

# Tough Questions Series: A Planning Primer to Leverage Positive Momentum

*Jay Johnson, Partner*

CALLAHAN  
ASSOCIATES  
the credit union company

Knowledge. Insight. Strategy.

# Can You Hear Me?

- We are audio broadcasting so please plug in your headphones or computer speakers to listen in.
- If your audio is choppy or slow, you may wish to dial into the teleconference:

Dial: +1 (415) 655-0003

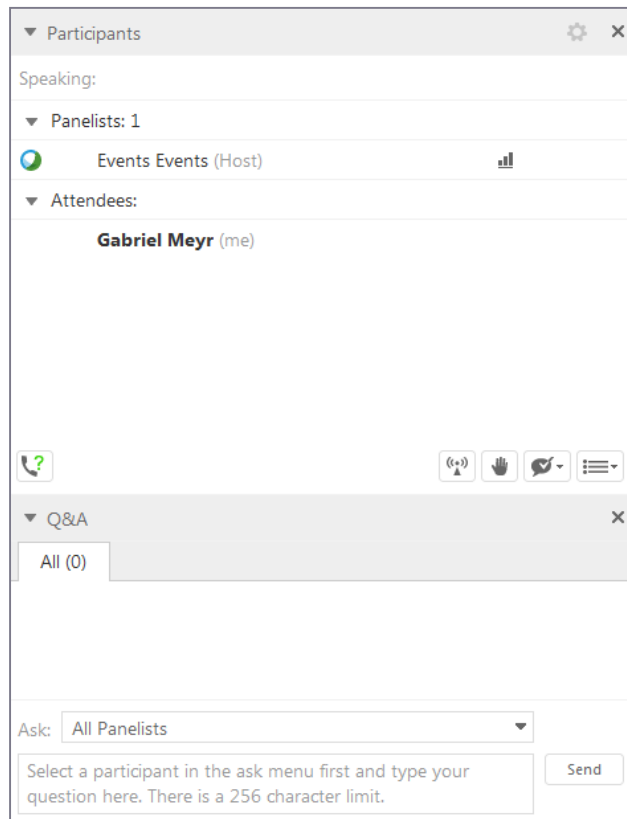
Enter access code: 663 692 910#

# Slide Link

Today's slides can be found online at:

<http://bit.ly/05-31-positive-momentum>

# We Encourage Questions



Use the

## Questions Box

located on the right side of the screen, to type your comments or questions.

# You Might Also Be Interested In

## [Financial Life Lessons, Gig Workers, And More](#)

Five can't miss data points this week on CreditUnions.com.

## [Spring Is Strategy Season](#)

The process of strategy requires year-long attention.

## [How Well Do You Tell The Credit Union Story?](#)

The movement's future requires daily attention to sharing its present impact.

## [How Do Credit Unions Measure Success?](#)

Financial institutions are in the numbers business, but credit unions must also look beyond metrics like growth, share, and loss.

# Tell Us What You Think!



**Please take our post-event survey. We value your feedback!**

# Tough Questions Series: A Planning Primer to Leverage Positive Momentum

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# What We'll Cover Today

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1. Key questions to ask prior to planning.
2. How to use member feedback to uncover opportunities.
3. What other credit unions are doing to leverage momentum.
4. Tips to help ensure an efficient process.



