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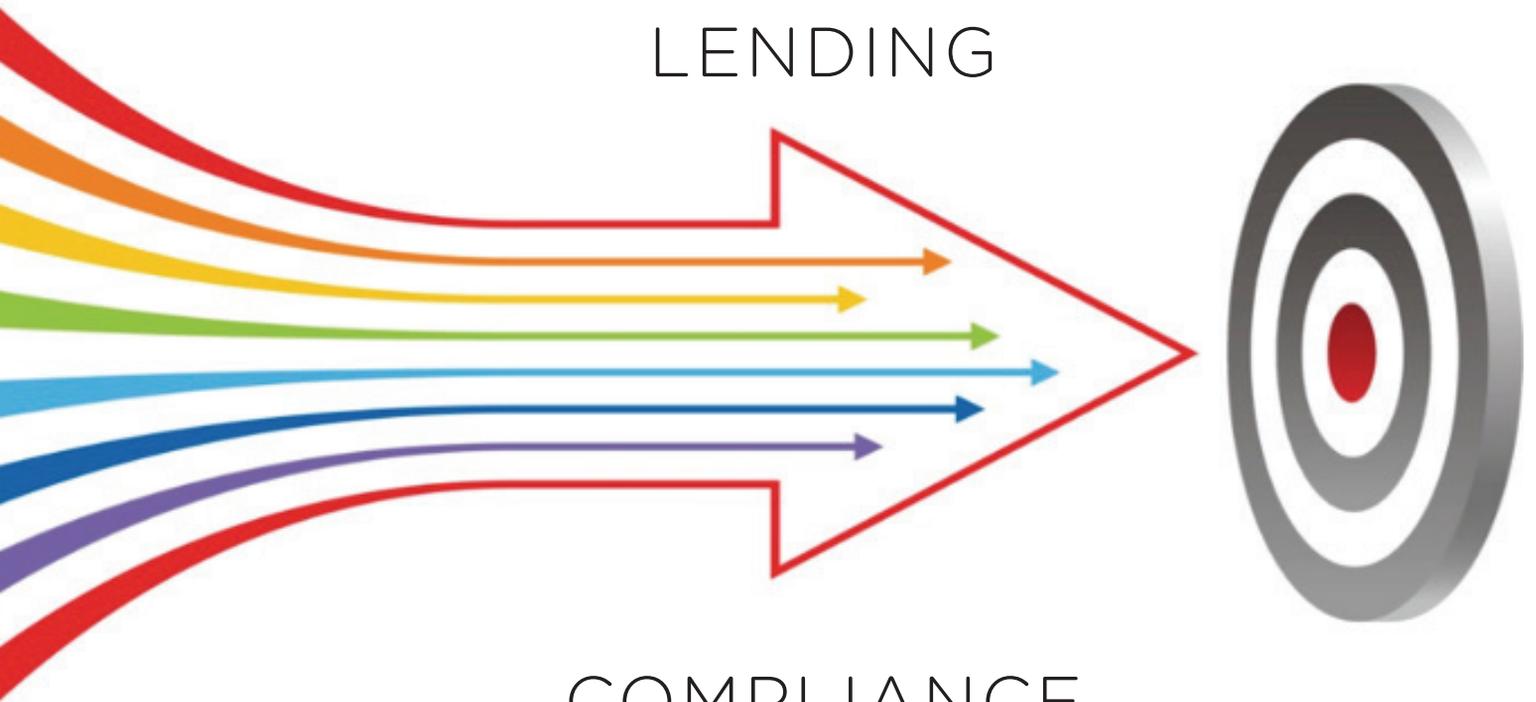
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Experience Trumps Service

An insider's glance into the recent Southern California Credit Union Alliance conference reveals an important takeaway for credit unions. Providing good service to your members is an expectation, not a differentiator. These days, it's the experience you provide to your members that truly sets your CU apart.

