

February 18, 2009

## **My World Experience**

It was an honor and a pleasure to work for World Savings and the Sandlers for 23 years. I worked for the company in California, New Jersey, and Texas and worked in the Savings branches, Savings Administration, Savings Operations, Loan Service, and Portfolio Retention Customer Service.

I'm surprised a book has not been written about this remarkable company and the remarkable founders. Given the record of success, the business and leadership lessons from that success, and the ignoble end of the company, it is quite a story. I have many personal stories to share, and here are two of my favorites.

In my role in Savings Administration I had the opportunity to serve on the Rate Committee which set retail pricing for the savings branch network. Mrs. Sandler was also on the Committee. She was closely involved with all aspects of the Savings operation, and regularly attended. Interest rates were dropping and we had a promoted product I felt was overpriced. The promoted product had been a test product with a limited introduction, and the test didn't warrant further rollout. We had only one customer remaining in the product. I suggested we reprice the product to drive the customer back into our normal product offerings. My suggestion would have dramatically reduced the customer's rate overnight. Mrs. Sandler quickly reprimanded me, saying " We don't do that to a customer. Not even one." Wow! The stuff of legend. She was rightfully offended. This customer had entrusted their money to Mrs. Sandler and her new product, and Mrs. Sandler felt a responsibility and loyalty to her customer. Not many CEOs think like that! And I learned an invaluable lesson!

In my role in Savings Operations I had the opportunity to participate in the discovery and reporting of an error in how we paid interest to a small number of customers with certificates of deposit. When a branch manager used their authority to make an exception and negotiate a special renewal rate for a valued renewing CD customer, the computer system didn't consistently pay the proper exception rate. The error was infrequent, and required an unusual set of circumstances to occur. But when it did occur, the rate paid by our system was lower than the rate we promised. The error was infrequent, the impact was small, customers and staff didn't notice, and it took years before a customer complained and we realized what had happened. We researched the impact, and prepared a presentation that would be given to Mrs. Sandler. For many of the customers the impact was only a few dollars. Some of the impacted customers were no longer with the company. I knew what the response from Mrs. Sandler would be, but still was very proud when word came down from the EVP who had told her of our system error. Her simple instructions "Every customer. Every penny." We sent an interest adjustment check and apology letter to every single customer, even if the cost of cutting the check exceeded the amount of the check. Even if the customer had closed their last account years earlier. Even if skip tracing was required to find the customer.

One of my Savings employees best summed up my World experience, by simply saying "We are the good guys." I don't recognize the caricature of the Sandler's and the company in the press. We were the good guys.

James Gergen

World Employee from January 1985 through December 2008