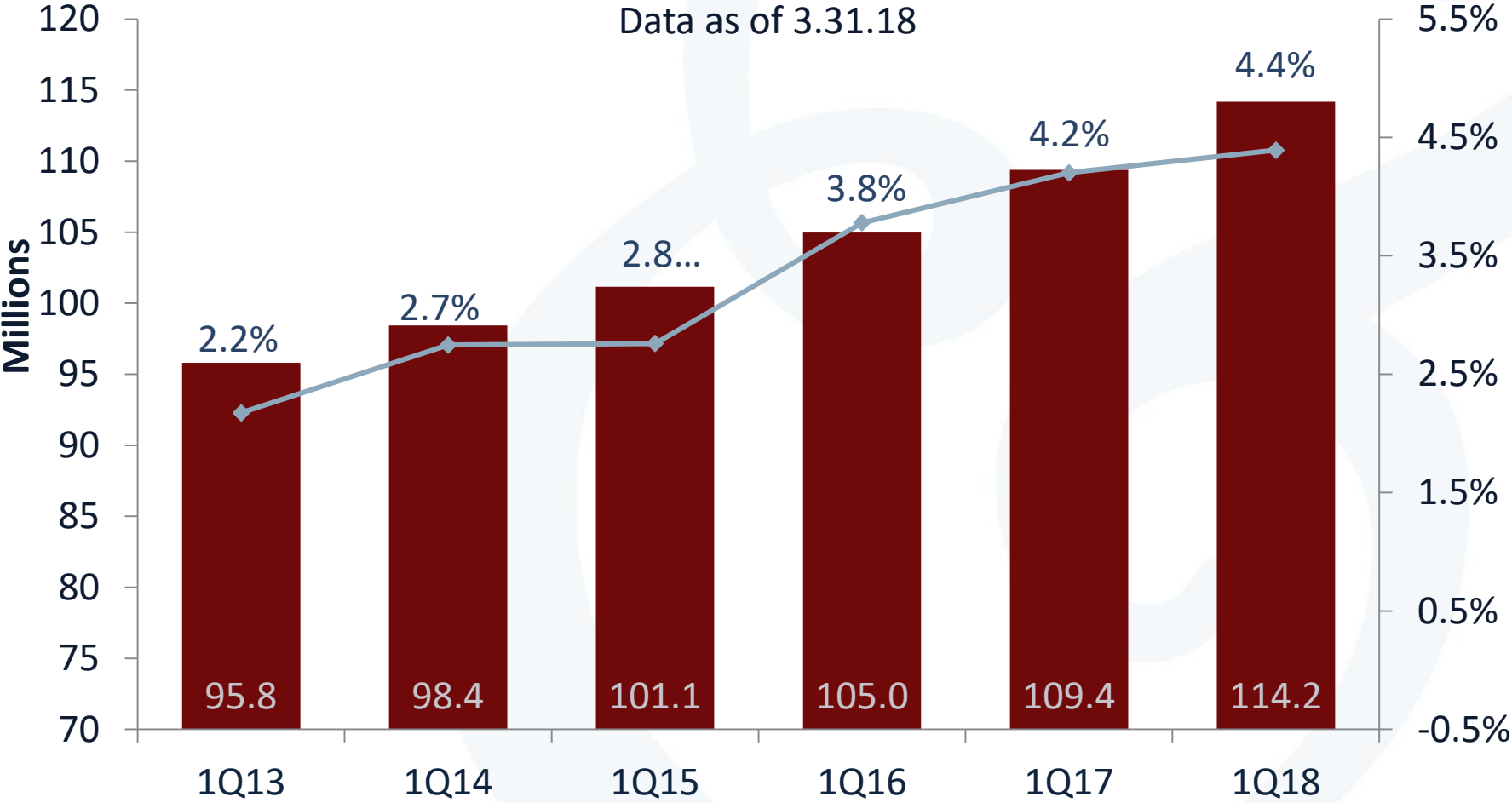
# CREDIT UNIONS HAVE MOMENTUM

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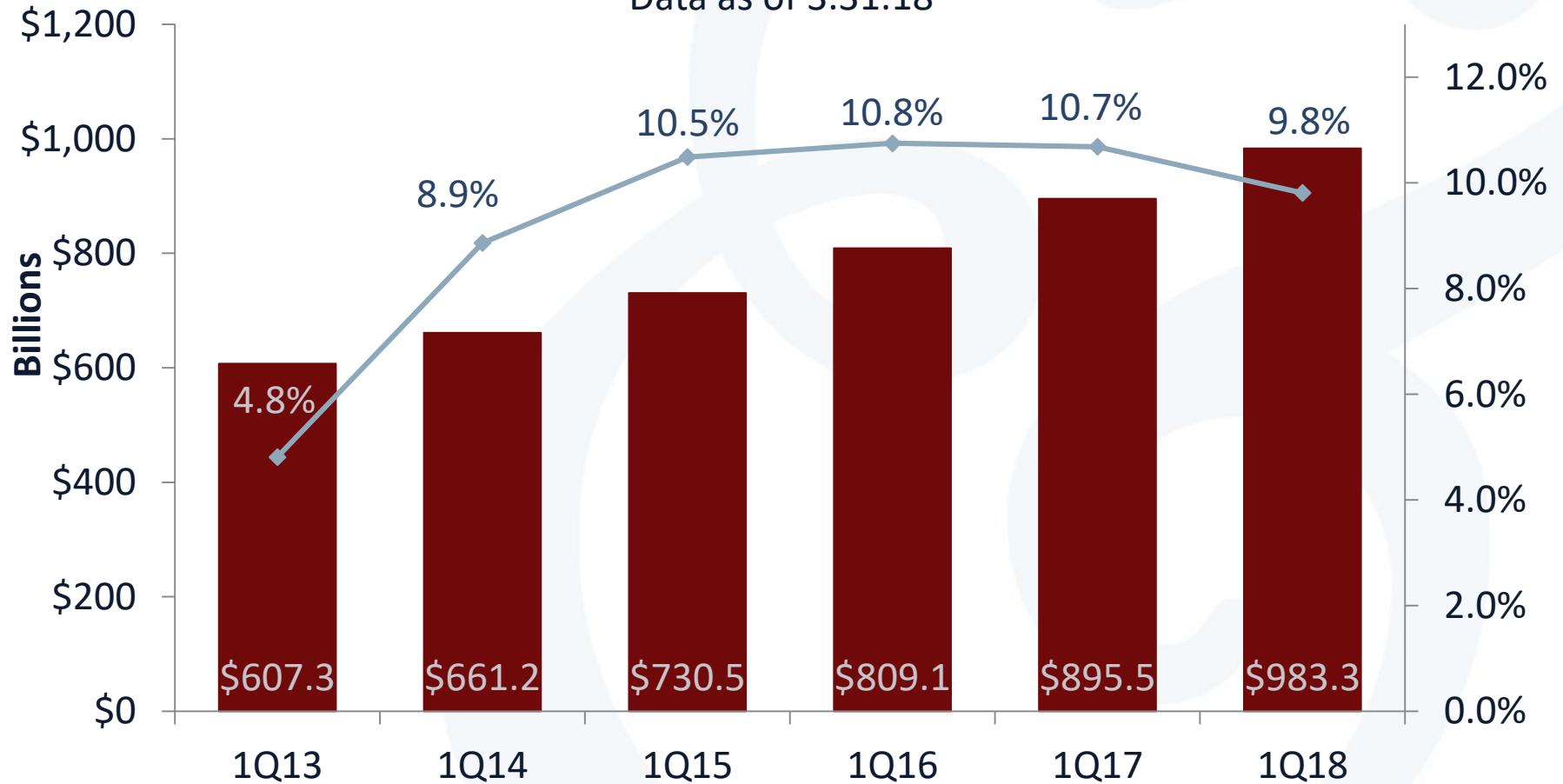
# Nationally, membership growth continues to accelerate

