

## **“Disruption: It’s Always Been ‘Here to Stay’”** by Jeff Rendel, Certified Speaking Professional

Ask any credit union CEO when he or she last recalled a day without disruption in the industry and you will wait a while for an answer. Disruption has always been with us – branch networks, online banking, mobile payments, Bitcoin, and the list **will** go on. While changes compel us to continually renew our business models, nearly all modifications benefit our members. As members profit from change, they expect a new level of excellence sooner than the last. Disruption is here to stay.

How are credit unions leading in an industry that requests day-to-day perspectives on existing business models? Below are summaries of practical and proven ideas where dozens of credit unions offer insights to help your credit union make disruption an anticipated element of everyday business. These credit unions discovered that the ever-changing nature of our business, and members’ expectations, is best met with **engagement**, **streamlining**, and **exploration**.

### **Engagement with your members.**

- Listening to members proves valuable. Rather than waiting for feedback, appeal for input through surveys, focus groups, and business development activities. Partnership in mind, recognize that members hold the key to identifying how to advance your products, services, technologies, and brand. When members speak, credit unions should listen – and act.
- Partner in your community to help guide change. SEG credit unions can look to SEG communities and seek ways that cross-collaboration helps SEGs and their credit unions succeed in interrelated ventures. Community charters can look for ways to bring elements of a community together – meeting space, networking, and introduction to other cooperatives. In short, seek ways to share value and succeed with distinct community partners.
- What’s disruption without mention of technology? Ensure that all processing partners (core, card, mobile) are equally focused on the future. How are these partners planning for and adjusting their products, services, and systems to allow your credit union to provide convenient, seamless, and meaningful experiences in financial services? If your members are telling you what they need (see above), are your partners ready to provide?

### **Streamlining your business model.**

- In many cases, operating efficiency allows for pricing flexibility and new investment options. When efficiency drives value, this provides capacity for growth. Seek scale and efficiency in all operations – revenue-producing and support-based. Measure success and set targets for every facet of your business. Lean business models allow for competitive adjustments when the pace of change accelerates and adaptations are essential.
- Focus on a particular niche field of membership or set within a larger field. There is considerable value in closed fields: affinity and loyalty is high, even in times of change. The shared culture of a well-niched credit union provides a unique benefit through its mutual connection. Niche markets provide abundant opportunity for credit unions with open fields of membership, too. Look for specific demographic sets that present significant opportunity

and build a business plan to generate strong affinity. Once established, you can take the standing, self-generated model and replicate it in other well-defined membership sets.

- If members are anticipating change, so must your internal culture. Discuss with staff members how financial services has changed through the years and how “we used to do business,” even if that past is somewhat recent. Then, describe what members will expect and how your leaders – at all levels – will help to foster growth and loyalty. Duties will change; what remains steady is your commitment to pragmatic change as a principal attribute of your culture.

### **Exploring new value.**

- Observing other retail services yields insights into changing consumer expectations and service standards. Studying new and established FinTech companies produces business intelligence into delivery methods that appeal to consumers. Exploring partnerships and investments in CUSOs and other entities can provide new sources of value for members, revenue for your credit union, and access to the technology that sets the tone for the future of financial services.
- As the industry swiftly advances, systematic monitoring and enrichment of strategy is exceptionally important. Assemble your executive team each month for a half- to full-day strategy session to deliberate prospects and obstacles to your current plans and tactics. This allows for real-time refinements, permitting your credit union to be nimble, when necessary, and always on guard for new ways to be an improved partner in members’ financial lives.
- Last, develop an executive team focused on creating change and capitalizing on shifts in the marketplace. Through education and association, task executives with designing and implementing improvements each year that increase revenue, efficiency, production, and the member experience. This requirement creates a team tasked with – and accountable for – intentional change and disruption.

One credit union CEO shared that she regards disruption as an active approach rather than an outside threat. If disruption has always been with us, perhaps the active pursuit of disruption is spot-on. When joined with engagement, streamlining, and exploration – it can deliver the next point of distinction that your members are counting on for you to present.

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Jeff Rendel, Certified Speaking Professional and President of Rising Above Enterprises, works with credit unions that want entrepreneurial results in leadership, sales, and strategy. Each year, he addresses and facilitates for more than 100 credit unions and their business partners.

Contact: [jeff@jeffrendel.com](mailto:jeff@jeffrendel.com); [www.jeffrendel.com](http://www.jeffrendel.com); 951.340.3770.