

November 24, 2014

## How Community 1st Increased Retail Checking Accounts By 50%

By W.B. King

OTTUMWA, Iowa —Last year, Community 1st Credit Union wanted to find a way to increase the number of members who considered the CU their primary financial institution.

“One of our strengths has always been the ability to cross-sell to our membership, but gaining new members has been an opportunity of ours,” said Jami Kaelin, the operations manager at the \$505-million asset CU.

“We needed help putting a strategic plan in place to grow our membership and checking account penetration.”

So the 54,000-member credit union decided to adopt a vendor growth strategy and it increased retail checking members by more than 50%.

According to Kaelin, while the CU offered a number of checking account options, the choices were often deemed confusing to members as well as employees. It turned to Haberfeld Associates and its Member Acquisition & Growth Strategy.

“Growing PFI relationships is never a simple fix,” said Haberfeld Vice President David Carlson. “It is not about just training, or just marketing or a fly-by-night product. It is about understanding everything that goes into attracting more PFI relationships and being committed to the investment it takes to make it happen.”

Kaelin said the first step was simplify checking account options at Community 1st, which cut down on member-



selection anxiety. Next, the CU launched a direct-mail strategy and incentive targeting campaign for members and non-members. Employees were given extra training to better field checking account-related questions.

“We started by offering thank-you gifts upon the opening of a checking account and the response was huge,” he said. “There were times we had trouble keeping a stock of gifts in the branch because the response was much larger than we initially expected.”

During this time period, Haberfeld secretly shopped in the CU’s 16 branches and studied its call center operations. “It brought us valuable feedback and helped us focus our training on those locations that weren’t comfortable talking about our checking account options,” Kaelin added.

Since rolling out the new PFI platform, Community 1st CU’s checking accounts opened between January to October 2013 to January to October 2014 increased from 4,117 to 6,305. During the same time period new memberships established jumped from 4,538 to 6,990. Business checking accounts went from 188 accounts opened in 2013 to 278 opened in 2014.

“Business accounts have always been tough for us, but to see this increase was a huge motivator. We had 749 referrals come in this year alone,” said Kaelin. “And 973 of our current members also made the choice to switch over to one our new checking account products.”

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## How A Checking Revamp Helped Centris FCU Boost Its PFI Status

By Aaron Passman

OMAHA—All CUs know the importance of getting PFI status with a member, but how do some actually achieve that?

For Centris FCU, the answer lay in revamping the credit union's checking offerings.

Steve Swanstrom, SVP of retail financial services at the 76,000-member, \$512 million credit union, explained that after surveying members and non-members, Centris decided it needed to find new ways to grow the business and recruit new members, as well as deepen relationships with existing members.

Ultimately the CU chose to focus on the checking account as the means to achieve that end.



Steve Swanstrom  
Centris Federal Credit Union

### Checking As Primary Driver

The goal, he said, was to use the checking account "as the primary driver of the relationship," as well as a way to show those unfamiliar with CUs what Centris could offer and what it's all about.

Centris partnered with Lincoln, Neb.-based Haberfeld Associates to revamp its checking offerings, crafting four different account options targeted at different consumer segments, including a basic free checking account, an account targeted at members age 50 and older, a paperless, interest-bearing account and a higher interest-bearing account with balance requirements.

Swanstrom said that the decision to segment the checking offerings was in response to Haberfeld's research, along with what the firm was seeing from other clients and in the marketplace—four distinct consumer segments all with different wants and needs from a checking account.

Additionally, it had been several years since Centris last revamped its checking products, and the number of ancillary products around checking accounts had

grown significantly in the intervening years.

Along with the changes to checking accounts, Haberfeld also helped the credit union make changes to the process members go through to join the CU and open checking accounts, including eliminating a provision that kept out members who had previously mismanaged checking accounts.

### More Streamlined Approach

Centris also created a more streamlined approach to identifying which account is right for a member—a move which shaved the time it took to select an account from as long as ten minutes to as short as two minutes.

Since implementing these changes, Centris has seen a 70% lift in checking account openings compared to 2012—a figure that exceeds the initial goal of a 30% lift. Additionally, 70% of those households transact at least five times per month, including an average of 25 debit swipes per month. More than 70% of the new accounts are for members age 44 or younger, and 47% are in the prime borrowing years of 18-34. Perhaps most importantly, the CU has seen \$7.7 million in new loan volumes from these member households.

Checking accounts may not be sexy, but Swanstrom stressed that CUs shouldn't underestimate the importance of checking account relationships, because Centris wouldn't have seen that growth without those relationships.

"I don't think we could have done this without Haberfeld," said Swanstrom, adding that if it had tried to go it alone it likely would have taken longer and not have seen the same level of success. "The consulting aspect of it, certainly we could not have done that on our own. We just don't have the access to data, information and market research that they do."



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