



Customer Relationship Management

IN THIS MODULE

This module provides CEOs with knowledge and skills in developing the credit union customer relationship management strategy aimed at establishing meaningful bonds with members and turning them into reliable, lifelong partners of the credit union.

SPECIFIC OBJECTIVES:

After completing Module 5, Customer Relationship Management, CEOs will:

- Understand the clear, concise definitions of CRM;
- Become aware of their role in CRM;
- Develop skills in designing a CRM approach that is responsive, flexible, and personalized to each member/customer;
- Gain skills in creating effective customer focused programs for the credit union
- Be capable of creating their own CRM Strategy and program

CONTENTS:

- What is Customer Relationship Management and the Role of the CEO on CRM?
- Creating your Credit Union Strategy Road Map on CRM
- Tactics on Customer Relationship Management
 - Customer Care Excellence
 - Customer Loyalty Programs
 - Tools for Capturing Customer Information

FORMAT:

At the Workshop:

The format selected for the presentation in this Module should be based on factors such as the size and background experience of the audience and additional time available beyond that recommended for this Module. Suggested methodologies are:

- Exercises
- Syndicated group discussion
- Brainstorming
- Uses of techniques other than lectures are strongly recommended including team projects, case studies, workshops, designing marketing campaigns.

Credit Union Project:

The participants are required to:

- Produce an objective assessment of their credit union's CRM Strategy and tools
- Develop CRM Strategy and tools
- Prepare a presentation kit including brief notes and a report to the Board of Directors.

MINIMUM TIME:

4 hours (240 minutes)

LISTS OF HAND OUTS:

- Customer Relationship Management Concept
- Creating Your Credit Union Road Map on CRM
- Customer Care Excellence
- Member Loyalty Program
- Know thy Members
- Quick Scan of Customer Orientation
- Strategy Tactics Worksheet
- Star Credit Union Strategy
- Customer Standards
- Golden Rules

LISTS OF MATERIALS:

- Five Flip Charts
- White Board and Permanent Markers
- Scissors
- Colored papers
- Meta cards
- Glue
- Masking Tape

SESSION GUIDELINE

1. Introduction and Preview of the Module- 10 minutes

Exercise 1:

Ask the trainees to write their expectations of this Module 5: Customer Relationship Management. A flip chart is assigned per group. Limit this activity to 5 minutes. Ask them to check their answers while presenting the objectives of the module using slide no. 2 of PowerPoint entitled: Customer Relationship Management.

The following are the objectives of the module:

- Understand the clear, concise definitions of CRM;
- Become aware of their role in CRM;
- Develop skills in designing a CRM approach that is responsive, flexible, and personalized to each member/customer;
- Gain skills in creating effective customer focused programs for the credit union
- Create their own CRM Strategy and program

Ask the trainees to share any expectations not covered in the module.



Note to Facilitator

The module is increasing the knowledge not developing the skills of the CEOs. Skills development is on Level 2. Stick a large sheet of paper on the wall as a “Parking Lot.” Write the expectations not covered by the module on the “Parking Lot.” You should be able to respond to their expectations with tactfulness

2. What is CRM and the Role of CEOs in CRM - 60 minutes

Flash the slides 4 and 5 of the PowerPoint on Customer Relationship Management.

Revalidate with the participants whether this vision: Sustainable Credit Union is also their dream for their credit union. Further explain that a Sustainable Credit Union is characterized by the following KPIs (Key Performance Indicators):

- Safety and soundness
- Competitive position
- Operational efficiency
- Member satisfaction
- Quality products and services
- Knowledgeable and involved board of directors
- Employee satisfaction

Highlight that Member Satisfaction as one of the KPIs in a sustainable credit union. The purpose of a business is to create customers, Peter Drucker said. As a credit union is a business, members are its customers. In Drucker’s words, it is important to keep and grow the depth of relationship with member-customers. Thus, CRM is strategic in nature because it can create a differentiation to the credit union. CRM can be the single strongest weapon a CEO can have to ensure the members become and remain loyal.

Exercise 2:

On a flip chart, ask the groups to define CRM. Allocate five minutes for this exercise.

Slide 8 and 9:

It is a comprehensive approach for creating, maintaining and expanding customer (member) relationships.

Is about growing *advocates* and finding new ways to add value.

Facilitator's Note:

Slides 8 and 9:

First, consider the word “*comprehensive*.” CRM does not belong just to sales and marketing. It is not the sole responsibility of the customer service group, nor is it the brainchild of the information technology team. While any one of these areas may be the internal champion for CRM in your credit union, in point of fact, CRM must be a way of doing business that touches all areas such as in loan granting, opening new accounts, collection of loans, member seminars, accounting, etc.

The second key word in the definition is “*approach*.” An approach is the way of treating or dealing with something. CRM is a way of thinking about and dealing with customer-member relationships. We might also use the word *strategy* because, done well, CRM involves a clear plan. In fact, CRM strategy can actually serve as benchmark for every other strategy in your credit union. Any credit union strategy that does not serve to create, maintain, or expand relationships with your target members does not contribute to the achievement of credit union's vision.

Slide 10:

Every Organization's Big Unknown ... Customer Value. Explain that credit unions have not explored the full potential of every credit union member. Ask opinions from participants. The following are most likely the reasons:

- Unable to fulfill members needs because credit unions do not have basis or information in assessing and anticipating them
- No comprehensive approach on CRM
- Do not understand the importance of CRM
- Do not see the value of satisfying members

Emphasize that due to the above; credit unions are not fulfilling their mission of improving the living standards of members. Credit unions should be with the members in attaining their financial independence and CRM is a big part of it.

Exercise 3:

- To gain clarity about CRM intention, think for a moment about what **questions** you want to respond to in your relationship with your members?

Give the participants 5 minutes to complete this task.

Participants may list as many questions as they would want to answer. Narrow them down to the following major areas:

- What drives the members to do business with your credit union?
- Given a realistic choice, would your members choose to do business with your credit union?
- In what ways do you need to enfold your members in your credit union, so that you can better understand what they want and need - and more effectively provide it?
- What do your members need and want to have happen during their encounters with you?
- What will drive your members to continue to do business with you?
- What information about your customers will help you identify ways you can grow the amount of money spend with you?

Explain that the answers to the above questions will begin to clarify the credit union CRM strategy.

Facilitator's Note:

Proceed to slide 12 to 16

Slide 12 is the Framework for CRM: Targeting, Acquisition, Retention and Expansion

Slide 13: Targeting. Knowledge of members and potential members is very important for the credit unions. Credit unions should have information on the demographics of the area of its operation. These questions should be considered in targeting members:

- Who do we target?
- What segments need the services of our coops?
- What segments match our Value Proposition?
- What is the best segmentation strategy for our industry?

