they dealt with members. There was a lot of camaraderie as they learned the new language, and good humor as they would teasingly check up on one another. Work became fun because they felt like they understood how they could make a difference.

But it's serious fun, according to Gunn. We rally around the phrase "Service Malpractice." If we are not finding out how to help our members in ever interaction, then we are guilty of malpractice.

Rapid Results – Sales and Referrals

The results came quickly, too, particularly in two prime areas of focus: gap insurance and investment referrals.

- Last year, in October, exactly one gap insurance policy was sold. In November, one. Then some product training took place, and the number went up to a respectable 23 in December and leveled off there – 22 in both January and February. After the Cohen Brown, the number doubled immediately and is still climbing: 44 in March, 55 in April, and 87 in May!

Investment income doubled the first month, and then doubled again the second month.

And the quality of referrals has gone from very poor to outstanding.

Said one branch employee, "It's easy now. I don't feel like I'm trying to push something on a member because now I know when to ask them, and I know how to ask them. I don't tell them about the product. I just ask them if there's a gap, and if we can help them close the gap. If they are interested, I define the benefit for them and then I ask for the business. I'm not embarrassed to do that because I know it can benefit them."

Another branch employee recognized that one of the best times to ask a member about gap insurance is when the auto loan is closing. As a result of making that connection, in one month she closed six loans and seven gap policies – one to each loan member and another to a member who already had a loan.

- The **investment referral** results are as spectacular and gratifying. Last year, after some intense investment product training over a period of several months. Referrals did rise – in some cases significantly – but it turned out the quality of the referrals was very poor. This mattered at Capital Community, where they have one investment specialist for 10 branches. Following up on low-quality referrals was consuming the investment representative's time and it showed in flat investment income. So although more work was being done, more members were being contacted, profits were not rising and members were not being served better. It was the worst of both worlds.

After the Cohen Brown training, however, investment income almost doubled in the first month, and doubled again in the second month! So once again the investment specialist is overwhelmed, but this time it's a good problem: "The quality of the referrals is fantastic," reported Brian Eilar, Investment Representative. "Now when I get a referral from branch employees, I know that they have asked the right questions and made the right suggestions. So when I call the member, I'm calling someone with a need for our help and with confidence that we are there to help."

Further proof of the value of passionate and knowledgeable employees: Capital Community has not invested in advertising. "There's no need for it," says Thelen. "We are getting better results from what happens in the normal course of our conversations with members without the help from expensive ads."

Nurturing the New Culture

CapCom management knows the importance of nurturing the new culture and their gains.

Reward and recognition is an important part of sustaining the change. Managers make sure that employees receive daily and weekly feedback as much for encouragement as to make sure that they keep their focus on branch goals. Branch staff is also encouraged to e-mail one another with their success stories. "It is so exciting when you read that an employee, just by talking to a member and asking questions, can get direct deposit started or determine the need for a loan," Gunn said.

And while the process will always be leader-led, it is not leader dominated. The teams are encouraged to come up with their own ways of keeping this



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fun and exciting. One week the Cash Department and Member Services in the Main Office, created their own cheer about helping members with their Home Equity needs and invited everyone to join them first thing in the morning for a rousing rendition.

The teams at CapCom don't just learn from successes but also from their mistakes. They have formalized an interesting practice, sharing what they call their "Ouch" experiences.

Thelen says, "They have confidence in Ann Marie's leadership and are not afraid to come back to her with their shortfalls and ask for advice on how to fix them. She has made it safe to talk about their 'Ouch' experiences."

Gunn emphasizes, "We pride ourselves on passion, not perfection. For us, success starts when you get on board – when you get moving in the right direction. Perfection will follow."

The Cohen Brown language is being embedded throughout the organization. According to Fox, "In sales meetings, we are always asking each other, 'When you return to your position, what will you do more, better, different, less?' That's as natural as asking about your weekend."

The Board of Directors get a regular update and now look forward to the success stories about how one employee or another has made a big difference for a member. Now, even CapCom's chief financial officer uses the Big Five concept during her ALCO meetings.

With the whole institution using the same playbook, ask Thelen, "How can we not be successful? From the financial service representatives with their cheers to the CFO and her Big Five, we are an organization entirely focused on our mission. And having a great time fulfilling it. Just imagine what we will be ready to do when the economy turns back up!"

He is not declaring victory yet, because he knows they can get even better. Not all employees progressed at the same rate, but the success of the leaders is contagious, and now even those who were hesitant in their member interactions are making progress. "We can't wait to see our progress when every employee knows how to Mini-FiNAP by asking our members the right questions and does so comfortably and confidently."

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