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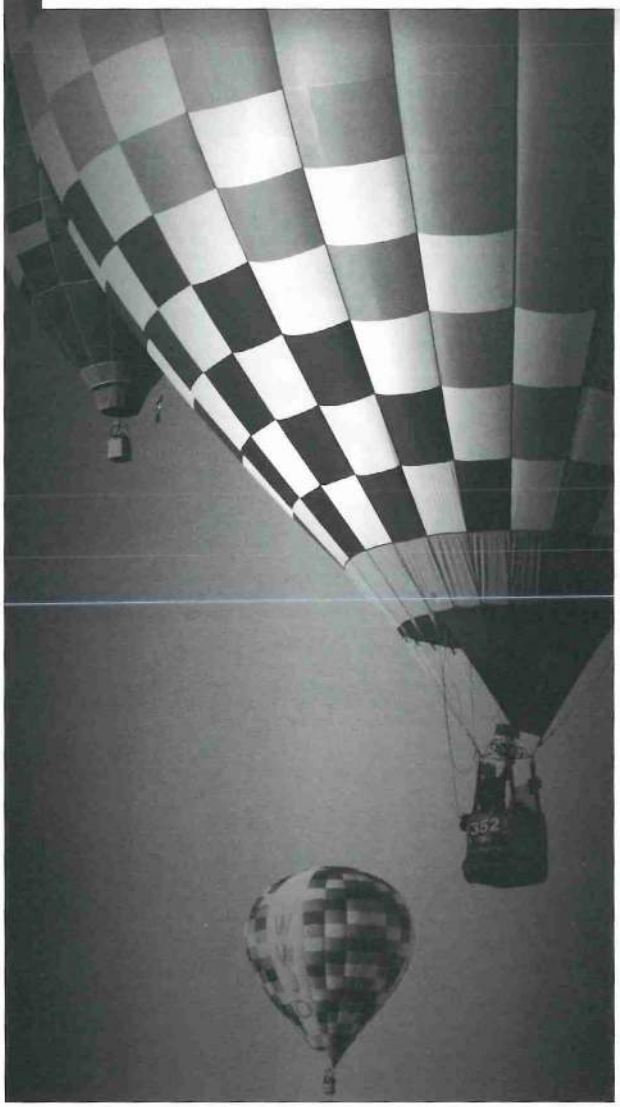


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YOUR TURN

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- **360-degree performance reviews:** Does your credit union use these as tools for employee feedback? Are they truly anonymous? Do you love or loathe them?
- **Members of interest:** We're always on the lookout for members who have interesting, unique or unusual careers, hobbies or lifestyles. If any come to mind, let us know!

EIGHT YEARS IS A LONG TIME, particularly when they're consecutive. Eight is the number of times that Magazines West has recognized *Enterprise* as the "Best Trade Magazine," which is something we can all take pride in — subscribing credit unions, writers, artists, editors and publishers alike. We've got a solid magazine going here and, in acknowledgment of this recent achievement, you'll notice that we've included the winner's ribbon on the cover. But no, we aren't getting emotionalized. *Emotionalized*? What does that even mean?

It's a new word, meaning to make emotional, that the Oxford English Dictionary has added to its latest entries. And there's plenty more. Some have become important in the workplace, such as "digital economy" or "gender relations," while others might only be of assistance in decoding the lingo of your kids or grandchildren. Try expanding your vocabulary with a few new additions (on page 38).

While not exactly a crash course, we have provided a comprehensive overview of The Co-operators Group Ltd. and its operations (on page 27). We break down some of the complexity of the cooperative that's owned by nearly 50 organizations and has several different branches of insurance and wealth management, and is now the majority owner of The CUMIS Group.

We look to east to Nova Scotian Tom Webb, a lifelong credit union member and co-op advocate, to provide some background on the beginnings of the system in the Maritimes, with details on the Antigonish Movement and its founder Reverend Dr. Moses Coady (on page 20).

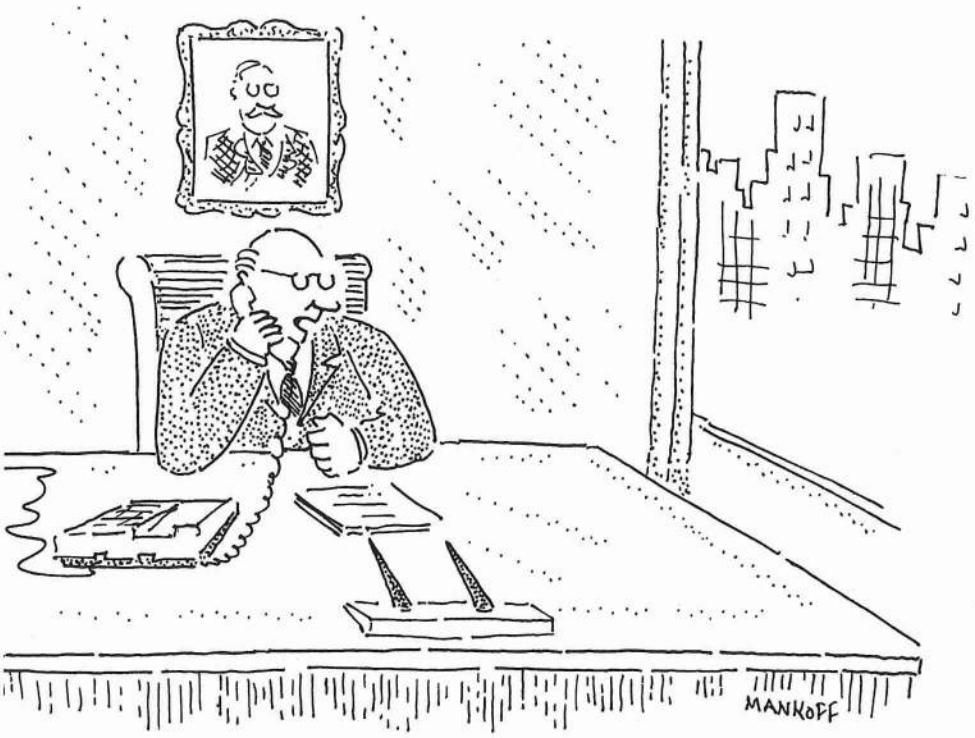
Additionally, we cover distinct member councils at several credit unions, the importance of monitoring your organization's online presence, alternative medicine and, of course, the investing patterns of the baby boomers in our cover story (on page 16).

In closing, I recommend you read "Persons of Interest" (on page eight) for an inspiring life story that **Alterna Savings and Credit Union** helped to advance.

Allison Murray
amurray@canadawide.com

Evaan Kheraj

Small Talk



"A billion is a thousand million? Why wasn't I informed of this?"

Leaps and bounds in mobile apps and advertising

Seventy-one percent of Canadian smartphone users have downloaded a mobile app, according to Ipsos Reid. In this country, gaming apps are the most frequently downloaded by the nearly 17 percent of the population that actively use apps. On the banking front, 38 percent of Canadian smartphone users (and more than half of iPhone clients) are active users of a banking app. With stats like these, it's not surprising that The Interactive Advertising Bureau of Canada predicts the revenues from mobile advertising in Canada will reach $51 million throughout 2010, up 60 percent from 2009.

But there's more: one-third of Canadians would prefer to make purchases using a mobile phone, as opposed to using cash — likely a reflection of the fact that 56 percent of us are comfortable using alternatives to cash for our commercial transactions.

New Chair and CEO at WOCCU

Manuel Rabines, general manager of the trade association serving Peru's credit unions (FENACREP), has been named chair of **World Council of Credit Unions**' board of directors. He takes the position from Barry Jolette, president and CEO of San Mateo Credit Union in California.

The WOCCU board has appointed Brian Branch as the organization's new CEO and president. He assumed the position upon retirement of Pete Crear in early August. Branch has been with WOCCU since 1990, during which time he has been involved in development programs in more than 40 countries and led legislative and regulatory development projects in 12. Since 2003, Branch has served as WOCCU's executive vice-president and COO.

Centrals complete group clearing transition

Central 1 Credit Union and the credit union centrals of Alberta, Saskatchewan and Manitoba have completed the transition of the Group Clearing function for credit unions across the country from **Credit Union Central of Canada** (CUCC) to a joint venture. This follows CUCC's decision to withdraw from the Group Clearer role and focus on serving exclusively as a national trade association.

On behalf of the joint venture, Central 1 has assumed CUCC's Group Clearer responsibilities and now acts as the credit union system's connection point to the Canadian Payments Association.

Back to school

Forty-five percent of parents with children who are eligible to attend post-secondary schools this fall have yet to begin saving for their child's education. Interestingly, 89 percent of parents who are under 35-years-old began to save for their child's education shortly after birth, in comparison to 60 percent of parents who are now between the ages of 45 and 54, according to the TD Canada Trust 2011 Education and Finances Survey.

Westoba's CEO is a distinguished cooperator

The Manitoba Cooperative Association is honouring Wayne McLeod, president and CEO of **Westoba Credit Union**, with the 2011 "Distinguished Cooperator Award" in October for his contributions to development and success of the province's cooperative movement.

From 2002-2010, McLeod was the president of the Co-operative Development Foundation of Canada (CDF), the charitable arm of the Canadian Co-operative Association (CCA). He has been a board member of **The Co-operators** since 1978 and has served on the board of **Credit Union Central of Manitoba** since 1984, in addition to participating on the boards of various local organizations.

More wives out-earning husbands

Nearly 31 percent of Canadian wives earned higher salaries than their husbands in 2009, compared to a mere 12 percent in 1976, according to the most recent data from Statistics Canada. That said, the average woman makes approximately 76 percent the salary of the average male in Canada.

Worldwide deposits grow

WOCCU reported that worldwide deposits among financial co-ops grew to US$1.23 trillion last year, up 7.3 percent from 2009. Worldwide savings of members increased in every region except Europe.

Servus scores big at World Conference

Marcy Lovberg, senior relationship manager at **Servus Credit Union**, is one of five people under the age of 35 to win a "Young Credit Union People Program" scholarship, enabling her to travel to Gdansk, Poland at no cost for WOCCU's 2012 conference. Alberta's Servus also won an Ambassador Award for sending upwards of 50 staff to WOCCU conferences during the past four years as part of its employee incentive program.

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Sister Power

Beautifying women from the outside in

by Wendy Glauser » photograph by Christopher Dew



THE "JUST GORGEOUS" beauty store is only one block north of Toronto's Eaton Centre, but it's a world apart from the make-up counters at most department stores there. • From the shop's location in a busy shopping centre, near a grocery store and subway station, Jamaican-born co-owner Ninia Nation calls out, "Hey precious! Come in!" to a teenage girl who is passing by. Ninia's business partner, her older sister Annette, is booking an appointment over the phone. "Oh, hi Angel. How's everything going?" she says in her soft, warm voice. "Yeah, yeah, tomorrow's fine." • After working for almost three decades as a sales rep for major cosmetic brands where "they do half your face and you have to pay for them to do the other half," Ninia decided to open a very different kind of esthetics shop — one that catered to Toronto's ethnic diversity and didn't make women feel "that you have to look a certain way before you're helped." • Annette, who had studied business in college and had modelling and entrepreneurial experience, joined the venture. Shortly after, in 2005, the sisters opened a kiosk at College Park and in the fall of 2008, they launched a small store — an expansion made ►

THE NATIONS SISTERS credit their Christian faith for their compassion. Having forgiven their father, they learned the power of education and hard work from him before he became mentally ill.

possible through a micro-loan from **Alterna Savings and Credit Union**. "They saw our vision. They made it easier for us to get going," says Annette, a mother of three who was going through a difficult divorce at the time.

The store's walls are lined with wigs, hair extensions and glamour shots of long-time customers. Makeup lines include mineral cosmetics like Naked, the decadent shimmers of Shiny Mama and Eva's legion of hair products, among others. But the main focus, and biggest seller, is a line of cosmetic foundations that is "customized and blended to match the skin perfectly," says Ninia. "We do the mixing right in the store."

What most separates "Just Gorgeous" from other cosmetics retailers, however, is Ninia and Annette's approach. The Nations take the time to teach each woman how to apply makeup. "A lot of people tell us they have a lot of makeup, and it's sitting there, but they don't know how to use it," Annette says. But the sisters take mentorship far beyond makeup techniques — often acting as sounding boards for their clients, who are busy women on their way from work or young girls killing time at the mall.

