

This Editor's Column, written by Mike Welch, ran in April 15, 1992 issue of Credit Union Times. Mike is the one who started CU Times. He also started CUES. He was, in fact, one of the major forces in the credit union movement in the United States. I was lucky enough to connect with him during his pioneering efforts to bring modern-day marketing into the CU fold. At his behest, I wrote three CUES books and did major presentations at his annual Marketing Conferences. I will be eternally grateful to him for those opportunities. In this column Mike was kind enough to review one of my books. But what really shows here is his driven commitment to push credit unions into the modern day reality of the high-competitive banking environment.

Battles Remain In The War Called Marketing...

There was a time, about 15 years ago, when, in credit union circles, the mere mention of "marketing" brought charges of anti-philosophy leanings, or at the very least, accusations of plain stupidity.

"Credit unions shouldn't 'market'. We're different. We should 'educate'. Those other guys can run their crass and costly marketing programs. Our members already know and love us." Or so the logic of the time went!

To this day I remember CU leaders admonishing me to get off my "marketing kick," and stop pushing so hard for something credit unions don't need. But push I did, as president of CUES, for an ever-expanding basket of marketing-related services for CEOs and (for those few that had them) their full-time marketing staffs.

This basket included (CUES) marketing conferences, marketing institutes & workshops, print and broadcast competitions, manuals, cassettes, magazines, newsletters, design services, articles, speeches, columns, monographs, an original CU Marketing textbook, Golden Mirror awards program— you name it. We even created a separate membership division for marketers called the Financial Marketing Association (FMA).

All the while, to those who constantly chided me that competition didn't concern CUs, I'd usually cite four reasons why I strongly disagreed.

First, there *was* very real competition from traditional financial institutions. To the rejoinder that CU members are "fiercely loyal," I replied: "Watch that change as banks focus more on the retail side of their business."

Second, as credit unions became more complex and directors were put more at risk, it was becoming increasingly difficult to find qualified volunteers. The difficulty of attracting people bold enough to set policies that would allow credit unions to compete and survive increased substantially.

Third, believe it or not, even then it was difficult to attract new members. People already had all the banking they needed.

Fourth (here comes outright heresy), one day CUs would aggressively compete with each other. Need I say more?

Today, virtually any credit union over \$35 million in assets has (or should have) a full-time marketing person. But it wasn't always so. Marketing directors might find it difficult to believe that there wasn't always a strong commitment to the marketing function...or the realization that marketing must be regarded as a management function. Yet among the many reasons for the explosive growth credit unions enjoyed



over the past dozen years or so, the creation and constant improvement of credit union marketing is high on the list.

So have all the marketing battles been fought and won? Far from it! There is still resistance to ideas regarding the next steps to be taken. For example, "creating a sales culture in the credit union", or "developing high-performance marketing." Or advocating an additional "M" in CAMEL to represent the increased importance of marketing. Or creating a "universal mission statement," that emphasizes "benefits and advantages" that lead directly to "financial gains for members."

If it sounds like I'm quoting these ideas from something I just read, it's because I am. It's a book that is as radical today as hiring a full-time marketer was a few years ago. Just published by CUES, it has the potential of blazing a new trail in credit union marketing— that is, if CU CEOs, directors and marketers will read it with an open mind.

It's called "**Marketing Is Everybody's Business: The High Performance Manual For Credit Unions.**" It was written by one of the brightest marketing gurus in the business, Tony Ward-Smith, a veteran, multi-talented practitioner from Seattle. Although it's a tad preachy (but so is Tony in the flesh), it's concepts are dynamite. It should be a "must read" for all credit union marketers, CEOs, and boards who are ready to take that next big step in their credit union's future.

It is controversial in tone and content (CUES even put a disclaimer on the opening page). But if Ward-Smith's advice is followed, credit unions could be on the way to increased member satisfaction and an even blacker bottom line. The author knows his way around credit unions and it shows in all 15 chapters— from "We're About To Step On Hallowed Toes" (he does), to "Bottom Line: A Market-Driven Banking Environment" (the word "banking" is used intentionally).

After reading it, credit union should be able to write their own next chapter based on a dual theme of "high Performance" and, yes, *profitability*.