

# Warm Welcome

*Start simple with onboarding strategies and build as you go.*

By Karen Bankston

A few years back, FedChoice Federal Credit Union found, in an analysis on departing members based on length of membership, that the largest group of members closing their accounts had joined 10 or more years previously. The second largest group had been with the credit union less than a year.

That analysis suggests that “one of the most important times with members is the first 90 days, six months, and one year. Doing a good job on the front end aids in long-term retention,” says CUES member Kevin Roland, delivery channels director for the \$350 million Lanham, Md., credit union serving 24,000 members.

Research by Gallup ([www.gallup.com](http://www.gallup.com)) suggests that the ideal time to engage new members through onboarding is within 120 days from the date the first account is opened, says Kevin Lytle, vice president of True North Custom Media ([www.truenorthcustom.com](http://www.truenorthcustom.com)), Chattanooga, Tenn. That engagement should be across multiple channels, including direct mail, email, phone calls, and social media, and include communications from the CEO as well as staff at local branches.

Welcoming new members with a quick survey and/or phone conversation can supply a lot of useful information about how they prefer to communicate with your credit union and which other products and services they might find most useful, says Michael Browning, CEO of Onovative ([www.onovative.com](http://www.onovative.com)), Jeffersonville, Ind. “The most important thing a credit union can do is understand its members as much as possible as soon as possible. Cross-selling is important, but you won’t know what to cross-sell until you fully understand their full situation.”

Onboarding doesn’t need to be fancy or complicated—it just needs to get done,





says Tony Rizzo, creative director with CUES Supplier member Marquis ([www.gomarquis.com](http://www.gomarquis.com)), Plano, Texas. “This is something everybody knows they should do, but very few actually do it. It doesn’t need to be perfect—the most beautiful piece a member will ever receive—but it does need to be tactical and communicate member value.”

### Launch a Conversation

FedChoice FCU ([www.fedchoice.org](http://www.fedchoice.org)) built its own member relationship management system to support the onboarding program it launched about two years ago. The financial service advisors who enroll new members in one of six

financial service centers (branches) or the financial advisory center (call center) are responsible for follow-up contacts to expand the relationship.

About 95 percent of all new members join at a financial service center or phone the call center, Roland says. The credit union fields about a dozen online applications monthly, but half or more aren’t completed, don’t qualify for membership, or signal possible fraud.

At enrollment, financial service advisors find out whether new members prefer to be contacted by phone or email, and then they follow up via that channel at two days, two weeks, two months, six months, and one year, guided by talking points to identify and recommend products and

services members might find useful.

The goal for each financial service center is to enroll at least a third of new members in five or more products and services—including loan and deposit accounts and such services as online banking and e-statements—within the first 90 days. And some branches set even higher goals of 50 to 60 percent, Roland says.

The most successful financial service advisors excel at “having good conversations on new members’ short-term and long-term financial needs, seeking opportunities, following up on cues, and keeping good notes on previous communications,” he adds.

FedChoice FCU staff are trained and regularly coached on how to prepare



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for onboarding interactions with new members, guide their conversations and handle objections.

Some new members may immediately sign on for five or six services, “but not everyone is going to be receptive to that, so we tell our FSAs ‘don’t try to sell everything at once,’” Roland says.

“You can sense when the conversation should be ending. That’s when you let members know you’ll be following up. Relationship building happens over time,” he adds.

### Give it Time

FedChoice FCU continues to hone its onboarding efforts, with marketers developing surveys and product offers to share via email and direct mail in concert with the personal contacts. And the credit union is also formalizing a “book of business program” to continue to build products per member and household after the first year of membership, as well as re-engaging members with limited or partial engagement with the credit union.

Roland advises CUs just launching onboarding programs to allow adequate time for planning and implementation. “I thought ours would be a slam-dunk. I was very wrong,” he says. “Don’t expect it to be done in three months. Commit a year. Once you have it up and running, you have to follow through with coaching, measuring and monitoring.

“The folks who do the best are the ones who stay on top of it,” he adds. “They plan their calls. They know what to say. They know how to handle objections. They keep good notes. They stay on track.”

### Keep it Simple

The aim of onboarding is a continuing two-way conversation in which a credit union learns more about new members and how it can best serve them. Following the initial welcome, a brief survey can be a useful interchange with new members, but Browning emphasizes keeping it short and simple with questions like: Is this your primary financial institution? Do you own a home? Do you plan to buy a car in the next year?