Slide 14: Acquisition. This would mean addressing the following questions:

- What is the best channel for each segment?
- How do we service the market segment chosen? In a cost effective way.

Slide 15: Retention. This area would mean examining the following questions:

- How can we improve retention?
- What is our average customer relationship length?
- How can we hold customers for as long as possible?
- What is the most cost effective method of retention?

Slide 16: Expansion. In this framework, the credit union is aiming to develop advocates or loyal membership. Loyalty programs are some examples of creating loyal members who advocate the benefits of their companies. You may ask your credit union:

- How many products does our average member use?
- How can we induce our current members to use our services?
- How can we create loyal members?

Emphasize the CRM Framework on Slide no. 17.

Exercise 4:

Discussion Point: Why credit unions need to focus on CRM?

Anticipate the following answers (Slide 19-21):

- Differentiate our credit unions from competitors
- Improve our image in the eyes of our customers
- Improve profitability
- Increase customer satisfaction and retention
- Achieve a maximum number of advocates for our credit unions
- Enhance our reputation
- Improve staff morale
- Increase employee satisfaction and retention
- Increase productivity
- Reduce costs
- Encourage employee participation
- Create a reputation for being caring, customer-oriented credit unions
- Foster internal customer/supplier relationships
- Bring about continuous improvements to the operation of the credit unions

Give emphasis to Slide 22:

- A typical dissatisfied member will tell 8-10 people
- By increasing the member retention rate by 5%, profits could increase by 85%
- 70% of the complaining members will remain loyal if the problem is solved

Slide no. 23 provides information on what information should be collected from members. Emphasize that some of this information is already available but credit unions are not maintaining it.

3. Creating Your Credit Union Road Map on CRM – 60 minutes

It would be good to remind the participants again of the terminologies, as this is needed in the creation of Road Map (Slide 2- pp2).

Facilitators Note:

If no CRM exists in the participants' credit unions, advise them that they could be pioneers by creating CRM strategy for their credit union. This is a big job, but highly worthwhile and rewarding. Explain that this module will take the participants through the CRM strategy development process assuming that their credit unions adopt the goal – *Creating, maintaining, and expanding mutually beneficial member-customer relationships* (Slide 3, pp2).

Slide 4 explains the need to form a team which will help develop the CRM strategy. The following are criteria to consider in picking the players in the process:

- Represent front-line member contact, back-of house support, and management
- Understand members and what's important to them
- Understand the larger goals and vision
- Able to commit time and energy to this process



Slide 5 explains the preparation needed before the group finally sits together in developing the CRM strategy. Review the Pre-Course Work: Quick Scan of Customer Orientation. The scan will help the participants to realize that they have not really developed a comprehensive program for their credit union.

Exercise 5:

Silent Brainstorming for Potential Strategies on CRM:

Assume each group is a team of selected people who will create the CRM strategy in their respective credit union. The first exercise is silent brainstorming to collect clues about what's important in managing member-customer relationships. This technique is an effective way to elicit the wisdom of the group. To begin, distribute Meta cards to each participant. Ask them to silently and individually create as many individual notes as they can, listing every way they might be able to expand, enhance, or improve member relationships. Allow 10 minutes for this activity.

When the participants have finished creating their notes, it is time to share them with the group. Ask them to select a facilitator in the group and Meta cards to be posted on the wall. Encourage participants to create additional notes as ideas occur to them. While this may be time consuming, it serves to spark additional ideas and ensures that everyone on the team is in the same boat.

When all the cards are on the wall, the goal is to sort the notes so that similar items and related ideas are together. Discourage arguments while the ideas are sorted. You may note that the ideas the participants have written down are actually tactics for serving members. These tactics cluster together because they are related by strategy – they are part of a common focus. The job of the group now is to name that strategy.

After the groups have named their clusters, it is time for a report. Tell the groups, "Read the ideas in your cluster and then tell us what strategy you believe these tactics represent." Create a list of these strategies on your flip chart.

Note to Facilitator

You have to be cautious. Most of the participants would say they have CRM in place. Always point out that it is a comprehensive process focused on achieving the goal of creating, maintaining, and expanding mutually beneficial member-customer relationships.

CRM Strategy Selection:

At this point, the CRM strategy development process can feel overwhelming. Ask the groups to narrow them down and choose the right strategy. The next is about creating strategy selection criteria and then evaluating the potential strategies using a criteria matrix. The participants have to brainstorm the criteria in selecting the right strategies. For example, in creating goals, SMARTS (Stretching, Measurable, Achievable, Related to Members, Time Bound and Supported by the organization) are the criteria used. Let the participants brainstorm on their criteria. Some examples are:

- Link to vision, mission, values and objectives
- Link to goals
- Innovative
- Relevant to Members
- Creating Goodwill
- Embracing change
- Achievable
- Injects humanity
- Creating advocates

Below is an example of matrix. The strategy 3 meets all five criteria. Strategy five, which meets the four criteria, could also be included in the final CRM strategy.

	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5
Strategy 1	x				x
Strategy 2	x		x		
Strategy 3	x	x	x	x	x
Strategy 4		x	x	x	
Strategy 5	x	x	x	x	

The objective is to narrow down the items to no more than three to five key strategies. Taken together, these are the CRM strategies. The final task in the development process is to write the CRM strategy statement. Explain that the draft of the strategy is best written by either the CEO or one or two people selected by the team after the meeting. Then the draft can be sent to the team members for review before the final version. The strategy should capture the ideas of the team into a document that provides clear direction for effectively interacting with and serving the members. Distribute the CRM Strategy statement of Star Credit Union.

4. Tactics on CRM – 105 minutes

Customer Care Excellence:

Exercise 6:

After completing the strategy formulation, proceed to the identification of the tactics to implement the strategies. Distribute the Strategy and Tactics Worksheet and ask the participants to fill in the tactics earlier identified. Give them 10 minutes to fill in the form individually. The form will not be submitted. The objective of filling the form in is to ensure that participants be able to prepare their project work using the format.

Present PowerPoint 3 on Customer Care Excellence.

Note to Facilitator:

Slide 2: A definition of good service is meeting customers' expectations. Excellent service is exceeding customer expectations.

Slide 3: Total customer care will only be achieved when the needs of the 'internal' as well as 'external' customer are considered. This involves capturing the hearts and minds of all employees. Managers play a key role in providing support and encouragement to their staff to achieve customer focus.

Slide 5-6: Ask opinions from participants on the definition of Customer Service. Listen to their opinions and flash slide no. 6 and 7.

Slide 8: Emphasize that excellent customer care is a mission: As a mission, everybody in the credit union should:

- Inject humanity
- Customer: Far Beyond Buyer
- Service: Far Beyond "May I help you?"

