

# The 2020 Credit Union Leadership Guide

Solutions to the Top  
3 Questions Facing  
Credit Union Leaders



**LEADERSHIP**  
CONVENTION

July 28–31, 2020 • Paris, Las Vegas

**DISCOVER.**  
**EXPERIENCE.**  
**GROW.**



# Welcome...

British politician and writer Benjamin Disraeli famously said, "Change is inevitable. Change is constant."

We couldn't agree more.

So we brought together some of the brightest minds in the credit union movement as they were recently preparing their presentations for the **CU Leadership Convention** to reflect on the state of the movement today and how leaders can prepare themselves for what we know is inevitable – change.

We put forth three questions:

1. What is the number ONE challenge facing CU Leaders?
2. What is the single biggest mistake you see CUs making?
3. If you were to give Directors, CEOs and C-suite leaders ONE recommendation that would deliver the most impact to their CU, what would it be?

And we asked them to share just one more thing they would advise based on their experience working with CU leaders.

What follows is a thought-provoking and inspiring look into how directors and CEOs at credit unions of all sizes can lead and respond to the dramatic changes facing the movement today. We hope that this book provides CU leaders with a deeper level of understanding of the challenges – and opportunities – that lay ahead.

Sincerely,



Dennis J. Sullivan

**Chairman, Annual CU Leadership Convention**

[www.CULeaders.com](http://www.CULeaders.com)

# What is the #1 challenge you see facing credit union leaders today?



Keeping up with changes in the marketplace in order to truly compete. Change is tough on staff, and management knows it, so they let opportunities pass them by, all the time. Just as they are getting used to the last new technology, something new comes along and things change. Staff complains, management concedes, and the next new thing that would really help...gets pushed aside. Change happens! We all need to get used to the pace of change, and learn to embrace change by “teaching change” in our organizations, if we are going to compete. That’s just the way business is, and it’s the way it’s going to continue to be. All Credit Unions do strategic planning, and the whole point of strategic planning is to think through, plan and then implement change.

**Walt Agius, CEO, CU Sol and CU Lending Edge CUSO’s**

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going to compete.**

**- Walt Agius**

As competition increases and technology is getting smarter, we see the credit union industry facing a number of challenges in optimizing their business models to remain relevant and financially sustainable. For example, your members’ expectations are shaped by the great services they receive elsewhere – such as Amazon, Starbucks’ mobile app, and other apps that provide instantaneous feedback and answers. As a result, the bar seems to be raised higher, more quickly, by traditional and not-so-traditional competition. Building relevance in this kind of environment is dependent on key challenges. Deciding and executing on the business model that leadership feels will keep the credit union relevant is tough, but necessary. Also, the fight for talent is fierce. A growing challenge is the ability to acquire and keep the right talent who can think strategically while operating in the grey, and who know how to execute on decisions timely and effectively.



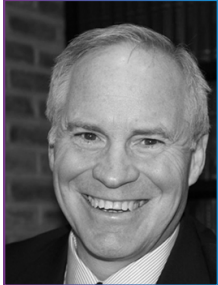
**Rob Johnson, Executive Vice President/Principal,  
C. Myers Corporation**



Complacency. There is often little incentive to “push the envelope” in our industry. We need to continue to innovate and hold each other accountable or we may become yesterday’s news. We have a great industry! Let’s expand and improve it!

**Chris Lawrence, Financial Advisor, Greenlaw Partners, Former CFO at  
American First CU**

# What is the #1 challenge you see facing credit union leaders today?

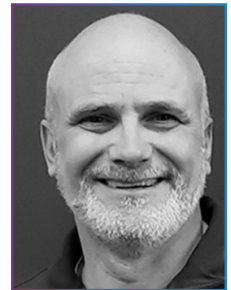


The number one challenge for credit unions are keeping pace with changing consumer service expectations. There are three questions I ask my clients. (1) Do you believe that in order to successfully compete the credit union will need to provide services that are on par with the speed and convenience offered by FinTech competitors and that will be offered through artificial intelligence? (2) If yes, do you have the scale and resources to develop the technology and expertise on your own? (3) If not, do you have a plan of how you will acquire the needed technology and expertise?