“Adapting to a Changing World.” I think we have all been trying to do that for at least the past 20 years. Nevertheless, the Southern California Credit Union Alliance chose the phrase as their theme for their recent 2017 conference, and they truly hit that mark with their lineup of speakers. From Jim Abbott talking about overcoming the adversity of being born without a right hand to pitch a no-hitter for the New York Yankees to Brandon Michaels – the CEO of Mazuma Credit Union, whom I have previously profiled in this magazine – explaining why creating a passionate following is more important than asset size, every session gave attendees clear ideas on how to adapt.

However, I would have to say my favorite presentation was led by Dave DeFazio, Partner for StrategyCorps. In true Jerry Maguire “You had me at hello” fashion, he had me with his first slide labeled “Experience Trumps Service.” I told Dave just before my interview with him that I was going to steal that line.

Those three words encapsulate what I have been saying for years. That it's not just about providing good service. Good service, maybe even great service, is ubiquitous today. Every consumer expects flawless service whether he's applying for a loan or ordering a cheeseburger. Even the best of service results in a “meets expectations” interaction in the minds of most members. But a true experience exceeds expectations. As Dave quoted Warren Tomlin, recognized as one of

“Marketing Magazine's” 100 Thought Leaders and serving as IBM Global Chief Innovation Officer, “A person's last experience is their new expectation.”

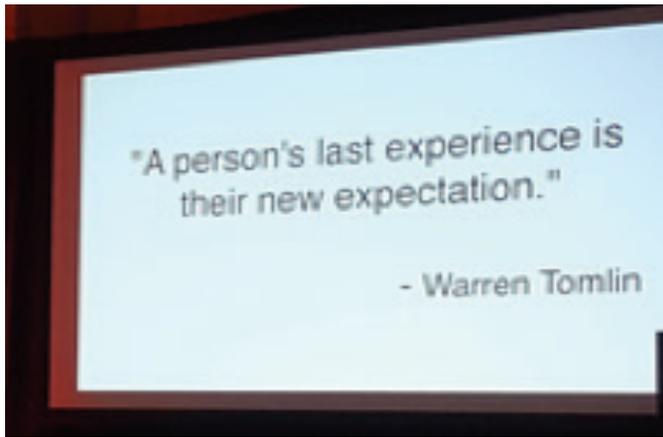
Why does experience trump service? When we focus on providing an experience rather than a level of service, we begin to achieve consistency, which is the very foundation for building a truly differentiating brand. When we tell frontline staff, “You will provide exceptional service to our members,” without any explanation of what exceptional service looks like, we leave that directive open to interpretation for each employee. To Julie, it may mean greeting every member with a smile and a “How can I help you today?” To Danny, it may mean snapping to attention and, in his quirky way, saying “What ya need, my friend?” To Mary, it may mean that since this individual isn't a



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member yet I don't have to give her exceptional service, or I can arbitrarily ignore the non-member to take care of the long-time member despite their places in line. And Johnny in IT may figure that the "exceptional service" directive doesn't even apply to him since he works with employees only, most of whom he treats with disdain.

In the scenario above, there are four different experiences of "exceptional service." That isn't an experience at all. It's just a mess, in spite of the good intentions from management with their "You will provide exceptional service to our members" directive.

While I passionately believe, if done properly, any credit union can provide both a consistent and exceptional member experience through their employees, many consumers today would rather transact banking business through an app than through a human being. That is why providing service through technology is so attractive. During Dave's presentation, "Adapting to Change in a Mobile World," he provided multiple live examples of a customer experience through technology. The other night, he ordered his favorite coffee from Starbucks and made a mobile payment to his buddy for beers, both completely hands free with his Amazon Alexa. His Alexa even showed him a little quirky attitude later in the session. Of course, technology is great when it works. Dave even quipped that when he does his presentations, he is often at the mercy of the WiFi connection available

at the venue. However, when technology does work, consistently in the way your business and those you serve want it to, it usually does provide an experience that trumps old-fashioned polite service.

During my interview with Dave, we discussed the phrase "Experience Trumps Service." "Sometimes it's a little controversial," he laughed. "People hear that I'm saying bad words about service. That's not what we're saying. Service is still important." I would add that an experience is an extension of service. Consistent service leads to an experience, which leads to a consumer expectation, which can be a sustainable advantage for your business. (Watch the entire interview at <https://www.youtube.com/watch?v=xJHWwMeuKus>.)

