

## Making Data Pay

by Richard H. Gamble

*Savvy CU leaders are learning to turn member information into actionable reports that lead to improved profitability.*

**Data are nice but dollars are better. Hard-pressed to improve profitability, avoid waste and get results, savvy credit union managers are learning how to turn data into dollars by getting actionable reports from their customer information systems.**

Reporting can be simple or complicated, standard or customized. In most cases, CUES member Meg Sisco, VP/marketing at \$212 million Westerly Community Credit Union, Westerly, R.I., can pull the targeted reports she needs herself. Sometimes she taps her vendor's deeper knowledge of what the system can do.



Beaverton, Ore.-based CUES Supplier member DMA “will sometimes create reports for us that I didn’t know were possible and then teach me how to do it. We don’t depend on them for reports, but they sometimes guide us to more insightful reporting,” she says.

Lots of managers see actionable reports from Westerly Community CU’s system.

“We all use it,” Sisco says. “We refer to reports in our asset/liability committee meetings. Sales uses it to train branch personnel in cross-selling. Accounting and operations use it as well.”

Recently, Sisco prepared for a meeting by pulling a report on just business accounts. Actually, she pulled two reports, one showing businesses with transaction accounts and no loans; the other showed businesses with both loans and transaction accounts.

One action that reporting has stimulated at Westerly Community CU is a push to increase the penetration of money market accounts, Sisco reports.

“We went from 1.24 percent of our members using money market accounts at the end of 2007 to 3.31 percent at the end of 2010.”

The CU is a convincing demonstration that what gets measured and reported gets better. With reports providing visibility and encouragement, the cross-sell service ratio report showed improvement in 2010 from 2.89 to 3.03, which means the average member now uses slightly more than three services. The real payoff: Average profit per member has risen from \$52 to \$70 since year-end 2007, Sisco reports.

Improving profitability is driving a lot of actionable reporting these days. The typical CU is using such reports to identify its most profitable customer segments, then give them red-carpet treatment to retain them and encourage them to use more sticky services to further cement the relationship. With its least profitable segments, a credit union is likely to try to cross-sell them products and services that would make them profitable, introduce fees to offset costs or ignore them. Rarely will a CU try to run them off, unless higher fees encourage them to leave.

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***Selected Excerpt***