Hair and makeup, it turns out, is a natural springboard into conversations about self-esteem and personal struggles. "A client will say, 'All my lashes fall out because I'm in chemo,' or 'my hair falls out because my boyfriend ripped my hair out'," Ninia explains, adding that they also run volunteer workshops at women's shelters and Covenant House, a centre for homeless youth. "They love when we come because sometimes they're so broken. And my sister . . . she's so good at talking to people," Annette says.

Raised in Jamaica by a schizophrenic father, who was "abusive in every way" as Ninia puts it, the Nations know how to relate to troubled youth. As the two youngest of five siblings — who all eventually ran away — Annette and Ninia chuckle when they recall how their father used to make them eat first "to see if it would poison us."

They remember how they used to look out the window, longing to join the kids who were on their way to school. "How many kids do you know that want so badly to go to school?" Ninia asks.

Annette and Ninia were often held back from school in order to sew garments for their father's fledging business. For Annette, the breaking point came when she was 15. Having returned from the market with the wrong type of zipper, her father promptly accused her of intentionally trying to "sabotage" him.

"He started beating me with a belt," recalls Annette. "I was thinking, 'You know what? I'm so over this! I'm actually taller than you!'" She ran away shortly after, taking Ninia, who was so malnourished her gums were swollen, with her.

At age 16 and 17, Ninia and Annette immigrated to Canada alongside their older sister Karlene, who works at CTV as a reporter and diversity producer. Today, the Nations continue to dream big. "I'd love to open another location," muses Ninia. E

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By Lawrence Herzog

Illustration by Gordon Studer

ears to the ground

Bergengren has formed a Youth Community Council, composed of 10 members between the ages of 16 and 25. They'll serve as the newly created Junior Board.

We're digitally connected like never before, but are all those billions of data bits flying back and forth taking over good-old face-to-face dialogue and discussion? Not when it comes to community councils.

For **Servus Credit Union**, its 34 community councils — the eyes and ears in the community — help to keep it connected to people. It's an operating practice that reflects the Alberta organization's geographic, ethnic and linguistic roots, says Taras Nohas, vice-president of strategy and governance. "Now, eight of our community councils are based in linguistic or ethnic communities, and the rest are based in geographic communities."

The five to nine members that sit on each council meet at a branch four times a year, while they receive news releases and email updates as needed. "Our community council members are actively involved with community groups, are connected within their business community, are advocates for the credit union way of banking, and are willing to look critically at Servus Credit Union to share their opinions, both positive and constructive," Nohas explains. "We seek a variety of people for a well-rounded group on each council."

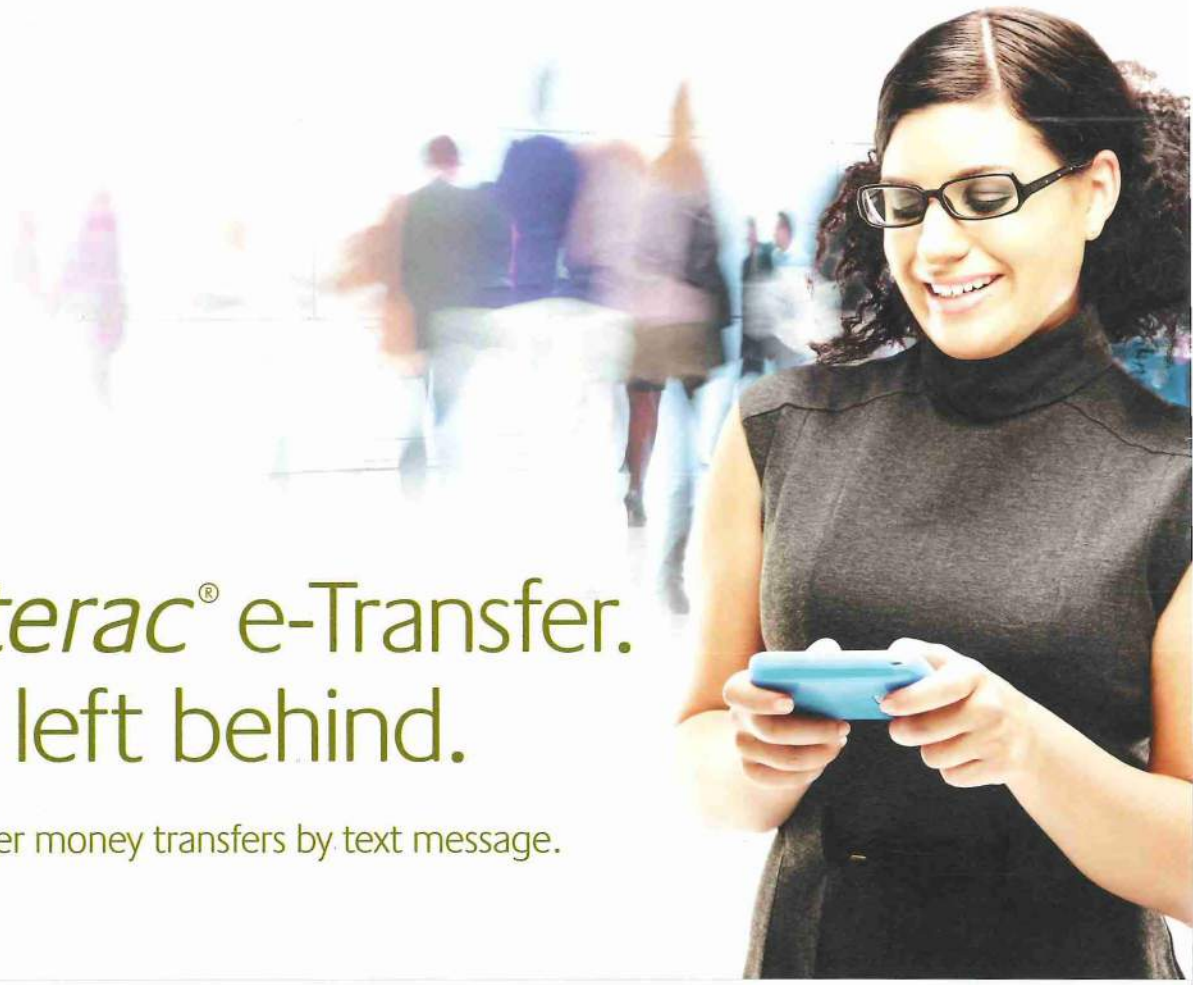
Last year, Servus (with $10.8 billion in assets and 2,000 employees at approximately 100 branches) refreshed its community council program to position its volunteer council members as ambassadors and advisors, Nohas says. "We have engaged community council members around the development of our CSR [corporate social responsibility] strategy and we do request their ideas and input into our strategy."

Getting feedback is a crucial part of putting people before banking at London, Ontario-based **Libro Financial Group**, too. Libro is southwestern Ontario's largest credit union, with 55,000 members, 300 staff at 15 full-service branches, and more than $1.5 billion in assets.

The credit union uses what it calls "owner representatives" for its branch councils. Libro has a total of 103 owner representatives that are part of the organization's governance structure, elected to three-year terms by members at each branch, says Harry Joosten, corporate secretary. "We have a formula that allocates the number of owner representatives per branch, depending on how many member-owners they have. The minimum is five and the maximum is nine."

The board of directors appoints a liaison director to attend as many council meetings as possible during the year, Joosten says, noting that each branch council meets roughly six times per year. "They also have formal authority within our community investment program, and they can approve smaller and more locally-focused


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community projects." To select larger projects for funding, the credit union has a Community Investment Advisory Panel composed of 10 voting members. Six of them are owner representatives, three are staff representatives, and one is a member of the board.



Additionally, branch councils are asked for their input on an ongoing basis, almost like focus groups. "We are consultation- and consensus-based, so the board will consult them on major credit union decisions in advance, so there's a fair amount of interaction," Joosten says.

Individual councils are responsible for their own succession and recruitment and, at each branch, there is a candidate recruitment committee, explains Janet Taylor, Libro's governance specialist. "They follow a similar process that we follow at the board level to select individuals with recruitment, nomination processes and, when necessary, elections in-branch," she says.

Libro owner representatives are selected based on community experience, basic financial skills and knowledge, aptitude and attitude and, for incumbents, past attendance. "We look for candidates who are relatively secure and stable in their own lives, appropriate to their life stage," Joosten says. "We also look for diversity and balance with respect to gender, geography, age, occupation and lifestyle." Libro employees cannot be owner representatives.

Every month, Libro's owner representatives get an email update that details upcoming events both inside and outside the credit union, along with strategic planning updates. They are also provided access to Aprio governance information software. The branch councils usually don't meet in September, so for that month they are provided the opportunity to hold joint meetings with two or more other councils.

Internal training programs are also offered several times a year through webinar sessions on various topics. "It helps them to be better owner representatives and helps them in their own lives by picking up skills at Libro that can then translate back into other things," Joosten says. And annual engagement surveys reveal an exceptional level of satisfaction, tracking 4.4 out of 5. Joosten says, "It's valuable for us to understand how to keep the people engaged — and they certainly tell us when they're not!"

When **Envision Financial** and **Valley First** credit unions merged to create B.C.-based **First West Credit Union** last year (with 167,000 members, $6.2 billion in assets, and 1,300 employees at 37 branches), two regional councils were created. "We are committed to staying true to our founding principles: local decision-making, local identities, and a focus on the community," says Jackie Baron, First West's senior vice-president of governance and corporate strategy.

The councils represent First West's two regions: the Lower Mainland and the Thompson-Okanagan-Similkameen area of the B.C. Interior. "The councils pay special attention to the unique needs and interests of their members, customers, employees and communities, while operating within the larger context of First West," Baron explains. "This includes business development, strategic planning, regional issues, community investment and corporate social responsibility."

Both regional councils consist of between five and eight members, plus at least two directors. The councils meet regularly with the two regional presidents and senior regional management to fulfill their role. Information is exchanged by email, at regular meetings and with conference calls. The regional councils also use Aprio to share meeting information and documents.

"Employees of the credit union are not eligible to join the regional council," Baron says. "Council members are appointed annually by the board on the recommendation of the board chair, who consults the regional council chairs and the local presidents." And, in turn, regional councils identify potential candidates who might be



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suitable for the board. Suggestions are presented to the credit union's nominations committee.

Last year, Vancouver Island-based **Coastal Community Credit Union** (80,000 members, 650 employees, and more than $1.7 billion in assets) formed three of its seven "Community Connection" councils to "provide a vital link to the communities we serve." This year, it began accepting applications for participation on the remaining four.

The three to seven volunteer members on each council provide the credit union with a deeper understanding of community needs and issues. They assist the credit union to review and recommend applications to its Coastal Spirit fund for registered charity and non-profit groups, provide feedback to management and the board on local issues, and act as ambassadors in the community. Appointments are for three-year terms and a minimum of two meetings must be attended each year.

Online communities: threats or opportunities?

As part of its outreach to the Halifax, Nova Scotia-area communities it serves, **Credit Union Atlantic** (17,000 members and $293 million in assets) has a relatively new Online Advisory Panel. Aimed at better understanding members' opinions and needs, the panel is not the same as a community council, says Terry Moore, vice-president of marketing and strategy. "The panel allows us to connect more often and in greater detail with our members, seeking feedback and opinion on everything from satisfaction to loyalty to operational items, such as hours of business and access."

The increasing use of online tools raises the question: will more robust communication with members through sites like Facebook and Twitter or online panels spell the end for community councils?

Libro's Harry Joosten doesn't think so — at least not yet. "People still have a social need to belong to a group, to feel like they belong . . . We have not involved Facebook or Twitter or anything like that in the elected representative structure, although from a community and owner communication base, we are starting to make more use of (social networking tools)."

Jackie Baron reports that First West's regional council continues to evolve "to support each region's growth strategy and local community development planning and focus. Currently, the council members do not use social networking as part of their work, but could do so in the future if they saw a need and advantage to doing so." The same is true for the Servus councils, particularly as the credit union looks to attract youth to community councils, says Nohas.

Generation 2.0

As a group, younger people are Canada's most dedicated users of social networking — and also a target market for credit unions. Nova Scotia's **Bergengren Credit Union** (18,000 members, three branches and $191 million in assets) is using this to its advantage. It announced the formation of a Youth Community Council earlier this year. The board selected 10 young people, between the ages of 16 and 25, to serve on a "Junior Board" for two-year terms.