Slide 9: In today's competitive, fast-paced and global economy, world-class customer service is required to stay relevant in the marketplace. For credit unions, member service is a competitive advantage that can be used to differentiate them from other financial institutions.

Slide 10: Emphasize that the foregoing presentation is to challenge the Managers and front-line staff of credit unions to focus on little things they can do every day to have a big, positive impact on your members. Inform the participants that these examples would be an input in completing their CRM Road Map.

Exercise 7:

Slide 11: Ask the groups to list down on their flip chart some examples of Customer Service they are currently implementing in their credit union. Give 10 minutes to complete the task, then proceed to the rest of the slides. Ask them to check their answers on the presentation.

Championing Strategies in Member Loyalty:

Note to Facilitator:

In recent years competitive markets have been flooded with customer loyalty programs. Some of the best known schemes



Food for Thought

Members' personal relationships so fondly remembered may fade. To keep members satisfied customers advantages, it's helpful to update them on changes and improvements. Keep impressing those members so they keep promoting you.

are the frequent-flier programs of the major airlines and loyalty schemes introduced by food retailers. Explain to participants that loyalty programs cannot guarantee a loyal member. Customers tend to stick to a company if their needs are fulfilled. Loyalty begins to develop when the customers receive value.

Present the PowerPoint 4 on Championing Strategies in Member Loyalty. Inform that these are practical guides in developing tools for loyalty programs in credit unions.

Slide 2: It Costs About Five Times As Much to Get a New Member As It Does to Keep an Existing One! At this point ask the participants what do we mean by Loyal Members?

Slide 3: The ultimate Member loyalty is having the credit union come to mind first for each member, knowing the credit union will meet all of his/hers financial needs at a fair price and the best service.

Proceed to the rest of the slides. Interact with the participants while going through the slides. Emphasize that these are inputs in the preparation of their CRM Road Map.

Gathering Member Data and Information:

Note to Facilitator:

Slide 2: The better you understand your members, the easier it is to provide the aspects of your products and services that deliver greatest value; while at the same time containing your costs.

Slide 3: There is a lot to understand. The credit union needs to understand what aspects of the decision-making process animate members. Fine tuning your products and services into members' needs, wants and desires are major tasks. Your credit union will also want to test specific ideas, and find out about specific issues in your relationship with your members on marketing, sales and services. Emphasize that the CRM goal is to turn your members into advocates.

This means you have to do a lot of research. There is a misconception that because members are complex, learning about them is an extremely costly exercise. This is not true. There are a variety of ways you can learn about members, many of which are within the financial scope of your credit union. Inform the participants that in this training, they will look at a variety of techniques – from cheapest to the most expensive.

Slide 3: This slide is a diagram of a data model:

- Loan Portfolio – represents the result of meeting the financial needs of members. Credit unions managing their loan portfolio effectively help members achieve their financial goals and in turn growth and profit to the credit union. Attracting members to use the services again and again is a key question CRM needs to respond to. In this case, credit unions need to know the *segment* of members and the *behavior* of each segment. Credit unions also need to know how members interact with the staff and what kind of strategy will the credit union use to make these interactions meaningful and unforgettable.

- Market Share of Membership – credit unions with more than a 30 % share in terms of membership are most likely operating in line with their mission. To properly target and attract members, credit unions need to know the member and potential members profile and demographics.

Exercise 8:

What techniques your credit union could use in getting information about your members?

Areas	Means of Obtaining Information	Techniques of Obtaining Information
Behavior	Inbound and outbound contact history	
Profile	Inbound and outbound contact history	
Lifestyles	Inbound and outbound contact history	
Preferences	Inbound and outbound contact history	
Demographics	External information	

Note to Facilitator:

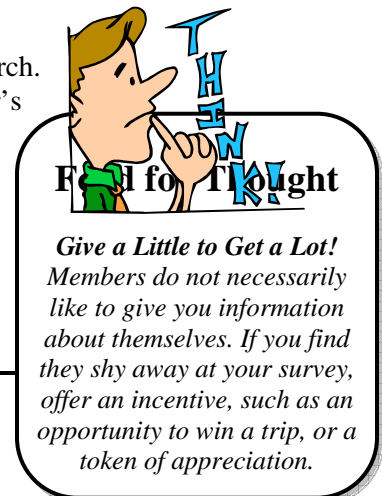
Slide 7:

Observation – this type of research can be conducted by almost anyone in your credit union. The first use of observation research is to reveal basic patterns of members’ behaviors. The second use of observation research is to give middle and senior managers the chance to learn about the many subtle activities that make up the service interactions with members.

Examples: Where do queues form? Where do members form initial impressions? Look at the faces of the members to see when they register surprise, frustration, pleasure and so on.

Slide 8:

Experiencing – this is not technically a type of research. Nonetheless, experiencing your service from a member’s perspective is a simple and extremely revealing exercise. Experiencing involves management putting themselves in the member’s shoes for a period.



Example: Try ringing in with an enquiry (if you must, you can put on your favorite fake accent), try accessing a service, or try making a complaint. Be careful to note every step of your experience so that you can make the necessary changes later on. Try to encourage your employees to engage in these exercises – a mountain of understanding can repay a little investment of time.

Slide 9:

Talking – is something so simple that it often becomes overlooked or underrated by organizations. So, who should you be talking to?

- Members – next time you are with a member, try asking one, or all, of these questions:
 - What one thing could we do differently next time?
 - What was the best part of your experience with us today?
 - What changes would you make if this were your business?

Be careful to listen objectively. Avoid becoming defensive. Avoid attributing the blame. Provide encouragement to the customer to share information honestly and openly. Encourage the member to express emotions as well as relate facts.

- Employees – simply take a tour around the frontline positions and ask questions like:
 - What is your greatest frustration at the moment?
 - What seems to be the greatest frustration the members are having at the moment?
 - What do you think we could do to fix these frustrations?
 - What do the members seem to like the most?
 - What could I do to make your job easier?

Slide 10:

Internal Research – Qualitative – explores member sentiments, attitudes, values or behaviors. You can typically use focus groups or one on one interviews.

Slide 11:

Internal Research – Quantitative – involves collecting answers to predetermined questions (usually a survey) from a larger numbers of respondents. In this research you are finding out how many people agree with something that you suspect to be true or how many members like/dislike something your credit union is doing. Distribute the Golden Rules in Carrying Out Credit Union Survey.

Slide 12:

External Research – conducted outside the credit union. This might include looking at the profile and demographics of your potential membership. In most cases, research is carried out

to investigate a particular marketing issue of concern: What opportunities exist for new business? Why is customer loyalty declining?

