

# Bottom Line Results with CU Knowledge Solutions<sup>TM</sup>

South Carolina Federal Credit Union  
utilizes PinPoint<sup>TM</sup> to improve member  
retention

## The Business Need

A primary goal for South Carolina Federal Credit Union (SC Federal) is to ensure the safety and soundness of the institution. Early in 2009, the management team determined that member retention was an initiative that would help address this goal. Retention is an activity an organization undertakes to reduce member or account defections. Through detailed analysis of member segments and their contribution to the overall membership, two distinct methodologies surfaced:

- Identification of contributing members for retention and recognition
- Identification of members who pose a risk through account abuse or show warning signs of default

From these methodologies evolved a new philosophical stance:

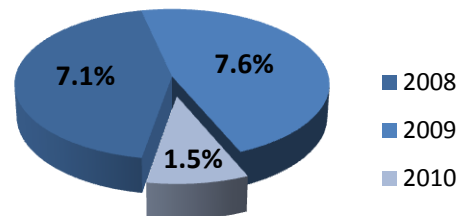
Every member acquired  
is desired

This idea set the wheels into motion that this program was not only about retention, but also mitigating the potential risk of bringing in new members who did not satisfy this philosophy. It was this latter idea that prompted SC Federal to design and implement a Decision Matrix for new members.

## Key Findings

In the past, membership qualifications for SC Federal focused on the applicant's credit score and TeleCheck® data. Using this limited information allowed the criteria to be very loose, permitting anyone to open a membership. In many cases, some members would only qualify for a prime share account. By not qualifying for additional products and services, these members were destined to be unprofitable. Some caused the credit union a loss.

### % Members Charged-off



Data analysis of newly acquired members over several time periods allowed SC Federal to identify the traits of the members who were contributors to the organization and those who were not.

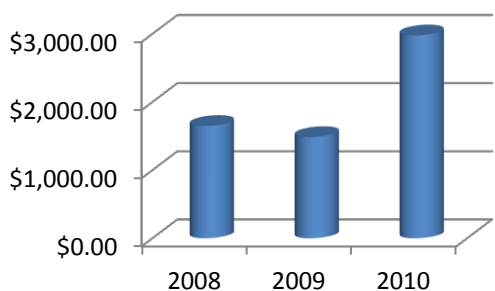
## Implementation

Using data analysis with [the PinPoint™ tool from DataMentors, LLC](#), SC Federal developed a new Decision Matrix. This helped them to ensure new members demonstrate positive intentions and have the ability to develop a deeper relationship with the credit union. All potential members are now screened through the Decision Matrix, which takes their full credit report and TeleCheck® data into consideration. Rather than reviewing only the credit score, they look at the reason why they have that credit score. Their Decision Matrix uses judgmental criteria based on the data to determine if the account should be opened.

## Measure & Monitor

After several months in service, it was time to determine if the Decision Matrix was working as intended. Again, using the PinPoint tool from DataMentors, analysts measured the impact before and after the change. Time period comparison is a key feature in an analyst's toolset and this is one of the primary strengths of PinPoint.

**Average Core Deposits**



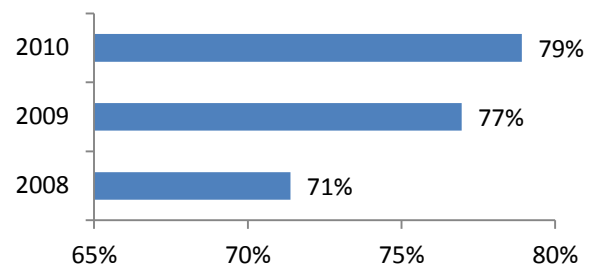
New members were analyzed over several periods to review how profitable they were to the organization. A blend of product mix, demographics, and behaviors revealed their contribution to the membership.

As evidenced by the data presented throughout this report, the risk was minimized, average balances increased, and negative share charged-off balances declined. Ongoing measures of the data reiterate the positive impact to the financial security of the membership.

## Results

PinPoint provides a quick, visual representation of large quantities of data that translate into results.

**Member Retention**



CU Knowledge Solutions<sup>™</sup> is a collaboration between South Carolina Financial Solutions, LLC, (a wholly owned CUSO of South Carolina Federal Credit Union) and DataMentors, LLC. [Click here for more information on how you can benefit from our offerings](#), or contact Larisa Bedgood at DataMentors: 813-960-7800 x171 or email: [lbedgood@datamentors.com](mailto:lbedgood@datamentors.com).