"The council has three top goals: to engage youth in the community, to empower youth to take control of their financial futures, and to give our youth owners a voice," says Elaine MacDonald, Bergengren's youth coordinator. "They'll be looking at how they can best become ambassadors of the credit union in their schools, how they can spread the cooperative word, and what they can do to get youth more involved in their own financial matters, and in their community and their community's development."

Once fully up-and-running, the youth council will meet monthly and communicate with the help of social networking sites, MacDonald says. "They were introduced to each other through a secret Facebook group, and they've already been sharing ideas even before their first face-to-face meeting. We feel this is a great way to bring the next generation of credit union owners to the surface. Ambassadorship among peers is the best way to reach that segment, and we're excited about what it can do in the years to come." E



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Boomer

Serving up bigger slices

Wallet share is the casualty when diversified portfolios are taken literally

BY
LAUREEN GRIFFIN

PHOTOGRAPHY BY
PETER HOLST

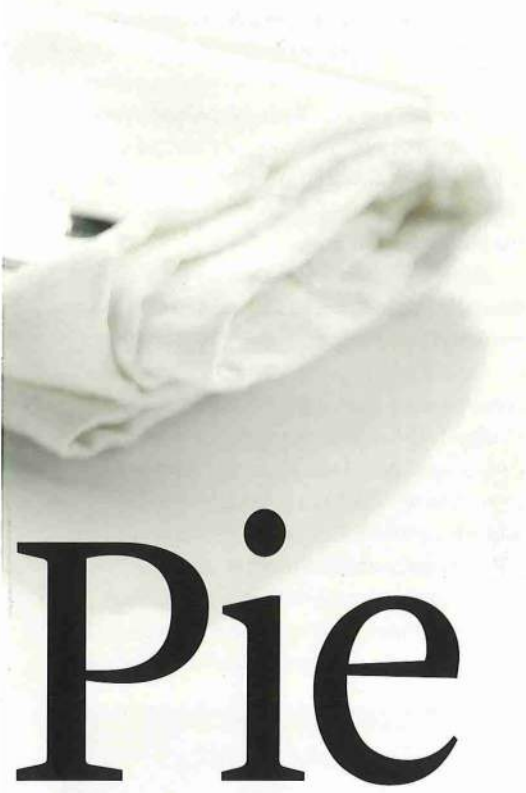
Karen Snyder, 63, is a biofeedback therapist who has been relieving the pain and stress of her patients through reflexology and relaxation techniques for 30 years in hospitals, clinics, and now from her own home in Port Alberni, B.C. Melodic-voiced, Karen is delighted to finally have relieved the stress of investing for both herself and her husband Mel, 69, with the help of a financial planner.

"I know nothing about investments except that I am very conservative," she says. After investing with a firm in Victoria, and losing money during the 2009 stock-market free-fall, the couple wanted someone who would listen to what they wanted and make sure that their savings were safeguarded. They found that person — someone they could trust — in Karen Maika, a financial consultant with Coastal Community Financial Management Inc., a credit union subsidiary headquartered in Nanaimo, B.C.

Maika, a boat owner and fishing aficionado, regularly drops off salmon she catches to the Snyders, who no longer consider Maika simply an adviser, but also a friend. "She has lots of credentials, she's personable and she looks after you and your family," Snyder says. The Snyders have five children between them from previous marriages and together are the foster parents of two girls, who are under the age of three. It matters to them that Maika will make sure their children understand their finances and look after them should the parents die.

Despite their friendship with Maika and their positive impression of **Coastal Community Credit Union**, the Snyders have not moved their day-to-

(apple pie) Elite Bakery–Burnaby, (props) Kitchen & Bath



Pie

day banking from the Bank of Montreal. Why? Because the bank was good to them when Mel Snyder still owned three trucking franchises that delivered bread across Canada — and the Snyders haven't forgotten. However, if for some reason, they were to become dissatisfied with the service at the bank, Coastal Community would be the first place they would consider.

The story of the Snyder family confirms much of what Vision Critical found when it surveyed Ontario and B.C. baby boomers for **Central 1 Credit Union** last September. Among all baby boomers, credit unions have a good reputation for competitive rates and fees, making members a top priority, helping people, and supporting their local communities. Yet, despite the warm impression of credit unions, only nine percent of non-member boomers would consider opening an account with one.

Non-monogamous relationships

Mel Snyder had an account with a credit union earlier in his life, which was one reason the Snyders were willing to invest their assets with one. Like the Snyders, boomers tend to be loyal, but not bank-monogamous — and they aren't interested in having eyes for only one. On average, boomers have relationships with 2.9 financial institutions. They say it's a hassle to switch, but also reveal that they are happy with having a variety of financial institutions. They feel it's safer to follow the golden rule of investing — and diversify their assets.

Of course, credit unions have a substantial share of the boomer market: 22 percent of all boomers surveyed have a relationship with a credit union and 60 percent of those members say that the credit union is their primary FI. Yet, when it comes to wealth management, only a quarter of baby-boomer members look to their credit union for advice and only 30 percent make their investments there. Why?

Lynn Biscott, founder of the Fernwood Consulting Group and author of *The Boomers Retire: A Guide for Financial Advisers and Their Clients*, says that people rarely mention contemplating credit unions for financial advice or investments. She believes it is because the bank-owned brokerage firms have been around for much longer. Those same banks have large advertising budgets whose marketing messages have convinced people that the big banks are the ones with the knowledge and experience. Biscott does, however, believe that credit unions have an opening in the market and should concentrate on presenting an integrated approach, which is what baby boomers want, she says.

An old stigma

Kevin Tom, assistant vice-president of wealth management at **Valley First** in Penticton, B.C., a division of **First West Credit Union**, agrees with Biscott's assessment. "Credit unions got into the wealth management market late after the banks went out and purchased the expertise from private investment firms." Because of their tardy entry, Tom says credit unions originally didn't have staff with the knowledge and experience to really help people with investments. "But that's an old stigma," he says.

Joel Bernard, vice-president of business development at QTrade Financial Group, says credit unions have not been as "pro-active as the banks in the past but are now taking a more market-oriented and holistic approach in promoting to their own members."

Valley First, for example, hires chartered financial planners, chartered accountants and those with securities licences to ensure members get the best possible counsel. Still, Tom acknowledges that members are often not aware of the depth of his staff's knowledge, or that the services even exist. To raise this awareness, Tom works closely with the staff in Valley First's branches to identify the signals that a member could benefit from a financial plan or investment advice. The wealth division holds member seminars in the branches and writes a column in the local papers.

Valley First has noticed that as people age, they are more likely to consolidate their accounts and they are more likely to consolidate if they trust their adviser. Tom and his staff take a comprehensive approach to all members, getting all the details of their financial life from debt to investments, insurance, and retirement particulars, as well as plans for their money after death. "If a person over 65 has a really good relationship with their adviser, 90 percent of the time they will consolidate all of their holdings with us," Tom says.

Wives and small business owners

Like Valley First and many other credit unions, Ontario's **Meridian Credit Union** is concentrating on introducing members to its wealth management services. "To bring our members home, we have gotten a lot of support from upper management and our marketing department to include wealth management in all our advertising," says John Finnie, director of investment and insurance services — a division that is now "joined at the hip" with the credit union's commercial advisers to bring estate and trust planning to the businesses with accounts at Meridian.

"We get one or two tables along with the commercial lenders at the mayor's breakfasts,

chamber of commerce meetings and all other business meetings in town," says Finnie. "We sit down with the commercial adviser and the member and figure out the business owner's life goals and make a road map. The commercial staff is starting to realize that this is a big plus for their members. They realize that we can really help with the more complex insurance and trust issues facing small business owners."

Finnie is also making a concerted effort to recruit a strong and competent staff. "We have increased our number of wealth advocates from 24 to 38 in the last year and a large number have come from the banks with a ton of experience," he says. The effort extends to Meridian's online presence too, with individual wealth advisers profiled on the website, giving some personal information about each adviser alongside his or her investment philosophy and academic qualifications.

Believing that a trusted adviser is crucial to attaining a member's total business, Finnie stresses three things: competency, reliability and relationships. All are important but the third is the most vital. Finnie impresses upon his staff the necessity of establishing relationships with both halves of a couple. "Women tend to outlive men and we want to make sure both are comfortable with the adviser. We talk about trusts, health and estates, in addition to retirement, so that if one partner dies, the other is comfortable with the adviser and the strategies that have been implemented," he says.

Conflicts and inconsistences

Several credit unions have directed many of their marketing dollars towards courting younger members as the average age of membership creeps higher and higher. However, Finnie does not see a contradiction between wealth management and the pursuit of younger members. "The key component is the next generation and wealth management services can help attract younger people to the credit union through trust and estate services. When we are talking about those matters with their parents, who are our members, we can ask where the children are, find out what the children want and, if it's suitable, bring the children in," he says.

About three years ago, Coastal Community Financial Management determined the potential among existing members of the credit union was just too great to approach it haphazardly, waiting for branch referrals to drop into the appointment books of its advisers. Don Tamelin, assistant vice-president of wealth management, hired a consulting firm that works with financial advisers and wealth management firms. He felt the different approaches of the various advisers created an inconsistent approach to members and that opportunities were being



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Betty Bauhuis,
Vice President Retail Sales, Cornerstone Credit Union

Tom Webb, Program Manager
Larry Haiven, Program Co-ordinator
Master of Management – Co-operatives and Credit Unions
Department of Management, Saint Mary's University
Robie Street, Halifax, Nova Scotia, Canada B3H 3C3

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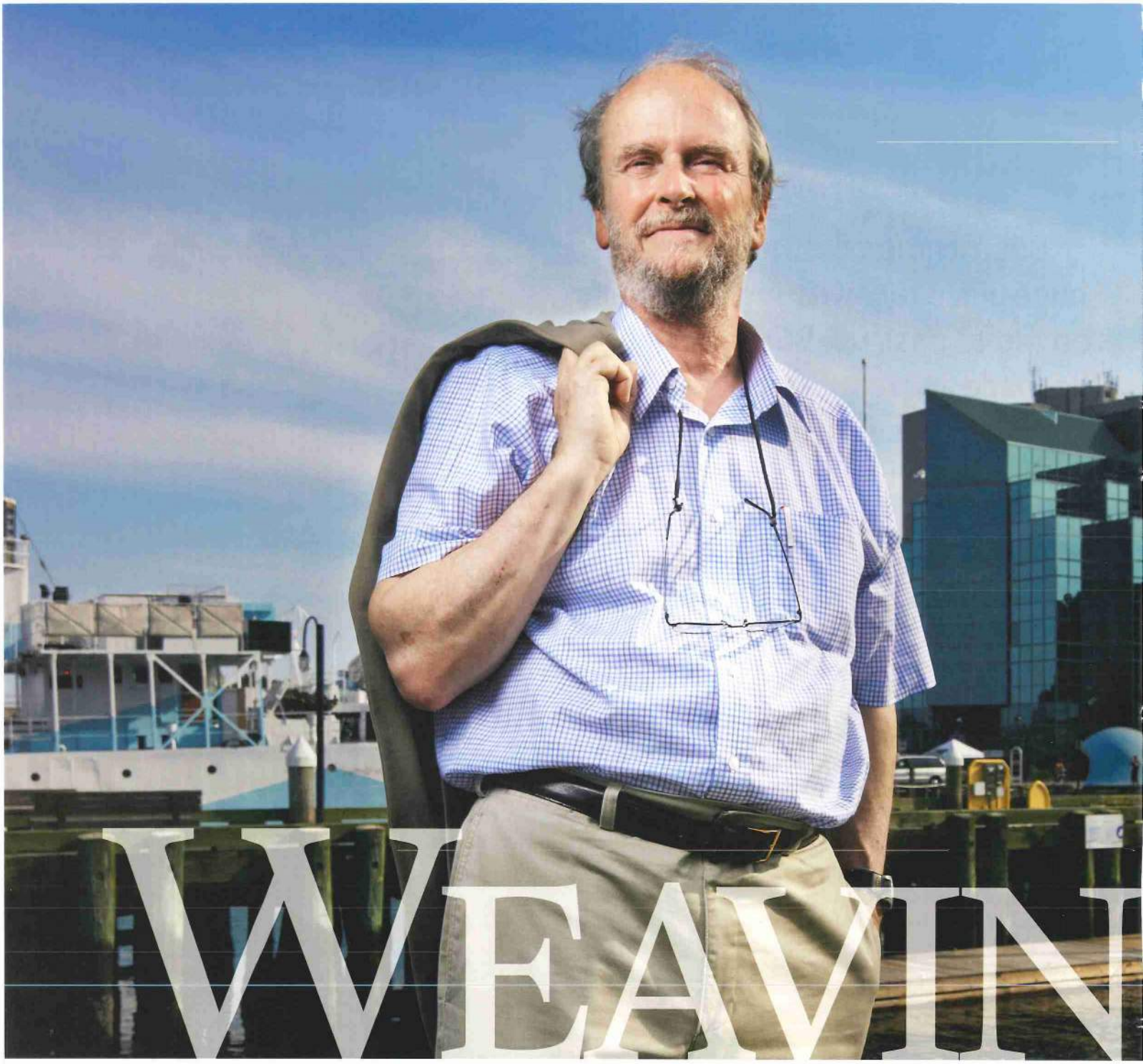
Boomer members represent a huge piece for investing, one that's too big to pass up. But they need to be made aware that the knowledge and services here are on par with the big banks.



lost. The consulting firm, Pareto Systems of Kelowna, B.C., put the staff of 17 through a four-week training session, built a client relationship management system (CRM), and created an automated "new member" process that included templates, as well as planning guides and client binders for both the adviser and member. As its corporate name suggests, Pareto Systems believes that 80 percent of the business comes from 20 percent of the clients.