Slide 13 - The computer is Your Friend (but Not Always your Best Friend)

There is no question that computers have changed the world of customer relationship management. They not only provide the means to obtain much of the data, but also store data and generate reports based on the data. There is nothing so wonderful as the number-gathering potential of a large database. Yet, it does not mean it is right for your credit union. The goal is not to see how much information you can get on your members; it is to get information that is useful to your credit union.

Conclude this topic explaining that there are so many options – and so little time to make decisions that can spell success of the credit union. The most efficient way to narrow your options is to look at the advantages of each source of data. Generally, as the data and information become more tailored to your credit union business and more accurate, they also become harder and more expensive to obtain.

5. Wrap Up - 10 minutes

Exercise 9: (Slide 15-16)

Ask the groups to go back to their flip charts and summarize what they have learned in this module. Again, flash the objective of the workshop on the screen.

- Understand the clear, concise definitions of CRM;
- Become aware of their role in CRM;
- Develop skills in designing CRM approach that is responsive, flexible, and personalized to each member/customer;
- Gain skills in creating effective customer focused programs for the credit union
- Create their own CRM Strategy and program

6. Credit Union Project - 10 minutes

During this module, CEOs gained knowledge and skills on CRM. They are now ready to commence their fifth credit union project to be submitted for assessment to the Registrar of the Credit Union CEOs Competency Program.

The participants are required to carry out the following projects:

- Objective assessment of their credit union's CRM practices.
- Develop a CRM Road Map for the credit union.

- Prepare a presentation kit including brief notes and a report to the Board of Directors.

Pre-Course Work: Quick Scan of Customer Orientation

	Yes	Somewhat	No
General			
1. Do you know who your members are and how many there are?			
2. Do you listen effectively to all your members, and do you familiarize yourself with their situation?			
3. Do you routinely conduct surveys among your members about your products and services?			

4. Do all employees know about the results of these surveys?			
5. Did you segment your members based on their needs?			
6. Are more than 75% of your members satisfied?			
7. Do you anticipate members' needs?			
8. Do you consider each member a unique partner?			
9. Are complaints addressed within two business days and resolved within a week?			
10. Do you encourage dissatisfied members to notify you of their complaints?			
11. Do you undertake unsolicited additional actions, and do you provide additional unsolicited services to satisfy your members?			
12. Do you have a member help desk?			
13. Do you know the percentage of members who terminate their relationship with your credit union due to dissatisfaction?			
14. Are complaints systematically registered and analyzed in your organization?			
15. Have you established procedures for handling complaints, and are these routinely used in your credit union?			
16. Do you measure the degree of customer loyalty?			
17. Do you regularly advise members about your products/services that best fit their needs?			
18. Do you know what the costs are when you lose a member?			
19. Do you know what the costs are when you gain a member?			

	Yes	Somewhat	No
20. Do you know how much			
21. Do you listen effectively to all your members, and do you familiarize yourself with their situation?			
22. Do you regularly organize meetings with member groups to learn about their needs, wants, ideas and complaints?			
Leadership Style			
23. Is there a commitment to member orientation in top management and Board of Directors?			
24. As CEO, do you know how many complaints			

are received yearly?			
25. Is management convinced of the importance of satisfied members, and do they act accordingly?			
26. Have you integrated member satisfaction into your organization's vision?			
27. Has the vision been clearly communicated to all your employees and members?			
28. Does management recognize notable trends, and do they anticipate these in a timely manner?			
29. Does management set a good example regarding member-friendly behavior?			
30. Is management open to suggestions and ideas from members?			
31. Does management personally reward those employees who deliver a valuable contribution to increased member satisfaction?			
32. Are relationships between management and members supported and warmly encouraged?			
33. Is management at all times available to members?			
34. Do all managers have regular personal contact with members?			
35. Does member satisfaction also belong to the evaluation criteria of the management?			
36. Are the member's wishes continuously taken into consideration when making decisions?			
37. Does top management also personally handle complaints by members?			

	Yes	Somewhat	No
Strategic Vision			
38. Are there at least 5 member oriented objectives and related performance measures formulated in the corporate, business unit, and team scorecard?			
39. Have all managers formulated at least 3 member related objectives and performance measures in their work plan?			
40. Have you developed technology application strategies for the coming years to increase member satisfaction?			

41. Is the strategy regarding member orientation continuously communicated to all employees?			
42. Do you have partnership relation with all your members based on mutual respect and trust?			
43. Do you guarantee your members a minimal service level and/or complete satisfaction?			
44. Do you continuously benchmark with regard to member satisfaction?			
45. Do you involve your members with the execution of improvement processes?			
46. Are all of your employees involved with the improvement of member orientation?			
47. Do you have guidelines regarding the optimal satisfaction of the member?			
48. Do you consider member information a strategic asset?			
49. Do you have an up-to-date databank in which all member characteristics are registered?			

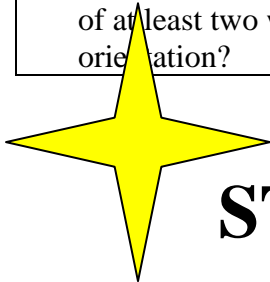
Internal Processes

50. Have you appointed			
51. Are products and services delivered within the period expected by the member?			
52. Do your phone, fax, internet, and other e-business tools match the way members prefer to communicate?			
53. Is the phone in your credit union answered within 3 rings in more than 80% of the cases?			
54. Is every process in your credit union arranged in such a way as to optimally comply with member expectations?			
55. Do these expectations form the basis for performance measures?			

	Yes	Somewhat	No
56. Have you implemented a Customer Relationship Management (CRM) system within your credit union?			
57. Do you use measured member satisfaction as an indicator for process improvement?			
58. Do you involve your members in the development of new products and services?			
59. Do you also measure the satisfaction of your internal customers?			
60. Are employees personally responsible for solving member problems?			
61. Do you translate member needs into product			

and process improvements and the development of new products and services?			
62. Do supporting departments within your organization guarantee the quality of the work they deliver?			
63. Are your marketing employees free to spend what is necessary to correct a mistake made with a member?			
Human Resources			
64. Does member orientation belong to the competence profile of all employees?			
65. Do you give extra rewards to employees who continuously perform in a member-oriented manner?			
66. Do you regularly organize trips to your important members for your employees?			
67. Are your member service employees free to make decisions in order to satisfy members?			
68. Are your employees' interests and the interests of your members related?			
69. Do you encourage your employees to generate ideas regarding the increase of member satisfaction?			
70. Do you have an introductory program in which new employees are also educated concerning the importance of satisfied members?			
71. Is training mandatory for each employee in your credit union?			
72. Are member orientation and continuous improvement criteria for promotion?			
73. Do your marketing employees receive training of at least two weeks each year in customer orientation?			

