

# Strategic Planning for Credit Unions – Do more than Survive – Revive and Thrive

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# The Environment

## Top issues credit unions are focused on

- Economy – rate, Inflation, & recession
- Human resources
- CEO & Bench Succession
- Changing business delivery
- Increased small CU consolidation
- A growing list of remote competitors
- Liquidity and net worth ratios
- Niche- focus on
  - Product Niche
  - lower income, working class
  - New communities
- New regulatory changes
- Cybersecurity



# 3 Important Strategic Questions

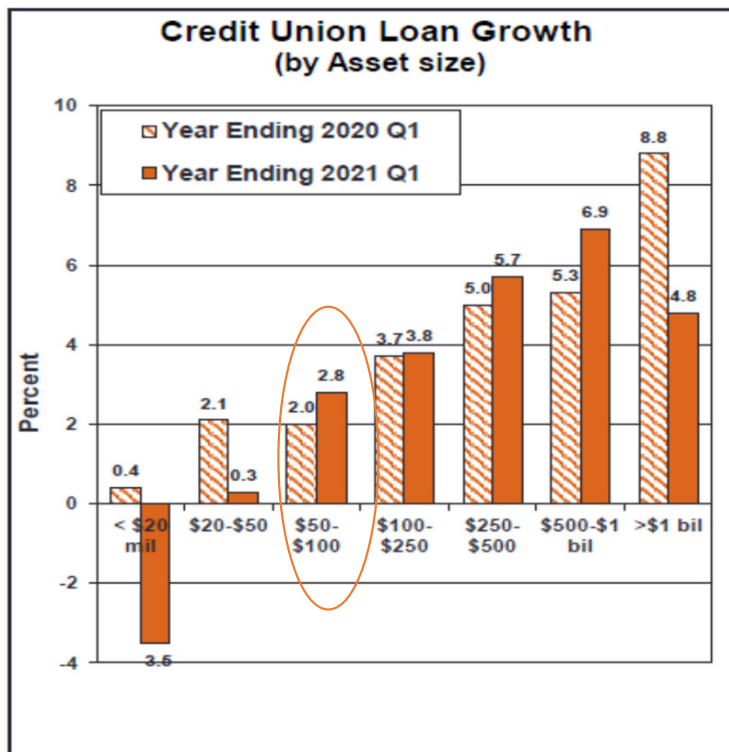
- ***What is our business? (Mission)***
  - Specifically, who is our ideal member?
  - How do we generate income – (Strong revenue or expense control)
  - Do we have a niche that differentiates the credit union?
  - Are recent and current results sustainable? Thriving or surviving?
- ***What will our business be? (The changing environment that we are certain about)***
  - Looking ahead, considering; work force, competition, technology, etc., what changes will we need to make?
- ***What should our business be? (Vision)***
  - Why does your organization exist and why should any one care?
  - What big problem(s) does your organization want to solve?

# Successful Strategic Outliers





# A Focus on Successful Outliers



While loan growth and membership has been **weak** for smaller credit unions during the past 2 years, there are many smaller credit union **“lending and membership growth outliers”** that are **outperforming** the group.

# What we're seeing....

- **Strong loan cultures** that find and close more loan opportunities. **Common behaviors include:**
  - Everyone from board chair to newest teller clearly understand their role in lending (i.e. policy/accountability to having member conversations that uncover loan opportunities)
  - Lenders and staff that fight to get to a yes.
  - High closing rates (quickly convert an approval to a booked loan)
  - Corporate wide awareness to monthly loan goals and results.
  - High recognition and accountability for loan goals.
  - Team pride in being successful lenders
  - Consistent marketing that is supported by member facing staff that can turn inquiries into a loan.

\* Filene's **Thriving Small and Midsized Credit Union five-year study** found the top characteristic of the top 10 highest performing credit unions in the US was – **they are highly performing lenders.** Company wide culture is the driving force.

# What we're seeing... Cultural Lending Outliers

- Everyone from board chair to newest teller clearly understand their role in lending
- Lenders and staff that fight to get to a yes.
- High closing rates corporate wide awareness to monthly loan goals and results.
- High recognition and accountability for loan goals.
- Team pride in being successful lenders
- Consistent marketing that is supported by member facing staff that can turn inquiries into a loan.
- High earnings from loan growth resulted in quality remote tech and more staff - ultimately a national charter approved by the NCUA.

**USA FCU – \$80 million assets**

3-year annual avg. loan growth: **22%**

3-year annual avg. member growth: **12%**

3-year annual avg. net income: **2%**





# What we're seeing... Marketing Outliers

- Narrow focus on ideal borrower/ product
- A willingness to change – stepping outside comfort zone
- Using internal and external data to build new and deeper relationships
- Driving more traffic to the website
- Very clear loan growth marketing strategy
- Clear value member proposition – “what’s in it for me?”
- Improved tracking
- Geotracking
- Email and digital marketing
- Using outside marketing firm

**Maple Credit Union – \$60 million asset**

3-year annual avg. loan growth: **17%**

3-year annual avg. member growth: **9%**

3-year annual avg. net income: **1%**



# What we're seeing...

## Community Niche Lending Outliers

- Reinvented the brand and Hispanic target market
- Narrower niche and product focus
- Willingness to innovate and change
- Diversify and attract new community focused board members
- Staff identified a new purpose statement that is more meaningful to them
- Retooled the lending program
- Large and growing list of community partnerships
- ALL staff have become certified financial counselors

### Members Credit Union – \$40 million asset

- 3-year annual avg loan growth: **6%**
- 3-year annual avg member growth: **3%**
- 3-year annual avg net income: **0.38%**



# The Bottom-line

Looking ahead – will your organization survive? Or **thrive**?

Survival is will not be easy, **thriving will be even harder.**

In the next 3-5 years, **what must you do** to grow, develop and prosper?



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