

Straight Talk.

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In This Issue:

CBS Training Program

Kelley-5 Years with CBS

SBA News

New Credit Unions

Business Services

Negotiating Relationship

Credit Union Showcase

Testimonials

Team Effort

Rates

Recently Funded Business Loans:

Cleaning Company
\$166,000 CRE Purchase
Conventional CRE Loan

Sports Complex
\$450,000
Refinance/Improvements
Conventional CRE Loan

Investment Real Estate
\$1,440,000 CRE Purchase
Conventional CRE Loan

CBS Introduces Training Program

Cooperative Business Services held its first session of training classes during the 3rd quarter of 2008. CBS will continue to offer the following classes every quarter in 2009.

- BDO Boot Camp
- Business Development
- Commercial Lending 101
- Commercial Loan Compliance and Loan Closing Basics
- Construction Lending
- SBA Lending

To see when the classes are being offered and the cost to attend please visit our website at www.cbcsuso.com and click on Training and Seminars.



September 29th will mark Angela R. Kelley's fifth anniversary with Cooperative Business Services. Please join us in congratulating Angela on her five years of service.

SBA NEWS:

- Clyde-Findlay Area Credit Union and KH Network Credit Union are in the process of securing approval to participate in the SBA 7a Program.

CBS would like to welcome Glass City Federal Credit Union and Western Credit Union, Inc. as the newest credit unions to affiliate with the CUSO. We look forward to working with everyone and establishing great partnerships.

WELCOME!!!



WESTERN
Credit Union, Inc.

Business Services: An Emerging Credit Union Business Philosophy

As a result of our credit union's deep involvement in our local Chamber of Commerce, I have developed many friends and acquaintances that work for banks in our area. During conversations with these folks, I often inevitably end up being asked the following question, in some form or another: "if your institution is a credit union, how come you are able to offer business services and do business lending?" The implication, of course, is that credit unions should be restricted to serving individual members only, and have no business doing business with businesses. After all, what could credit unions possibly bring to the table in terms of expertise when dealing with complex matters such as commercial lending?

Of course, it goes without saying that if our banker friends had their way, our net income would be taxed to the fullest extent possible because we offer checking accounts to our members and are no longer tucked away in the basement, spending all of our time making unsecured loans and issuing checks to our members who come in to withdraw funds. They're just a little bit biased on the subject of what services credit unions should - or shouldn't - be able to offer.

So, back to the question: what do credit unions bring to the table when it comes to offering business services, and furthermore, why are business services (deposits and loans) becoming an increasingly important part of a credit union's balance sheet? The answer is that credit unions, with our not-for-profit cooperative structure and our "people helping people to help themselves" philosophical orientation, are ideally positioned to aggressively compete for deposits and loans in the commercial market. Generally, both individual consumers and businesses find credit unions' deposit rates, lending rates and fee structures to be at least competitive and at best favorable when compared to other financial institutions, which is a direct result of our tax-exempt status that we enjoy due to our structure. After all, everyone is looking for a good deal, right?

However, business members may value the personal relationship aspect (that "people helping people" thing) of doing business with a credit union even more than our individual members do. Our business members are constantly telling us about situations where they worked for months to establish a relationship with a bank branch manager, only to walk into the branch one day and find out that the person was no longer there and that they were (fill in the blank: transferred, promoted to a corporate position, or no longer with the bank). No matter what happened to the branch manager, the result is the same: the business owner must start all over in terms of establishing a personal relationship with the branch manager. Another advantage that credit unions have in terms of the relationship aspect is the concept of localized decision-making. At many larger banks, branch managers do not have the authority to make decisions on commercial loan requests. These requests must be filtered through either multiple layers of management, or directed to a lending "bullpen" operation in another city.

So, now that we've all talked ourselves into the fact that we should be in this market, how do we go about getting the business? CBS is a great friend to our credit unions; they bring a wealth of expertise to the table in terms of commercial loan underwriting, origination and servicing. They sometimes even go so far as to help us find and win the business as well. However, that is where we, as credit unions, need to practice our philosophy for our own benefit and help ourselves.

