

Q: did this CU use indirect lending in achieving these results?

No, it was all direct

Q: Can you share the incentive plan. We have set expectations, service standards etc.

Every plan is custom tailored to the specific credit union.

Q: Randy, can you give us some specific ideas on incentives for tellers, MSRs, receptionists? How about team incentives? competitions?

See my answer below for tellers, but for the other jobs, you must look at what you are expecting of the employee on a regular basis, benchmark it, and set expectation levels for every item. It is time consuming, but very doable. I love team incentives.....great morale booster as well as consensus builder....but you MUST start with individual expectations, or else you will have troubles.

Q: How do you recommend you track sales on an individual basis?

Individuals must be responsible for tracking their own sales, with the supervisors “spot checking” for accuracy. Some credit unions do this manually and others have done it on Excel, etc.

Lending Solutions Consulting will have an automated tracking software program available early next year.

Q: We have reviewed your incentive chapters available on site and created incentives for both lenders and tellers. Huge resistance by tellers what kind of incentives do you find workable on the teller line?

There typically is huge resistance because “that is not what I was hired to do” attitude. Sales becomes a part of every job description and every job interview. You still incent based on performance expectations...balancing guidelines, etc....but you also EXPECT them to have a certain number of referrals per month.

Q: In the Gap analysis what is the cost of the GAP policy and the actual profit per policy?

I believe that credit union’s markup was about \$100 per policy.

Q: Are you finding that paying for incentives on insurance products has been contested by state laws?

No, not in a single case to date

Q: When the credit union is very successful in lending growth how do you grow deposits to fund the loan growth? What incentives do you do for deposits?

All incentives HAVE to be tied to the strategic objectives of the credit union. As you fulfill the loan demand, you merely switch the incentives to pay for additional deposit accounts. I suggest you benchmark accounts per member. i.e. average 3 accounts per new member

Q: How long do you give an employee who is not meeting their monthly goals?

Typically it will work its way out in about 90 days, but you are free to establish the timeframes you feel are fair and equitable.

Q: Once target goals are established and performance targets are not met - what is the timeframe for corrective measures?

You should review the expectations with the employee every 30 days and give guidance for corrective action then.

Q: Randy: Do you ever use any type of personality testing when hiring or have you seen the practice used? What is your take on that in the context of the types of employees out there (Gen X, etc) and do you see any benefit to it?

I definitely do believe there is benefit. If you truly want to set an employee up to be effective and successful, we must fit them with the appropriate career path.

Q: How can back office be expected to perform and achieve sales goals if there is no member contact? How is it tracked?

Because we are ALL in the sales business. Everyone has contacts...church groups, PTA, soccer moms...the list goes on. We must become comfortable "asking" for the business to friends, family, etc. You track it based on closed referrals. A loan earns the credit union nothing until it closes. An "entrepreneurial" back office employee would ask for sales leads (car loans due to pay out in 6 months, etc) and marketing should have mailers available for them to mail out. The list goes on....

Q: How do you get staff to use products and services?

That is truly the million dollar question...but you should make it attractive to do business with the credit union. It is okay to offer an interest discount as well as free checking, etc to staff. Likewise, I always led by example. ALL my business as CEO was at the credit union. And don't be afraid to tell employees to support the institution that supports them!

Q:
FIRST - THE ANSWER TO ROSS PEROT'S VP RUNNING MATE WAS JAMES STOCKDALE.

Congratulations! You are the 1st and only correct answer to date!

QUESTION: WHAT IS THE BEST WAY TO INCENT CREDIT LIFE/DISABILITY SALES?

IF THE BENCHMARK IS 60%, IS IT BEST TO PAY A PERCENTAGE OF THE SALE OR A SET DOLLAR AMOUNT PER POLICY?

Both are acceptable, as long as it is advantageous to the employee. Another is to require, for instance, a minimum of 30% on each to be paid. That way one product is not "favored" over another.

Q: ALSO, WHEN ROLLING OUT AN INCENTIVE PLAN, IS THE PAYOUT STRUCTURE FOR ALL DEPARTMENTS SHARED WITH ALL EMPLOYEES OR SHOULD EACH DEPARTMENT RECEIVE ONLY THEIR PAYOUT STRUCTURE?

I assume you are talking about "team" incentives here. Because otherwise, only the actual employee that achieved their goals would benefit. From there, then team payouts are okay but they are shared equally if performance expectations are met.
