

CASE STUDY

MAX Federal Credit Union Secures New Accounts and \$16 Million in Loans Using LEVEL⁵'s Retail Delivery Strategy

- Who:** MAX Federal Credit Union is an Alabama-based financial institution with \$671.8 million in assets and approximately 109,430 members. Membership is open to any individual who lives, works, worships or attends school in Montgomery, Autauga or Elmore counties or has a relative who is a member of MAX.
- What:** As new markets emerged, business activities in the original MAX branches significantly increased, which led to over-crowding in the lobbies and teller lines during business hours. At the same time, the surrounding Montgomery area's population began to expand. MAX was presented with the challenge: how to further reach out to possible members in various physical locations and how to find the most efficient and effective means to do so.
- Result:** MAX selected Atlanta-based LEVEL⁵ to help develop and facilitate its growth plans to further expand its branches, membership, account activity and revenue. Using LEVEL⁵'s innovative retail delivery strategy enabled MAX employees and members to work together with no physical barrier in between them through unique integrated designs. The credit union embarked on a new level of service to its members. LEVEL⁵ worked with MAX taking advantage of all five levels of its expertise in consulting, real estate, integrated design, construction management and branding, to accomplish the credit union's goals. The results of the relationship have produced two branches thus far, the Taylor Road branch, located in East Montgomery, and the Millbrook branch, located Northwest of Montgomery. The Taylor Road branch opened in fourth quarter 2005 and the Millbrook branch opened in first quarter 2006. Combined, the branches have handled almost half a million transactions since opening.

As the financial industry changes, credit unions must adopt innovative approaches to retail delivery services that enhance the interaction between employees and members and further result in deepened relationships. Credit unions that employ innovative retail delivery methods can also achieve additional business goals, such as generating more loans and deposits as well as strengthening member relationships through direct dialogue with them.

As President and CEO of MAX Federal Credit Union, Greg McClellan was responsible for overseeing the expansion process. After a previous successful business relationship with LEVEL⁵ CEO, Joseph Kassler, McClellan maintained his involvement with Kassler after he founded LEVEL⁵.

MAX began working with LEVEL⁵ August 2004, using its consulting services where LEVEL⁵'s industry knowledge and analytical skills help determine the best opportunities to support the credit unions' philosophy, strategy and budget. McClellan said, "We requested LEVEL⁵'s assistance in conducting specific demographic studies including the examination of traffic flows, member and potential member population and future growth potential. They analyze every aspect from local demographics and market trends, to transportation and infrastructure, site optimization, competition and development trends."

The entire process from consulting to grand openings lasted less than 25 months, including development of the retail strategy, real estate identification and acquisition, facility design, and construction. McClellan explained, "In addition to its consulting assistance, LEVEL⁵ obtained the property for the branches and determined the configuration for the areas. While LEVEL⁵ led the construction of the buildings, we worked closely with them throughout the entire process and the company was always open to our questions and comments. The cooperation on the projects helped MAX launch a new financial environment for our Taylor Road and Millbrook members."

The interior of MAX's Taylor Road and Millbrook branches features dialogue delivery stations positioned throughout the lobby where MAX employees are free to interact with members and handle all transactions for them. A more retail-oriented environment facilitates this interaction. As members first enter MAX's new branches, they are greeted in a concierge area, that allows employees approach members and provide information and direction. This layout fosters member relationships while identifying various cross-selling opportunities, meeting members' needs and ultimately enhancing the member's credit union experience.

"LEVEL⁵'s comprehensive services enabled us to identify, evaluate and acquire real estate in response to our growing marketplace," McClellan continued. "We are experiencing strong, steady growth as a result of the superior locations selected."

In less than two years, the Taylor Road branch has activated 2,618 new accounts and has made 650 loans. The Millbrook branch, opened for a year and a half, has opened 2,767 accounts and provided

members with 630 loans. In total, both branches have gained more than \$16 million solely from member loans.

“The planning and studies conducted by LEVEL⁵ were excellent in finding the ideal locations for our new branches,” McClellan added. “Location is key to the success of a financial institution and paired with LEVEL⁵'s retail delivery designs, we have been able to meet our growth goals and look forward to expanding MAX's offerings even further in the future. MAX members benefit from our new approach with improved teller relationships and will soon profit from a mortgage originator and expanded business services at our Taylor Road and Millbrook locations.”

About LEVEL⁵

Headquartered in Atlanta, with other offices strategically located to best serve its clients, LEVEL⁵ is a consulting and facilities development firm that works exclusively with financial institutions across the United States. The company assists those institutions in the development and implementation of growth strategies through its unique services that include consulting, real estate, integrated design, construction management and branding. For more information about LEVEL⁵ call 404.761.0008 or visit the Web site at www.LEVEL5.com

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