

Building Success While Strengthening Employees and the Community

CLIENT STORY WITH CBC FEDERAL CREDIT UNION

While most financial institutions are grappling to secure deposits in these times, CBC Federal Credit Union, situated in Oxnard, California, faces an unusual yet rewarding challenge - it has a surplus of new share certificate (CD) requests from across the country.

CBC upped its CD rates to attract new members and, as it turns out, made headlines for offering one of the highest rates nationwide. This has drawn in new members from all around the country.

This fortunate circumstance is a testament to the member-centric ethos that CBC has been upholding and delivering to its members for many years.

From Roots to Wings

Founded in 1952 by civilian engineers and employees at the Construction Battalion Center base in Port Hueneme, California, CBC has now expanded to serve a broader community. Starting initially with just about \$500, CBC FCU now possesses over \$800 million in assets and has emerged as a prominent financial institution in the community.

Chief Experience Officer Jesus Garcia, along with current CBC President and CEO Rick Weber, have a history of working together at a \$10 billion credit union in Texas. Both firmly believe in building a financial institution that prioritizes the needs of its members.

"We had premium checking accounts there," recalled Garcia, "and when I joined Rick at CBC, we said, 'let's do something extraordinary with checking accounts here.'"

"We collaborated with Emily Harrington and Dave DeFazio, along with our then-CEO. We were liaising with StrategyCorps and another competitor, combining their services," Garcia clarified. "When I progressed to CXO and Rick stepped into the CEO role, I expressed to Rick my intention to fully commit to StrategyCorps. I was confident that what we could deliver would be superior."

"We launched our Epic Checking Accounts in June 2018 and we're still going strong," Garcia reflected. "We take immense pride in the services we've been able to extend to our members."



Jesus Garcia | CBC
SVP, Chief Experience Officer



The Prime Directive: Creating Value for Members Pays Off

CBC illustrates how a rich, valuable member experience is key to building a great product.

"There are a few things we excel at here, and we do them extraordinarily well. That's where our connection with StrategyCorps comes into play," stated Garcia. "Primarily, we build excellent relationships with our members, and we always try to understand their needs thoroughly."

"I remember when the pandemic first started, StrategyCorps was the first company to reach out to us to see how we were doing. They offered to provide all our members with health savings cards and identity theft coverage, free of charge. They committed to this for the entire year," Garcia recollected.

"That was a pivotal moment for me. Not only did StrategyCorps provide an exceptional product, but the relationship they built and their genuine concern for our members surpassed what any other company could offer."

And while many community financial institutions struggled to find new ways to serve their members during the pandemic, CBC had a very unique approach.

During Covid, CBC remained open. "We committed to not closing even for a single day during the pandemic," declared Garcia, "because it was crucial for us to be present when our members needed us the most. Also, it was important to me that our

team members kept earning their income. We were determined to avoid layoffs.”

And sure enough, CBC had their two most prosperous financial years in their 70-year history during the pandemic.

Creating Success - Make Everyone an Owner

Shifting to a benefit-centric subscription checking model can present challenges, as it requires everyone - from the CEO to the tellers - to not only be enthusiastic about the new product, but also well-informed enough to explain it to both current and potential members.

“Before we launched our Epic and Epic Premium accounts, we encouraged our team members to reach out to their community - be it their local salon or favorite restaurant - and get people to sign up for the Epic Perks app. If successful, we committed to rewarding our team members for their effort. Our objective was to foster a personal and emotional connection between our team members and these local businesses.”

“And during the pandemic, when local businesses were suffering, this kind of relationship with the community took on a new level of care,” said Garcia. “How do we help? Whoever opens an Epic Premium Checking account gets 5 cents cash back per swipe. And we’re going to take a nickel for every swipe and put it into a foundation.”

Subsequently, CBC used this accumulated money to purchase a ton of gift cards from local businesses in its Epic Premium network. These gift cards were then distributed within the community, fostering a virtuous cycle that benefited both their members and their local business in their community.

The Nuts and Bolts

CBC also built their Epic Premium checking account so that members “get the keys to the castle” when they join.

This meant that Epic Premium members also reaped direct benefits from CBC, including the most competitive loan rates, complimentary temporary checks, and superior rates on checking and CDs, among other perks. While this represents an ideal type of implementation, it may necessitate a little more time for integration and customization.

And it has worked. “It has been a game-changer,” reflected Garcia. “Every initiative we undertake now is integrated into the Epic program. We even established an Epic Wellness program specifically for our team, given their importance to us parallels that of our members.”

As with most financial institutions, a key aspect of the migration is analyzing where your best members are, who can be engaged to migrate, and which non-primary accounts should be engaged but aren’t a significant priority.

The first year during and after the migration is about patience. But just recently, CBC celebrated and marked a milestone with its Epic Premium Accounts enrolling its 5,000th member.

Final Takeaway

For financial institutions looking to implement a similar plan, Garcia had this tip:

“Don’t think about the fee, create value first - StrategyCorps creates the value. And don’t stop there, ask yourself, ‘What do you want to be known for?’”

“It’s been a wonderful partnership,” Garcia concluded. “We understand each other’s goals and we care about each other’s teams and their ability to make an impact.”

To learn more about how StrategyCorps can help you build more value with checking accounts, drive non-interest income, grow primary accounts, and grow earnings, email info@strategycorps.com, or call (888) 577-6933.