Membership and Annual Growth  
Data as of 3.31.18



# Credit unions are growing the loan portfolio at an unprecedented pace

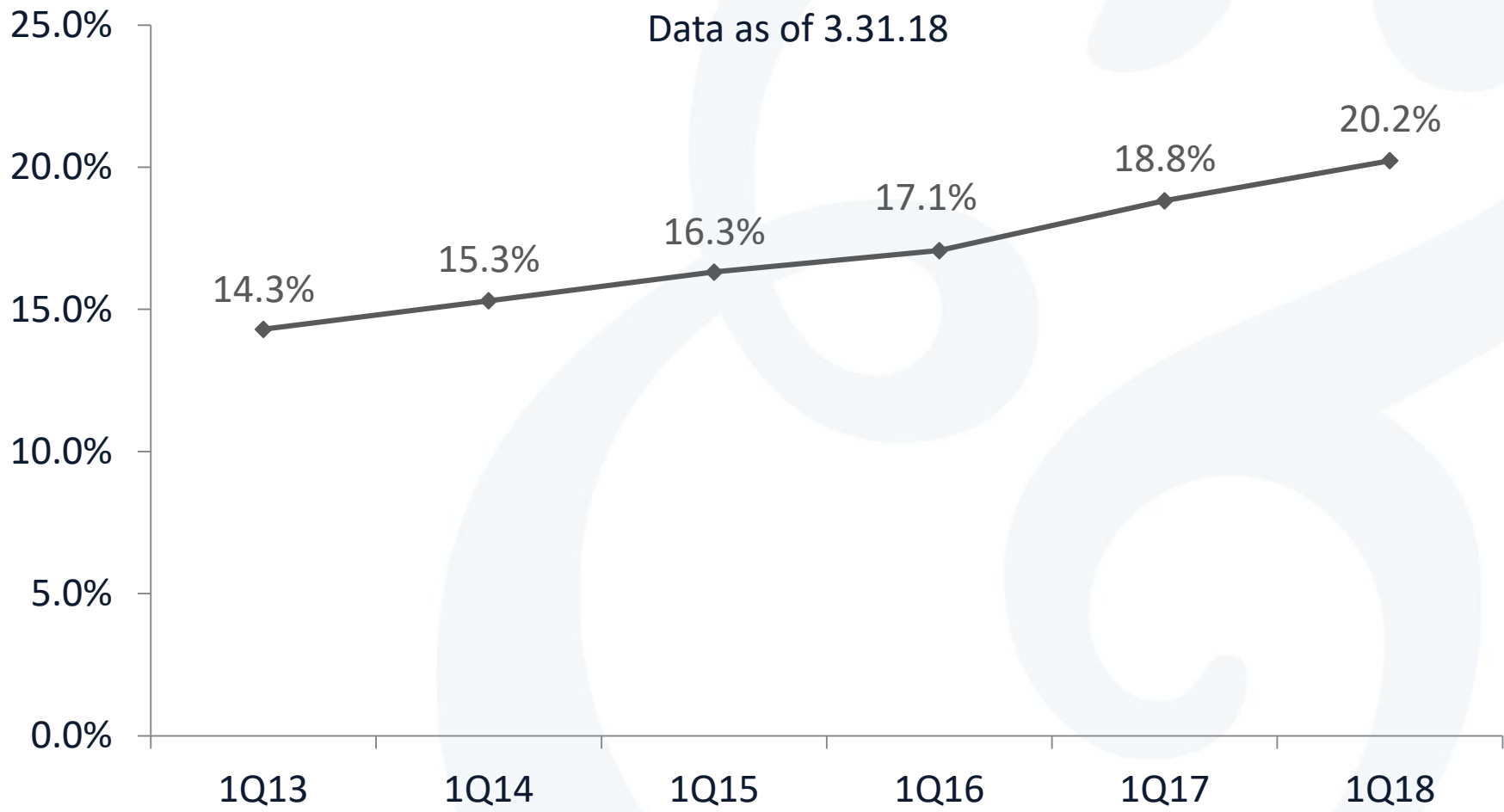
Total Loans and Annual Growth  
Data as of 3.31.18