SAMPLE ONLY



STAR CREDIT UNION

CRM Strategy Statement

Organizational Mission:

To help members achieve financial independence.

Service Strategy:

To us, member service is everything our credit union does to create personally pleasing memorable interactions with our many different constituencies.

CRM Strategies:

- We will create relationships by understanding of the unique expectations, needs and wants of each of our members and equipping our staff to meet them.
- We will maintain relationships by constantly identifying opportunities to enhance our members' experience
- We will expand relationships by rewarding members who contribute in improving the credit union business

For Workshop Purposes only

Our Standards in Customer Service

Telephone:

- To answer all calls within two rings
- To answer with 'Good morning/afternoon', name of department and who you are.
- Take a contact name and use the name in the conversation.
- Always say 'Thank you'.

- Return telephone messages within 24 hours.
- Always take your calls when in the office.

Correspondence:

- Reply to all correspondence within 24 hours.
- Circulate mail on a daily basis.
- Ensure typed correspondence is neat and free from errors at all times.

Meetings:

- Be on time for all meetings and phone ahead if there is any delay.
- Hold a team meeting each week.

Golden Rules in Carrying Out Credit Union Survey

1. Make sure that every question explores only one aspect of the service of the member. Do not ask, “How would you rate the friendliness and efficiency of our staff?” – you might get a poor score and not know whether or both. Instead, ask about the both elements as separate questions.
2. Design questions so that you know how to interpret the score. Ask yourself, “What would I do with a high/low score on this question?” If there is no obvious action, then you need to rethink why you have included the question. Every answer should compel you to do something.

3. Do not have extreme questions of the kind ‘I am always extremely satisfied with . . .’ because no one will agree with this (nor organization is that great), and it will not distort the findings.
4. Make the questions as simple as possible.
5. Use as many ‘close-ended’ questions as possible. These are questions that for the member to respond using a point on a scale rather than writing in whatever they like as an answer. Closed-ended questions are much easier to analyze.
6. Do not have too many questions. People quickly get bored. The longer it takes to complete the questionnaire, the more chance you have of getting ‘made up’ responses towards the end of it. Aim for a questionnaire that can be completed in 10 minutes or less.
7. Test the questions before you use them to make sure that what you think a question means is interpreted in the same way by members.
8. Ask the right questions of the right members. You will probably have different segments and you need to identify what characteristics within those segments you need to gather data about (age, sex, location and so on).
9. Develop report that describes the survey in plain English or language, with lots of charts and pictures and as few numbers as possible.
10. Prepare senior managers in your credit union for the results.
11. Act on the information immediately.
12. Prepare a straightforward summary of the results that you can give to the front line. This should include findings of the survey, and the actions your credit union will take as a result.

Strategy and Tactics Worksheet

<i>Strategy:</i>			
<i>Goal:</i>	<i>Mission:</i>	<i>Vision:</i>	
Deadline:		Owner: (the person with overall responsibility for achieving the goal)	
<p align="center">Tactics</p> <p align="center"><i>An event or achievement marking the progress related to the strategy</i></p>	<p align="center">Responsible</p> <p align="center"><i>Person responsible for the action</i></p>	<p align="center">Time</p> <p align="center"><i>Date for which action should be completed</i></p>	<p align="center">Milestones</p> <p align="center"><i>(Key events that allow you to monitor if the action is on track to finish in time)</i></p>

**CREDIT UNION PROJECT
CUSTOMER RELATIONSHIP MANAGEMENT**

PROJECT DESCRIPTION:	
<p>Conduct a half-day workshop for the Board of Directors and senior staff on CRM as discussed in the training and develop the credit union CRM Road Map.</p>	
PROJECT ACTIVITY	EVIDENCE REQUIREMENTS (WHAT WE NEED TO SEE)
<ul style="list-style-type: none"> • Prepare a half day workshop on CRM attended by all Board members and senior staff of your credit union 	<ul style="list-style-type: none"> • Schedule of the Workshop • Directors Information Kit containing
<ul style="list-style-type: none"> • Carry out the workshop with full attendance of the Board and senior management staff 	<p>Attendance Sheet of the Workshop</p>
<ul style="list-style-type: none"> • Prepare a Report to be submitted to the registrar of the CUDCC 	<p>Report on the Workshop with the following contents:</p> <ul style="list-style-type: none"> • Proceedings of the Workshop • Truthful assessment of your credit union’s CRM strategies • Terms of Reference of the Team which will develop the CRM Road Map for the Credit Union • Timetable for the CRM Strategy Planning
<ul style="list-style-type: none"> • Submit a copy of the CRM Road Map of the Credit Union 	<p>CRM Road Map for the credit union with clear goal, strategies, and tactics comprising of tools and programs.</p>

Customer Relationship Management



What do you expect to learn from Module 5: Customer Relationship Management?



Objectives of this module:

- Understand the clear, concise definitions of CRM;
- Become aware of their role in CRM;
- Develop skills in designing CRM approach that is responsive, flexible, and personalized to each member/customer;
- Gain skills in creating effective customer focused programs for the credit union
- Create their own CRM Strategy and program

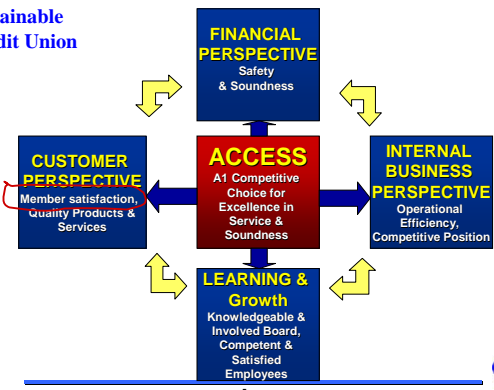


Is this the Vision of your credit union?

Sustainable Credit Unions in Asia



Sustainable Credit Union



“The purpose of a business is to create customers.”

Peter Drucker



Exercise 2 for five minutes

What is CRM?



7

Fundamentally... CRM is not just a technological solution.

It is a **comprehensive approach** for creating, maintaining and expanding customer (**member**) relationships.



8

For our Coops... CRM

Is about growing **advocates** and finding new ways to add value.



9

Module 5: Customer Relationship Management

Every Organization's Big Unknown ... **Customer Value**

Why?

10

Module 5: Customer Relationship Management

Exercise 3 – 5 minutes

- To gain clarity about CRM intention, think for a moment about what **questions** you want to answer in your relationship with your members?