Pareto has also helped Coastal generate more referrals by teaching the advisers to sell referrals as perks. The advisers confide that they will make time for, and accept as new members, the friends and relatives of current members — and the result of Coastal's engagement with Pareto Systems has been heartening. "Coastal Financial's clients have 76 percent of their wealth with Coastal, comparing favourably with the industry norm of 65 percent," Tamelin says. Coastal has become the primary financial institution of 91 percent of its investing members, and 48 percent of those clients have no other banking relationships. And, most encouraging of all is that 40 percent of members have referred Coastal to a friend.

There are two ways to look at the information discovered through the Vision Critical survey: either members don't wish to invest through credit unions or many are unaware that there are services, professionals and knowledge available to help them invest according to their needs, an area that some credit unions are tackling successfully. E

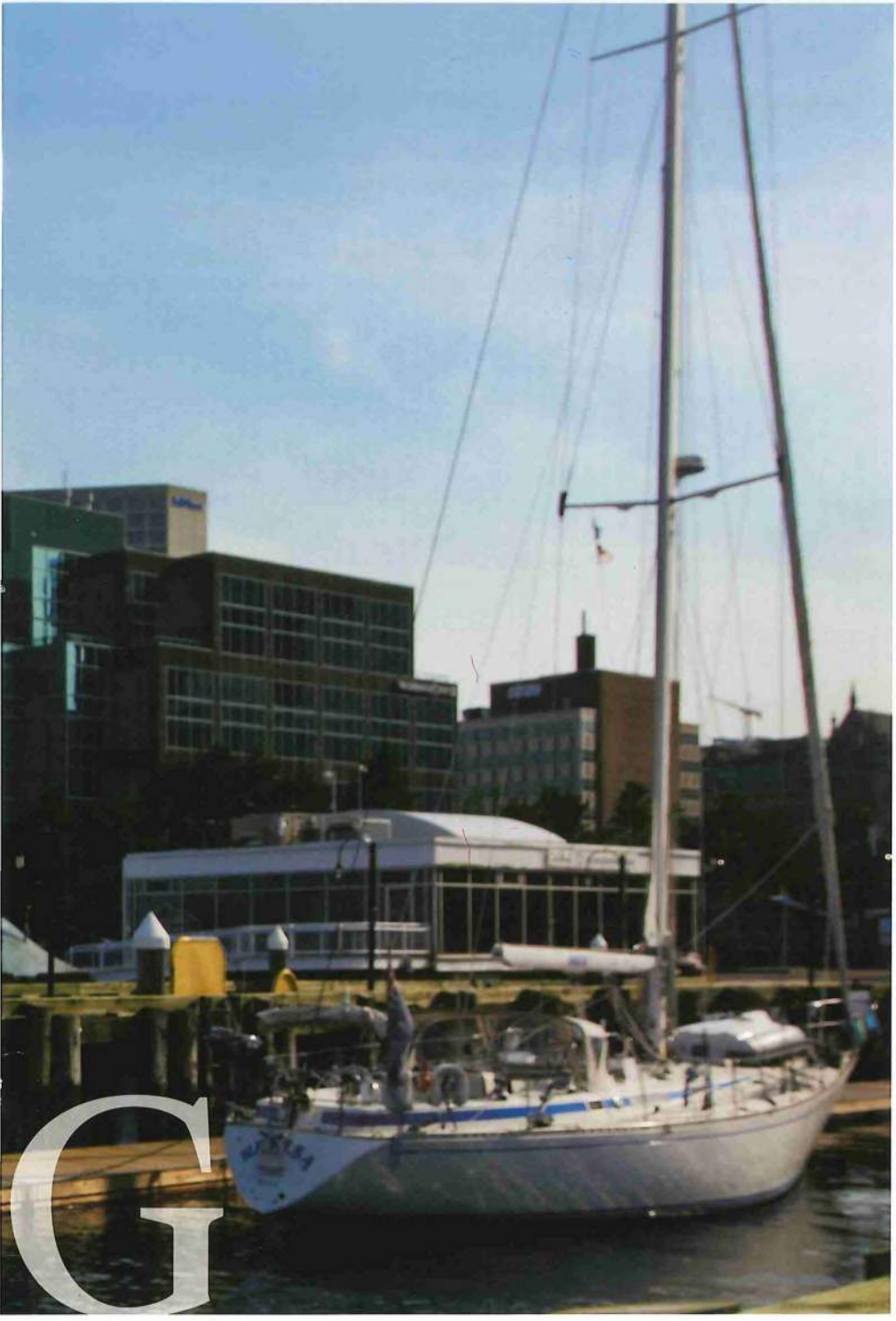


WEAVING WEBS

Tom Webb's *strong convictions echo throughout Atlantic Canada and beyond*

BY RICHARD WOODBURY

PHOTOGRAPH BRENT McCOMBS



It's fitting that Tom Webb is a passionate believer in the cooperative movement. After all, he was four-days-old when his mother opened an account for him at a credit union in 1946. Today, the 64-year-old is program manager of the Master of Management – Co-operatives and Credit Unions, a web-based degree program at the Sobey School of Business at Saint Mary's University in Halifax.

Born in Antigonish, Nova Scotia, Webb grew up in a town known for having a rich cooperative history — it is the birthplace of the Antigonish Movement. Started by Rev. Dr. Moses Coady in the 1920s, the movement established credit unions and co-ops to improve the economic, social and educational well-being of Nova Scotians.

Despite the town's history, Webb says Antigonish wasn't exactly a hotbed of cooperative development. "Interestingly, my father ran a hardware business and the co-op [also] had a hardware business in Antigonish at one point, but it went under," says the soft-spoken Webb. He believes the reason the co-op failed was because it opened at 8:30 a.m., while his father opened his store an hour earlier. For local contractors — many were co-op members — picking up supplies as late as 9 or 9:30 in the morning was simply not an option.

His birthplace aside, Webb wasn't yet taken with the movement or co-ops when he entered the local university, St. Francis Xavier, to study political science. "I was really interested in regional development," he says. "When I was going to university, it always bothered me that Atlantic Canada was the poor relation in confederation." This interest, it turns out, would lead to a career in government.

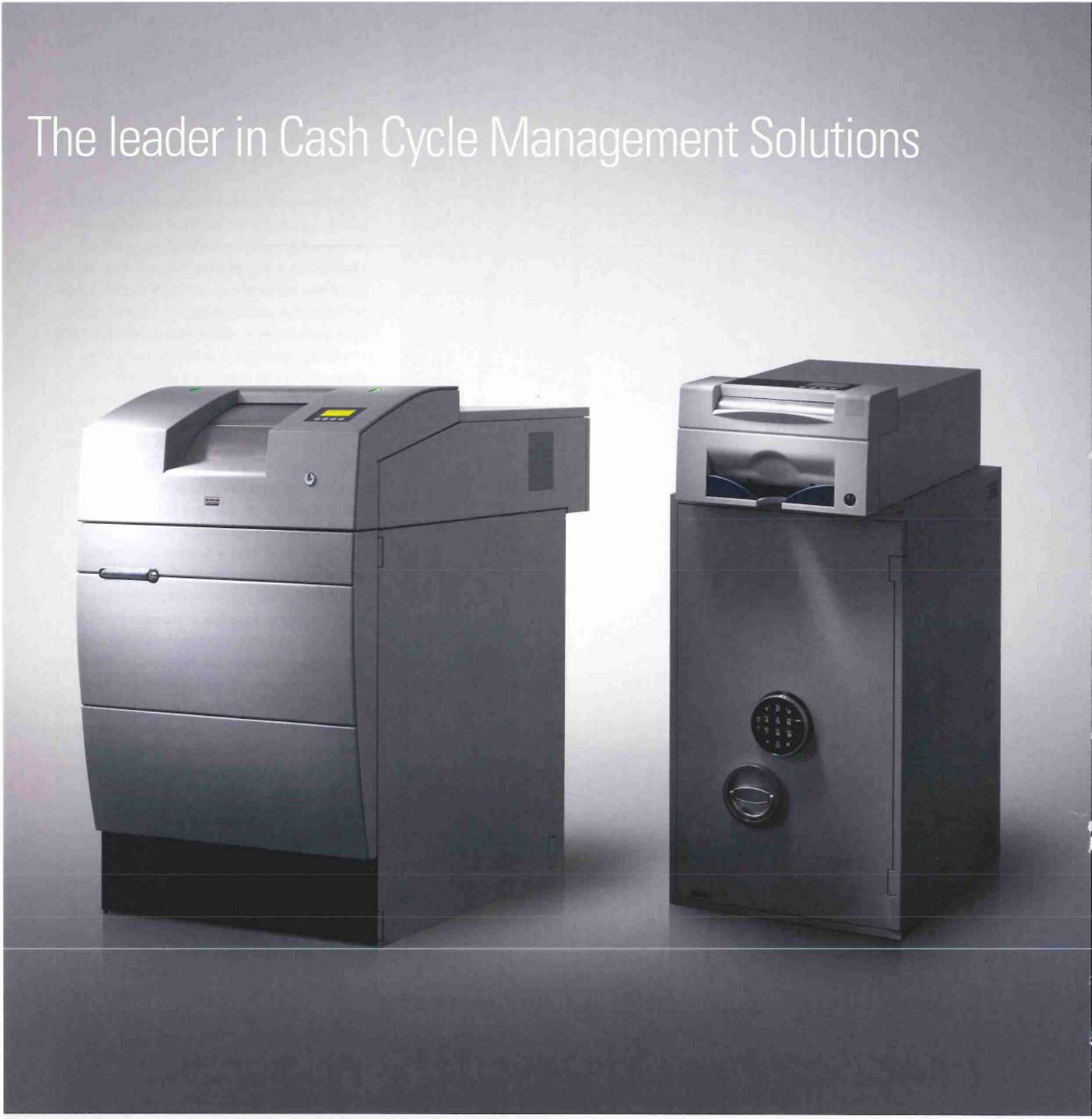
While working on his dissertation for a Master's degree in political science at Carleton University, Webb met federal politician Allan J. MacEachen, who provided some documentation for the thesis project. However, it would be a few years before the two Nova Scotians crossed paths again. The call came in 1971. MacEachen had an opening for a special assistant that Webb jumped at. The position involved dealing with constituency affairs and making frequent contact with other political figures, including Senator Al Graham — who would also make a life-changing call to Webb. "He called me up one day and said the prime minister was looking for a regional development adviser."

His time with Trudeau

Working with Pierre Elliott Trudeau solidified Webb's belief in the importance of doing the right thing. "I think the most important thing was that if I made a moral argument to Trudeau and said, 'You should do this because this is the right thing to do,' you almost never lost," recalls Webb. "He really was very predictable."

Under Trudeau, Webb recommended the prime minister cut the ribbon at a new swimming pool in Truro, Nova Scotia, for children with mental disabilities. "Trudeau wrote back and said, 'I have no desire to make politics off of these children' and I wrote him back and said, 'Does that mean these children don't have a prime minister?' He wrote back

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WINCOR NIXDORF

EXPERIENCE MEETS VISION.

and said, 'Damn you, I'll do it'," says Webb with a chuckle.