Source: Callahan's Peer-to-Peer Analytics

# One in five consumers uses a credit union to buy a car

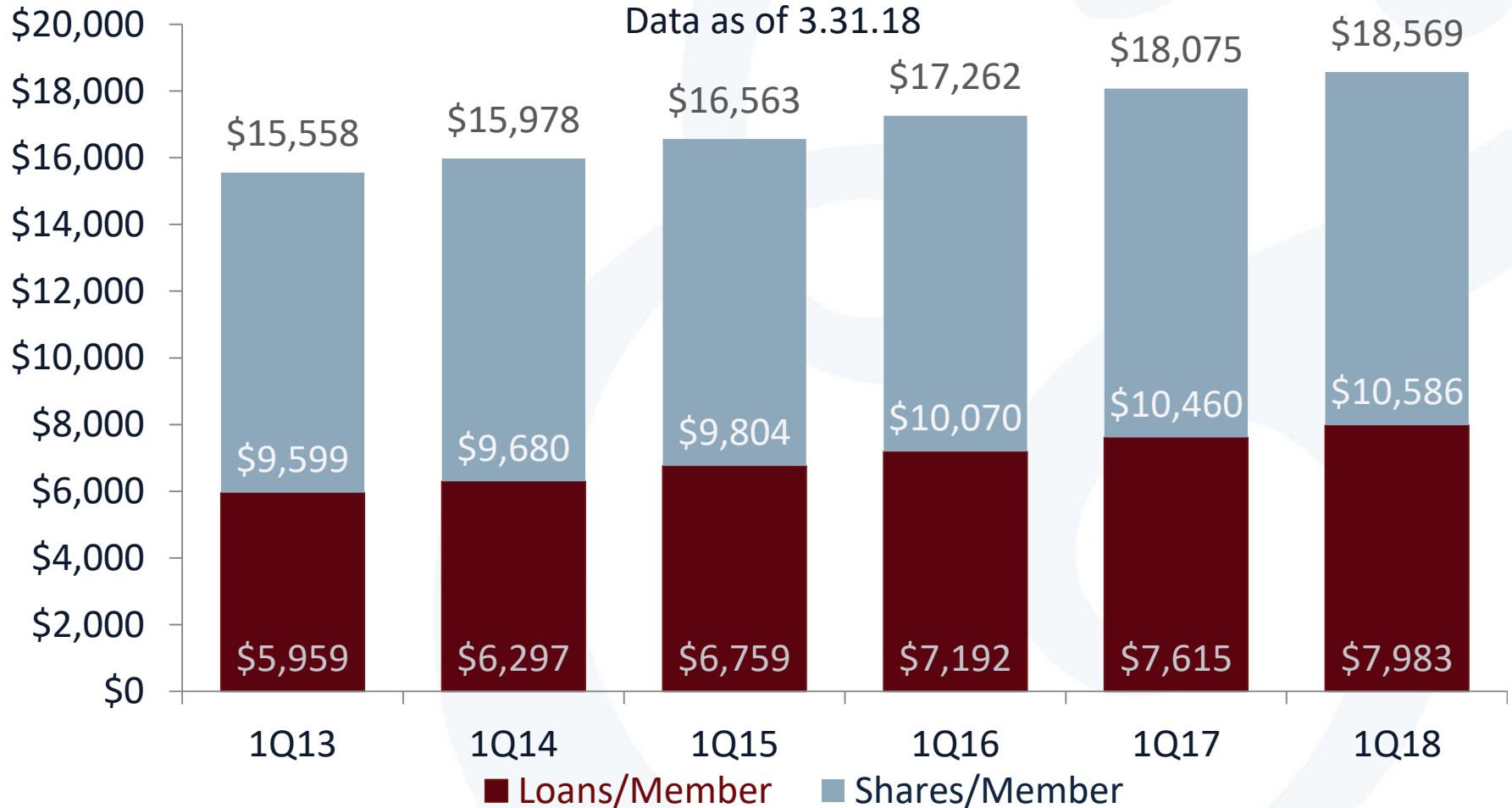
Credit Union Auto Finance Market Share  
Data as of 3.31.18



Source: Callahan's Peer-to-Peer Analytics  
AutoCount Data from Experian Automotive