11

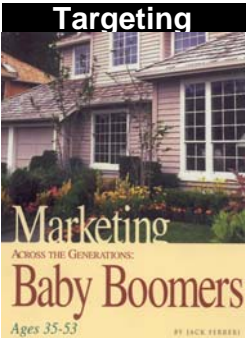
Module 5: Customer Relationship Management

Customer Relationship Management Framework

Customer Relationship Management can be simply defined as everything involved with managing the customer relationship

12

Targeting



- Who Do we target?
- What segments need the services of our coops?
- What segments match our Value Proposition?
- What is the best segmentation strategy for us/our industry?

13



Acquisition



- What is the best channel for each segment?
- How do we service the market segment chosen? In a cost effective way.

14



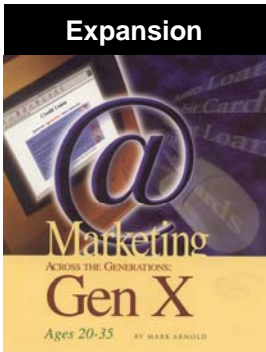
Retention



- How can we improve retention?
- What is our average customer relationship length?
- How can we hold customer for as long as possible?
- What is the most cost effective method of retention?

15





- How many products does our average member use?
- How can we induce our current members to use our services?
- How can we create loyal members?



The CRM Implementation in your Credit Union



Exercise 4 for 10 minutes

Why do we focus on CRM?



Why do we need to focus on customer orientation?

- Differentiate our credit unions from competitors
- Improve our image in the eyes of our customers
- Improve profitability
- Increase customer satisfaction and retention
- Achieve a maximum number of advocates for our credit unions



Why do we need to focus on customer orientation?

- Enhance our reputation
- Improve staff morale
- Increase employee satisfaction and retention
- Increase productivity
- Reduce costs
- Encourage employee participation



Why do we need to focus on customer orientation?

- Create a reputation for being caring, customer-oriented credit unions
- Foster internal customer/supplier relationships
- Bring about continuous improvements to the operation of the credit unions

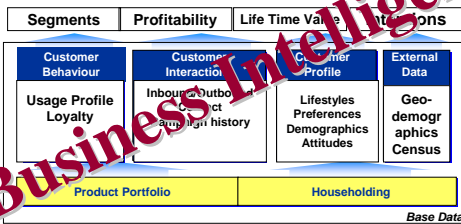


Why CRM?

- A typical dissatisfied member will tell 8-10 people
- By increasing the member retention rate by 5%, profits could increase by 85%
- 70% of the complaining members will remain loyal if problem is solved



What Data do we capture on Members?



Data Model



How do you Implement CRM?



Module 5: Customer Relationship Management

Know thy members . . .

The CRM Dynamic

What is your Action? Do you have basis?

Customer Relationship Management is an ongoing, dynamic learning process for an organization

25

Module 5: Customer Relationship Management

If you know your members, you know how to deal with them . . .

Think Customers

26

Module 5: Customer Relationship Management

Customer Relationship Management Definition

Value, \$

Duration of Customer Relationship

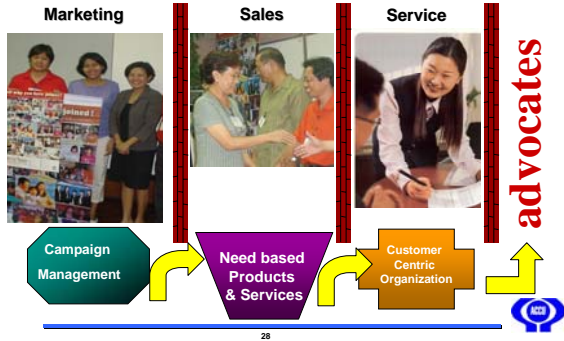
Targeting **Acquisition** **Retention** **Expansion**

Marketing Baby Boomers Marketing Gen X

Customer Relationship Management can be simply defined as everything involved with managing the customer relationship

27

Take Action to Enrich the Customer Relationship



Marketing . . .

- Solutions Marketing Approach

Recognizing the Maslow's Hierarchy of Needs

1. Physiological
2. Safety
3. Love
4. Esteem
5. Self-actualization

It is not providing service of what our coops like to offer, but what your members and potential members need

Sales . . .

- Need based and Competitively Priced Products and Services

Your coop is offering solutions to your members financial problems, different options

VALUE: *Trusted Wealth Creation Advisor of your members*

Service . . .

- *Customer Care Excellence*

Customer service is everything your coop does

- to create **Personally Pleasing Memorable Interactions (PPMI)** with your coop's many different constituencies



Great Customer Service

It is a Mission

- **Injects humanity**
- **Customer: Far Beyond Buyer**
- **Service: Far Beyond "May I help you?"**

Build a winning service team!



Example:

Customer Service Standards

Customers will always feel they receive polite, helpful, friendly and efficient service in our coop

- **In all our contacts with customers we will:**
 - **give customers priority over other tasks**
 - **make eye contact and greet each customer**



- focus attention on the customer, and be polite, friendly and interested throughout
- respect individual customer tastes and preferences
- apologize for any delay in giving service and advise actions we are taking to help
- thank each customer, and end the contact in an appropriate way



Conclusion



Customer Service: A Many Splendored Things



Service is based on foundations that are so **basic** it's almost ridiculous, and yet even though it's simple, when it comes to consistently providing high levels of hospitality, **it's easier said than done.**



The higher the level of service you deliver, the more your members want to do business with you, and the higher the profits are likely to be.



In this presentation:

- What is CRM?
- Why CRM?
- How do we implement CRM in our coops?
- Conclusion



Q & A

Thank you for your attention.



Module 5: Customer Relationship Management

Creating your Credit Union Strategy Road Map on CRM



Module 5

Key Terms

- Strategy – a large scale plan to achieve the goal
- Tactics – specific procedures and tools you use to implement strategy.




Module 5

What is our Goal in CRM?


Creating, maintaining, and expanding mutually beneficial member-customer relationships.



Module 5

 **What you need to prepare for the exercise?**

- Assessment of your credit union's process or tools to build relationship with your members (sample)
- Summary of you goals, strategy statements and some suggestions on tools and programs on CRM



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 **Your meeting**

- **How long?**


As a rule of thumb, creating your CRM strategy warrants about the same amount of time you spent creating your business plan.



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 **Exercise 5**

- **Identify potential strategies**



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Strategy Selection Matrix


	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5
Strategy 1	x				x
Strategy 2	x		x		
Strategy 3	x	x	x	x	x
Strategy 4		x	x	x	
Strategy 5	x	x	x	x	

Module 5



Tactics to Implement CRM Strategies

Module 5



Exercise 6

- Prepare the credit union CMR Strategy and Tactics worksheet

Module 5


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Customer Care Excellence




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Good service: Meeting Members' expectations

Excellent service: Exceeding Members' expectations


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Total customer Care is when your credit union meet the ...