After more than three years of working for the Trudeau administration, Webb joined the staff of Marcel Lessard, then-minister of regional economic expansion. He remained there until mid-1979, rounding out nearly a decade of working in politics. During that time, Webb had seen the federal government spend some $12 billion to improve Atlantic Canada's economy, but there was little to show for it. Out-migration and unemployment remained high, while wages were below the national average. "The reality was at the end of all that, we had spent all that money and what could we say? Well, we could say it would have been worse if we hadn't done it," he says, with a look of disappointment in his eyes.

The cooperative mindset was inching its way to the forefront of Webb's consciousness. He looks back at the money spent on infrastructure projects, including roads and schools, as being positive, yet he struggles to cite any additional benefits. For the most part, the money was used to lure businesses to come and open up shop in Atlantic Canada. "As soon as the strings were up, many of them left," he says, noting the same problem continues today. "I decided," he says, "maybe cooperatives might be a solution."

Coming full circle

In 1980, Webb formed a consulting company, TARA Policy Alternatives, which took him to England, France and Spain to witness cooperatives operating first-hand. "It just blew me away," he says recalling a worker-owned co-op network in Spain that five individuals started in 1956, which today employs 83,000 people in 250 companies (half of which are cooperatives), with 60 subsidiaries in Spain and 75 outside of the country. Dedicated to the finance, industry, retail and knowledge sectors, the Mondragon Corporation is presently Spain's tenth largest business. The town of Mondragon, located in the Basque region of northern Spain, is isolated and, at the time the co-op was getting its start, it didn't have a railway or airport, making long and winding mountain roads the only way in or out.

Given the challenges Mondragon faced, Webb thought it was a success story that could be replicated elsewhere. "I think it makes enormous sense for Atlantic Canada," he says with resolve. "I think we'd be far better off going down that route, because cooperatives don't fold and move to China."



Unfulfilled ideas for Atlantic Canada

Six years later, Webb joined Co-op Atlantic, where he was involved in some ambitious projects that never came to fruition; something he still regrets. These projects sought to develop a more cooperative-based economy for the region, including the establishment of a co-op bank that would provide financial services to co-ops of every kind. The plan also envisioned establishing co-op gas bars along main highways, rather than just at co-op grocery stores. The profit earned on gas would partly be used to finance a cooperative development fund for Atlantic Canada.

"Those all would have been powerful ideas and they would have strengthened the capital base of our co-ops," says Webb. And while the vision had the necessary buy-in from members, it lacked that of the main decision-maker at the time, meaning the projects never materialized.

While with Co-op Atlantic, one of the more challenging situations Webb dealt with involved

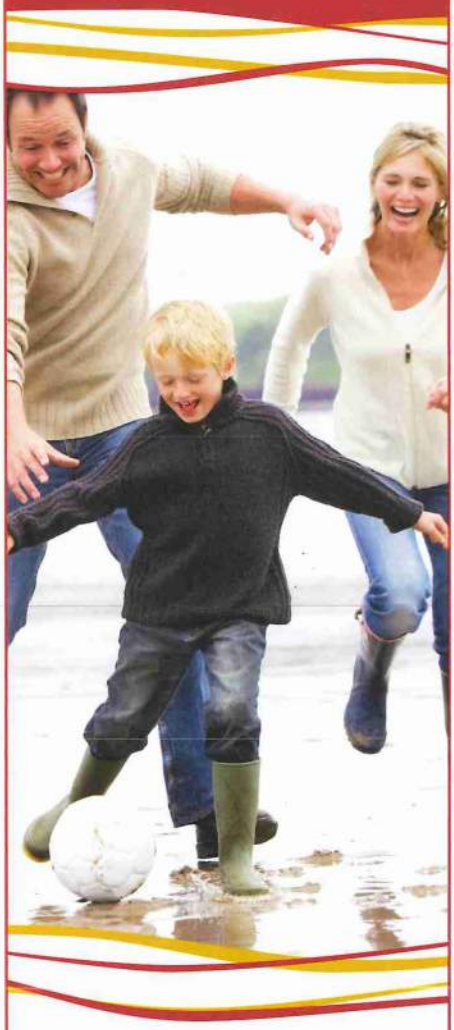




(TOP) A group of MMCCU students in Trento, Italy, with their professor. **(MIDDLE)** Alongside the rector of the Regional Institute for Cooperative Management in Bangalore, India. **(BOTTOM)** Film director Michael Moore interviews Webb for the trailer of *Capitalism: a Love Story*.

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a gasoline leak at one of the co-op's gas stations. The leak had compromised the quality of well water for 11 nearby homeowners. Webb recalls seeing an affected member on television saying that "co-ops are the most irresponsible corporate citizen in this community. He was clearly very angry at us and he should have been."

Initially, Co-op Atlantic had turned to its insurer to resolve the matter. The insurance company hired a lawyer, but as the issue dragged on and legal fees piled up, the co-op went about doing what it probably should have done in the first place, Webb says. It made sure the situation was cleaned up. It said it would buy the homes at fair market value (a price based on assessments with non-contaminated well water), and for homeowners who didn't want to sell, Co-op Atlantic would ensure there was access to clean water. "We did the right thing and we did it well and it actually paid off," says Webb. "It was a lot cheaper than if we had kept stonewalling and getting lawyers to run wild on us.

"That's the challenge of co-ops, we don't have to behave like that and, in fact, the pressure is not on us to behave like that . . . No question it was a much saner business decision. We really cut our losses." For Webb, this experience took him back to his days with Trudeau and reinforced the importance of doing the right thing.

Stepping into the shoes of Rev. Coady

Several years later, Webb took what appeared to be his dream job — director of the Extension Department at "StFX", a position Moses Coady had previously held. Webb, who admires Coady so much that he gave the surname to one of his sons, imagines that out-migration would have happened at an even greater rate in Atlantic Canada, further dampening the region's economy, if it weren't for the reverend. "Moses Coady and the extension department spearheaded much of the development of cooperatives and credit unions in Atlantic Canada," Webb says. "I would think most co-op and credit unions have their roots in the StFX extension department."

At StFX, Webb's ultimate vision was to implement a university-based business program for cooperative managers, but the initiative never gathered enough steam — it didn't seem to have the full support of university officials. It did, however, pique the interest of Saint Mary's University in Halifax a few years later. By 2003, the Master of Management – Co-operatives and Credit Unions (MMCCU) degree program had successfully taken flight. [See "Opening Doors to Credit Union Degrees" in the Jan. 2011 issue.]



THE SOBEY SCHOOL OF BUSINESS at Saint Mary's University offers the MMCCU degree.

His Golden Years

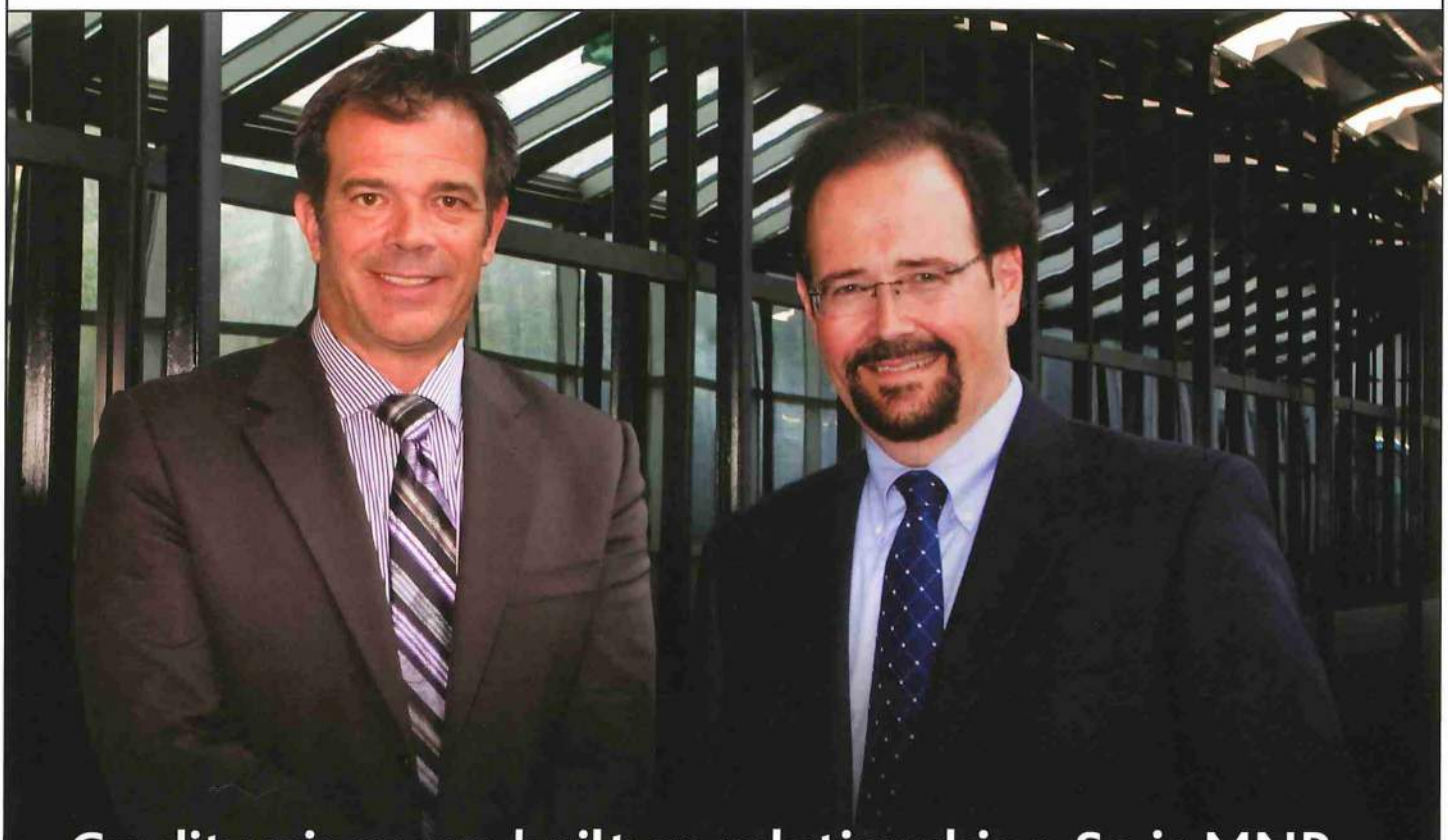
Although verging on the age of formal retirement, Webb plans to continue teaching in the MMCCU program while dedicating more time to writing from his home in Lunenburg, a small seaside town about 75 minutes from Halifax, and from his cottage on the nearby Rous Island, accessible only by boat. Also top of mind are his five children — three live in B.C. and the other two in Antigonish — and his three grandchildren. Webb and his wife of 44 years, Marion, would love to have seen all their children build lives in Nova Scotia, but understand it simply wasn't possible, as is the case with many young people raised in Atlantic Canada.

In Webb's analysis, there are two major factors driving young people out of the region: a lack of opportunities and the desire to spread one's wings. As someone who has witnessed firsthand the economic ebb-and-flow that Atlantic Canadians have faced, it's tough for Webb to accept the lack-of-opportunities argument from any Atlantic Canadian, let alone his own children. He wholeheartedly believes in the possibilities afforded by a more cooperative-based economy. "This is clearly a good route," he says. "It just makes so much sense."

Dan Callis/SMU

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Don Loewen, CFO of Steinbach Credit Union.