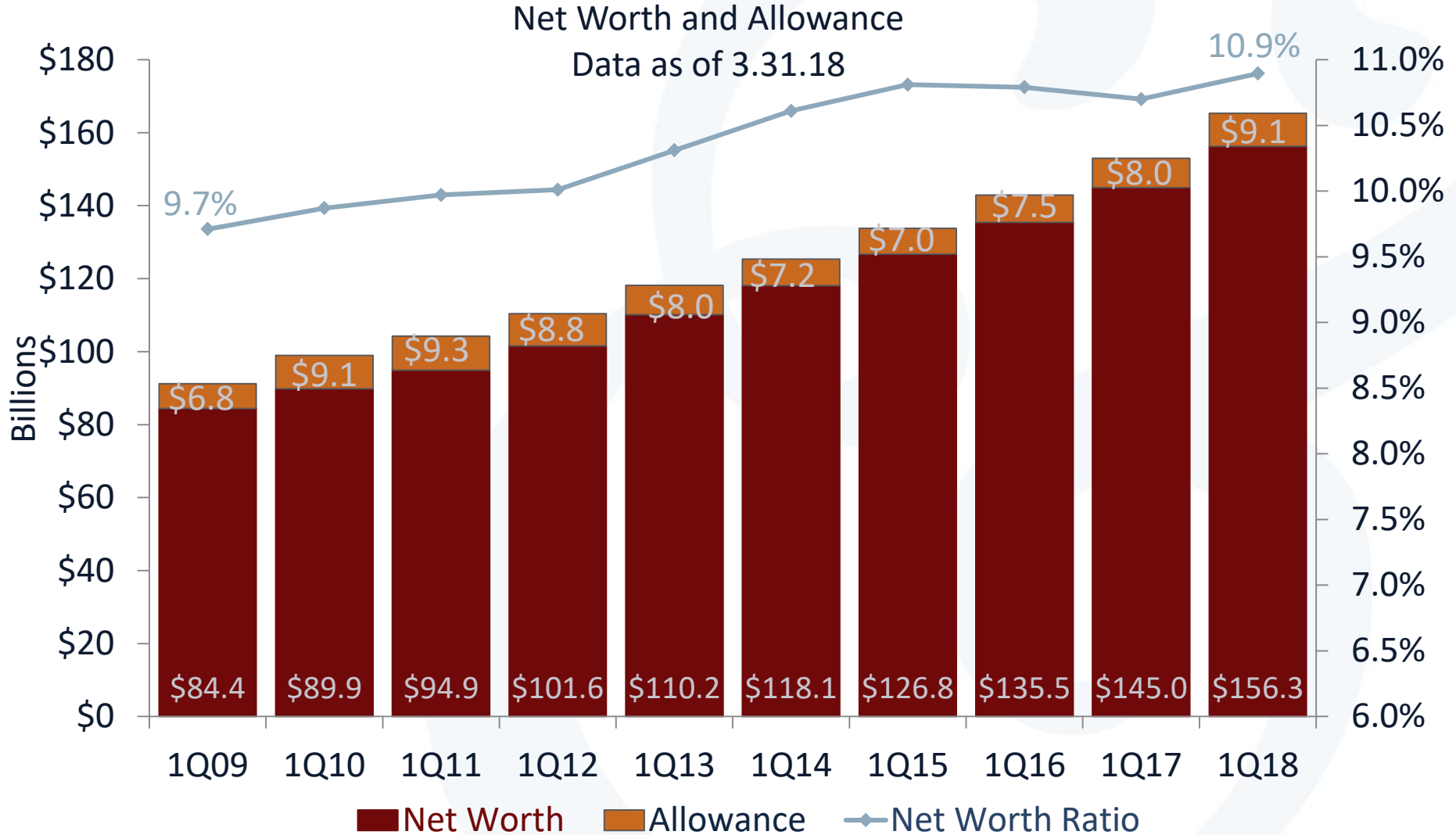
# Member relationships continue to expand

