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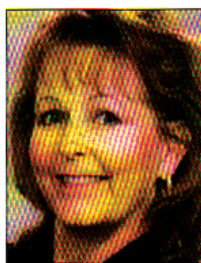
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Cutting Too Deep Some Moves Don't Pay

TEMPE, Ariz.—Budget cuts for the sake of budget will not improve the bottom line, stressed Nicolette Lemmon, president of LemmonTree Marketing Group, who emphasized that reducing line items such as the marketing or training budget can be costly in a time when credit unions have the opportunity to grow.

After speaking with a number of CU CEOs across the country, Lemmon recommended outsourcing as a solution.

“Credit unions are trying to work more efficiently by trimming budgets and outsourcing more functions,” Lemmon told *Credit Union Journal*. “Because of growing



Outsource key activities to make your internal people much more efficient and effective.”

Nicolette Lemmon

compliance demands and need for technology, NCUA assessments, along with a lower fee income and a trickle from investments, all of a sudden everywhere the CEO looks there is a challenge.”

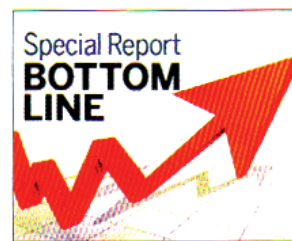
Sara Petty

transaction volume and interchange revenue, Petty explained. “The merchant actually picks up the cost of fulfilling the reward. For example, cardholders automatically receive a 5% discount if they go to a certain store. That discount shows up on their statement, and if the purchase was made online, they see it right away. So the member sees the benefit and the merchant pays for the fulfillment piece of it.”

Petty suggested that revenue can also be generated through fees for card services, such as an automatic alert on any transaction over \$100.

For info: www.themembersgroup.com

Lemmon said that it does not mean that credit union has to cut staff in favor of outsourcing. The better option is to use outsourcing to free up staff to drive the business.



“For example, using a broker to get repo’s off the collections department’s back. The same can be said for marketing. Outsource key activities to make your internal people much more efficient and effective.”

For info: <http://www.lemmontree.com>

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