



What These Unprecedented Times Mean to Your Credit Union

by

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We are truly living in times of unprecedented social, economic and technological developments. Who could have imagined, in 2011 alone, the Arab Spring, the assassination of Osama Bin Laden, Occupy Wall Street and the unthinkable downgrading of the credit rating of the United States of America? How could it be possible that the front-runner for the Republican presidential nomination be, in rapid and brief succession, Michelle Bachman, Rick Perry and Herman Cain?

Emerging as a constant in this new parallel universe is a fundamental and pervasive distrust, resentment and even hatred for the big banks. A large and growing part of the populace blames the big banks for causing the economic collapse, taking massive taxpayer-funded bailouts and screwing their own customers at every opportunity. Those at the helm are viewed as greedy, deceitful, self-serving scoundrels who can't be trusted or believed as far as they can be thrown.

Nothing illustrates and epitomizes this sentiment more than the current brouhaha over BofA's (short for the Bank of Avarice) \$5 debit card fee and the avalanche of backlash that it created. As this article is being written, BofA's management finally succumbed to the pressure and abandoned the plan. Adding insult to injury, they tried to dress the pig in Victoria's Secret by suggesting that their retreat represents living proof of how well they listen to their customers.

So what does all this mean to your credit union? Only that the world is being handed to you on a platter, should you choose to accept it.

As the debacle developed momentum, BofA became the whipping boy of so many financial commentators and columnists. As the vilification of the bank reached fever pitch, a common theme emerged "maybe it's time to move to a community bank or credit union". Even President Obama, in an interview with ABC's George Stephanopoulos on October 6th suggested that consumers need protection from the big banks.

So how does your credit union take advantage of this wonderful opportunity? The answer to that question differs significantly when considering consumer banking versus business services. Consumers, by nature, will be much more attuned to the whole anti-BofA and anti-big bank situation. Dropping into your normal advertising something like "Bank of America Customers Welcome" will underscore the fact that you're offering is a very attractive alternative to what the big banks can offer. In addition, training front-line staff to suggest to members visiting their branches that they might have family and friends who would benefit from making the switch to a credit union would help find converts.



In the world of business services the challenge is quite different. It's really a bad news/good news story. The bad news is that the vast majority of business owners including those who do their personal banking with credit unions are completely unaware that credit unions offer business services. This has been a constant challenge to the credit union community including those credit unions who have been offering business services for many years. The good news is that the same business owners who are unaware of the fact that credit unions offer business services have the general impression that credit unions offer a spectacular level of service and responsiveness.

The challenge of course is how to "spread the gospel" and get the word out to the business community. Traditionally, businesses are much more difficult to attract through advertising, direct mail, billboards, etc. **Getting to the business owner and having a one-on-one conversation** is by far the most effective means of delivering the message. While Expert Business Development handles this for credit unions, you certainly don't need us to initiate the process. If you have a business development person or staff who focuses on business services, now is the perfect time to be canvassing the business community, making direct contact to businesses, as well as developing referrals from existing business members and referral sources.

Expert Business Development's process requires that we track our metrics very carefully and personally, I have never seen an environment more conducive to getting a small to midsized business owner to consider a banking relationship with the credit union. The key, of course, is to identify the right people within your organization, make sure that they are very well trained and motivated and make sure they have the time and resources to mount a full court press to the business community. The other critical issue is speed. This state of Nirvana will not last forever. The more quickly you can get your organization moving down this path the easier it will be to develop and **convert prospects in the business community who are finding more reasons than ever to dislike and resent their bank**. You don't have to find the wave; you just have to ride it in.

Ted Rosen is president of Expert Business Development, LLC, based in Bala Cynwyd, PA. The firm helps community and regional banks acquire, expand and retain small business and commercial banking relationships through professional calling programs and providing the advice and guidance to help its clients' overall sales process. Mr. Rosen is a frequent presenter at banking conferences.