Average Member Relationship  
Data as of 3.31.18



Source: Callahan's Peer-to-Peer Analytics

# Credit unions remain well capitalized

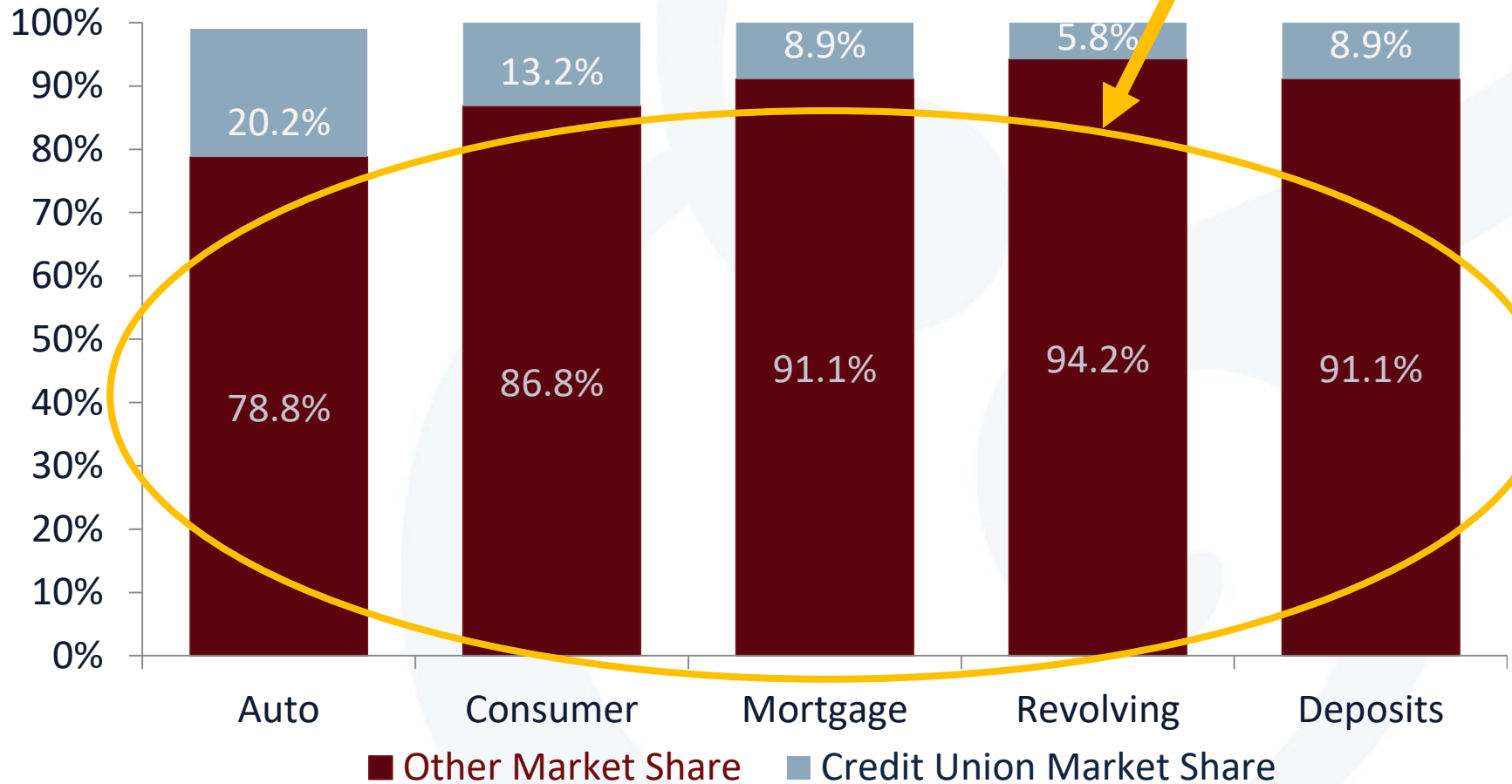


Source: Callahan's Peer-to-Peer Analytics

# But there are still plenty of opportunities available...

Opportunity!

Credit Union Market Share by Loan Segment  
Data as of 3.31.18



Source: Callahan's Peer-to-Peer Analytics

# BEST TO PLAN WHEN BUSINESS IS STRONG

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# Preparing for your planning meeting starts with two questions

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- ***How much of a change are you looking to make?***
- ***What decisions, if any, do you want to be made at the session?***

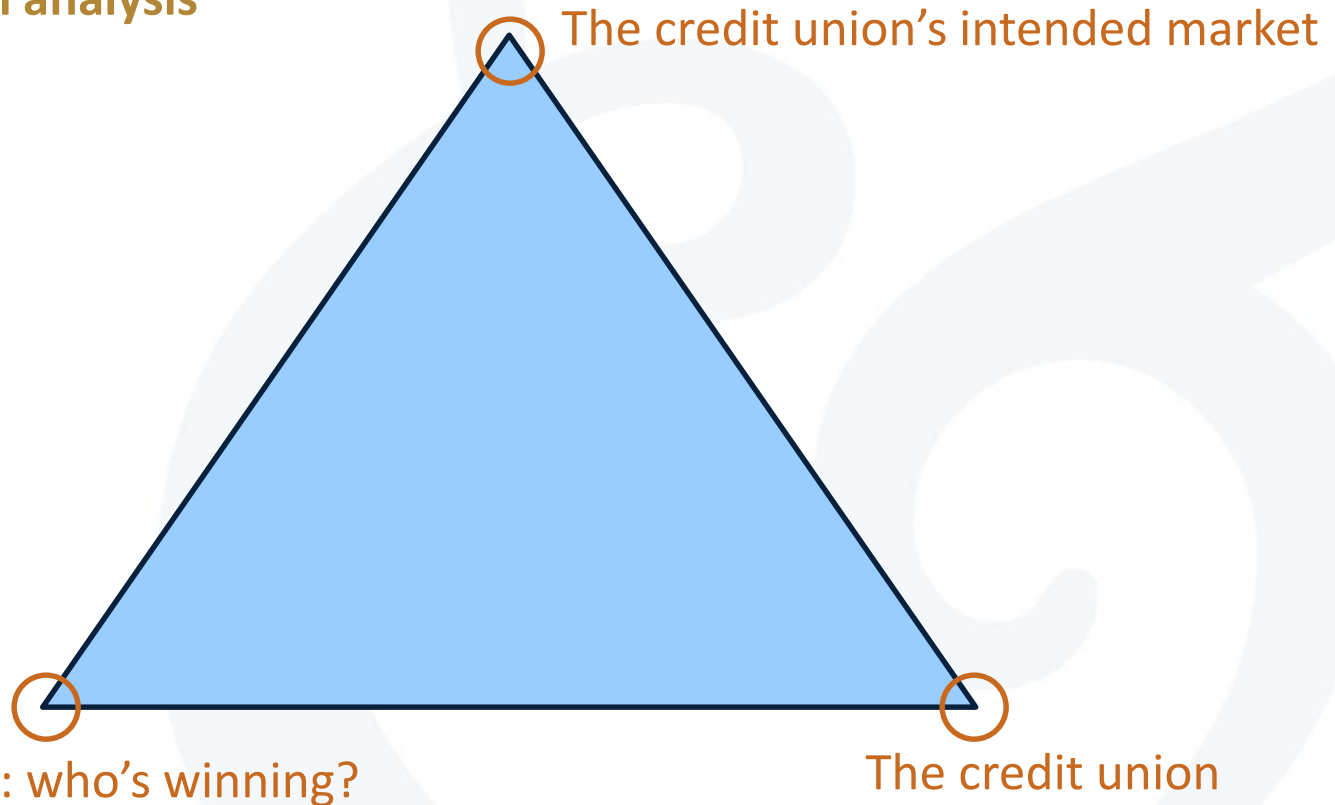
# Core Strategic Questions

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- Where will we play?
- How will we win?
- What is our winning aspiration?
- What capabilities need to be in place?