Dave gave a great example of an experience creating an expectation. "I'm an Amazon junky," he admitted. "I order on Amazon all of the time. Now that has set an expectation about how I think online ordering and retailing should work. So if I find my way somehow to another site to buy a product and I'm ordering it online, if someone wants to charge me a shipping fee, I'm like 'What's going on here?! Where's the two-day shipping?' (Amazon) has changed the way that I think ordering in an online environment or a mobile environment should work."

We quickly shifted to discussing what that means in the banking world. "If we're thinking about the experience of banking, we need to start thinking about not just what other banks and credit unions are doing. It's that Amazon is rewiring my brain to change the way I think about how things work in general. So when I say 'Experience Trumps Service,' it's that our brains and expectations in a mobile world are changing by the minute practically."

It reminded me of one of my clients, Cincinnati Ohio Police Federal Credit Union (COPFCU), whom I profiled previously in this series. The CU's brand principle is "Banking on a First Name Basis." It's truly a brand principle, and not just a tagline, because the credit union lives that phrase every day. It has built



wonderful “first-name” relationships with the majority of its members. However, during one meeting last year, a very smart twentysomething professional wisely challenged me on the fact that the credit union needed to embrace more technological channels to serve the membership and not just hold on to the face-to-face “Banking on a First Name Basis” ways.

I remember that conversation vividly as I sincerely love it when young professionals challenge the status quo in a thought-provoking way. My response to him was that he and I weren’t as far apart in our thoughts as he may think. The question isn’t an “either/or” challenge. In other words, it’s not do we hold on to the “Banking on a First Name Basis” culture and philosophy OR do we embrace a technological way of interacting with our members. The real question is: How do we create a “Banking on a First Name Basis” experience through technology in a way our members truly want it?

“The way that our relationships connect with our members is changing,” Dave responded. “We have to find (new) ways of connecting with people when they are outside the four walls of our branches.” He portended that credit unions need to think about how

we can engage members beyond the typical boundaries of banking. Here are three ways we may begin doing just that:

1) Gain an awareness of all of the things that are happening in the mobile world. Dave quipped, “If you were going to build a branch in France, you would want to learn a little French.” If you believe that Millennials and, just as important now, Gen Z as well as mobile technology are going to be important to the future of our business, then we need to learn that language too. As I would say, we can’t just ignore the trends in business, shrug our shoulders and say, ‘Well, all of our board members are retired and only use flip phones.’ We need to continually ask, “What is ‘an experience’ in today’s world?” That doesn’t mean we all need to become technology experts, but it does mean we need to be more curious about what apps the folks [we] serve enjoy and why. It also means trying different apps [ourselves] to learn how they operate.

2) Look to see what the next big thing may be. The trend is going away from clicks and typing



to voice technology. “Hands-free” is creating an experience where consumers are simply having a conversation with their device. It makes the user-face more familiar to people and creates an easier way to get things done. So if you are updating your technology channels, look to adopt the next big thing rather than the technology that is near obsolescence. Think a move or two ahead.

3) Align your company mission with your mobile mission. You don’t necessarily need to change the entire way you do business, but you do need to find ways to do business your way through new channels. And, as Dave suggested, “Let your members in on the mission.” Much like I suggest letting employees in on the plan, ask members how they want to do business. You may not be able to afford the exact technology you would ultimately like. However, maybe you can utilize what is available to you, such as having a video call via Skype rather than a phone call with a member or leaving a video message instead of a voicemail, thereby making the interaction more personal.

“Adapting to a Changing World” can certainly be a frightening endeavor for many people. What may

alleviate some of those fears is the understanding that “to adapt” and “to change” are two different acts. To change, according to the dictionary, is to “exchange for something else.” “Change” then, by definition, becomes an “either/or” way of thinking. However, to adapt is to “make suitable to requirements or conditions; to adjust or modify.” So the challenge isn’t how your credit union will change its culture and manner of engaging members in a mobile world. The real challenge, instead, is how will your credit union modify its way of interacting with those you serve, within the existing brand and culture, to provide them with the banking experience they desire?



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