Whatever form your welcome contact takes, Browning suggests that a branch manager call new members about two weeks after enrollment to ask about their experience with the credit union so far, to ensure their checks and debit card arrived, and to invite any questions or comments. Some credit unions assign these personal contacts to the staffers who handled the first contact, but members may be more willing to provide frank critiques of that encounter if they are talking to someone else.

Whoever handles that call and every other interaction needs to gather notes in a systematic way on members’ financial circumstances, needs, and preferences, he adds.

The Onovative website (<http://tinyurl.com/Onovative>) offers model schedules for onboarding contacts over the first year or more, depending on the initial accounts members open. If a couple opens a checking account when they enroll, for example:

- They might receive welcome letters from the CEO and a branch representative and an invitation to complete a digital survey just a couple days later.
- The next contact two weeks later would

be to follow up on the survey, make sure the checks and debit card arrived, introduce online banking and direct deposit, and ask about other questions or concerns.

- At day 30, 60 and 90, the household would receive other relevant offers and have the chance to complete a digital satisfaction survey.
- At day 180, a digital survey might be in order to inquire about the couple’s use of online and mobile access and bill-pay.
- At one year, the couple would receive an anniversary phone call.

### Indirect Connections

For members who enroll via an indirect channel, an initial phone call is “especially important,” Browning suggests, offering the means to introduce your credit union and to learn more about your new members’ financial picture. “They’re predisposed to think favorably of the credit union that just gave them a great loan,” he notes.

The representatives who make onboarding calls should listen more than they talk, especially in the initial contact with new members who’ve just purchased a vehicle, Browning recommends.

“They are usually a bit overwhelmed with the car buying process,” he says. “Offers such as a new credit card are not likely to be foremost on their minds at this time. Instead, use this early onboard period to be of assistance to new members. Answer any questions they may have, set up online/auto bill-pay, and offer any auto related discounts your credit union may offer.”

With members who enroll for auto loans, cross-sell potential is highest within the first 90 days and as the loan nears maturity, he adds. Auto dealers typically reach out to customers when they estimate there’s about a year left on their loans—or four years into a 60-month loan term—which would also be good timing for credit unions.

### Honing Your Approach

Following up with new members in person a day or two after enrollment is often effective because it is “behavior driven and immediate,” Rizzo notes. “You just did something yesterday and today something is happening. Your transaction from yesterday is still fresh

in your mind.”

Especially in early contacts with new members, Rizzo recommends avoiding discount offers. “If you start selling on price out of the gate, you are training members to look for the deal or wait for the sale,” he says.

He also advises against an “overly aggressive push to online” in communications with new members, which makes personal service less relevant. Especially in early interactions, personal conversations may be more powerful than emails or direct mail directing them to a website.

At the very least, offer multiple points of contact, so new members can choose whether to interact online, over the phone, or in person.

On the other hand, the more new members embrace your digital channels, the more data you will have access to in order to tailor your offers and communications to their needs, says Mark Vipond, CEO of D3 Banking ([www.d3banking.com](http://www.d3banking.com)), Omaha, Neb.

New members’ everyday financial

transactions and other accounts—accessible if your credit union offers aggregation or personal financial management software—can provide a wealth of information.

“The first thing I would do is educate new members on the digital footprint and the interactions they can have with my credit union,” Vipond says. “If a credit union has a good digital banking solution, it will lead that member into volunteering other accounts or information they have so that the credit union can see a complete financial picture, which then allows it to start to acquire the data necessary to better serve that member.”

Lytle recommends focusing onboarding efforts on new members with the highest likelihood for growth, based on your initial interactions and data analysis of life stage, purchase history, credit score and other attributes.

Communicate early and often across multiple channels, build in financial education, and make offers as personally relevant as your systems and knowledge

of new members allow.

Onboarding may involve several departments, including branch operations, marketing and technology, but Lytle suggests appointing a single point of responsibility.

This “onboarding champion” should be charged with “working across department lines to ensure the program receives the necessary resources and priority for success,” he adds.

Your welcome letter or email should include “a clear description of the differences between a credit union and an investor-owned financial institution,” not just for new members but for their friends, family, and colleagues as well, Lytle says. Back that welcome up with an invitation to visit the website, which should readily present the depth and breadth of credit union services.

Don’t try to “sell” too early in onboarding communications, he adds. “Let the member dictate the pace and timing of the buying process. Personalize each message and demonstrate



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knowledge of the current relationship. Don't promote a product or service they already have."

The initial segmentation of new members into two categories—those who joined through indirect auto lending (and may therefore need a more thorough introduction to your credit union) and those who stopped by a branch, phoned, or applied online—may be sufficient for the beginning of these communications.