**Guy Messick, President, Messick Lauer & Smith**

Continuing political challenges from the banking side on the tax-exempt status of Credit Unions.

**Derek Tyree, Director of Talent Development, STCU**



We believe the biggest challenge is to find a way for your credit union to be truly relevant in the lives of your members. As consumers of credit union services, what's most important to your members is their financial well-being. To be relevant in their lives, be viewed as a financial partner in all their life events. Unfortunately, many members view your credit union as simply an errand like going to the post office or the grocery store. Others actively use your electronic and digital services with little opportunity for connection and advice. These transactional experiences allow for little differentiation, loyalty or future growth. To become relevant to members we believe you must get serious about improving their financial health.

**Barb Sanfilippo, Co-founder, High Definition Banking**

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# What is the #1 challenge you see facing credit union leaders today?



Building a unique brand that cuts through the noise of all the messaging consumers are bombarded with.

**Kenneth Bator, President, Bator Training and Consulting**

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**Transactional experiences allow for little differentiation, loyalty or future growth. To become relevant to members we believe you must get serious about improving their financial health.**

**- Barb Sanfilippo**

Over the last five years, our industry research has continued to find that around 85% of credit unions lack a well defined digital growth strategy. A smaller study conducted in the summer of 2019 ahead of one of the industry's leading school of strategic marketing found that 97% of those in attendance lacked a digital growth strategy. As a result, credit unions continue to struggle to gain traction and make progress along their digital growth journey. Without a well-defined plan of action or strategic roadmap to guide the way, credit unions will continue to end up simply “dabbling in digital.” It is true that more and more credit unions continue to build new websites, place digital ads, send emails, and post content on social media, but until they have a strategic plan that first ties all of this activity together in a unified marketing and sales operating system, credit unions will struggle to prove the value digital is creating on the bottom line through leads, loans, and deposits. The good news is that it does not have to be this way as our research has also found that for those credit unions that commit to defining a digital growth strategy, they have also maximized their digital growth potential by increasing digital leads, loans, and deposits by as much as 1,500%.



**James Robert Lay, Founder and CEO, Digital Growth Institute**



Focusing on the short term. This is true with demographics. The country is experiencing a dramatic demographic shift and the credit unions may not be proactive enough to focus on the members that they will have 10, 15, 30 years from now.

**Victor Corro, CEO, Coopera Consulting**



# What is the #1 challenge you see facing credit union leaders today?



Building trust with the digital consumer. Unless you already have top of mind awareness with your target market for all of your products and services, you are, at best, on the same footing as every other financial service provider with a website..

**Jim Craig, Co-Founder, Conotext, LLC**

Member/Consumer Relevancy. With consumer expectations pertaining to the customer experience they expect continually increasing, our ability to be nimble, launch products and services that continue to compete and provide relevancy in our members' lives will be a challenge. Certainly a challenge that we can meet, however, this will require ongoing strategic planning and strong digital strategies.

**Val Mindak, CEO/President, Park City Credit Union**



Getting ahead of change with the demands of technology and preparing the leadership pipeline for the next generation of CU leaders. Also, provide training for the next generation of CU leaders. Technical training is valuable but the personal development training is most valuable. When people improve personally, the organization and their department improves as well.

**Dr. Samuel Jones, Owner, Life Changing Presentations**

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# What is the SINGLE biggest mistake you see credit unions making again and again?



Poor Balance Sheet Management and not accounting for Opportunity Cost. For example, a Net Worth Ratio and a high cash position earn points with the Regulators, but those things don't earn you any money. If you reduce those ratios, you will make more money that you can give back to your members. What's the right ratio? More is not necessarily better!

**Chris Lawrence, Financial Advisor, Greenlaw Partners, Former CFO at American First CU**



Get even more deliberate on prioritizing the things that will take the institution to the next level, thinking more critically about what should NOT be done, and building a culture of being great at execution.

