

Case in Point (continued)

3) Service Potential for Remittance Service:

Number of Hispanics in Syracuse.	Number of Hispanic households.	Number of working Hispanic adults.	Number of Hispanics who send remittances.	Average monthly remittance per Hispanic adult.	Amount being remitted per month.	Amount being remitted per year.	Annual fees being paid for remittances.	Monthly fees being paid for remittances.
7,636	2,543	3,131	2,349	\$300	\$704,700.00	\$8,456,400	\$591,948	\$49,329

Assuming:

- 3.3 People per Hispanic Household
- 5% Hispanic unemployment rate
- 15% Single adult household
- 7% Fee charged for remittances
- 75% Hispanics who send money to Latin America
- 23% Hispanic single parent families
- 53% Hispanic married couple families

Office of Social and Economic Trend Analysis, October 2003

Step 3 Checklist:

- Create the business case for serving Hispanics with a cross-functional team.
- Present the business case to management staff and directors.
- Share the business case with all credit union staff.

Building the business case to serve the Hispanic community was an important part of developing a Hispanic outreach strategy. It not only helped us better understand our local Hispanic community, but it was a tool we could use to discuss the strategy concretely and tangibly to our management and directors.

- Christina Sauve, Community Development Coordinator at Cooperative Federal Credit Union, Syracuse, NY

Step Four: Assess Your Credit Union's Level of Preparation

Now that you have a sound business case, you will want to assess how prepared your credit union is to serve Hispanics from an operational perspective. One way to do this is by evaluating Coopera's 4Ps: your credit union's Personnel, Product, Process and Promotion strategies. Coopera's 4Ps are an approach to evaluating the key areas within your credit union that you will need to adapt to serve the Hispanic market. This is a self-evaluation process that will expose challenges and opportunities that can inform your strategy.

For example, if you determine that there are a large number of first generation Hispanic immigrants* within your field of membership, you will want to offer products and services that meet their specific financial needs. This means offering services like check-cashing and remittances, as well as ancillary services such as bill pay or tax preparation assistance. These basic financial and ancillary services are important to first generation immigrants, while other services may be more relevant to other segments of the Hispanic population. This self-evaluation will set a baseline for your credit union and you will want to make sure to address any gaps through a strategic plan. You will also want to conduct this operational evaluation on a yearly basis to measure the success and growth of your Hispanic outreach initiative.

**Definition: First generation immigrants are individuals born outside of the U.S. who reside in the U.S.*



Credit Union
National Association

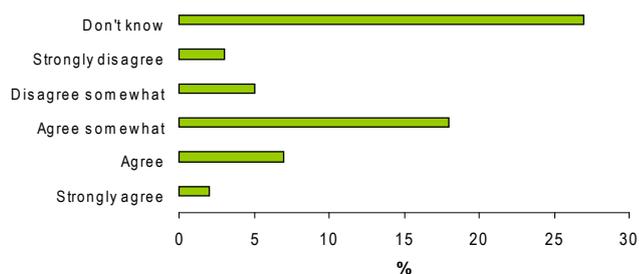


Case in Point: Credit Union Readiness

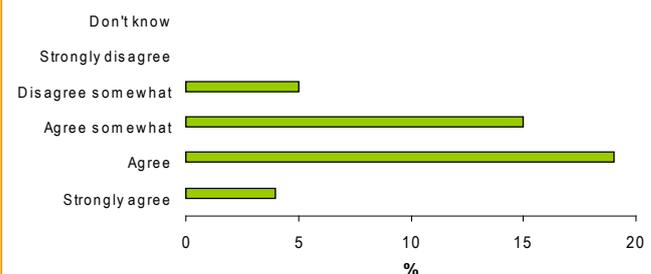
The graphs below represent a component of the operational progress of a specific credit union in one area. All employees at the credit union were surveyed twice with the second survey taking place one year after the first. Alignment and buy-in of departments over time is a good indicator of whether the necessary changes are taking place within the credit union in order to better reach Hispanics.