More specific messaging may be offered as member relationships expand—and as the credit union enhances the sophistication of its onboarding program, Lytle says.

## Investing in Technology

Tracking onboarding efforts can be challenging, with the need to schedule and prompt outbound actions and track results of member interactions, notes Browning, whose firm designed the Core iQ system specifically for these campaigns.

A variety of MCIF and CRM solutions are available to track interactions with members and collect and analyze data on their financial needs. The cost of the software varies but they are not a small investment. For example, the Core iQ system starts at \$900 per month.

The decision to invest in MCIF and/or CRM systems is often a function of organizational size, Rizzo notes.

Can a credit union with fewer than 10,000 members justify spending \$15,000 or more on an MCIF system? For smaller institutions, this software can pay off if it is used for multiple strategic endeavors, not just onboarding.

Consider a simple question: How many new members do you enroll each month? Depending on that number, it may be easy enough to schedule and track onboarding interactions manually.

"Keep it super simple, but do

something," Rizzo reiterates. "There needs to be the acknowledgement that each day you don't have a program like this in place, you are missing opportunities."

Connecting onboarding efforts with a data-driven digital banking solution can help personalize those interactions, Vipond says. Access to everything from debit and credit card transactions to a new member's investment accounts and mortgage provides a complete financial picture that can facilitate offers that are relevant and specific to the member's circumstances.

## Personal Touch

With 35 percent of its new members enrolling at car dealerships, \$215 million/25,000-member TEG Federal Credit Union's ([www.tegfcu.com](http://www.tegfcu.com)) onboarding of those members begins with a follow-up from its indirect lending staff to ask about their service experience and send out a welcome packet.

"The personal touch is very important, especially for indirect because these folks may not even know they've become members," says Stephanie Molinelli, director of marketing for the Poughkeepsie, N.Y., credit union.

For members who join at one of TEG FCU's seven branches, the onboarding process begins with a handwritten note with business card enclosed from the member service representative who enrolled them and includes an invitation to call with any questions and to refer family and friends. Member service reps double as loan officers so they can help new members with the full range of products and services.

Then the marketing department follows up, sending a welcome letter from the CEO and, a week later, the first of two postcard mailings, referring members to a landing page where their email address will be collected if it wasn't at account opening.

The onboarding process, which TEG

FCU coordinates through True North Custom, continues with three emails and a survey. Over four or five months, the credit union sends new members offers for a free checking account, for online access and other convenience services, and for loans. Over time, the process has transitioned from communicating via direct mail to email, which is automated and easier to track, Molinelli says.

The onboarding messages have an overall open rate of 17.6 percent and a click-through rate of 5.6 percent, and the seven-question survey, which asks about their early experiences with their new credit union, tends to be most popular, she notes.

More concrete than open rates is an uptick in accounts among members who've been with TEG FCU less than a year: deposit accounts are up 30 percent among those members, and loans are up 120 percent. Molinelli attributes those gains to "the combination of everything: The onboarding reinforces the other marketing messages that we're putting out there. But for us it really comes down to our people. We've got a great staff who definitely interact with the members they've opened accounts for and get to know.

"The first 90 days are the most important time to keep in front of new members and start solidifying the relationship," she adds. "You have to do *something*. If you're just getting started with onboarding, start simple. And if you can work with a partner, you can use their expertise and knowledge to guide you through the way."

Karen Bankston is a long-time contributor to *Credit Union Management* and writes about credit unions, membership growth, marketing, operations and technology. She is the proprietor of *Precision Prose*, Stoughton, Wis.

## Onboarding Resources

**D3 Banking**, Omaha, Neb. ([www.d3banking.com](http://www.d3banking.com))  
**Marquis**, Plano, Texas ([www.gomarquis.com](http://www.gomarquis.com)), a CUES Supplier member  
**Mobile Strategy Partners**, Alpharetta, Ga. ([www.mobilestrategypartners.com](http://www.mobilestrategypartners.com))  
**Onovative**, Jeffersonville, Ind. ([www.onovative.com](http://www.onovative.com))  
**Synergent**, Westbrook, Maine (<http://synergentcorp.com>)  
**True North Custom Media**, Chattanooga, Tenn. ([www.truenorthcustom.com](http://www.truenorthcustom.com))

## Resources

Read an article about new member incentives at [cues.org/0415incentive](http://cues.org/0415incentive) and an article about how one CU saved members millions of dollars via strategic cross selling at [cues.org/041015saving](http://cues.org/041015saving).

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