CBS does a great job for us, but the credit union needs to sell the product. How do we do that? Well, the aforementioned local Chamber of Commerce can be an excellent source of potential business members. I wish I could tell you that I was some genius who foresaw our entrance into the business services market when we joined our local Chamber back in 1999. The truth of the matter is simply that we had just received our community charter, and I was looking for a way to get more involved in the community. The Chamber appeared to be an organization that would allow me to accomplish that goal. It wasn't until I started getting involved in Chamber activities, meeting other businesspeople and explaining what a credit union was that I started getting questions like, "so, can you do commercial loans? Can a business open an account at your credit union?" It takes time for relationships to develop in order to get to this point, but the yield in terms of capturing commercial deposit and loan business seems to be well worth the initial investment of time.

Another great source for potential business members are local business networking groups. If you think about it, these groups are structured much like your credit union – they consist of a group of members who have bonded together in order to help refer business to each other. It's essentially one-to-one marketing utilizing "warm" referrals in a group setting, and for our credit union, seems to offer more results than either cold calling or direct mail. Networking is also less costly from a monetary standpoint than direct mail, but much more of a time investment is required.

In any case, no matter how you seek to source out business deposits and loans, the willingness to make an investment of time is vital. Don't get discouraged if you don't achieve results immediately. Keep at it and that investment of time will begin to pay off on a very consistent basis.

Greg Kidwell - President & CEO
Members First Credit Union



Negotiating the Relationship

How would you define a negotiation? When your sales team meets with a member, do you get nervous? Do you feel that your business development officer will end up giving away the deal? The truth is that most sales professionals, including business development officers, are poor negotiators. They are more concerned with winning the deal than what's best for the company and the customer...and if the trend were to stay this way the sales may go up, but your margins may go down.

So how do you get a fair compromise? How do you provide a win-win negotiation? First, the sales professional should find a way to get a solution that is acceptable to both parties – one that leaves both feeling they have won in some way after the sale closes. There are different styles of negotiation, all of which are dependent upon the circumstances surrounding the opportunity.

It may be appropriate to negotiate to your advantage if you feel that you will never deal with a particular center of influence or prospect again. This approach, however, could lead to a confrontational and unpleasant experience for you and your prospect. Most sales professionals find it more advantageous to negotiate and have a game plan. Anyone who has been involved with large sales negotiations will be familiar with this.

If the sales professional uses the familiar bait and switch during a negotiation they could possibly undermine trust and ultimately damage teamwork on a transaction. The same is true for people who manipulate the system. If you damage the trust with your internal team just to win the deal, you could end up as the one losing in the long run. The best policy is always to be open and honest about what products you offer. Another best practice is setting proper expectations with your borrower and/or your center of influence...this should be done throughout the entire sales process.

The sales professional should be the one driving the relationship - they should be the controlling force and the trusted advisor. They should be viewed as the person that can deliver what the member and credit union need to win the relationship. Good salesmanship is not always price or fee driven...it is more about understanding what the client wants, what the client needs and how successfully the sales professional's organization can address those.

Ultimately, style is the most crucial part of success with any sales professional. Someone who is viewed as a decision maker and productive sales person will be able to win more business. When your sales professional represents your credit union, they represent every member. The sales professional should drive the process and take responsibility for keeping their client's transaction on target with their client's timeline. When an underwriting decision is made, the sales professional should be the one to deliver the news, whether that news is good or bad. A good sales professional doesn't play the "blame game" because they understand that this approach often projects to their referral source or customer that they do not have the authority to make a decision. Who would you rather deal with-someone who cannot give you the answer or the person who shows authority to make a decision?

At the end of the day most people are willing to negotiate – it's the American way.



Lorain Cooper
SVP/Director-SBA Lending

Credit Union Showcase



Ohio University Credit Union
Athens, Ohio
(800) 562-8420
www.oucu.org

Ohio University Credit Union, located in the beautiful rolling hills of Southern Ohio, has been serving the university community for over 50 years. As a full-service credit union, meeting the small business needs of our members is very important.

