



Friendly but frank advice for mutuals



■ Professor Ian Harper and Catriona Lowe

Mutuals need to make their brand relevant to a new generation of consumers, delegates were told in the final morning plenary session.

Professor Ian Harper said mutuals need to find the right language to communicate to younger people their values of community, localism and social justice.

"These values are forever young," Harper said. "The business value proposition of mutuality is not well understood. Mutuals must be seen as more than simply smaller versions of banks –

otherwise, the tide is running against you."

Consumer activist Catriona Lowe says fees remain the top issue for consumer advocates. "Fees are less of an issue for major banks but are still an issue for some mutuals. Consumers are not interested in the reason for fees such as cheque dishonour fees.

That's a real challenge for you," Lowe said, "but we need you in the market."

The next four consumer issues rounding out the top five were: switching; product complexity; financial advice reform; and, financial inclusion.

Lowe said the emergence of "mutual banks" was an idea in need of identity and promotion.

NAB's Rick Sawers told delegates the bank's strategy of lowering or abolishing fees and setting home loan rates lower than the other big banks has paid off handsomely, not just in reputation but also in revenue. Sawers said NAB had empowered its staff "to do the right thing" by customers. The strategy had delivered 400,000 new customers since February 2011, compared to a total of 17,000 last year.

Emerging target market

Heather Gale (People's Choice CU, pictured far left) told delegates people in the emerging leader age bracket are one of the major target markets for many of our institutions.

"They are just starting out, have semi-professional roles, probably don't have a huge relationship with an existing financial institution and will be looking to get car loans and home loans in the not too distant future," Gale said, addressing delegates in Wednesday's plenary session. "If you want these people as your members, hiring them to work on the strategies to attract like minded individuals makes sense."

"I believe the very nature of mutual banking appeals to many young people. Concepts of community and wanting to feel a sense of belonging may be expressed differently than they were in the past, but they are nevertheless very real and important to young people of today. A business that is not all about shareholder profit, that belongs within and contributes to community, that cares about career development, that has a strong CSR proposition, that is innovative and knows when to be rebellious is, I believe, an attractive employer to a young person."



■ 2011 Emerging Leader participants in Cairns

2012 & 2013 Convention dates announced

Mark these in your diaries!

- 2012 Convention will be held at the Gold Coast Convention & Exhibition Centre, 22-26 September 2012.
- 2013 Convention will be held at the Melbourne Convention & Exhibition Centre, 26-30 October 2013.

What they said...

- "Creativity is the last remaining competitive advantage a business has today." Todd Sampson, CEO Leo Burnett
- "The Chinese economy pulls us along with such force it bends us out of shape." Professor Ian Harper
- "If you get it right your customers will talk about you and if you get it wrong your customers will also talk about you." Brett King, author of Bank 2.0
- "Banking is no longer a place you go to, it's a utility, it's something you do." Brett King again.
- "If I know APRA they will charge ahead with a gold plated model." Rick Sawers, Group Executive, Wholesale Banking, NAB, on how various countries will adopt the Basel 3 framework.

Phil's a winner



Thousands of dollars of prizes were handed out in the exhibition hall Wednesday in a highlight for dozens of lucky delegates including Cairns local Phil Pollard (ECU Australia) who won a bottle of 2003 Grange Heritage from Miller & Associates. So, that prize at least is staying in Cairns.

Follow the banks? Not good enough!



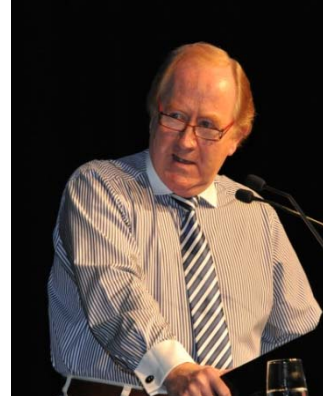
■ Kate Costello

Credit unions and building societies must 'differentiate' themselves from the major banks, says governance expert Kate Costello.

"You need to thrive as a future mutual. Being a fast follower to the banks is not good enough - absolutely innovate yourself," Costello told delegates in Wednesday's business session *Governing for More Market*.

Costello pointed out the need to play to existing strengths, such as service, arguing that a direct interface with customers and a proactive understanding of their needs is the key.

Costello suggested an increasing focus on women through tailored product offerings, improving age and gender diversity on boards, and filling the "serious gap" of board expertise in strategic marketing and branding.



■ Chris Doogan AM

Community CPS Australia chairman Chris Doogan AM advised delegates to be wary of being too growth focused, arguing that growth is an outcome of good strategy, not a strategy in its own right.

Doogan said that the Community CPS model creates and returns value through sustainability, entrenched member relationships, community development and a unique brand.

APRA's Brandon Khoo said the best mutuals are always the ones with the best governance and those most adept at managing their growth strategy. Khoo highlighted capital, funding and pricing as key aspects of regulatory focus, along with type of growth, ability to manage growth, and appetite for risk.



■ Brandon Khoo

"Take action & face your fear"

Advertising guru Todd Sampson told delegates to beware the three fears: fear of the unknown, fear of failure and fear of looking bad. "The antidote for fear is action," Sampson said, posing the question: "Can you be brave for 5 minutes longer?"

Sampson lamented a trend of fear and shrinking creativity in business. He said it was driven by institutionalised conservatism and too much outsourcing of creativity to management consultants and advertising agencies.

- Todd Sampson (pictured right)



"TV Times" Gala Dinner

Favourite TV characters, game shows & dancing make for an entertaining final evening in Cairns.





2011 Convention images available for purchase

Photos taken at the Exhibition and at the social events (including at the Gala Dinner) during the 2011 Abacus AM Institute Convention are available to view and purchase direct from our photographer. To view the images please visit www.goldcoastphoto.com.au, select Photo Finder, search 'Abacus' in the event name, scroll to Abacus 2011 folders and select the event you wish to view. The password to access these folders is 'abacus11'. All orders and payments are processed directly with HM Photographics.



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The final winner of the KeyInvest Business Card draw is Jeannie Dyson from Bridges Financial.

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