



Five Critical Areas for Credit Unions to Grow and Prosper

by Mark Arnold

Focus on These Five and You Will Succeed.

Credit union leaders and boards must set a course for their credit unions in the year ahead that will provide sufficient flexibility to adapt to the inevitable changes ahead, while leveraging available resources to protect the safety and soundness of the organization. The most important first step will be defining the areas to tackle.

Based on my work with credit unions across the country and my evaluation of what makes some credit unions outperform others, there are five critical areas on which to focus your efforts. Each of these needs a strategic goal that is measurable and attainable, and an action plan to produce those results. We'll take a closer look at each one in this and the next two articles, but for now, here are the five areas and the reasons they merit your immediate attention.

Efficiency

Finding ways to do everything you do better, faster, and cheaper has never been more important. That means that everything is open for discussion, evaluation, and possible elimination or enhancement. The goal here is developing a mindset within your team that is focused on finding better ways to do everything that you do... ways that are more cost-effective in terms of people, dollars, and time.

Business Development

It is imperative that you implement a solid plan that will create long-term growth in members for your credit union. Few credit unions have mastered this and even fewer have made the investment in skilled staff who know how to go about building the business. You need to ask for the order and make the sale so that those who are touched take action and become active, profitable members.

Technology

Many of today's and tomorrow's members interact with their financial institutions much differently than yesterday's members did. More of your members want to be served by technology that lets them control their interactions with you. One of the key differentiators between the high performers and the also-rans will be making the investments in the tools and people to help you refine and enhance those interactions.



Culture

When you mix together an uncertain economy and an entirely new generation of workers with a different set of expectations, it becomes important to actively engage in defining and developing your culture. If you call your people a team, you need to treat them as a team. They need team-based rewards, team assignments, and team recognition. Whatever the approach, devote time, energy, and resources to making sure that the culture is being lived throughout the credit union. That's the best way to build the loyalty and commitment you need to grow your people as you grow your credit union.

Branding

The simple reality is that 'credit union' is not a brand. If you want to create long term success, you need to define a clear brand that is recognizable and that defines your difference... the thing that people have to come to your credit union to get. It goes deeper than the logo, the building design, and the brochures; it defines your position in the marketplace and the minds of your current and prospective members, and lets them know that you are the credit union for them.

These five areas beg your attention as you work to define a strategy that will lead your credit union to long term success, and each needs your attention now more than ever. Talk about them, think about them, look for examples, and define your strategy, then take action to make it happen in the year ahead!

Part One: Improving Your Efficiency

Efficiency is job one for credit unions in the current economic climate. Finding ways to do more with less, reducing expenses without compromising service, and implementing systems that ensure consistency are at the heart of discussions happening in credit unions across the spectrum.

If you're serious about making an effort to improve efficiency, here are three things you must consider:

1. **Improving Processes**

Small changes in the way you do things can yield huge pay-offs. Over time some gaps have probably crept into your processes, and some of the processes defined in the past would not be defined the same way now. Review all of your processes with an eye on making them more efficient and more consistent throughout your credit union.

The simple act of putting your processes in writing and reviewing them will quickly reveal opportunities to reduce costs and improve efficiency. Remember: Your process improvement effort will take time and energy, but taking time to document and improve today will pay off tomorrow!



2. **Measuring Outcomes**

There is a saying: if you can't measure it, you can't manage it. The question to ask throughout business is how well are you measuring outcomes? If you want to reveal and correct the inefficiencies, you need to define the outcomes you are seeking and find ways to measure them on a day-to-day, week-to-week, and month-to-month basis.

The issue here is defining what the desired outcome looks like and finding ways to measure its achievement. There are things that can be measured... finding things that can be tracked so that people know how well they are doing will go a long way toward improving efficiency as your team becomes more focused on doing the things that matter.

3. **Outsourcing Support**

Credit unions outsource all the time with the software support and tools they use to deliver their services. But every function that you now do in-house should be evaluated and the potential for outsourcing it considered. Things like marketing, human resources, tech support, call center services, project management, and so forth are all possible candidates. For some credit unions outsourcing or sharing top leadership positions with other credit unions is even a possibility.

The point here is that there are new opportunities available for getting things done that do not require you to make the investment in people and departments. The key to your becoming as efficient as possible may well lie in finding ways to hire the things that you need from companies and individuals. And while there are other things to be considered in your decision besides costs, the very act of evaluating the alternatives will improve your perspective and lead you to do things better, even if you opt to keep doing them in-house.

ACTION ADVICE

Convene your leadership/management team and discuss the potential for improving efficiency within your credit union. Use the three items above as a starting point and define an action plan that allows you to get started on this important task. Don't let the enormity of the effort overwhelm...look for small steps that can be taken quickly and easily, the fast results will drive the effort forward and help you keep the effort on track!