- Rob Johnson

Talk, talk, talk, talk, talk and no action. I can't tell you how many times I have heard through the years "That's a great idea." "We should do that." "We talked about that years ago, we just never did it." And then nothing happens. For various reasons the vast majority of credit unions have always been way behind the market. In some ways that has been good for some Credit Unions, but certainly not for the 17,000 charters that have been lost over the years. No one ever started a Credit Union for the purpose of merging it in the future. Yet, we have lost so many CUs over the years. Most, not all, as a result of inaction. Don't stop talking - that's a key...But start acting and stop pushing things back. Try new things, and whatever doesn't work, end it. Keep the good stuff. We are all so worried about making everything we do perfect, successful, that we miss a lot of opportunities. Smart people have a unique way of looking at all of the negatives about something, assessing and voice all the reasons something might not work, or how it might be a liability. Smart people have a way of picking anything they don't like, apart. We need to get smart in a more positive way, and try things early on, then adapt and change as we move along in the process of implementation. Too many times I see credit unions thinking things to death.



**Walt Agius, CEO, CU Sol and CU Lending Edge CUSO's**



Fighting the desire (stuck in the past) to expand and transform member service into member experience. The CUs that do not embrace change and partnerships will not stand the challenging times.

**Dr. Samuel Jones, Owner, Life Changing Presentations**

# What is the SINGLE biggest mistake you see credit unions making again and again?



Trying to build a brand that will never be supported by their culture.

**Kenneth Bator, President, Bator Training and Consulting**

Following closely behind lacking a well defined digital growth strategy, the biggest mistake our research finds credit unions continue to make over and over again is the fact they lack defined digital consumer journeys for every single one of their major product lines. Just like 85% of credit unions lack a defined digital growth strategy that unifies digital marketing and sales activities, 86% of credit unions lack defined digital consumer journeys. The way people shop for financial products and services has changed forever as more than 80% of consumers begin their journey online with a Google search. This number increases to 97% for those in the market for a mortgage. However, it is strategically important to note that digital alone is not the answer to the digital consumer journey. The exponential growth opportunity for credit unions is found by mapping consumer journeys that are powered by digital to connect people together early, often, and higher up in digital consumer journeys than what many credit unions are doing today. This can be simplified into a strategic formula: DX (Digital Experience) + HX (Human Experience) = Growth



**James Robert Lay, Founder and CEO, Digital Growth Institute**



Not knowing who their members are now and who they will be in the future.

**Victor Corro, CEO, Coopera Consulting**

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# What is the SINGLE biggest mistake you see credit unions making again and again?



Sharing too little REAL knowledge through their digital channels. Too many credit unions only share “click bait” content like simple platitudes or “top five things” lists on social media and blogs.

**Jim Craig, Co-Founder, Conotext, LLC**

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The pace of change is increasing and if a competitor is able to scoop up your current and future members, your efforts to recapture them may be too little too late. Act now!

- Guy Messick

All credit unions are unique, so they are not making the same big mistakes. That said, few credit unions have the necessary focus on two key areas: Strategic implementation and testing how strategy could impact earnings and net worth, long term. Regarding strategic implementation, often the senior management team returns from strategic planning quickly realizing that they agreed to add more projects to the pile of projects that already exist – with many of those already behind schedule. Even more concerning is the fact that the projects with the greatest potential for driving the success of the credit union’s strategy are not always getting done. A solution to this is to get even more deliberate on prioritizing the things that will take the institution to the next level, thinking more critically about what should NOT be done, and building a culture of being great at execution. Also, few credit unions invest the time to understand the long-term impact to profitability and net worth should their desired strategic plan come true. Some strategies sound good, but when tested, leadership teams could learn that they may not have the desired impact. Investing a little more time to consider the potential long-term financial impact over the next 3-5 years of strategies under consideration could help to inform strategic thinking and the direction of a strategic plan.



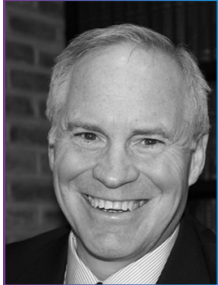
**Rob Johnson, Executive Vice President/Principal,  
C. Myers Corporation**



Not setting retail-focused relationship strategies. We are in a retail-world and we need to expect that our management teams are driving an internal culture designed to capture larger share of wallet.

