

Credit Union BUSINESS

THE PLASTICS ISSUE

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Credit Card Market = Credit Union Boom

Plastic Law

What Executives Must Know

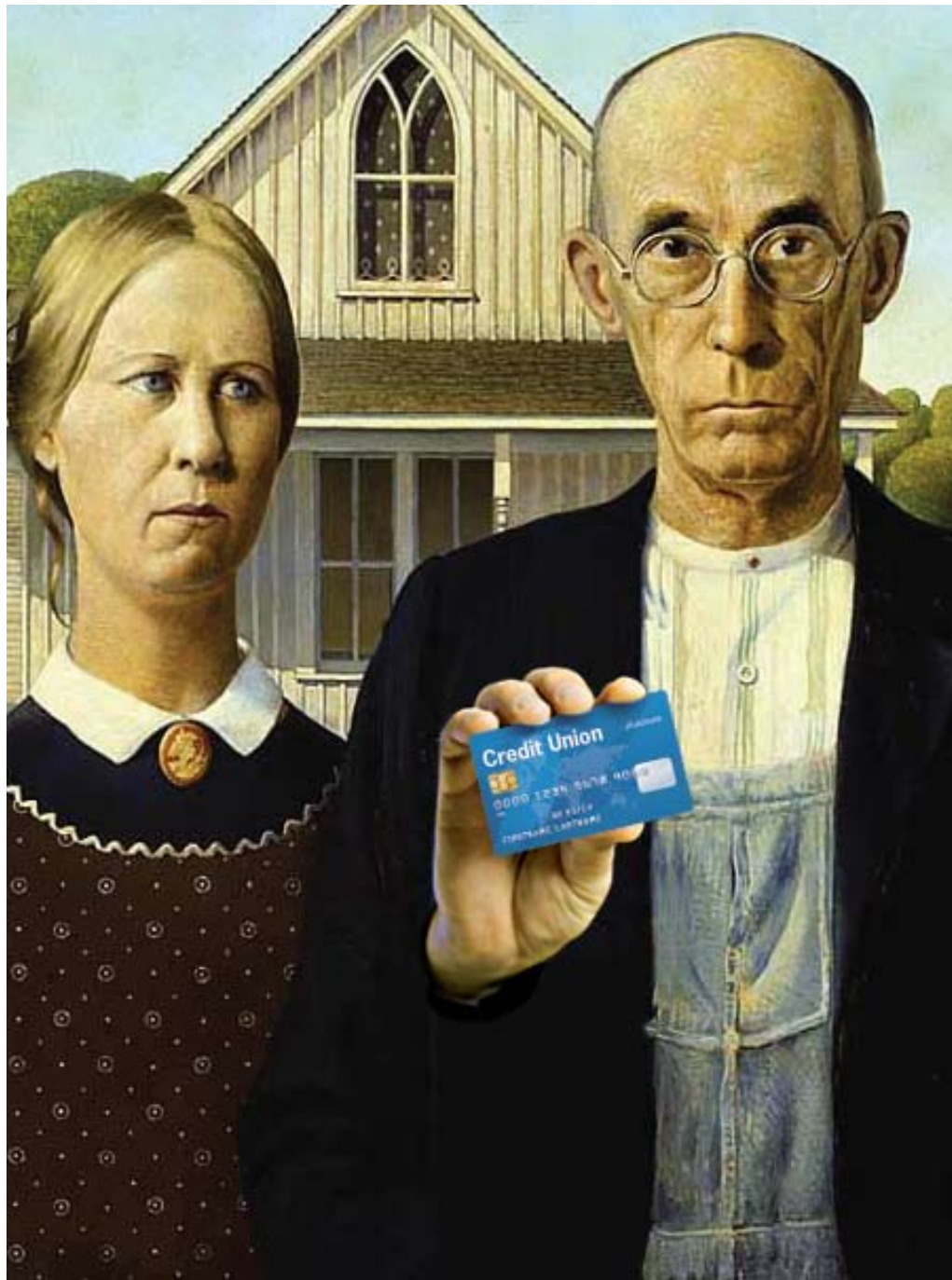
Interview with CEO John Fenton

Plastics Overview

9 Remedies for Plastic Headaches

Cards Make Money

Experts Speak Up



Wanted: Business Members! Finding Service Expertise

Whether internal or external, developing talent is a prerequisite to your credit union's service competency. Where can you find business service expertise? Should you recruit in-house or outside? Discover how the right blend of talent can position your CU to capture the business market. *By Lin Gensing-Pophal*

As credit unions expand into the member business service arena, they reach an important fork in the road: Should they develop talent from within or hire talent from the outside? Which is best? Which is most likely to help them move quickly and successfully into this new market?

The answer – as is often the case – is not so clear. In fact, “it depends.” Mary Duncan is vice president of client services for IBT Enterprises (www.ibtenterprises.com) in Norcross, Ga., where one of her core responsibilities is working with credit unions on the staffing, coaching and training of new and existing employees. “A lot of what is happening in 2008 I refer to as ‘evolve or dissolve,’” she says. In large part, this tendency is because the labor market is becoming increasingly challenged to attract and retain qualified staff in an environment where Baby Boomers are entering, in large numbers, into retirement. It simply doesn't make sense to ignore the talent within, she says, even if that talent needs some additional development to be fully functional in a new role.

Regardless of the way the decision goes, the credit union will face challenges. If hiring internally, the challenge entails training on business service needs. If hiring externally, the challenge involves helping assimilate someone from outside the credit union industry into the CU's unique culture. In reality, it is often a combination of both internal development and external “infusion” that helps credit unions excel in reaching out to the small business market.

