



## Case Study: Build Stronger Product Portfolios

See how Pen Air FCU took control.

### Overview

In 1936, U.S. Naval Pensacola Air Station Federal Credit Union for Civil Service Employees was founded due to the need for low-cost financial services. The newly chartered credit union began with \$4,500 collected in a cigar box. Today—with a much shorter name—Pen Air Federal Credit Union is the largest and oldest local credit union in Pensacola, Florida, operating at 16 locations in Northwest Florida and Southeast Alabama. With \$1.4 billion in assets, the credit union is dedicated to enhancing lives through exceptional service, strength, and financial solutions. The 100,000-plus members have \$816.6 million on deposit and are well-served by more than 300 full-time employees. Membership is open to individuals who work for or are members of eligible organizations; are on active duty or retired from military service or civil service; have a family member who is

a Pen Air FCU member; or join Friends of the Navy Marine Corps Relief Society. Visit [www.penair.org](http://www.penair.org).

### Background

In 2007, Pen Air Federal Credit Union undertook conversion of its credit card program to PSCU. Since then, the Northwest Florida-based institution has worked steadily to see that its card programs enjoy sustained growth. PSCU has been a part of the process every step of the way, as Pen Air has leveraged PSCU's Advisors Plus consultants to understand the performance, profitability, and opportunities associated with its credit, debit, and checking portfolios.

Advisors Plus has also played a key role in helping Pen Air develop and implement growth initiatives. Michelle James, Vice President, Product Research and Development at Pen Air explained,

# Case Study: Build Stronger Product Portfolios

See how Pen Air FCU took control.

“Once we converted to PSCU and learned what that group could do for us, we took advantage of it right away. We immediately saw some return in getting our card programs developed.”

Since coming aboard as a PSCU Member-Owner, Pen Air has utilized many of the Advisors Plus card-promotion programs, regularly launching campaigns for new credit card acquisition, activation, and credit line increase campaigns. To encourage member usage of debit cards, the credit union has relied on Advisors Plus debit card campaigns.

“Most of our campaigns are customized so we can have them branded. Advisors Plus makes it very easy,” James said. “They are open to our ideas and work with us. We get their feedback, and they are able to help us with whatever audience we choose to focus on.”

“We’re always satisfied with the results we get on the various campaigns,” James commented.

Successful promotion doesn’t just happen by accident; it requires understanding the market forces at work. Advisors Plus consultants have been assisting Pen Air on that score as well, helping the credit union develop strategies based on ongoing assessments of market opportunities and thorough reviews of the credit union’s card and checking programs.

## The Solution

Among its services, Advisors Plus consultants provide Pen Air leadership with actionable intelligence in the form of debit, checking, and credit card portfolio reviews. The reviews are extremely in-depth and fully explore macro performance drivers, program performance reviews, arising opportunities, and other points of focus.

“It’s always been a pleasant experience regardless of the line of business or the campaign we may be working on,” stated James. “We’re working with a very knowledgeable team. They really help out on the analytical side with the data, and they help us dig into our portfolio to get a better understanding of our cardholders’ behavior or potential behavior.”



# Case Study: Build Stronger Product Portfolios

See how Pen Air FCU took control.

James stated that long-term working relationships with Advisors Plus consultants have definite advantages. From the start, Pen Air has generally had contact with the same Advisors Plus team members for their monthly marketing calls. The same holds true for the strategic portfolio consultants presenting the formal reviews. “For this recent debit/checking engagement, we worked with Kari Anne (Arnosk),” James noted. “She’s probably been involved with every one of the debit/checking portfolio reviews we’ve done. She’s gotten to know Pen Air’s organization, how we operate, and the products that we offer. Having those consistent contacts and not constantly having to get know someone new is very nice.”

One element of the most recent review that was a new enhancement was a one-day, on-site fieldwork session with Pen Air leaders. The exercise allowed Advisors Plus to get “behind the numbers” to understand activities driving the credit union’s debit card and checking performance. Joining Arnosk for the fieldwork session was her fellow Advisors Plus strategic portfolio consultant, Tom Bennett.

James believed it was very beneficial to have Arnosk and Bennett on site where they could meet with marketing, operations, and branch personnel who work directly with debit card and checking account products. She said, “We were able to sit down for one-on-one time. I think we got a lot of value out of that. I look forward



to having that continue to take place with these types of reviews.”

## Results

Interestingly, James said when the final review was completed and the findings were presented, there wasn’t much in the way of surprises for Pen Air. However, that didn’t mean value was lacking.

“There was validation, really good validation,” James explained. “We’ve got a good program and we’re continuing to see decent growth. One major consideration—as identified by the Advisors Plus consultants—is that Pen Air FCU has exhibited very strong debit card performance, with spend and transactions growing at approximately eight percent versus a market growth rate of

# Case Study: Build Stronger Product Portfolios

See how Pen Air FCU took control.

approximately six percent. We've got good activation and penetration, but we all have some areas of opportunity.”

James feels comfortable talking with Advisors Plus consultants about the initiatives she is working on. For example, the credit union is considering the pros and cons of offering a true business debit card. Additionally, Pen Air's CEO is reviewing the card product offerings in light of the review with an eye toward enhancements, James reported. It's all part of making the credit union's card and checking programs as strong as possible.

According to Arnosk and Bennett, one of the most valuable strategies for credit unions to further debit card transaction growth is by targeting new checking accounts. Advisors Plus has recommended Pen Air continue this focus as one of their key marketing strategies, as proven by their strong results over the years. In total, since beginning participation in 2014, the Advisors Plus Checking Acquisition program has helped Pen Air acquire 4,560 checking accounts, \$6.7 million in checking balances, and \$13 million in cross-sell balances.

The Advisors Plus consultants also recommended that Pen Air have a product owner for checking. Interestingly, James was new to her position as the review process was going on, and her new role

made checking one of her responsibilities. In the coming months, she will be looking closely at the consultants' findings as decisions are made about what different—if anything—needs to be done in that area.

When findings from Arnosk and Bennett were delivered, some credit union staff from departments not normally involved with day-to-day card operations were in attendance. In this, James thought the Advisors Plus presentation made a significant impact. She observed, “I think there were some very eye-opening facts for them about the profitability of our debit card.” She believes the additional Pen Air team members left understanding why branch staff needed to be educated on the card's benefits for members, and why Pen Air should stress getting a card with every checking account and keeping it active.

The comfort and familiarity that Pen Air enjoys in its relationship with the Advisors Plus is especially appreciated by James. “We're at a great level,” she declares. “It gives me the personal touch to go along with the business case for whatever it is we're working on.”

“We will definitely continue working with Advisors Plus,” James continued. “I feel like they are looking out for us as a credit union, what's in our best interest as well as that of our cardholders.”



# Case Study: Build Stronger Product Portfolios

See how Pen Air FCU took control.

## Advisors Plus

Founded in 2004, PSCU's Advisors Plus offers consulting services for credit unions to help fuel growth and achieve financial and business goals. From project analysis to implementation and management, Advisors Plus offers an end-to-end portfolio of consulting services including business strategy, business and affinity cards, credit and debit cards, contact center optimization, risk and collections analysis, branch sales training, marketing services, and B2C campaign execution. Whether your credit union is looking to expand its offerings, build a legacy of community involvement, create the strongest possible capital footing—or all of the above—Advisors Plus consultants bring the strategic vision, deep industry expertise, and proprietary data analytics needed to help credit unions better serve their members and their communities. For more information, visit [advisorsplus.com](http://advisorsplus.com).