OUCU has recently been approved by the Small Business Administration to issue loans under the SBA 7a program, the SBA Express Program and the SBA Patriot Express Program.

Under the traditional 7a program, we can assist small businesses that may have higher risk. The SBA will guarantee a portion of the loan that the credit union is extending to the borrower. The Express Loan program is used when the dollar amount is smaller and can be a quicker turnaround than the traditional 7a program. The Patriot Express is designated for those who have served in the military and now want to start or expand their business.

Member Business Manager Donna Russell has been with OUCU for five years and has 18 years of business lending experience. She is active with the Chamber of Commerce Ambassador and Entrepreneurial Development Group, the ACENet Ventures Loan Fund Board, and the Advisory Board for the small business development center.

TESTIMONIALS

GMI Enterprises, Inc.



“This testimonial is about making things happen. Everyone at Cooperative Business Services practices the concept of actually helping people with their potential. Prior to working with CBS, I had negotiations with two different financial institutions, but neither moved forward quickly.

Once I was put in contact with CBS things began to progress forward. We closed on the purchase in less time than it took for me to get answers from the traditional financial institution options.

Thanks to all who made this happen. You are truly out there to listen and to assist the small business professional. I truly appreciate everything that was done and will prove you made the right decision in support of my endeavor.”

John Messmore

“Working with Cooperative Business Services, LLC (“CBS”) and KEMBA Financial Credit Union was a first class experience from start to finish. They effectively delivered on their commitments to us and even went above and beyond to accommodate us with unforeseen challenges involving our previous lender.

The caliber of people we worked with on this loan and the aggressive rates they offered have encouraged us to bring a number of our other properties to them for review. It is our intent to do business with CBS and KEMBA well into the future and we would recommend them to anyone seeking commercial funding.” - John Messmore



It's a Team Effort!

Imagine this. You are at the World Series, playing third base. You look around and your pitcher is gone, there is no catcher and right field is empty. How could you possibly win the game?

Like the game of baseball, selling is a team effort, not an individual sport. Think of it this way, for every person you meet, work or interact with, it is like having a team of your own personal supporters at a pep rally.

Being a successful salesperson in the member business lending arena requires several people being on base at once. Of course you have your pitcher, the person your members see everyday, interact with, count on, and turn to for advice - this person is YOU! Behind the pitcher is your outfield or support staff - these are the folks that help your sales become reality - the professionals at CBS, LLC.

For example, there's the head coach and your team recruiter, Keith Reed. Available anytime for advice, ideas and solutions to tough lending scenarios, he makes sure the team is the best it can be. The underwriters at CBS are the umpires, analyzing the borrower's credit, striking them out or walking them to first base. They evaluate each player's offensive strengths and weaknesses when deciding on the final lineup, who will be the clean up hitter? Our compliance and closing group is akin to baseball's commissioner - the ruling body of professional baseball - making sure all the rules and regulations are adhered to during the lending process.

Your designated hitters, or sales team, may be one of CBS's seasoned Business Development Professionals. Lorain Cooper is always available to help with your SBA lending opportunities and Debbie Scheetz knows a homerun when she sees it.

And of course there are the fans cheering you on to win the game. This is everyone at CBS, but could also be a coworker, peer, or a credit union member.

In a perfect baseball game no batter reaches any base during the course of the game. Our perfect game means everyone hits a homerun every time ---- as a team we will always win the game!

In the words of the great coach, John Wooden,
 "... The star of every successful team is the team."

Enjoy the baseball playoffs this fall!!!!



Leslie Biskner
 Vice President/Business Development

KEY RATES					
	Current	1 Month Prior	3 Month Prior	6 Month Prior	1 Year Prior
US T-Bill 1 yr Index	2.57	2.05	1.33	3.20	4.97
US T-Bill 3 yr Index	3.24	2.58	1.71	3.09	5.01
Prime Rate	5.00	5.00	5.25	7.50	8.25
US T-Bill 5 yr Index	3.64	3.02	2.36	3.45	5.05
US T-Bill 10 yr Index	4.20	3.78	3.34	4.04	5.14



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