Harold Roundtree is SVP of member services for Technology Credit Union in San Jose, Calif. “I don't think we've ever made a

concerted effort to say we're going to go exclusively to the outside,” says Roundtree. “It's been a blend of internal and external and we're happy to say that we've got a blend in each individual that brings a unique perspective to this business.”

A Blend of Two Cultures

Wayne Paton is vice president of corporate and business services for Ent Credit Union in Colorado. Paton joined Ent in 2006, coming to the credit union from J.P. Morgan Chase, where he was the local marketing president. His background was in corporate banking and he was brought to Ent specifically to provide that background.

In building the business service function, he says, it was important to leverage two things: the member-centric metric and knowledge of the business environment. To help, he brought in an individual who had worked with him at Chase to complement the existing team, which included an individual who had an interest in business services. The combination of internal and external resources was important, he says.

“We knew, at the end of the day, there's really two ways to roll out a business service group,” he says. “You can either leverage the front line, the way we've done here, or you can just go out and hire a bunch of business banking people and staff up. We did not choose to go with that [strategy] for both cost and member reasons. We didn't want to confuse our members about their principle contact – our members really enjoy the channels that are offered to them.”



Building skills within, says Duncan, provides an added benefit of translating the unique credit union culture from the consumer to the business member. The needs are, she says, the same. Business members and consumer members are looking for financial partners that understand their needs, listen to those needs and are able to provide them with the right solutions to meet those needs. Credit union staff who are expert at meeting the desires of tradi-

Identifying the Right Skills . . . and Personalities

Whether hiring internally or searching for expertise from outside, the best place to start is with the core competencies required to do the job say business and credit union experts. Assuming that long-term credit union staff don't have the skills – or that externally, staff with business experience do – can be risky and simply wrong.

“Finding the balance between member service and business savvy . . .”

tional members already have the necessary core skills to develop relationships with business clients, she maintains.

There will, of course, be differences in terms of product and service offerings, understanding business issues, etc., but these variances represent opportunities for education and development. Training is critical and an effective way to provide both existing and new staff with the skills they need to meet the credit union's member service and business development needs.

Jim Klunick is a consultant with Wipfli CPAs and Consultants in Madison, Wis., where he works with clients to hire and develop competent staff. He accomplishes this aim through the use of the Predictive Index, an assessment tool that reveals drives and motivations that influence workplace behavior.

“Any organization that's going to hire for a new business endeavor or new position has to come to terms with things like What does the job description look like? What are the skills required?

Reaching out to the small business market

What are the educational requirements? What experience is required? What technical know-how is required?" says Klunick.

Once the credit union determines the requisite skills, a profile is developed and candidates can then be matched to that profile – scientifically – through the use of the Predictive Index assessment.

"When you create a job profile, you don't fall to some industry standard," Klunick says. "You create that profile specific to the culture of your organization." So, for example, a credit union that has branches with established membership and high penetration within their geographic areas would look for a branch manager with different traits, characteristics and preferences than a credit union that is building a new branch in a new market – or a credit union that is expanding into the business services arena.

The process is simple and relatively painless for candidates, who need only complete a 10-minute online assessment. Therein, they identify words that best describe their own preferences.

"There usually is a little skepticism about taking it," Klunick admits and says that he recommends those using the tool spend some time introducing and explaining it. "I don't think anyone should ever just have it shoved in their face," he says. "I like to introduce it by saying something like 'We're an organization that wants to line you up with the kind of work you're motivated and excited about. We want to keep the lines of communication as open as we can because we want you to like the people you work with here. This is an instrument [through which] we appreciate your taking the time to give us your honest response.'"

It's not uncommon, he notes, for those taking the test to ask about whether it can be "cheated." Anything can be cheated, he says, but adds, "As a trained PI analyst interviewing you as a candidate, I can ask the right kind of behavioral questions, and I'm going to know in about five minutes if there's a misrepresentation in the responses."

In addition, he notes, "Many of the behavioral-assessment tools out there are forced-choice instruments. Ours is a free choice

that does a lot less to lead someone into a designed response."

Technology Credit Union has been using the Predictive Index since 1998. "It's a tool that we use for every position we hire, from top to bottom, within the organization," says Roundtree. "It provides us with a map, if you will, in helping us to get the right person in the right seat. It's been a great tool."

When a position is open, Technology Credit Union identifies the managers who have the most knowledge of the skills needed for the position. The CU next asks them, individually, to identify these key traits. Their input is then brought together into a profile that represents the behavioral profile for the job.

More critical than growing from within or hiring from outside, say both Roundtree and others, is making sure that the individual has the skills and temperament needed to do the job. That can also mean taking the necessary time to find the best fit and not simply filling roles quickly.

"You have to be patient and you have to be diligent," says Roundtree, especially when hiring for business service skills, which can be new to many credit unions. "I think the right approach is a crawl, walk, run approach. You want to be a little bit slow and a little deliberate to make sure you're getting the right job mix every single time, whether the candidate is internal or external."

The idea of going out and finding a group from a local bank with business experience and bringing them in to the credit union, says Roundtree, is a flawed approach. "I think it's a mix of some organic growth and some external expertise that you can bring onto the scene, and I think that creates a good blend and mix."

Finding the right blend is obviously important. In credit unions – whether working in the consumer or business arena – it's all about the people, says Paton. "We don't manufacture cars or widgets. Our process is different. We deliver quality, intangible products that happen to touch a very, very important part of people's lives." When people are the product, finding the balance between member service and business savvy is priority number one.

Lin Gensing-Popbal, SPHR, has more than 15 years of experience in employee relations and organizational communications. She is the author of several books, including "The HR Book."