



Give employees a stake
in their own success

Stakeholders

Performance-Based Compensation that Works for Everyone

Most employers would like to offer their employees year-end bonuses, but many organizations find such an arrangement **detrimental to their bottom line**. Additionally, subjective lump sum payouts **offer little in the way of employee motivation**, and **don't tie the organization's long-term vision and goals into the earnings plan**.

Enter Stakeholders, a **one-of-kind performance-based compensation system** that makes bonus arrangements **affordable for every credit union** and creates a **balanced, unified strategy for success**.

Offered by the Credit Union Executives Society in partnership with Mike Higgins & Associates (MHA), Stakeholders naturally aligns the interest of your members and staff with the strategic goals of your credit union, ensuring long-term success. Additionally, your **employees will be rewarded for working toward strategic objectives developed for your credit union**, helping them to appreciate and understand their role within the organization.

"Since implementing the Stakeholders program, our organization has finally made serious behavior modifications that had been needed for a long time. We lacked focus and accountability for results. Since Stakeholders rewards for results and not just activity, our credit union has experienced a major shift in our priorities. And, the monthly reports distributed through our employee Intranet keep everyone informed along the way, which builds excitement and keeps staff motivated."

Mary Cunningham
President/CEO
USA Federal Credit Union
San Diego
Assets: \$680 million



Create your Stakeholders System

With the help and ongoing support of the expert consultants at MHA, your credit union will:

- Learn to develop a **self-funded** reward pool
- Set specific **goals and create benchmarks**—based on your strategic goals—for your employees to achieve
- Develop a **mathematically viable system** for measuring performance
 - Offer **appropriate incentives**

Key performance indicators linked to your business model **automatically create operating income which is used for the reward pool**. The better your credit union's performance over the year, the larger the compensation payout. In this way, Stakeholders **offers unlimited earning potential**—a great way to **retain current employees** and an **attractive incentive** for new candidate recruitment.

Additionally, **each month you'll receive a report indicating your credit union's progress**, so everyone across the organization knows exactly **where the payout stands**, and **which benchmarks need attention and improvement**. This not only generates excitement, but keeps goals on track and gives employees the opportunity to make adjustments on annual objectives throughout the year.

Take your organization to higher levels of performance
with the innovative Stakeholders program!

Who Should Explore Stakeholders?

- **CEOs** ultimately accountable for running a successful credit union
- **Human resources executives** searching for innovative, high-earnings incentives to recruit talented staff
- **SVPs and VPs** exploring motivation triggers
- **Managers and supervisors** charged with keeping motivated, high-performing staff and seeking ways to create an atmosphere of true teamwork
- **Finance officers** responsible for protecting the bottom line



Comparing Stakeholders to the Competition

| | Stakeholders Compensation Program | Traditional Compensation Packages |
|--|---|--|
| Program focus | Long-term goals | Short-term goals |
| Key participants | Everyone in the organization | Managers and sales force |
| Educational value | Demonstrates where the credit union is going and how each employee helps to meet the goals | Teaches little about organizational goals and priorities |
| Fosters | A team environment and a feeling of partnership with management | Adversarial relationships |
| Basis for reward | A balance of four critical factors and results | Activity solely for profit, growth, quality OR productivity—no combination |
| Measures of key performance | Mathematically calculated | Arbitrary |
| Result of not meeting goals | Penalizes the reward pool for underachievement | No penalty for underachievement |
| Reconciliation | Reward reconciles with performance relative to overall strategy | Payout is not affected by performance |
| Effect on budget and strategic planning | Aligns compensation with budgeting, strategic planning and corporate culture | None |
| Deferred payout | Additional deferred package for management to ensure a long-term focus and create golden handcuffs | None |
| Ownership | Allows everyone to think and work like an owner, giving them a stake in the overall success of the credit union | None |

Cost is based on the asset size of your credit union, making Stakeholders affordable for all organizations!

Fostering Success in all Areas

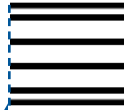
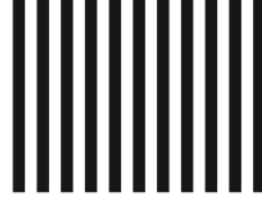
The most effective incentive models take a comprehensive approach by including measures on profit, growth, productivity and quality. Employees concentrate on all significant components, assuring balance among all critical influences. This way, your credit union will be rewarded with:

- Effective communication
- Motivated, high-performing staff
- Increased accuracy and smoother work flows
- Quality relationships
- Superior products and services
- Stabilized base salaries

“Stakeholders has allowed us to elevate member service to the next level by creating an environment where the employee has a true vested interest in providing superior member service. ‘Train well, expect more, provide the necessary tools and have fun’ is our formula for success. Stakeholders has been part of this success.”

Walter Bobesky
President and CEO
SECNY Federal Credit Union
Syracuse, N.Y.
Assets: \$65.5 million

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Stakeholders

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6 S T K S R N 8



"We've had various incentive programs over the years, but we weren't sure we were rewarding folks appropriately. We were concerned that we might be paying too much or too little for performance, and we were never confident we had strategic objectives aligned with performance objectives and rewards. In 2005, we started looking at Stakeholders and realized it could solve these dilemmas. We determine what key performance indicators we want to track. The model quantifies incremental improvements to ROA, so we know exactly how much additional revenue is earned and can be distributed."

Christine Brown
President/CEO
Tyco Federal Credit Union
Redwood City, Calif.
Assets: \$71 million

"Thanks to Stakeholders, Pasadena Federal Credit Union has enjoyed a positive impact to the bottom line. Within the first year of inception, our credit union saw double-digit loan growth without adding indirect lending or changing our field of membership; just pure organic growth achieved by team members who were inspired to provide better service and consultations to our members. And with each passing year, Stakeholders has provided clarity for the board, management and staff as we work to exceed financial and service goals. Our culture of ownership and innovation—which are fundamental values to our success—are enhanced by the communication the Stakeholders model provides."

Shruti Miyashiro
President/CEO
Pasadena Federal Credit Union
Pasadena, Calif.
Assets: \$100 million

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partnership by CUES and **Michael Neill & Associates**, Atlanta, ServiStar is a unique comprehensive, consultation-based training program that will help your credit union develop a new way of doing business. Visit cues.org and select **Strategic Services**.

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Author Constance Anderson brings you *A Fresh Perspective on CRM*, showing you how to successfully create a synthesis of technology and member relationships to achieve

financial success through member satisfaction. Visit cues.org and select **Products**.

Take your Compensation Program to a New, Exciting Level

Stakeholders rewards employees for reaching attainable—yet challenging—benchmarks, giving them a direct “line of sight” between their daily accomplishments and the overall strategic objective of the credit union. It's a vehicle to improve take-home pay based on results, and creates a strong team environment.

There's nothing quite like Stakeholders in the credit union market today. This innovative service gives employees a real reason to meet strategic goals. It also fosters pride in a job well done with a monetary reward to back it up—**a win-win for all involved.**

Learn more about Stakeholders today!

Request additional information using the online form at cues.org/stakeholdersinfo/, return the attached postage-paid reply card, or call **800.252.2664** or **608.271.2664, ext. 5319.**

Stakeholders



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The Credit Union Executives Society is a Madison, Wisconsin-based independent membership association for credit union executives worldwide. Its mission is to advance the professional development of credit union CEOs, senior management and directors.

Through CUES' strategic services, forge alliances with leading consulting and research firms providing you with the knowledge to leverage your competitive advantage now and into the future.



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