

“Is Your Strategy Keeping You Up At Night? – Maybe It Should” by Jeff Rendel, Certified Speaking Professional

Several years ago, a cross-section of entrepreneurs was asked what commonalities they shared as they built their enterprises. Contrary to what conventional wisdom might foretell – being listed on the “Inc. 500”, preparing for an emerging IPO, or being purchased by Google – the common thread was each executive went to bed every night and awoke each morning fully aware that prospective customers did not have their companies’ products or services. Getting those products and services into the hands of those in need of and without their wares was the foremost driver of strategy. Strategy focused on the top line.

During a recent planning session, one credit union’s chief executive offered this comment: “We have a tendency to overestimate what we can do in two to three years, but we underestimate what we can accomplish in ten years. Let’s build a business and operating plan for growth and profits for the next few years, but let’s be bold enough to state who we want to be in ten years and work to see it through.”

As your credit union moves into its planning season, you may discuss, deliberate, and develop a plan for loan growth, margin management, increased market share, new branches to build, and much more. This level of planning is important and it makes for a great business and strategic operating plan, but does it keep you up at night and wake you with zeal each morning? Does it create an entrepreneurial spirit throughout your credit union?

All credit union executives and directors recognize that strategy is significant. Strategy is more than a statement of where you will compete and how you will prosper; strategy is more than convincing your members, with good reason, to give your credit union more of their business; and, strategy is more than making the most efficient use of your credit union’s resources.

Strategy is a commitment, backed up by a plan, to take what’s best about your credit union to your members – current and soon-to-be. Strategy should encourage, excite, and incent executives to deliver results. Strategy should keep credit union leaders up at night – and give them energetic reason to wake up early the next morning.

At this year’s planning session, consider adding some of these ideas to your agenda, discussion, and goals.

- Develop a strategy that stretches you and makes a big impression on your members. With your board, create a vision of what you want your members to experience in ten years. One credit union was daring enough to state, “We will be THE financial institution for all professionals in our field of membership.” While other credit unions and banks could and did serve these members, this credit union elected to own this share of the market.

- Point your strategic thinking toward objectives that steer revenue. The key influencers of your top line are your members. One credit union set an objective to “Double the value that our members receive as a result of their membership-investment in their credit union.” That sounds a lot like price appreciation and dividends that come with being a stock holder in a publicly-traded corporation. The credit union is achieving this objective by significantly increasing its ratio of loans approved-to-booked. The increased revenue and profits improve the members’ value via pricing, patronage dividends, new technology, and more personal levels of service. And, the credit union is able to show the dollars and cents value of membership. Current members appreciate their tangible benefit of membership-ownership and new members are joining in record numbers.
- Keep your strategy natural to explain and simple for all to appreciate. Summarize your strategic selections into down-to-earth terms and ideas that allow all to participate in carrying out – at governance, executive, managerial, and staff levels. Enterprise-wide strategy demands enterprise-wide buy-in that all accept and work to achieve. One credit union makes their goal of “increasing each member’s profitability” very direct with, “We will always look for ways to help members earn more, save more, and more easily go about their financial lives.”

Strategy drives revenue and revenue, managed efficiently, fuels and sustains profits. More important, impressive strategy sets several top-line centered objectives and creates clear-cut and concentrated plans for what your credit union can, should, and will be for its members. That’s an excellent start for increasing the likelihood of your credit union’s success and an even better foundation for strategy that keeps you up at night and awakes you early each morning.

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