

“Perform or Transform: A Strategic Discussion” by Jeff Rendel, Certified Speaking Professional

The title says it all, and it’s a question posed to executives and directors during strategic and business planning sessions. Often, it’s easy to think tactically during planning sessions and discuss change around incremental improvements to current operations. In the dynamic landscape of financial services, particularly within credit unions, the delineation between operational matters and strategic vision is crucial for sustained success and growth. CEO-coach Marshall Goldsmith might add, “What got you here, won’t get you there.”

This requires a major shift in how, and how often, we discuss strategy.

While operational efficiency is the backbone of any credit union, the strategic focus must extend beyond day-to-day activities to encompass broader objectives such as entering new markets, evolving business models, and serving existing member bases more effectively. This strategic precision ensures that credit unions can adapt to changing market subtleties, seize growth opportunities, and remain competitive in a progressively complex environment. It also demands that directors ask, and executives continually communicate, the requirements and trade-offs for the next levels of growth, service, and success.

Operating matters typically revolve around the tactical execution of daily functions such as finance, lending, member service, and technology. While these activities are essential for the smooth functioning of any credit union, overly focusing on them during strategic discussions can limit the credit union's ability to innovate and evolve. Strategic conversations should instead center on long-term goals, market positioning, product innovation, and member engagement strategies. One CEO recently stated that planning discussions should be focused on the continuous need and plan to transform, as opposed to how a credit union intends to perform.

One of the primary reasons for steering clear of performance matters when discussing strategy is to avoid getting bogged down in the minutiae of day-to-day operations. While operational efficiency is vital, it should not overshadow the strategic vision that drives the credit union forward. By maintaining a clear distinction between operational and strategic discussions, credit union leaders can allocate their time and resources more effectively, focusing on initiatives that drive growth, foster innovation, and enhance member satisfaction.

Also, strategic discussions must focus on the next levels of business, which might involve expanding into new markets while simultaneously serving current sources of members more efficiently. Credit unions operate in an extremely competitive marketplace, where technological advancements, regulatory changes, and shifting consumer preferences constantly reshape the industry. To flourish in such an environment, credit unions must look beyond their current market reach and explore opportunities for expansion and diversification.

It’s a big ask – maximizing existing markets while seeking the next level of growth – but, this way of thinking strategically looks for change in order to lead the ongoing transformation of your credit union. By concentrating on these succeeding stages of business growth, credit unions can position themselves as forward-thinking and -acting institutions that are responsive to the evolving needs of their members.

Likewise, strategic discussions should encompass the evolution of the credit union's business model to ensure relevance and sustainability in the long run. This may involve embracing digital transformation, enhancing member experience and value, or forging strategic partnerships with fintech companies. By intentionally adapting to industry trends and technological advancements, credit unions can future-proof their operations and remain agile in a swiftly changing landscape.

While operational matters are essential for the day-to-day functioning of credit unions, they should not overshadow strategic discussions focused on growth, market expansion, and business evolution. By maintaining a clear distinction between operational and strategic matters, credit union leaders can allocate their resources more effectively, drive innovation, and position their institutions for long-term success in the dynamic financial services industry. It's been said that "leading at the speed of members" is the key to success and relevance. In line with the title to this article, how quickly and consistently is your credit union moving with and for its members?

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