Internal needs: emotional
Examples: care, sense of security, confidence, trust, belonging etc


External needs: rational or physical
Examples: easy access, convenience, flexible repayment, accuracy of recording etc.



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Customer Service: A Many Splendored Things



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Define Customer Service




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Customer service is everything your coop does

- to create Personally Pleasing Memorable Interactions (PPMI) with your coop's many different constituencies




Who are your coop's Constituencies?

They are all the people you serve:

- Members-customers
- Partners
- Employees
- Board of Directors
- Suppliers
- Members of the Community
- Government

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Excellent Customer Care

It is a Mission

- Injects humanity
- Customer: Far Beyond Buyer
- Service: Far Beyond "May I help you?"

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Great Customer Service

1982: Invention of great Customer Service

1990s: from Customer Service to Customer Relationship Management

Today!
We need
World-class Customer Service

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 **World-Class Customer Service**

The aim of this presentation is to challenge the Managers and front-line staff of partner coops

to focus on little things they can do every day to have a big, positive impact on your members.

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 **Exercise 7:**

List down some basic customer service practices that make big difference in your credit union.

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 **Top 10 little things World-class people do to make big difference in serving members:**


Make Customers feel special



1

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 Top 10 little things World-class people do to make big difference in serving members:

Make Customers feel special

- Make special comment, such as “I like your name, Juana, It reminds me of my best friend in High School.”
- Ask some special question, such as “I’m intrigued of your surname, are you a relative of the Mayor?”
- Do special favor, such as “just for you, I am going to give you an upgrade on this occasion.”
- Choose a special tone of voice that echoes an appropriate feeling.

1

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 Top 10 little things World-class people do to make big difference in serving members:

Get the first five seconds right



2

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 Top 10 little things World-class people do to make big difference in serving members:

Get the first five seconds right

- Step outside your office and then enter as if you are a customer. What is the first thing you notice?
- Do people look up and smile as you come in?
- Is the floor clean?
- Anonymous call
- Ensure that there is some positive engagement during that vital first five seconds as a member approaches. *For example, a simple signal with the eyes, nod or a little gesture with hand.*

2

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 **Top 10 little things World-class people do to make big difference in serving members:**

Say something (create small talk)



3

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 **Top 10 little things World-class people do to make big difference in serving members:**

Say something (create small talk)

- It's really hot today
- I think it's going to rain soon
- You're the first customer today
- Thank you for being so patient and waiting
- You look like you've had a good day's shopping
- You're obviously going to have a big Noche Buena.
- It's Christmas again!

3

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 **Top 10 little things World-class people do to make big difference in serving members:**


Personalize interactions
Add personal note to every interaction with a member



4

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 Top 10 little things World-class people do to make big difference in serving members:


Personalize Interactions

- Make yourself personally known to members (Hello, my name is Jose, It's good to see you!")
- Get to know the member as a person (I was just interested, Ms. Gulay, are you vegetarian?)
- Do something personal to reinforce on the relationship (follow-up call, "Ms. Cabal, this is Jose, I just want you to know that your loan will be released on time.")

4

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 Top 10 little things World-class people do to make big difference in serving members:

Personalize Interactions

- Find way of putting personal stamp on relationship (Ms. Cabal, this is Bel, I'm just contacting you to check whether you receive the Birthday Card we sent you.")
- Overall , show that you believe the person you are dealing with. At that moment, he/she is the most important person in the world.

4

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 Top 10 little things World-class people do to make big difference in serving members:

Show your care

Care is the essence of all relationships with customers. Convince customers that you care for them by demonstrating care.



5

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Top 10 little things World-class people do to make big difference in serving members:

Show you care


- services is delivered on time
- Customer's problem is resolved quickly
- Do not break your promise
- Be completely honest
- Communicate effectively
- Understand fully member's real requirements
- Ensure that members do not feel exploited and thus receive value of money
- Assign members the highest priority
- Ensure that the quality of services is the highest possible


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Top 10 little things World-class people do to make big difference in serving members:

Make positive choices

Everyday there are an infinite number of customer service options. Always choose the positive.





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Top 10 little things World-class people do to make big difference in serving members:

Make positive choices


- Get into the habit of reacting positively to everything you encounter at work.

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 Top 10 little things World-class people do to make big difference in serving members:

Be curious


Be curious about all the little things you can do to make a big difference in the service you provide.



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7

 Top 10 little things World-class people do to make big difference in serving members:

Be curious

- What induced this member to call the coop?
- Why this member is looking so angry?
- How this new savings work?
- What are the member's circumstances?
- How other financial institutions provide excellent customer service?
- Why you have not seen this member for a long while?

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 Top 10 little things World-class people do to make big difference in serving members:

Create great memories for customers

Anyone who is world-class is memorable. Be memorable.



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8

 Top 10 little things World-class people do to make big difference in serving members:


Create great memories for members

- Just be exceptionally friendly
- Get back to a member more quickly than he or she expected
- Be bright & happy in doing your best to help
- Chat to a customer's children and take interest in them
- Take time out to help a customer with a specific problem
- Follow-up a customer

8


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 Top 10 little things World-class people do to make big difference in serving members:

**Be a little M.A.D.
Make A Difference**


*If you don't make a difference you will be the same as everyone else.
Be interesting instead.*



9

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 Top 10 little things World-class people do to make big difference in serving members:

Make a Difference

- Examples: In Shangri-La, regular guests have their names engraved in coffee mugs to take home
- Sending birthday card with the penmanship of the General Manager

You should be creative, step out of the routine, otherwise it is not interesting.

9

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 Top 10 little things World-class people do to make big difference in serving members:


Observe members

Observe to serve and thus reserve your best for each member.



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 Top 10 little things World-class people do to make big difference in serving members:


Be curious

- Observe members:
 - ✓ talking to each other
 - ✓ The way they walk through your office
 - ✓ Eyes – Eye to eye contact or on your shoulder
 - ✓ interests
 - ✓ fashion or lifestyles
 - ✓ children

You can find every opportunity to care . . .

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 **Service is based on foundations that are so basic it's almost ridiculous, and yet even though it's simple, when it comes to consistently providing high levels of hospitality, it's easier said than done.**

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The higher the level of service you deliver, the more your members want to do business with you, and the higher the profits are likely to be.

Thank you.

Know thy Members.

