

A Focus on Service and Growth

How One CEO Combined Technology and Sound Management to Build the Perfect Credit Union



Nick Bavaro didn't know the extent of work needed to fix the credit union he inherited when coming onboard as CEO of Northwest Community Credit Union in 1985. They were employing 16 people to serve 5,000 members representing only \$5 million in assets. The lack of internal controls and organization led to inefficiencies that, when combined with the quality of membership, had the credit union operating at a loss.

Re-Building a Credit Union

Swift action was needed to keep the credit union from closing its doors. The first step was clear: close a branch that was losing considerable money. Although eliminating the costs associated with the branch helped tremendously, the underlining issue still remained. They found themselves spending 80 percent of their time working with the members that provide for only 20 percent of their business. They were working hard not smart, and Bavaro knew what could be done to address the challenge. He instituted a \$25 non-refundable loan application fee which deterred non-qualified members from applying. This significantly reduced unnecessary paperwork. He then raised the minimum share balance from \$5 to \$200. This was a bold and unpopular move at the time, but it produced significant results. His employees were now working with members who used Northwest Community Credit Union for all their financial needs. They were now growing.

A Leap in Technology

In 2000, it became clear NWCCU needed better technology to facilitate their growth. They partnered with a new core processing vendor that provided a fresh, advanced product to the credit union marketplace. That company was Trinergy and the system was installed in 2001, providing NWCCU with a relational, Windows®-based solution that eliminated manual work and provided greater financial reporting. At that time of installation, the credit union was \$35 million in assets, had 11 employees, and served members with an average balance of \$9,000.

Since installing Trinergy NWCCU has raised that average balance per member to \$15,000, contributing to record growth of \$17 million in the past seven years. The credit union continues to receive CAMEL-1 ratings and is proudly 12% capitalized, all while launching new products such as ATM/debit cards, touch screen teller stations, internet banking, and mortgage lending. NWCCU experienced all this growth without hiring a single additional employee. In fact, they currently employ only five people, a testament to the efficiencies gained by introducing new technology.

Bavaro attributes the growth to his great staff and relationship with Trinergy. "Credit Unions are the best thing since sliced bread," he says, "and Trinergy and NWCCU have been growing together. Other credit unions have entire departments to work with their data processor. We don't need that with Trinergy." According to Bavaro, the system allows his employees to focus on what they do best, serve their members. "I'm a credit union guy, not an IT guy. With Trinergy the accountability is build into the system, which is great. I hear horror stories of other credit unions not getting what they need from their processors. With Trinergy this has never been an issue. If we have a question, (Trinergy) has the ability to provide an answer."

Planning for the Future

The credit union plans on continuing its focus on the community. "We cater to a small niche that still wants to be recognized by their teller and CEO." He adds, "I've been here 24 years. I'm now giving car loans to kids I knew when they were born!" One thing is for sure, as NWCCU and Trinergy continue to grow; the focus will always be on service.

**Northwest
Community
Credit Union**

Niles, Illinois
\$52 million assets
3,000 members

Since Installing Trinergy:

- ✓ CAMEL-1 Rated
- ✓ 12% capitalized
- ✓ Significant reduction in operating expenses
- ✓ 50% asset growth
- ✓ \$10 million growth in one year

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