



Case Study: Boost Your Portfolio!

How credit card consulting can go the distance for you.

Overview

When One Nevada Credit Union's 77 thousand members found themselves underwater on their mortgages and deep in personal debit, credit union officials found a creative way to grow "good" dollars and help their members.

Engineering a Dramatic Turnaround

As the state's largest locally-based credit union, One Nevada wanted to play a strong role in getting its members back on their financial feet while prudently managing its own credit card portfolio recovery.

Working with the credit card experts of PSCU's Advisors Plus Consulting and Marketing Services, One Nevada engineered an extraordinary five-year turnaround that not only dramatically improved its overall portfolio health but grew membership,

launched the premium Visa Signature® card suite and brought in nearly \$5.4 million in new balances over a two year period.

Optimizing One Nevada's Card Portfolio

One Nevada's return to growth began in 2011 when veteran Advisors Plus credit card consultants Steve Thompson and Mike Gullledge conducted One Nevada's initial portfolio strategy review.

"Given the circumstances in 2011, One Nevada's overall risk profile was surprisingly good," Gullledge recalled recently. "But we were also seeing huge charge-offs and negative ROA. Advisors Plus recommended modifications to One Nevada's collections, charge-off and recovery processes, as well as suggesting that One Nevada establish a minimum C/B score."

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“Basically, we advised One Nevada’s senior management that they needed to grow their good dollars to dilute their bad dollars,” summarized Thompson.



BACON Checking Jumpstarts Membership Growth

Over the course of several years, Nevada’s general economic picture brightened considerably. One Nevada had brought its real estate losses under control and its loan-to-share ratio was rapidly improving.

Greg Barnes, One Nevada’s Senior Vice President of Marketing, sensed that the time was right to begin growing membership and cooked up his now-

legendary BACON checking account acquisition campaign.

In a state famous for its all-you-can-eat buffets, the BACON campaign (which stood for Bad A\$\$ Checking One Nevada) was a sizzling success. Through radio ads, TV commercials and even Las Vegas billboards, Barnes served up One Nevada to a new generation of members hungry for access to its high-quality banking services, particularly the flexibility offered by One Nevada’s cutting-edge mobile banking technology.

Can You Help Us Grow?

“After years of caution, suddenly [the success of BACON] united everyone in their dedication to do everything possible to grow One Nevada’s credit card portfolio,” noted Advisors Plus’s Gulledge. First on One Nevada’s priority list was working with PSCU to bring Visa’s premium Signature® card program to all of One Nevada’s creditworthy members. With the new card suite in place, One Nevada was ready to implement Advisors Plus’s recommendations regarding credit line increases (CLIs). “We worked with One Nevada to craft a strategy that went from every member having a similar line independent of risk to giving members the right lines based on a matrix that utilized risk level, income and debt-to-income (DTI),” said Gulledge.

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Credit Line Increases Work Their Magic

The credit line increases went into place in September. Two months later, One Nevada began working with Advisors Plus Marketing Services to launch the first of what would become an ongoing One Nevada tradition of spring and fall balance transfer and convenience checking campaigns.

The response to the first campaign was overwhelming across all measures. Compared with an identical baseline campaign run before the credit line increases, the response rate increased 30 percent. The new campaign brought in balances of \$1.54 million, 43 percent higher than the level achieved by the prior year's campaign – and that was just the beginning.

The Growth Gains Momentum

One Nevada's balance transfer and convenience checking campaign ran the next year and gained even more momentum. The response rate was a whopping 8.09 percent and brought in an additional \$1.81 million in outstanding balances.

The credit union's most recent campaign, was the first to incorporate all of One Nevada's Visa Signature® cardholders. The response rate was a robust 7.47 percent, and the campaign had already brought in well over \$2 million in new balances within 3 months.

Partnering for \$5.4MM Balance Growth

Overall, One Nevada's baseline balance transfer and convenience checking campaigns and its decision to increase credit lines accounted for a total of nearly



\$5.4 million in incremental balances held in 1,466 accounts over a two-year period.

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Advisors Plus

Founded in 2004, PSCU's Advisors Plus offers consulting services for credit unions to help fuel growth and achieve financial and business goals. From project analysis to implementation and management, Advisors Plus offers an end-to-end portfolio of consulting services including business strategy, business and affinity cards, credit and debit cards, contact center optimization, risk and collections analysis, branch sales training, marketing services, and B2C campaign execution. Whether your credit union is looking to expand its offerings, build a legacy of community involvement, create the strongest possible capital footing—or all of the above—Advisors Plus consultants bring the strategic vision, deep industry expertise, and proprietary data analytics needed to help credit unions better serve their members and their communities. For more information, visit advisorsplus.com.