The two figures demonstrate how a Hispanic outreach initiative was concentrated within a few individuals during the first survey. A year later, after work in the Personnel area including training, a formal announcement of the strategic plan, setting of metrics, and other activities, the number of respondents who felt strongly about inter-departmental alignment increased significantly. Conversely, the number of respondents who felt there was inter-departmental misalignment or who were not clued into the strategic importance of this market decreased significantly.

2008 Survey - % of Employees who Agree: My credit union has gained buy-in from all departments on a long-term strategy to serve the Hispanic community



2009 Survey - % of Employees who Agree: My credit union has gained buy-in from all departments on a long-term strategy to serve the Hispanic community



? Did you know?

Coopera uses assessment tools such as the Hispanic Opportunity Navigator to run a diagnostic of more than 200 areas that a credit union should focus on as they seek to become the preferred financial institution of Hispanics.

Step 4 Checklist:

- Determine whether your personnel practices are in line with the needs of the Hispanic community.
- Decide whether your products are relevant to the Hispanic community in your area.
- Make necessary changes if your processes, systems, and policies are creating obstacles to serving Hispanics.
- Leverage and adapt your promotion and marketing strategies for reaching Hispanics according to what you've learned about the market.



Credit Union
National Association



Step Five: Develop a Strategic Plan

Just as starting a new business requires a business plan, entering the Hispanic market requires a strategic plan. A knowledgeable third-party will be able to facilitate your strategic planning session to help you set goals and measurements for your outreach plan, based on Coopera's 4Ps described above. This will help guide your strategic planning session and achieve the results you are looking for.

Your goals should guide you to results in the areas of community partnerships, outreach initiatives, membership growth and product and service growth. Make sure that your goals are measurable and that people from across the organization are held accountable for completing them. Your strategic plan is something that should be reviewed at least on a quarterly basis and communicated to all staff along with your board.

Sample Goals:

1. Increase membership among Hispanics and among businesses located within a two-mile radius of the credit union. The number increase will be measured in year one and a percentage goal will be set for year two based on this information.
2. At a minimum, develop two new services/products designed for the immigrant market (such as a credit-building product, a financial literacy product/service, etc.)
3. Determine feasibility of a new branch location in proximity to immigrant markets.

Step 5 Checklist:

Make sure your strategic plan...

- Aligns with your mission.
- Defines key indicators and milestones.
- Outlines a specific strategy.
- Outlines the responsible party.
- Outlines how evaluation of the goals will be conducted.
- Identifies resources needed.

Step Six: Adapt to the Market

Once you have completed the groundwork and set the foundation, you must adapt to the market rather than wait for it to adapt to your credit union. If your organization believes in this opportunity, and there is an on-going effort to develop a deep understanding of the community, then your organization will join the many others who recognize that the Hispanic industry can reward your organization with continuous growth when set up with a comprehensive strategy.

Common Manifestations of not Adapting to the Market

There are many ways in which employees of credit unions resist taking the necessary steps to adapt to the Hispanic market. The list below outlines some examples among many, along with a suggestion on a mentality that is open to adapting to the Hispanic market:

Resistance:

"We have translated all of our materials – that should be enough to attract Hispanics."

Response:

Let's be strategic about what we translate and craft a culturally-relevant message. Also, let's make sure we promote the right offerings and make sure our messages are translated in a culturally relevant way. Let's also leverage the right opportunities for media placements and grassroots marketing.

Resistance:

"Our members think our products are great. Hispanics must not have a need for them, because they are not using them."

Response:

We should assume our potential Hispanic members are very rational people and be critical about why this community is not using our products. Do we have all of the right products? Can our products be presented in a more relevant way?

Resistance:

"We know that we are not serving Hispanics well, but we won't target them specifically because we don't do that for our current members."