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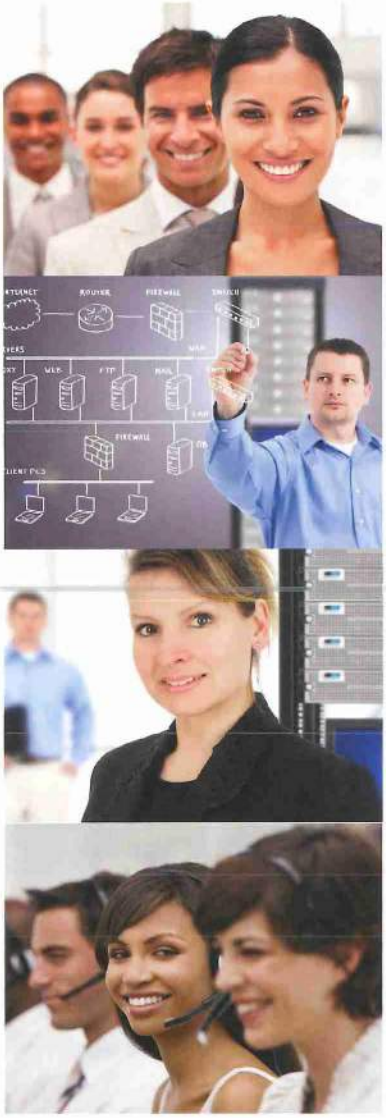
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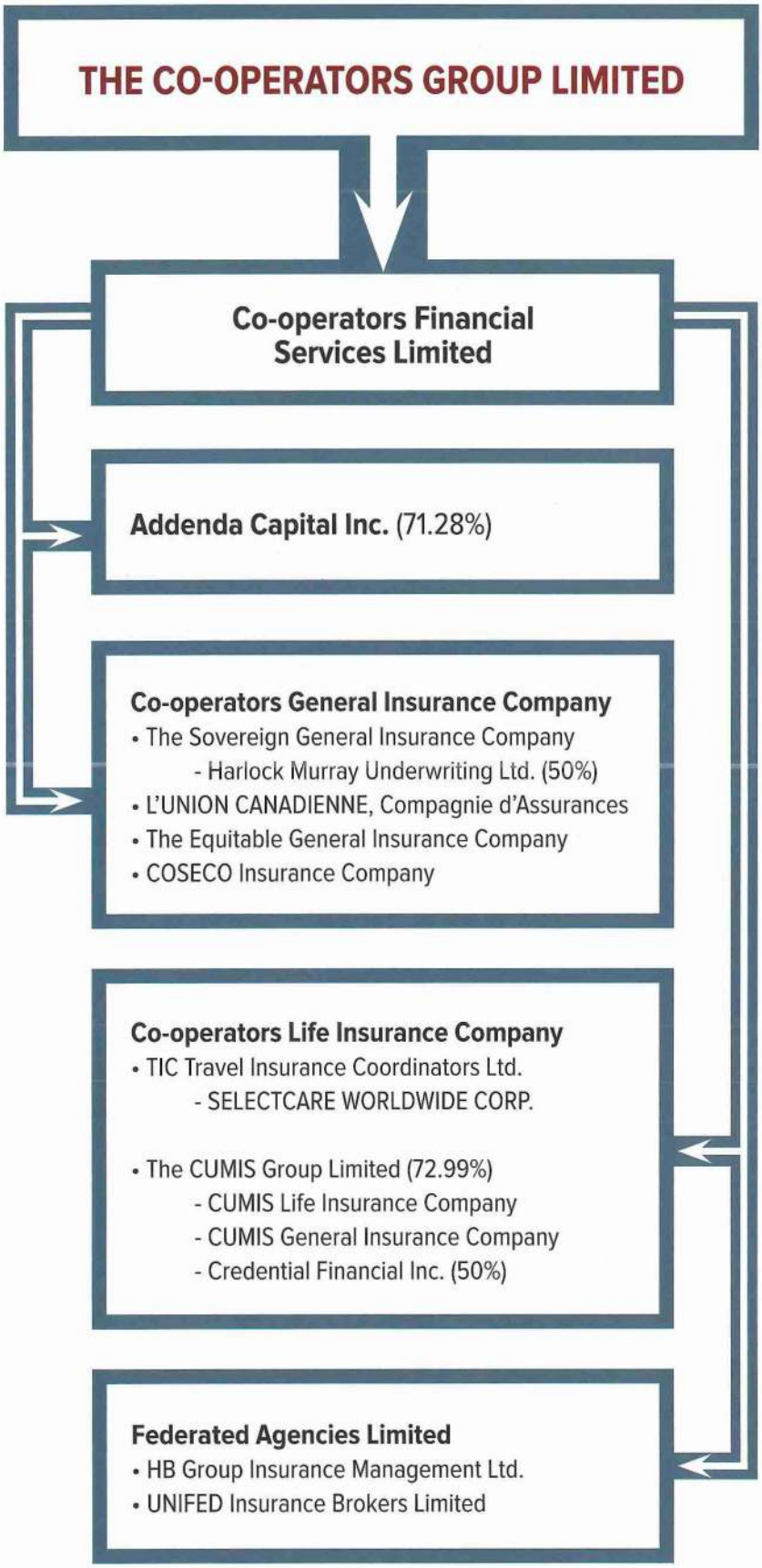
By Laurie Stephens

KATHY BARDSWICK (above) joined The Co-operators in 1978 and was appointed CEO in March 2002.

The Co-operators has grown exponentially since its modest start in 1945 by Saskatchewan wheat farmers. In the post-Depression and Second World War era, they were unable to obtain crop insurance and decided to pool resources and build a member-owned organization that would protect their assets for future generations.

From that humble beginning grew a business that has made strategic acquisitions during the last few years in a bid to become a household name in all parts of Canada, including the provinces of British Columbia and Quebec where it has historically had less of a presence.

istock, (K. Bardswick) supplied



"we don't have widgets to sell, we have trust that we need to build with you."

–Kathy Bardswick

Confident that all of the pieces are now in place to be a major player coast-to-coast, The Co-operators' CEO Kathy Bardswick is planning a new branding campaign that will celebrate the company's humble beginnings, promote its cooperative values and market its broad array of products and services. The campaign will piggyback on celebrations for the United Nations International Year of Cooperatives in 2012.

WHAT SETS THE CO-OPERATORS APART FROM ITS COMPETITION?

"We're going to commit to you long-term," says Bardswick, 54, who joined The Co-operators in 1978 and was appointed CEO in March 2002. "Our strategies and our behaviours are driven from that fundamental starting point that says, 'We don't have widgets to sell, we have trust that we need to build with you.'

"And we can only do that when we're with you shoulder-to-shoulder, long-term in the communities, building a better life and providing the kind of security and trust that you pay dearly for and don't often understand, but certainly is an integral part of your quality of life."



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The Co-operators Group Limited is owned by 45 organizations, mostly cooperatives and credit union centrals



Providing security in a risk-ridden world was the mission that began in 1945 when those Saskatchewan farmers couldn't get what they needed, she says. "That's held true for us. We've changed our vision statements and our core value statements. We haven't changed our mission."

The timing is ripe for a national brand-awareness campaign with a focus on cooperative roots and values. Just a few years ago, market penetration was high in many parts of the country, but there were significant service gaps to fill.

Key acquisitions of brokerage networks in B.C. and Quebec addressed some of the needs, but it wasn't until The Co-operators partnered with **Central 1 Credit Union** in 2009 to purchase The CUMIS Group Ltd. from its U.S. parent that the puzzle was complete.

Today, The Co-operators has a presence in virtually every kind of insurance market. Through its three core operating units — property and casual insurance, life insurance and institutional investments — the organization provides home, mortgage, life, automobile, travel, commercial, group, farm and marine insurance, as well as wealth management products.

It is able to sell to individual consumers and businesses through its national agent and brokerage networks. It sells to credit unions and their members through its part-ownership of CUMIS, based in Burlington, Ontario.

Decoding The DNA

The Co-operators is actually a number of companies under the umbrella of The Co-operators Group Limited. Based in Guelph, Ontario, the Group is owned by 45 organizations, mostly cooperatives and credit union centrals. As of March 2011, the Group had more than $42 billion in assets under administration and more than 5,000 employees.

the biggest player

The Group's biggest operating unit is Co-operators General Insurance Company (CGIC), which offers property and casualty insurance through its 485 agents, 666 retail outlets, four contact centres, a call centre and large national broker network. CGIC is one of the largest property and casualty companies in Canada, holding five percent of market share and covering 780,000 homes, 1.2 million automobiles, 40,000 farms and 125,000 businesses.

CGIC has three main operating companies: The Sovereign General Insurance Company; L'UNION CANADIENNE Compagnie d'Assurances, which operates in Quebec and Newfoundland; and HB Group Insurance based in Ontario.

the runner-up

Next in size is Co-operators Life Insurance Company, an operation based in Regina, Saskatchwan, that provides life, travel, group benefits, credit insurance and wealth management products.

In 2010, Co-operators Life began the job of bringing the operations of CUMIS into the fold. Today, the company has 1,130 employees and $5.3 billion in assets under administration. It provides life insurance to 640,000 individuals, group benefits to 250,000 employees, travel insurance to more than one million customers (through TIC Travel Insurance Coordinators in Toronto), credit insurance to more than one million Canadians and a host of wealth management products through CUMIS's

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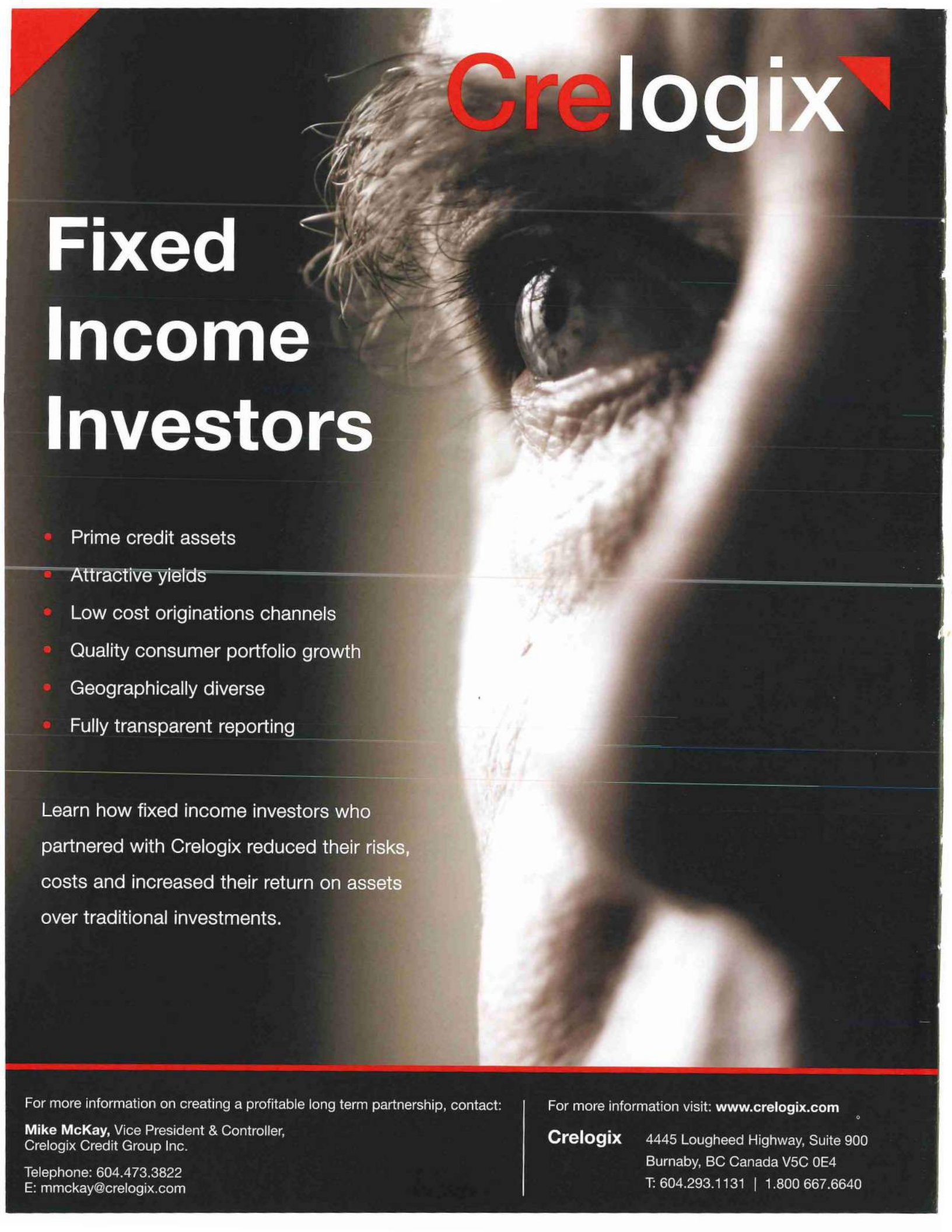
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CUMIS serves some 400 credit unions with five million members and adds $1.4 billion to the asset base



technology that Daniel's team rolled out at the end of May. A project several years in the making, the Creditor Infrastructure Program allows CUMIS to better meet credit unions' expectations by improving its ability to deliver new products, enhance existing ones, and streamline processes.

"The implementation is going well," says Daniel, 48, who also serves as COO of Co-operators Life. "It's going to allow for a more robust credit offering to credit unions and their members."

Both Daniel and Bardswick agree that the amalgamation of the two companies was made easier by the fact that The Co-operators and CUMIS already knew a fair amount about each other and they also operated in a similar business environment.

