

# THE *BLUE PAPER*

◆ September 2011 ◆

## IN TIME OF FISCAL CRISIS, WE HAVE TO BALANCE THE BENEFITS OF CONFERENCES AGAINST THEIR COSTS

To Everyone From Board Members  
To Middle Managers, This Is  
A Perk That Is Deeply Imbedded

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Route to:

- EVP
- VP Operations
  
- VP Finance
- VP Marketing
- VP Lending
- Newsletter Editor
- E-Coordinator
- Marketing Manager



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*No one can deny the many benefits of conferences.*

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*NCUA is spending more than 10% of its annual budget on travel.*

No one can deny the many benefits of conferences.

After all:

- We learn procedures that have been successful at other Credit Unions.
- We get information about new products and equipment from vendors.
- We bond with others in our field for future contacts and assistance.
- We get fired up to try new programs and procedures.
- They can be a perk for many hardworking employees and volunteers.

However, in these times of fiscal crisis, it has become important to weigh the benefits versus the costs.

### **SO HOW CAN WE KEEP THE BENEFITS AS WE TRIM THE COSTS?**

Certain facts must be faced.

- Travel is expensive.
- Not all of your travel budget is for conferences — but much of it is.
- The conference program is deeply embedded — by habit and tradition — and also heavily promoted by almost all Credit Union associations.
- It could be difficult to curtail.

### **AN OVERALL EXAMINATION OF TRAVEL COSTS CAN BE SURPRISING**

Last month *Credit Union Journal* published a story about travel costs at NCUA over the last eight years. Based on data released in response to the Freedom of Information Act, the article raised some eyebrows. It began, “As Credit Unions cut and cut expenses in an economy that demands frugality, NCUA is spending more than 10% of its annual budget on travel.”

The article continued with what was more surprising information: The 20 top destinations, based on dollars spent, included:

- Japan
- China
- Italy
- Ireland
- Kenya
- Norway
- Jamaica
- Mexican resort cities

There is the caveat that much of the agency's travel is to conduct examinations, including those in Puerto Rico and Guam. But an examination of the travel costs shows that incurred travel (not the budget for travel, but actual dollars spent) was close to \$100 million for that eight-year period and, according to the article, employees at the agency now average nearly \$21,000 annually per employee on travel.

So, although it is true that much of the agency's travel is for examination purposes, the budget does include conference costs. The list of destinations includes places like Rome, Nassau, and European resort locales.

### FEW DENY THEIR BENEFITS

It's axiomatic that there are benefits to conferences. Credit Union officers nationwide agree:

"I think industry conferences are very important," said Linda White, CEO, United Health Credit Union, Burlingame, California. "They offer information that's specific to our industry."

"Industry conferences can be beneficial if you are able to put into practice what you learned there," stated Scott R. Hughes, Director of Marketing, FME FCU, St. Clair Shores, Michigan.

"We place a high value on continuing education. Industry conferences play a vital role in our efforts surrounding professional development." Those are the words of Jason Peach, CFO of West Community CU, O'Fallon, Missouri.

### SO HOW CAN WE KEEP THE BENEFITS AND LOWER THE COSTS?

Many Credit Unions would find surprises if they took the time to closely check their conference costs for the past few years.

However, the good news is that some new techniques give CUs the opportunity to make a variety of frugal changes.

Without eliminating conference travel, successful Credit Unions have found ways to keep the benefits while curtailing the costs.

**PUBLICATIONS:** Many have increased the number of publications available to their officers and mid-managers. These include *Credit Union Times*, *Credit Union Journal*, the *Wall Street Journal*, the *New York Times*, and the like. Two practices help maximize the use of publications. First of all, each issue should be stamped for circulation to all concerned officers, since each officer or manager does not need his or her own subscription. And second, the first person on the circulation list is responsible for determining if an article in that publication is important enough (or time-sensitive enough) to copy and disseminate to other employees immediately.

**CONFERENCE LOCATIONS:** Another budgetary help is to suggest to conference planners that the meetings be held in less costly places. Most

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*The best option at this time is video conferencing.*

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planners have already crossed off certain cities, like New York, from the list. But choosing less exotic locations serves two purposes. Facilities are often less expensive, and employees will not attend who are only interested in the destination.

**INTERNET OFFERINGS:** A third source for new and relevant ideas can come from the myriad of new Internet sites. In the last few years, Credit Union educational sites have proliferated. You can now get daily information about the CU world from the sites of the Filene Research Institute, Callahan & Associates, *Credit Union Journal*, *Credit Union Times*, and many more.

### **VIDEO CONFERENCING**

However, the greatest option is video conferencing.

This service can be used in two ways. Many of the associations that schedule conferences are now offering video attendance. The New Jersey Credit Union League is utilizing this option to host its education sessions for league members. The league also plans to record sessions to post on its website.

Video conferencing offers the best of conference benefits at just a fraction of the cost. No costs for travel, hotel, meals, or taxis. Just education and information.

The second way to utilize video conferencing is for meetings in your own Credit Union. Now, instead of closing your Credit Union for a period on a certain day of the month and having all your employees travel to attend a meeting, you can utilize video conferencing an hour before you open. Some Credit Unions split their staff into groups, allowing each group to cover for the others during the video conference.

Video conferencing has become a tool for instructing employees about new products, reg changes, upcoming marketing promotions, and the like.

### **CONCLUSION**

No one can deny the benefits of conferences.

But in this fiscal crisis, it's time to examine our actual costs and consider some new, proven options. ◆

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