Response:

It took us decades to understand and tailor our services to our current members. Let's not assume that the same assumptions hold true for a new market. Since we have been excluding Hispanics from our services by not taking the time to better understand them, let's make up for it by learning more about them.

Resistance:

"We have had that policy for years."

Response:

A credit union that wishes to remain relevant in times of vast demographic changes must make decisions based on the future and not based on the past. Doing things just because that's how they've been done for years will not help us reach new markets. Thinking outside the box will.

Resistance:

"We don't do community outreach because we need everyone working in our branches."

Response:

We have not built the trust of this community and we know that building trust with anyone takes a long time. Because of this, let's make the effort to be present in the Hispanic community as opposed to expecting that they trust us enough to walk into our branches.

Resistance:

"We only provide deposit, loan, and investment products – not those other products Hispanics use when they are at a check-casher."

Response:

There must be reasons why Hispanics have preferred mom-and-pop check cashers. Let's understand why and be open to providing the right products and services in the right way and by the right people.

Step 6 Checklist:

- Take the necessary steps to adapt to the market in the areas of Personnel, Products, Processes, and Promotion/Marketing Strategies.

Action is Most Important

It takes the drive to get started. It is not enough to have your marketing flyers translated to Spanish or to simply hire bilingual personnel. A successful effort will involve deliberate, comprehensive, well-planned steps and will ultimately result in a true partnership with the Hispanic community.

Through this partnership, your credit union can be seen as a trusted financial service provider, an employer of choice and a caring community neighbor. As your credit union contends with many industry challenges, you must look at new opportunities for member and asset growth.

This growth can be obtained by reaching new members and by convincing each member to trust your credit union with a larger share of his or her money. Hispanics present an opportunity for growth in both regards, but only if you are able to win the trust of this community.

Reaching out to a new market is not a sprint, but rather, a marathon. It takes **commitment** and **dedication** to reach out to the Hispanic population and to show them that you truly want to be available to **serve their needs**.

Serving the Hispanic Market: Checklist

Step One: Understand the Hispanic Opportunity

- Utilize experts to conduct demographic and psychographic research of the Hispanic market in your area.
- Meet with local community organizations to conduct research of the local Hispanic market.
- Utilize experts to provide educational training opportunities for directors, management and staff about the opportunities and challenges in reaching Hispanics.
- Schedule ongoing training in the form of webinars, onsite seminars or workshops about the Hispanic market opportunity.

Step Two: Determine the Level of Cultural Buy-In of the Staff in Your Organization

- Conduct a yearly analysis of your organizational culture to determine the readiness of the organization to pursue Hispanic outreach.
- Utilize experts to provide educational training opportunities for directors, management and staff to address the findings of your analysis and gain buy-in.
- Schedule ongoing training in the form of webinars, onsite seminars or workshops about the Hispanic culture and immigration issues.

Step Three: Establish the Business Case

- Create the business case for serving Hispanics with a cross-functional team.
- Present the business case to directors and management.
- Share the business case with all credit union staff.

Step Four: Assess Your Credit Union's Level of Preparation

- Determine whether your personnel practices are in line with the needs of the Hispanic community.
- Decide whether your products are relevant to the Hispanic community in your area.
- Make necessary changes if your processes, systems, and policies are creating obstacles to serving Hispanics.
- Leverage and adapt your promotion and marketing strategies for reaching Hispanics according to what you've learned about the market.

Step Five: Develop a Strategic Plan

Make sure your strategic plan...

- Aligns with your mission.
- Defines key indicators and milestones.
- Outlines a specific strategy.
- Outlines the responsible party.
- Outlines how evaluation of the goals will be conducted.
- Identifies resources needed.

Step Six: Adapt to the Market

- Take the necessary steps to adapt to the market in the areas of Personnel, Products, Processes, and Promotion/Marketing Strategies.