# Strategic Framework: The Competitive Triangle

Looking from the outside in:  
“environmental analysis”



# Incorporating Member Feedback

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- How can you engage more deeply with your core membership?
- How are you soliciting & capturing member feedback?
- What information would help inform your planning process?

# East County Schools FCU

## (\$111M, El Cajon, CA)

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- Closed FOM: 15 school districts
- For 2018 strategic planning session, expanded beyond board and management to include members and potential members
- “We thought these non-members would be the least engaged people at our planning session,” Devan says. “But that wasn’t the case. We heard: ‘We knew you, but until we got here we didn’t realize you guys walk the talk.’”



**EAST COUNTY SCHOOLS**  
FEDERAL CREDIT UNION

# The 12 Categories of Ideas

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- Technology (Mobile, online new member account opening)
- Branch Configuration/Functionality (modern look and feel, self-service functionality, Saturday hours)
- Web Services/Development (Updated website, website and apps designed for ease of use)
- Training (Product and security training for members, fraud prevention)
- Mobile/Video Banking (FaceTime with members, live chat on mobile and online, on-site appointments)
- Member Rewards (Cash vs. points)
- Financial Planning ("Loan Doctor" for financial checkups, PERS/STRS counseling)
- Cashless Environment (Electronic forms of cash)
- Remote Services ("Uber Cash," create a walk-in-feel to online services, continue to place ATMs at school district offices)
- Changes In Policy (More options for low-income families)
- Employee Flexibility (Telecommuting)
- Community Engagement (Centralized purchasing, a GoFundMe program for teachers, create Financial Wellness Computer Lab for students and school employees)

# Other information sources

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- Member surveys and focus groups
- Topic-specific research
- Topic-specific experts
- Credit union executives

# PURSUING OPPORTUNITIES

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# Key Planning Questions

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- What are our best growth opportunities?
- What capabilities do we need to build on?
- What gaps do we need to address?
- What investments should we be making to enhance member value?

# Targeting Younger Members

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- Corporate goal to attract younger members – *18-34 year old demographic*
- Most college graduates have *little to no credit; which is a requirement of the Graduate Loan program*
- Find a way to offer a *good deal on a starter loan* and help *build new member relationships* while limiting risk



# Truity's Graduate Loan Program

Young professionals have many financial options. Our graduate loan program will give you a positive way to get started and build your credit with several different kinds of good, low-rate loans. Take a look below and talk to a loan officer about your situation.

Details

Related Products/Services

Disclosures

The graduate must have proof of graduation, proof of employment offered in their field and limited or no credit experience. The loan package options are as follows:

- Auto loan up to \$25,000 subject to the value of the vehicle and the term of the loan.
- Line of Credit up to \$1,000 for overdraft protection.
- \$5,000 limit Platinum VISA card.
- Personal loan up to \$3,000 for 24 months for moving expenses, utility hookups and deposits, etc.