**Val Mindak, CEO/President, Park City Credit Union**

# What is the SINGLE biggest mistake you see credit unions making again and again?



The biggest single mistake is the failure to consider the urgency of the need to supplement how credit unions interact with members and deliver services. Consumers want convenience, speed and customized services. To meet those expectations, credit unions need technology tools and expertise. Yes branches are important but if you don't have robust and "cool" digital and mobile platforms, members will look elsewhere for financial services. The pace of change is increasing and if a competitor is able to scoop up your current and future members, your efforts to recapture them may be too little too late. Act now!

**Guy Messick, President, Messick Lauer & Smith**

Competing with each other.

**Derek Tyree, Director of Talent Development , STCU**



We see credit unions invest significant dollars in technology, CRM's and upgrading their digital capabilities. Of course, this is important to be competitive. However, minimal resources are allocated for staff training and skill enhancement. Please remember technology alone does not build relationships-- your people do! To get an ROI on your technology your credit union must also invest in elevating the role of your staff and training them to be proactive relationship managers capable of engaging members in deeper conversations. This means your staff must always ask themselves, what don't I know about this member? I wonder what their top financial goals or dreams are? I wonder if they are happy with their ability to save. I wonder how they imagine their lifestyle later in life. They key to growth and relevancy is when your staff can make an emotional connection with a member. They do this by finding out what is most important to the member, entering the information in the profile and using that information to build a relationship of trust. Your staff is the key to build strong relationships assisted by the technology.

**Barb Sanfilippo, Co-founder, High Definition Banking**

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# If you were to give directors, CEOs and C-suite leaders ONE recommendation that would deliver the most impact to their credit union, what would it be?



Grow! Economies of Scale are now way too material in our industry. The larger you are, the better your rates, your technology (and service), your footprint, your ROA, your ROE, your... this is too long a list to type here.

**Chris Lawrence, Financial Advisor, Greenlaw Partners, Former CFO at American First CU**

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**The digital consumer journey must be at the heart of any digital growth strategy as the way consumers shop for and buy financial services has changed forever.**

**- James Robert Lay**

Two words. Do it! If you know you need to do it, but don't know how to do it today, or you don't understand it, utilize the resources you have and the resources in the industry via your existing providers and others, to do the next big thing. Even if you tried it in the past and it didn't work, try it again, but do it different. There are so many providers out there to help you with just about anything you want to do. CUSOs cover over 140 different products and services. Use a CU resource first if you can. If it's not there, collaborate, aggregate and build what is needed, together. Chances are, whatever it is you are thinking about doing or need, other CUs need it too! Maximize existing resources. Don't spend time recreating the wheel. CUs say, we are going to do that ourselves. While commendable, in many cases it's not an efficient or effective use of resources. If more than one other CU also needs to do it, collaborate to get it done. Collaboration is harder in the short run, but are you in it for the short, or long run? We have made so many other providers wealthy over the years, and we have great collaborative (CUSO) models of success. Let's capitalize on the CUSO model more, and do it, by solving those problems and creating solutions - together!



**Walt Agius, CEO, CU Sol and CU Lending Edge CUSO's**



Invite your young leaders to the table and ask them for their input and give them the responsibility and authority to expand the CU footprint for a younger membership base. This is the future of the CU.

**Dr. Samuel Jones, Owner, Life Changing Presentations**



# If you were to give directors, CEOs and C-suite leaders ONE recommendation that would deliver the most impact to their credit union, what would it be?



The number one piece of advice that I give every business is if you do nothing else create service standards from the base of your organization chart and adhere to them everyday. That will give you a stronger culture and a foundation to build a brand that will resonate with your FOM.

**Kenneth Bator, President, Bator Training and Consulting**

Taking time to map marketing, sales, and the service activities, along with the content, stories, and technology required for each one of the stages of digital consumer journey (for every single key product line), will serve as both a competitive and strategic advantage while creating exponential value for years to come. The digital consumer journey must be at the heart of any digital growth strategy as the way consumers shop for and buy financial services has changed forever. And we must remember our role as credit union leaders is to not be the hero, but in fact, the helpful and empathetic guide leading consumers in the communities we serve beyond their financial stress towards a bigger, better, and brighter future. Simplified, the digital consumer journey consists of six different stages that are framed around what we call the BANCER's Strategy Circle for Exponential Growth. B: Build an audience with data A: Attract leads from the audience with personalized content N: Nurture leads with content and automation C: Convert leads for loans and deposits E: Expand relationships by delighting accounts R: Rally advocates by asking for ratings, reviews, and referrals



**James Robert Lay, Founder and CEO, Digital Growth Institute**



Find out the population growth projections and demographic characteristics that they will have knocking at their physical and virtual doors 10, 15 and 30 years from now.