About the Authors

Warren Morrow

Founder and Chief Executive Officer

Morrow@CooperaConsulting.com

Warren Morrow, a native of Mexico City, has worked for more than 12 years in the non-profit and private sectors with a strategic aim of building wealth within the Hispanic community. He has done this by working within systems and institutions to ensure that Hispanics have greater access to financial services that can assist in Hispanics' financial empowerment.

As CEO and Founder of Coopera Consulting, Morrow promotes Coopera's Approach to serving Hispanics throughout the credit union industry. Morrow served on Iowa Lieutenant Governor's Diversity Committee, was awarded the Iowa Friends of Civil Rights Award for work with immigrants, was named one of the *Des Moines Business Record's* "40 under 40" and was profiled in *CityView's*, "10 People Making a Difference" piece. Morrow is a graduate of Grinnell College and lives in Des Moines, Iowa.

Miriam De Dios

Emerging Markets Director

DeDios@CooperaConsulting.com

Miriam De Dios, a native of Jalisco, Mexico, oversees the company's operations and manages the innovation of product, service and system solutions for clients seeking to reach the Hispanic market as an opportunity for growth. De Dios has extensive experience working in the financial services industry, having worked for State Farm Insurance Companies and John Deere Credit prior to joining Coopera.

De Dios is an active member of both the national Network of Latino Credit Unions and Professionals (NLCUP) and Des Moines' ALIANZA Latino Business Association. She is also an Adjunct Professor for Des Moines Area Community College (DMACC), teaching English as a Second Language classes to first generation immigrants. De Dios graduated with honors from Iowa State University and resides in Perry, Iowa.

About CUNA & Coopera Consulting

Credit Union National Association (CUNA)

CUNA is the premier national trade association serving credit unions. With its network of affiliated state credit union leagues, CUNA serves more than 90 percent of America's 9,000 credit unions, which are owned by more than 87 million consumer members.

Coopera (ko - pair - a)

Coopera means "cooperate" in Spanish. Cooperate - because that's our approach in all that we do. Spanish origin - because the emerging Hispanic market is our area of expertise. Coopera Consulting partners with credit unions seeking to reach out to the Hispanic population as an opportunity for growth. Coopera provides first-hand knowledge and expertise in emerging markets to implement successful market strategies for our clients. Simply put, we show credit unions how to do well by doing good.

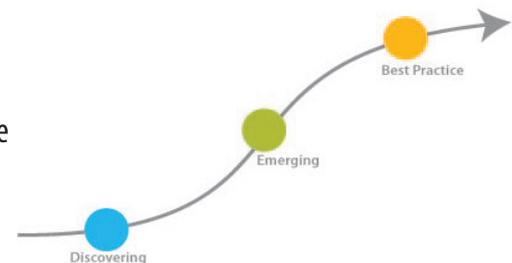
This philosophy has allowed us to develop state, national, and global partnerships. We are a subsidiary of the Iowa Credit Union League (ICUL), as well as CUNA's strategic growth partner in credit union outreach to Hispanics. Coopera's mission is to partner with people, businesses, and communities for new economic opportunity.

Action Guide

While there are many items on the checklist to help your organization become the ideal financial institution for Hispanics, our Action Guides provide contained, insightful pieces that you can act on before moving on to the next step.

Coopera's Process

We work with you as a strategic growth partner through a phased approach that includes measurable outcomes and timelines. Our objective is to create achievable and significant milestones. This process helps you build momentum and enthusiasm toward your ultimate goals. Each phase is divided into components that accelerate you into the next stage of program growth. Through this practice, we are able to take you from "discovery" to "best practice" in a systematic way that has been proven to produce long-term results for our clients.



Products & Services

CUNA and Coopera have partnered to provide a variety of products and services to help your credit union reach and serve the Hispanic market.

- Assessments
- Training
- Consulting
- Translations
- Hispanic Consumer Products

For more information on our products and services visit www.CooperaConsulting.com or call us at 866.518.0214.