Talk to a Loan Officer about your situation. Call today **800.897.6991**

**APPLY »**

## Graduate Loans

*Build Your Credit Now!*

**Apply**

**Make Payment**

**Customized lending for the recent college graduate**

**FREE** Online Banking

**FREE** Mobile Banking

**FREE** Financial resources **BALANCE** and **MyFinance**

<https://www.truitycu.org/graduateloans>

# Additional Products & Services



## Graduate Loans

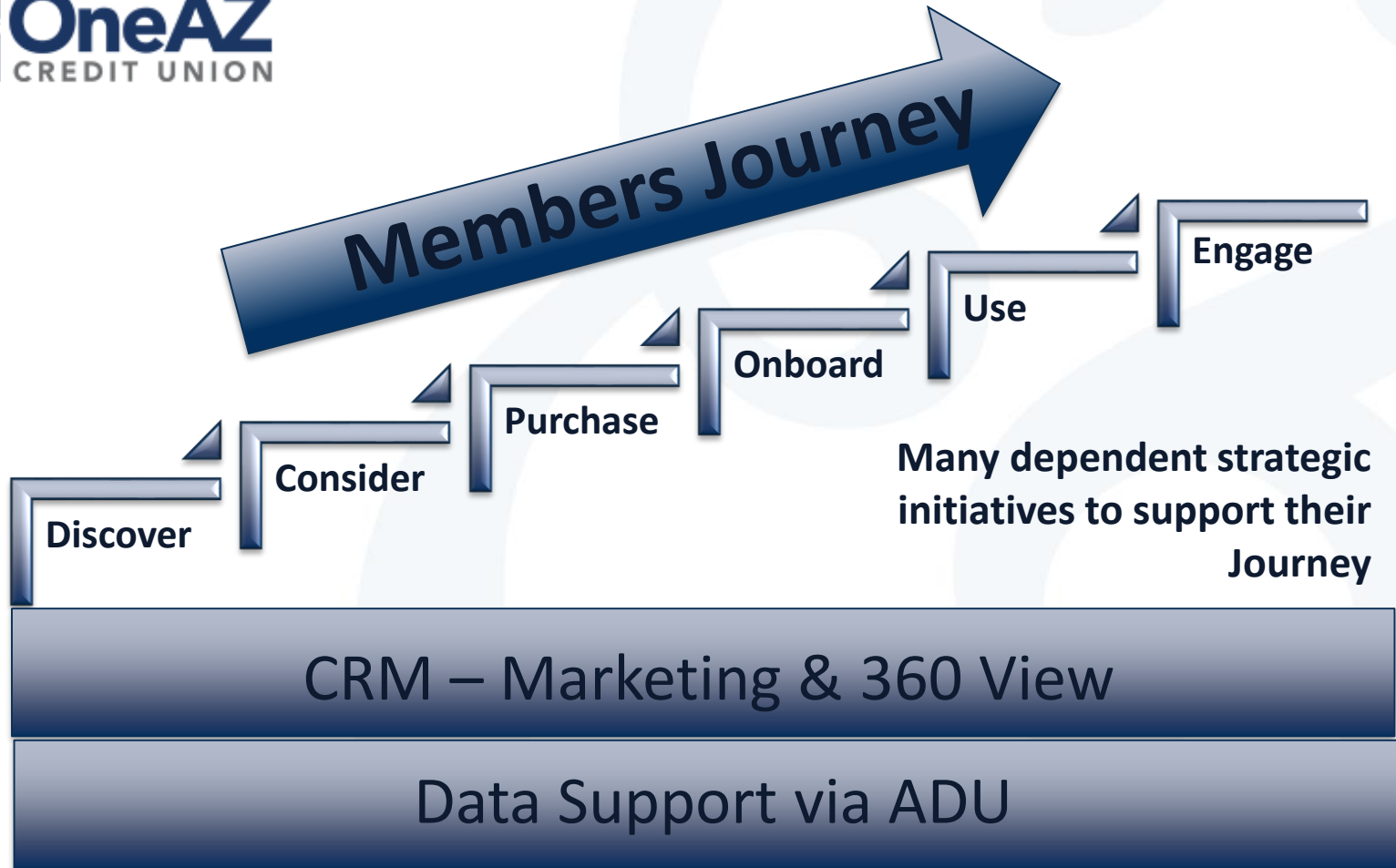
- Free checking
- Overdraft Protection
- Online & Mobile banking
- My Finance Tool
- Balance Financial Fitness
- New Hire Seminars with SEG's
  - First Time Home Buyers
  - Planning for Retirement
  - Understanding Credit



# Engaging Members: Dupaco's Learning Lab



# Using Data to Engage Members



# Harnessing Innovation: Imagination Lab

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- After training, Lab members bring their ideas to life, test them, and report on their findings, sharing their knowledge freely.
- This ensures the Imagination Lab has a **bench of advocates** for the advancement of the program.
- The group initially focused on **exploring new technologies**.
- Now, TwinStar **identifies pain points, problems, and opportunities** to improve.
- Then, lab members **work through the departments and vendors** to determine whether they can be, or need to be, improved.



# FinTech Partnerships: DCU's Innovation Center

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# DCU's Innovation Center

## 18 Startups

- 2 cohorts/year of 8-10 startups



## Space & Staff

- 15 desks + 16 seats
- 1 Exec. (20% time) + 1 FT Director



# Community Impact

**FORT KNOX FEDERAL**  
**CREDIT UNION**  
*People Helping People*



More and more veterans are cultivating their entrepreneurial skills as they leave military service. To help Fort Knox area veterans make that transition, Fort Knox Federal Credit Union and the Kentucky Small Business Development Center (SBDC) will host an Operation Veteran 2 Entrepreneur workshop/seminar on August 15 at the Credit Union's Main Branch office at 3939 South Dixie Blvd. in Radcliff.

The free half-day workshop will provide mission critical information to help veterans build and grow their small businesses. Fort Knox Federal sponsored a similar event last year.

Join us for the workshop on August 15 from 9:00 – noon.

**Keynote speaker – Lt. Governor Jenean Hampton**

The topics below will be covered in the sessions:

- Management assistance
- Financing options
- Business planning



# PREPARING FOR A SUCCESSFUL PLANNING SESSION

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# Tips for an Efficient Process

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- What is the timeline?
  - For both the planning process and the strategic plan
- Identify key issues to address
  - Management, Board or both discuss planning priorities and topics of interest
- Determine the information needed to support the planning discussion
  - What insight or expertise do we want to incorporate?
- How will the session be managed?
  - A series of meetings or one event?
  - Discussion among the leadership team?
  - Bring in outside presenters?
  - Facilitated by a third party?

# Setting the Stage for Positive Outcomes

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1. Determine the objective(s) of the planning process
2. Start the process in advance of the meeting
3. Provide an outside perspective to your credit union
4. Be bold!
5. Define what success means for your stakeholders

# More than a one-time event

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- Market dynamics can and do change quickly
  - Track and discuss changes with your management team and Board
- Allocate time at Board meetings for discussion of strategic initiatives
  - Create a Board calendar that incorporates periodic discussions of topics like member service usage, competition, technology trends, etc.
- Your strategic plan is a living document
  - It should evolve with the environment

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# Questions & Discussion