

## How to Use This Manual

In times of stressful conditions and imminent change, the quality of your strategic planning is revealed. Strategic planning is essential for credit unions to assure that they can take maximum advantage of opportunities that arise and minimize the impact of any negative changes in their environment. If your credit union wants to take control of its destiny — assuring its prosperity and its ability to maximize service to members — strategic planning is the tool you need to accomplish that goal.

The *Credit Union Strategic Planning Manual* lays out a step-by-step approach to setting credit union goals, evaluating the internal and external factors that affect achieving those goals, and then plotting the best course for the credit union considering all of these factors. The manual provides you with the tools, forms, checklists, model plans, and guidance necessary to conduct a meaningful strategic planning session resulting in a top quality strategic plan that can help your credit union analyze, set, and achieve its objectives. This manual will also help you in the essential steps of setting your strategic planning approach and focusing on the issues you need to address.

Many issues are important because they are urgent. For example, how to compete against a competitor's holiday CD promotion is certainly important, but probably not a strategic issue. However, an issue that might be a strategic one would be to determine if you should be monitoring your competitors' marketing program on an ongoing basis and making your own marketing program responsive to theirs in order to achieve your goals. Even with proper strategic planning processes in place, many credit union strategic planning sessions fall short of expectations because they fail to address the "real strategic issues." This manual will help you define those strategic issues and set up an organized structure to address them. The important issues of dealing with technology, field of membership, compliance, and human resources are among the most important for many credit unions and are dealt with in depth in this manual.

One important function of the strategic planning process is setting priorities. Without priorities, many of the benefits of strategic planning are lost. Many planning processes generate dozens of action items, only half of which are completed by the following year. Unfortunately, in the absence of clear priorities, the items that are completed are often the easiest to accomplish, not the most crucial. By prioritizing tasks, and keeping them reasonable in number, the strategic planning process becomes an effective tool — not a futile exercise.

The *Credit Union Strategic Planning Manual* will help you analyze which issues are important for your credit union and help you create a focus for your strategic plan. *Part I: Developing a Strategic Plan* introduces the concept of strategic planning and helps you get started on planning and conducting a strategic planning session. The Strategic Planning Worksheets introduced and explained in Chapter 2, *Beginning the Strategic Planning Process*, are provided in *Part V* of the manual for you to take out and assign to appropriate individuals to complete. Chapter 2 also contains a tentative model strategic plan for you to circulate and make changes to. In *Part II: Model Strategic Plan*, we provide a complete model plan for you to use to integrate the comments generated from the tentative plan.

*Part III: Internal Planning Processes* helps you focus your strategic planning in the essential internal processes of your credit union. Chapter 5, *Financial Planning*, discusses how the credit union's financial planning component relates to strategic planning. It provides a method to analyze your credit union's financial plan, including figures to help you add up expenses and income, and a model financial plan to see how a plan might look. Chapter 5A looks at improved earnings. Chapter 6, *Risk Management Planning*, helps you identify specific risk areas you should address as part of your strategic planning process. Chapter 7, *Budgeting*

Procedures, and Chapter 8, Credit Union Financial Performance Analysis, provide you with detailed guidance to deal with these important issues as part of your strategic planning process.

*Part IV: Specific Planning Issues* identifies issues that are strategic in nature and, therefore, should be addressed as part of your credit union's strategic plan. These issues are covered in Chapter 9, Technology Planning; Chapter 10, Marketing Plan; Chapter 10A, New Member Development; Chapter 11, Human Resources Planning; Chapter 12, Regulatory Planning Issues; and Chapter 13, Charter Issues. Each chapter explains why that particular issue is strategic in nature and provides guidance in analyzing the issue in terms of your credit union's strategic plan.

One of the most common traits seen in successful credit unions is the ability to embrace and analyze new ideas. These credit unions allow each new idea a chance to demonstrate its potential to the credit union. Each idea is given a chance to succeed. You hear statements like, "Let's look into debit cards," "Why shouldn't we look into relationship pricing?" or "Why shouldn't we give our members extended hours?"

You can't do the same thing over and over and expect different results. Even if your past results have been good, your members, your competitors, and the world are changing so fast that the same actions that caused the good results in the past will probably not produce the same results in the future.

Credit unions today must utilize sound business practices if they are to achieve the goals of furthering their philosophy and maximizing their services to their members. A credit union cannot maximize its potential by operating as it did 20 years ago. Members have changed, their needs have changed — and that includes the breadth of financial services they require. Credit unions cannot simply continue to offer the same products and services in the same way they did in the past. They must develop the internal resources to meet their members' changing needs. The truly successful credit union not only responds to members' needs; it anticipates changes in those needs through preparation and planning.

Upon payment for your *Credit Union Strategic Planning Manual*, you will receive a companion CD for the book, which contains the entire manual on CD, and checklists, worksheets, and tools that can be customized to suit your credit union's specific circumstances. The CD also contains agency issuances, regulations, and guidance for strategic planning, which are not found in the printed manual.