**Victor Corro, CEO, Coopera Consulting**

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# If you were to give directors, CEOs and C-suite leaders ONE recommendation that would deliver the most impact to their credit union, what would it be?



Invest the time and resources to share the decades of knowledge your branch staff has with your members through your digital channels. The more knowledge you share the more trust you earn!

**Jim Craig, Co-Founder, Conotext, LLC**

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Taking time to map marketing, sales, and service activities, along with the content, stories, and technology required for each one of stages of the digital consumer journey (for every single key product line), will serve as both a competitive and strategic advantage while creating exponential value for years to come.

The future will be an opportunity for those who embrace uncertainty and are forward-thinking and intentional about optimizing their business models before it is necessary. Evaluating your current business model today and gaining buy-in among all stakeholders on what the desired future business model looks like tomorrow, ensures your decision-making is moving your credit union toward long-term relevancy. It is essential for your team to come together on the answers to these questions: 1. Why do we exist? 2. Who should be in our target markets? 3. What should our value propositions be for each target market? 4. What core strengths are necessary to deliver on these value propositions? 5. What, if anything, do we need to change in order to cultivate these core strengths?



**Rob Johnson,**  
Executive Vice President/Principal,  
**C. Myers Corporation**



Yes we measure our success tied to the service that we provide our members, however, the word service is now encompassing the experience that the consumer receives during all points of interaction with the credit union. Consumers are expecting an intuitive service experience as they have so many choices. You can no longer settle for managers that are not willing or able to be measured on their effectiveness to empower, excite, coach and develop staff to embrace a retail member service experience.

**Val Mindak, CEO/President, Park City Credit Union**

# If you were to give directors, CEOs and C-suite leaders ONE recommendation that would deliver the most impact to their credit union, what would it be?



CUSOs have proven time and time again that they generate net income by reducing costs through economies of scale and developing new income streams. CUSOs also enable credit unions to band together to acquire high levels of expertise at affordable rates. Despite these obvious and proven benefits, there are still credit unions that do not use CUSOs. My recommendation to our credit union leaders is to use one of the most powerful tools you have to meet the challenges of running a credit union...collaboration.

**Guy Messick, President, Messick Lauer & Smith**

Love what you do, love who you work with, love the members you serve, and love the challenges that come your way!

**Derek Tyree, Director of Talent Development, STCU**



Make it a strategic priority to advance beyond transactional product selling and implement a structured and sustainable relationship building and financial coaching process. Your primary focus should be to discover the anxieties, pain, goals and dreams of your members and ensure they leave with a plan to achieve financial wellness, not just a product. By structure we believe consistent processes need to be in place such as: an onboarding checklist with expectations, developing high-impact questions to engage members in conversation, entering notes in a member profile, preparing a pre-call plan before contacting a member and ongoing coaching with accountability. As financial coaches your staff will educate members, determine their money values, provide a budget, uncover their goals and provide a path to financial wellness. As a result, you can expect an increase in organic growth, ROI on your technology and most of all, staff pride in their role as a trusted financial partner.

**Barb Sanfilippo, Co-founder, High Definition Banking**

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# Reserve Your Seat!

You and your entire leadership team are invited to the #1 event for America's credit union leaders. Every year, we strive to make the CU Leadership Convention bigger, bolder and more inspiring.

**Our 43rd year is no exception.**

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Every morning we kick off the convention with some of the world's most inspiring and thought-provoking keynote speakers.

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- CEOs
- Board Chairs
- Directors
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- Chief/VP of Finance
- Chief/VP of Lending
- Chief/VP of Technology
- Chief/VP of HR
- Chief/VP of Member Business Lending



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