"You've got two organizations, historically and very much in a genuine way, committed to serving the cooperative system," says Bardswick. "So we share cooperative values, we share the essence of why we exist, our histories are similar and that, I think, has created the synergy around culture.

"This is typically, in mergers, the most difficult thing to deal with. I would suggest that in this case, it was the easiest."

The Co-operators and Central 1 also made sure their credit union members were well informed about the deal and the benefits they stood to gain. A team of executives, including Bardswick and Central 1 CEO Don Rolfe, went on the road to explain key benefits of the acquisition and to gain feedback from credit unions.

Reaction to their efforts was generally positive, says Daniel. "The system gained a greater understanding of The Co-operators and I think that went a long ways towards establishing trust." (Continued on page 37)►



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The 2012 Plan

Looking ahead, The Co-operators has no more major acquisitions in sight for the time being. Instead, Bardswick says, the company will concentrate on integrating all of the new companies and "leveraging the capacity of this combined entity" to make inroads into territory that has, to date, been out of reach.

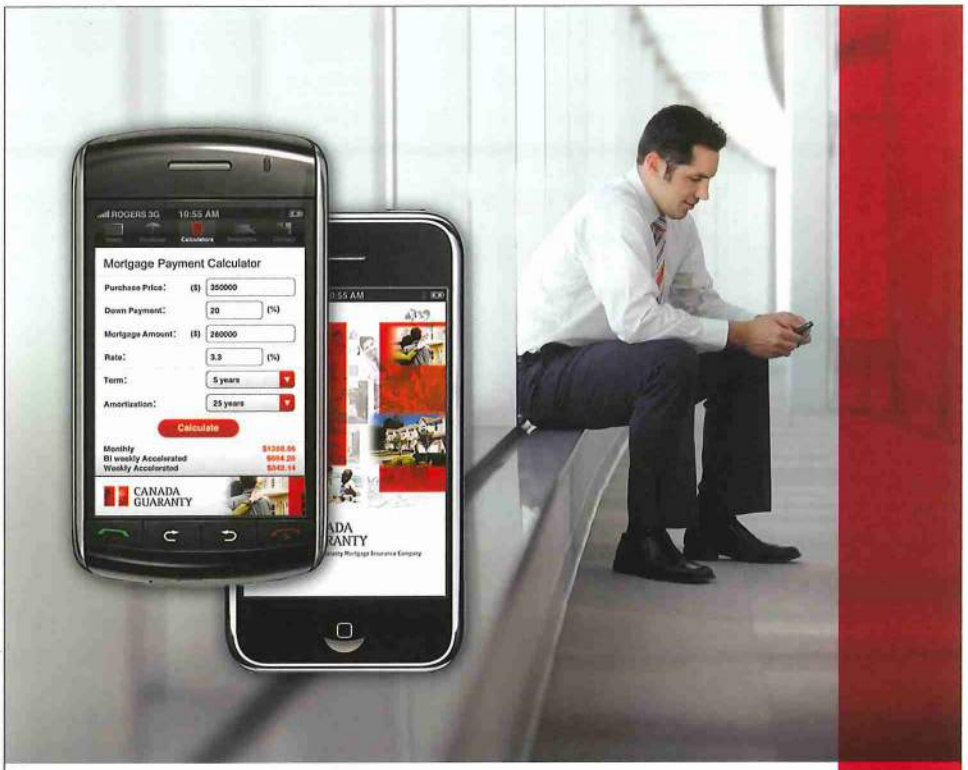
Specifically, The Co-operators plans to pilot some new initiatives to develop the distribution side of the business. That includes delivering enhanced product offerings to the credit union system and shoring up its presence in B.C. and Quebec through its recent acquisitions in those provinces.

a national branding campaign is about to get underway

The organization is also launching a new branding campaign this fall, building on its cooperative heritage and promoting, at the consumer level, the benefits of belonging to a co-op — which is not an easy sell. Cooperatives are not well understood in many parts of the country and an advertisement only captures 10-to-15 seconds of a potential consumer's attention; a short span of time in which to sell the value proposition of a co-op.

Still, with the International Year of Cooperatives on the horizon, Bardswick believes the timing is right for the message to resonate, particularly with a risk-weary retail customer who's seeking a company to trust in unstable economic times.

"We're looking forward to getting the message out that says, 'You're going to deal with an insurance company and our partners in the rest of the co-op space who are taking a long-term view of what it means to bring you quality products and service and to anticipate your needs and to create a value proposition.'" E



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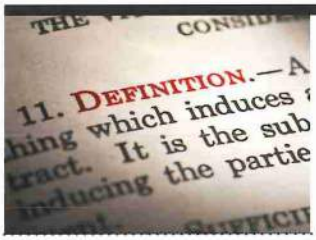
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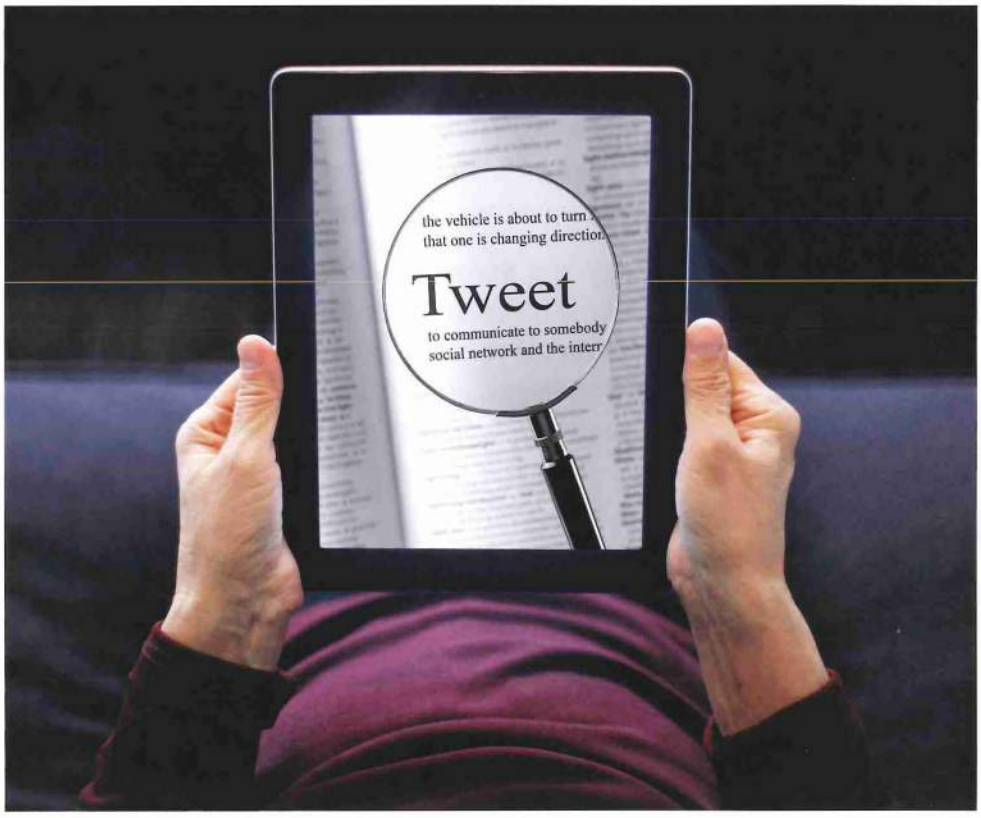
A crash course in the Oxford English Dictionary's latest entries

New word alert!

EVERY TIME YOU SPEAK, others take your language skills as a sign of your education and competency. The challenging thing about language, however, is its fluidity, so if you aren't aware of the latest words, people may assume that you aren't familiar with the concepts either.

Calgary-based executive coach Jan Eden, president of The Eden Group Inc., says, "Having clear oral and written communication skills is critical. Without them, the intended business message may become lost in translation, or assumptions will possibly be made by members of the executive team, employees, suppliers or customers receiving the message."

How often have you nodded as though you understood the meaning of a word, but were only pretending or lacked confidence that you had used a particular word correctly? Whether you're meeting with members, talking to the IT wizard, writing an email, or trying to converse in the language of 20-something employees, you need to clearly articulate your ideas.



Fiona McPherson, senior editor of new words for the Oxford English Dictionary (OED) in London, England, says that approximately 1,200 new words are added to the dictionary each year. "Before we consider including a word, we identify it as having achieved 'general currency,' with several independent examples of use over time. A team of editors and etymologists compile entries sourced from the Internet, new books, song lyrics, scientific journals and popular culture."

Here's a crash course in some of the OED's 2011 entries:

SMART TALK Phrases to describe expanded thinking include **brain machine** (a person considered a machine for creating new ideas), **brain candy** (appealing entertainment that is not intellectually stimulating), and **brainstormer** (a participant in a brainstorming session). Related words include: **knowledgeful** (not just knowledgeable, but full of knowledge), and **knowledge capital** (knowledge possessed by a group or workforce, regarded as an asset; the same as **intellectual capital**).

COMPUTER SPEAK Recently coined phrases include **user experience** (the experience a device creates for the person who uses it), **digital money** and **digital economy** (an economy that operates primarily by digital technology), while the well-known word "cyber" has morphed to include **cyberspatial** (existing in or relating to cyberspace), **cyberfeminism, cyber-bully** and **cyberbabe**.

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SEX ED Since sexual equality is vital to our cultural progress, the word "gender" has also blossomed. "**Gendering**," which meant "breeding, copulation" in the 14th century has been reinterpreted as "assigning or attributing a gender to someone or something." **Gender neutral** (using an expression suitable for, or common to, both sexes), and **gender relations** (interactions between the sexes) are all used in conversations.

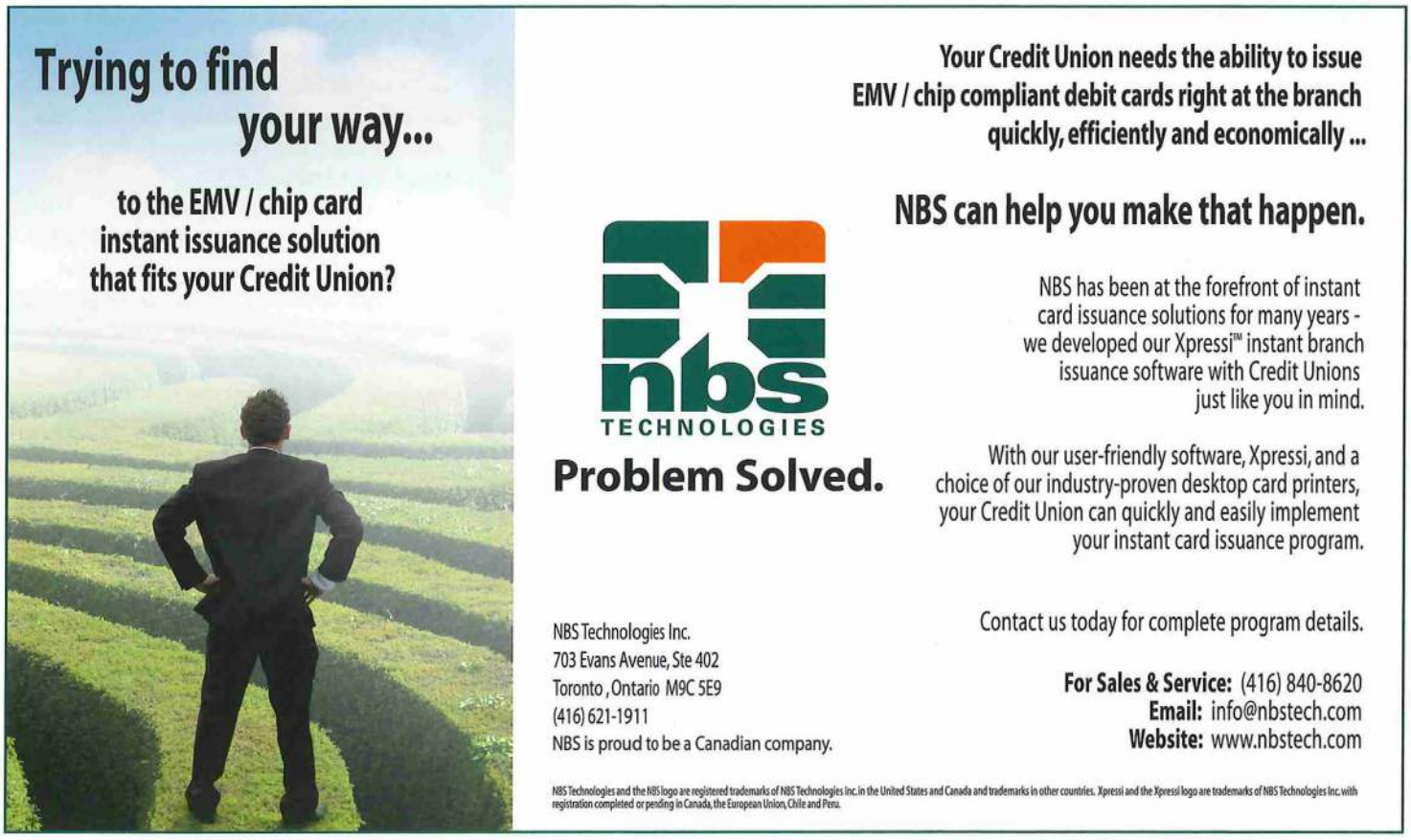
WORK RELATIONSHIPS New business entries include **dotted-line** (an indirect reporting relationship, represented by a dotted line on an organizational chart, as in "You will report dotted-line to me to stay in contact.") And if all goes wrong, you may open the **suicide door** (a metaphorical exit door used to commit suicide, as in "Stealing from the boss was a suicide door to end his job.") Creating results with co-workers establishes new words like **actualize** or **actualizing** (the action of making something real or actual, as in "It took months of preparation and teamwork to actualize the plan.")

