

Strategic Planning For Small and Not-So-Small Credit Unions

“Those who fail to plan—plan to fail.”

Our credit union industry is feeling the pressure from competitive, economic and regulatory fronts. The exposure reaches every credit union in one form or another. In order to survive and continue providing outstanding service to member-owners, credit unions must keep their financial senses keen on the mission, objectives and strategies of their organization as well as the many external forces threatening their existence. Strategic planning is a process and a tool to keep credit unions on the right path, addressing issues and executing strategies that have been prioritized by board and management.

Strategic planning isn't just about building budgets, programs and people; it's also about pulling all stakeholders into alignment and cementing their resolve to a specific direction. Organizations succeed when all stakeholders work together as a team.

Strategic Planning for Small and Not-So-Small Credit Unions uses a flexible model that can be tailored to each credit union's unique planning needs. The following processes are suggested planning activities:

1. *Mission/Vision Statement*

Creation of a new statement or analysis of an existing statement is a critical part of any planning process. This process requires board and management to establish (or re-establish) what the organization is, what it stands for, and its vision for the future.

2. *Core Values*

This exercise can begin with staff and management long before the board and management sit down to plan. This exercise is designed to help identify the culture and sub-cultures that exists in the credit union. Core values are drafted to represent the true nature of what the credit union believes in and communicates to its members and the community. This process can also help to weed out misunderstandings and hidden agendas—a serious detriment to the unity of the organization, as well as the planning process.

3. *Key Success Factors*

As an alternative to SWOT analysis, this process helps the board and management focus on former decisions that have led to acknowledged successes (strengths). This singular focus stimulates a productive planning environment which then helps stimulate positive creativity for future opportunities. The “W” (weaknesses) and “T” (threats) are not the focus as in the SWOT analysis process

because in a mature organization, its threats and weaknesses are usually well known and acknowledged.

4. Objectives

This process answers the question, “What do you want to accomplish?” On average, most organizations develop 4 to 6 objective statements for a 2-year strategic plan. These statements are strictly developed by the board of directors after receiving supporting data and feedback from management. This process establishes the “direction” of the credit union by the board of directors.

5. Strategies

This process answers the question, “How are you going to accomplish the objectives?” Strategies can be developed by the staff after the planning session or during the session. Most board directors give management a specified time to analyze the objectives in order to develop budgets and timelines for accomplishing the objectives. A subsequent meeting allows management the opportunity to present the strategies which will then include *personnel, time and budget* implications.

6. Action Plans

Once the strategies have been approved by the board of directors, action plans can be drafted to show more detailed planning specifics to the strategies.

Facilitator Bio

Brian J. Barkdull is a 20-year veteran in the credit union industry. He has managed both large and small credit unions in three states including Idaho, Utah, and now in Arizona at the \$106 million American Southwest Credit Union in Sierra Vista, Arizona. He has also worked for four years at the Idaho Credit Union League consulting Idaho Credit Unions and assisting them with their products and services offerings. He has served on various state and national credit union committees including being elected to the Arizona Credit Union System Board of Directors and recently, two years as Board Chairman. Brian has facilitated credit unions as large as \$150 million in assets and is committed to promoting a strong planning culture in credit unions, especially smaller credit unions. He brings a wealth of credit union operational and philosophical knowledge to the planning table and can effectively pull together board and management into a positive planning environment.

Contact Information

Sandy Watts, Executive Director
Arizona Credit Union Foundation
Tel: 602-264-6701 or 800-352-0387 ext. 202
Email: swatts@azcreditunions.org

Brian J. Barkdull
Tel: 520-452-3099
Email: bbarkdull@americansouthwestcu.org