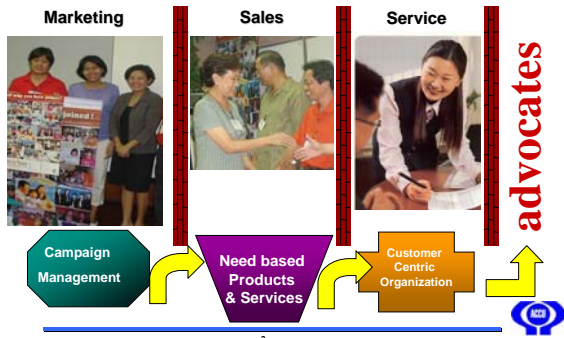


If you know your members, you know how to deal with them . . .

Think Customers



Take Action to Enrich the Customer Relationship



Module 5: Customer Relationship Management

What Data do we capture on Members

Business Intelligence

Segments	Profitability	Life Time Value	Transactions
Customer Behaviour Usage Profile Loyalty	Customer Interaction Inbound/outbound contact Request Campaign history	Customer Profile Lifestyles Preferences Demographics Attitudes	External Data Geo-demographics Census
Product Portfolio		Market Share in Membership	
<i>Base Data</i>			

Data Model

4

Module 5: Customer Relationship Management

Exercise 8 - Prepare a Data Map for Members

Areas	Means of Obtaining Information	Techniques
Behavior	Inbound and outbound contact history	
Profile	Inbound and outbound contact history	
Lifestyles	Inbound and outbound contact history	
Preferences	Inbound and outbound contact history	
Demographics	External information	

5

Module 5: Customer Relationship Management

Examples of Techniques

- Observation
- Experiencing
- Talking
- Internal Research – qualitative
- Internal Research – quantitative
- External Research

6

Observation

- Reveal basic patterns of member behavior
- To give middle and senior managers the chance to learn about many subtle activities that make up the service interaction, and interplay of these elements.



Experiencing

- put yourself in the shoes of your member
- Example: Try ringing in with an enquiry (if you must, you can put on your favorite fake accent)), try accessing a service, or try making a complaint.



Talking

- Members
- Employees



Internal research - qualitative

- explores member sentiments, attitudes, values or behaviors.
- Focus groups or one on one interviews



Internal research – quantitative

- involves collecting answers to predetermined questions (usually a survey) from larger numbers of respondents.



External research

- conducted outside the credit union.
- Demographics, potential members
- Marketing issues or concerns



The computer is your friend (but not always your best friend)

- GOAL – is **not** to see how much information you can get from members
- **but** to get information that is useful to your credit union.



- there are so many options – and so little time to make decisions that can spell success of the credit union.

The most efficient way to narrow your options is to look at the advantages of each source of data.



Exercise 9

- List down the skills and knowledge you gain from this module



Objectives of this module:

- Understand the clear, concise definitions of CRM;
- Become aware of their role in CRM;
- Develop skills in designing CRM approach that is responsive, flexible, and personalized to each member/customer;
- Gain skills in creating effective customer focused programs for the credit union
- Create their own CRM Strategy and program



Q & A

Thank you for your attention.




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Member Satisfaction: Championing Strategies in Member Loyalty




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It Costs About Five Times As Much to Get a New Member As It Does to Keep an Existing One !


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What do we mean by a loyal membership?

*The ultimate Member loyalty is
having the credit union:*


- come to mind first for each member and knowing the credit union will meet all their financial needs at a fair price and the best service.





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- For years, Airlines have established their own programs that provide free air travel to repeat customers through a mileage awards program.
- Their success and research studies at Harvard Business School indicate that marketers are shifting money from advertising to **one-to-one loyalty building** activities.


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Cebu Pacific


Philippine Airlines


Cathay Pacific


Northwest Airlines


Thai Airways


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Customer Loyalty Strategies



Acquire **Retain** **Extend Value & Advocacy**



Acquire

- Attract the right members and drive membership campaign

“ Conducting Pre-membership seminar is not a guarantee that right members are recruited’

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Acquire

Strategies you can use:

- Easy Membership Program
- Member Get Member
- Family Membership Campaign
- Welcome Gift for new members i.e. membership package


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Examples

In Royal Orchid Plus . . .



- Free wallet
- 10,000 bonus mileage
- Membership Card
- Free Subscription of Newsletter

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Retain

Strategies

- Member Loyalty Programs – loyalty cards
- Loyal Workforces and Loyal Members
- Reach out to your Members
- Use Complaints to Build Business!
- Reach out to Members

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Retain

Do you need better member experience that turn them into Fans or Fanatics?

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Retain

Member Loyalty Programs



ABC Credit Union
Membership Rewards

Reward yourself every time you deposit, repay loan & bring in new member!
You'll get your savings rewards with your credit union.

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Not all loyalty programs cost money.

- Create an environment where people have fun. When people have fun, they learn, and they want to come back and do it all over again.

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Retain

Employee Incentive Programs

Keeping your employees happy and loyal can just be as important as driving customer satisfaction



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Retain

Examples of Employee Incentive Programs

1. Safety programs
2. Service recognition
3. Performance recognition
4. Peer-to-peer recognition
5. Career development opportunities



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 **Retain**

Use complaints to build business

How? After "sale" follow-ups

When members are not happy with your business they usually won't complain to you, instead they'll probably complain to just about everyone else they know.



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 **Retain**

Reach out to your members

Contact . . . Contact . . . Contact

- Simple newsletter
- Home visits
- Use every occasion to provide platform for members to get together such as dinner dance, picnics etc.
- Establish connection to your members

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 **Extend Value & Advocacy**

Strategies

- Offer products highly differentiated from those of competition
- Higher-end products where price is not the primary buying factor
- Products with high service component
- Range of products and services
- Make customer service as your differentiation

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SURE HOME HOUSING LOAN

THE house of your DREAMS

With PNB Sure Home you can make your dream house become a reality. PNB Sure Home lets you purchase your house & lot, finance the construction work, or fund your existing home ownership and achieve your dream home faster. Borrow up to P12 Million to build your house with repayment period of up to 20 years!

Now you really want a new deal for your house, then PNB Sure Home is your answer!

It's just waiting for you!

SURE WHEELS AUTO LOAN

dream car!

Now you can Rev-up your finances with PNB Sure Wheels!

Get that dream car you've always wanted. With PNB Sure Wheels, getting a loan for your dream car is as simple as that. Good financing rates for the entire term and up to 6 years tenor!

Extend Value & Advocacy

How can we make Customer Service as our Difference?

- Every credit union should have Customer Service Guidelines that is evolving and consistently applied by staff and directors.

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Something to think about

- Do you have a specific plan for building members loyalty?
- Members are becoming harder to WOW, they are looking for more than just savings and loans.
- They need to create emotional connections.
- We need to venture into the power of emotional experiences.
- Everything in this world is all about relationships.

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Something to think about

We need to adopt effective approach on customized solutions in building member loyalty to truly strengthen and differentiate credit unions.

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Questions ?

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