As our universe gets smaller, we're using this word liberally, as in **universal succession** (a person who succeeds another entirely in the whole of an estate or in a company position including all duties), and of course, **universal banking** (refers to financial institutions that operate in several traditionally separate sectors and, therefore, offer a full range of services).

SOCIALIZING Common abbreviations for expressions used in email, texts and social networking conversations, such as **OMG** (oh my God) and **LOL** (laugh out loud), have been officially added to the OED. Interestingly, the first OMG quotation is from a letter written in 1917, while LOL meant "little old lady" in the 1960s. These acronyms join entries **IMHO** (in my humble opinion), **TMI** (too much information) and **BFF** (best friends forever).

Colourful slang and common expressions now include **to wrap one's laughing gear around something** (laugh), **smack talk** (boastful or insulting banter), and **lashed** (drunk), which adds to one of the largest word categories that began with the Drinker's Dictionary in 1737. **Muffin top** (referring to both the more desirable top portion of a muffin, inspired by a *Seinfeld* episode, and a protuberance of flesh above a waistband) is an official entry; and the **five-second rule**, which allows for eating a piece of food that has fallen to the floor provided that it is retrieved within the specified time, is also acknowledged.

To be confident, practice using new words in real conversations and business situations when appropriate! E



by Ann Collette



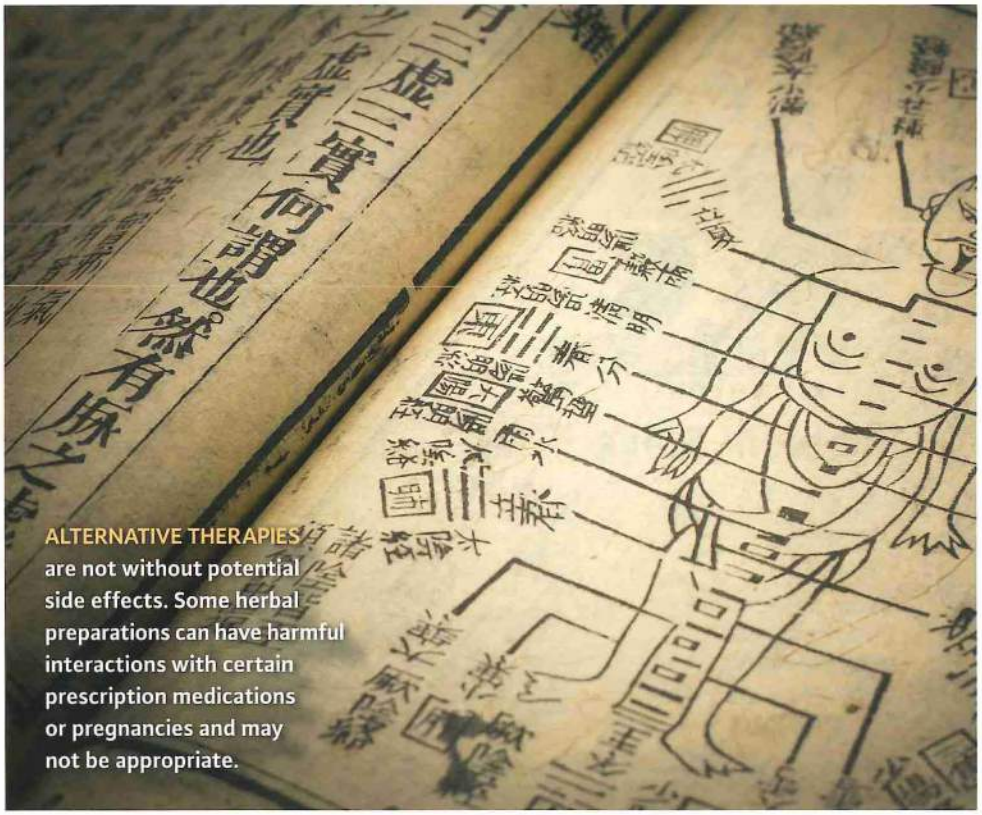
Alternatives to conventional Western medicine covered by some credit unions

Natural Approaches

HAVE YOU EVER BEEN TREATED by an acupuncturist for back pain or used osteopathy for realignment? If you have, you're not alone. According to a 2006 survey, conducted by the Fraser Institute, 54 percent of Canadians reported using alternative medicine in the preceding year — natural routes to healing that are not offered by conventional doctors.

This doesn't surprise former coronary-care nurse Christina Beaudoin of Sechelt, B.C. Although trained in conventional medicine, Beaudoin always felt there was something lacking in its approach.

"Alternative medicine doesn't just address physical complaints. It addresses health issues on an emotional, psychological and spiritual level, and that really resonates with people," Beaudoin says. "When I started to visit alternative practitioners, I always got better explanations and I got natural options that worked, whereas conventional doctors often didn't have anything to offer but a prescription."



ALTERNATIVE THERAPIES are not without potential side effects. Some herbal preparations can have harmful interactions with certain prescription medications or pregnancies and may not be appropriate.

NATUROPATHY Modern naturopathic medicine, which emerged in Europe in the 18th century, is a primary health-care approach that combines modern science with traditional and natural therapies. Naturopathic doctors treat the underlying causes of disease by studying not only their patients' physical condition, but also their state of mind and spirit. Hourly rates range from $50 to $250.

CHINESE MEDICINE AND ACUPUNCTURE Traditional Chinese medicine holds that the body's opposing energy forces (yin and yang) must be in balance for good health. What's more, imbalances can produce blockages that disrupt the free flow of energy (chi or qi) along pathways called meridians, leading to disease.

The 2,000-year-old practice of acupuncture is used to remove these blockages to restore balance. It involves inserting thin metallic needles into precise points on the body, and then gently manipulating them to stimulate the area. Acupuncture is now widely used to treat pain and has also been beneficial in treating addictions, depression and anxiety.

Sue Daspe, co-coordinator of an adult day program in North Vancouver, used acupuncture to ease the pain of an injury to

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her sacroiliac joint. It was her doctor who suggested physiotherapy coupled with acupuncture.

"The acupuncture increased blood flow to the inflamed area, which helped settle the inflammation and promote healing," says Daspe. "Over five weeks of treatment, the burning pain went away."

REFLEXOLOGY, depicted in Egyptian hieroglyphs, involves using specific hand techniques to apply pressure to "reflex" areas on the hands and feet. Precise points on these extremities are believed to mirror organs in the body. By stimulating a specific reflex area, change is promoted in the corresponding area. Hourly rates range from $45 to $70.

OSTEOPATHY, developed by Andrew Taylor Still in the late-19th century, is based on the belief that pain often stems from biomechanical imbalances in the body. Osteopathy practitioners palpate the body using their fingertips and palms to "sense" the quality of underlying body tissues, and then use the sensory feedback received through their hands to pinpoint problem areas. Osteopathic manual treatments, such as soft tissue stretching, pressure application and joint manipulation, are then applied to correct imbalances and facilitate healing.

EXTENDED HEALTH PLANS While provincial health plans generally don't cover alternative therapies, credit unions have clearly recognized the value of supporting broader health-care options for their employees.

Saskatchewan's **Affinity Credit Union**, for example, provides alternative medicine therapies through its extended health plan. "As yet, we don't have a large number of staff using these services but we remain committed to offering our employees a choice of therapies, which can complement more traditional ones," says Pat Brothers, senior vice-president of human resources.

Offering choices is also a priority at **Conexus Credit Union** in Saskatchewan. "Today, many people are looking for alternative approaches to medicine, health care and general physical and emotional well-being," observes Delia Ermel, interim executive vice-president of human resources. "Having a benefits package in place that meets all of their needs, including alternative treatments, creates a better work environment for everyone."

As for those people already using alternative therapy, most agree it's something they plan to continue. "I feel better for trying alternative medicine rather than just taking painkillers," says Daspe. "I feel I'm being fairer to my body." E

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If you think you're not on social media, you're wrong

By Allison Murray

ALMOST ALL ORGANIZATIONS are involved in social media whether they realize it or not. Even when companies might think they're not actively engaging in it, someone is probably doing it on their behalf, says Kevin Joy, vice-president of Toronto-based Brand Protect and Internet 9-1-1. And, lest we forget, the hallmark of information in the digital age is its immortality.

Joy, who describes the relatively recent uptake in social media "as a bit of a Wild West," says businesses often lack policies and guidelines about proper usage for employees. He likens it to sending children outside to play but neglecting to tell them to stay off the streets, and then lashing out at them for not following the rules.

"Many people are uncertain as to what social media is, let alone how to deal with it," says Joy, whose company provides proactive and reactive online monitoring. Nancy Meyer, manager of operations at the four-branch **Bulkley Valley Credit Union** in northern B.C., echoes that sentiment.

"We aren't really big in social media," she says, pausing before adding, "yet." The credit union has no Facebook or Twitter accounts at the moment, something Meyer attributes to the organization's size. It has, however, installed a system to protect its website from phishing attempts and to monitor any brand violations. The decision was part of a risk management program that Bulkley Valley started when it introduced *MemberDirect* mobile banking, although the credit union has been "pleasantly surprised by the number of positive comments we've seen on the social media side of this."

RULES OF ENGAGEMENT With half the population actively engaged in social media, Canada sits just shy of the global average. But what's being discussed online, who's discussing it and is there potential for the topic to become inflammatory? Because of the medium's immediacy Joy notes there's now an additional dimension to reputation management.

Monitoring products, such as Internet 9-1-1, can help companies navigate social media platforms, provide manuals and a team of advisers, as well as execution assistance that includes content removal from websites, YouTube, Facebook and Twitter. "It counters the myth that there's no recourse," he says.

For its part, Ontario's **Northern Credit Union** began to actively monitor the worldwide web after being the target of a phishing incident. Someone had gotten hold of the organization's web server and created "a mock-up of our environment," says Hans Hinding, vice-president of information technology. He says the credit union was fortunate the phishing event was based in Canada and promptly remedied, but it taught a lesson about the importance of being proactive.

"We needed an escalation protocol to be able to deal with this," Hinding says, adding that Northern has been using Brand Protect and Internet 9-1-1 for more than two years. "It makes life so much easier for the tech team — to know that we've got a third party that we can escalate to right away. There's a number we can call to deal with the physical shutdown of that site."

For Bulkley Valley, which plans to jump into the social-media arena at some point, the credit union currently is "happy to get the monitoring capacity and system in place before going further," Meyer says. The credit union is learning how to capitalize on positive online discussions and curb any potentially negative ones through the development of a basic social media policy. Surprisingly, this is not the norm.

Seventy percent of credit unions that are using social media didn't have a strategy prior to launch, according to a fall 2010 study of nearly 200 credit unions in Canada and the U.S., commissioned by the Filene Research Institute, a credit union think-tank in Madison, Wisconsin. Half the credit unions that use social media said they don't have budgets for it either.

With social media, the general rule of thumb is that the more you put into it, the more you'll get out of it. The same is true for monitoring this medium, meaning the onus is on each FI to review results and maintain viable policies. That, according to Joy, "is the biggest cost factor and benefit potential."

Luc Latulippe