



Eastern Credit Union



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Abstract

Educational outreach programmes targeting students and communities build and strengthen the customer base of the Eastern Credit Union (ECU), helping to secure and grow market share in an increasingly sophisticated financial services environment and demonstrating good corporate citizenship.

The Company

Eastern Credit Union is in the business of providing financial services to the citizens of Trinidad and Tobago. ECU specialises in personal, commercial and consumer loans and has recently begun to offer more competitively priced mortgages for residential and commercial businesses. ECU has 220 employees across 7 locations nationwide.

Eastern Credit Union was formed in 1974 as an alliance between the workers of two organisations - the Aranguez Industrial Estate and the Bermudez Biscuit Company. Since that time its membership has expanded to include the populace of Trinidad and Tobago. In 1986, 'La Joya' or 'The Jewel' was built and the company has been involved in an expansion drive, with the latest location - the Sangre Grande Agency - opening in 2004.

Eastern is known as a community Credit Union and so through one of the Statutory Committees of the Board of Directors - the Education and Bye-Laws Committee - ECU is able to host social programmes to contribute to the holistic education of its members.



The Motivation

This Credit Union views itself as a true community-based organisation whose services are offered throughout the country. Its basic philosophy is 'people helping people for the good of mankind' and this is the crux of the social responsibility thrust of ECU.

Traditionally, Credit Unions have a philosophy of 'co-operativism' and this is the guiding principle of the corporate social activities of the business. This is one of the main reasons that most Credit Unions have an Education unit to spearhead projects which contribute to the holistic education of its members.

The changing market dynamics have also encouraged ECU to strengthen its education thrust. In recent times there has been an influx of financial service providers and an explosion of new financial products. Moreover, the market is becoming increasingly complex as the lines between financial services are blurred, allowing banks and insurance companies to enter each other's domain by introducing hybrid products.

The stellar performance of the Trinidad and Tobago stock market is also luring more and more people into riskier but higher paying investments. This has resulted in a gradual but very evident movement away from traditional financial institutions such as credit unions and contributed to the decline of the sector. One of the ways in which the credit union movement has responded, via members such as ECU, is by embarking on aggressive educational outreach programmes to instil greater awareness of their products and services to win back and recruit

new membership and help them fully appreciate the rules of alternative investments.

Taking Action

ECU has developed an education outreach programme in the primary and secondary schools in Trinidad and Tobago. Currently, eight marketing officers visit approximately 30 primary and secondary schools on a weekly basis to teach the value of savings and thrift. This schools' programme has been a hallmark activity at Eastern Credit Union since its inception. In some cases, ECU's presentations are scheduled into the curricula to assist teachers to get specific messages communicated to the students.

Marketing officers liaise with principals, teachers and Parent Teachers Associations (PTAs) to schedule seminars, presentations and even competitions to heighten awareness of the importance of savings to the students. The programme has also made inroads in other educational institutions for example, Servol, which works with underprivileged citizens.

The Credit Union is currently shifting its focus from primary to secondary schools, dedicating more resources to school-leavers; those about to enter the workplace for the first time; and young adults at tertiary level institutions.

These school programmes have facilitated other activities such as the "Comfort with Secondary Entrance Assessment Programme" which is on many primary school calendars. This programme allows the students entering the fifth standard to receive motivational lectures and preparatory modules to help them prepare for their Secondary Entrance Assessment examinations. ECU's 'World of Work' Programme is also a popular school event focused on fourth to sixth form students. This activity highlights career opportunities for older students in the participating schools via seminars and display booths that highlight a wide variety of career options. The seminars and plenary sessions underscore best practices in resume

writing, proper interview conduct and appropriate attire for interviews.

ECU has also invested heavily in the education of its existing members. The Credit Union has developed small business development programmes as well as programmes on basic computer literacy. It routinely organises public forums for members to discuss current events and major issues.

Business Benefits

Its educational outreach programmes are considered to be hallmark activities and have allowed ECU to form strong alliances with various community groups and schools. ECU is seen as having a positive developmental role in the communities in which it operates.

The message of savings and thrift is communicated to various groups and this feeds back directly into the business of the credit union; with greater awareness has come increased membership, increased capitalisation, increased funds under management and an almost 100 percent increase in its loan portfolio between the period 2000 to 2004. Credit union membership also rose by approximately 57 percent within that same time period. In an environment in which it is becoming increasingly difficult for small, traditional firms to survive, ECU has successfully defended its turf and thrives in the face of competition.

The positive brand of the Credit Union is underscored and strengthened by its association with social development projects. This in turn has benefited the Credit Union in terms of greater patronage, dedicated and loyal membership, and an improved public image.

Vision for the Future

ECU intends to increase the financial resources that are used for social development projects and implement stronger evaluation mechanisms to assess the success of its endeavours. This would enable the organisation to provide more focused educational programmes based on feedback and members' needs.

ECU's strategic platform is one of differentiation, whereby the Credit Union goes beyond the mere provision of financial services. Its strategic theme for 2005 - 2007 aptly sums up its focus: 'Creating a New Future...Making a Difference in the lives of our members!'. ECU is committed to this theme and will follow through with continued investment in the economic and social development of its members and the community at large.