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CU leaders and industry experts outline several challenges and considerations for organizations approaching this major growth milestone.

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CUES Video

How Can Credit Unions Build a Balanced Bench of Talent?

Lesley Sears, VP/talent development consulting for CUES, discusses how to prioritize the skills, abilities and knowledge needed at all levels to better plan your team's talent development.

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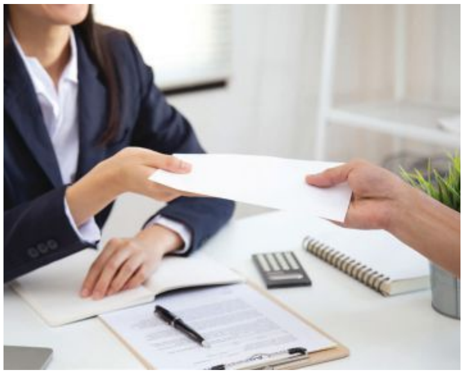

Online-Only Column

Salary Strategies to Help Staff Manage the Rising Cost of Living

Credit unions are leveraging a mix of compensation adjustments and one-time bonuses to address inflation in the midst of a tight labor market.

cumanagement.com/1122hranswers

CUES Podcast

Embodying 'Humble, Hungry and People-Smart'

2022 CUES Emerging Leader Zachary Churchill, VP/finance at USF FCU, discusses his experience in the CUES Emerge program, his thoughts on leadership and his winning entry, "The Case for a Data Analytics Team."

cumanagement.com/podcast138

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LET'S CONNECT

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A Soundtrack for 2023: *Stormy Weather Ahead?*

Will 2023 be a challenging year for credit union lending? All signs point to yes, but there are a few bright spots breaking that could prevent your lending program from becoming dust in the wind.

In our cover story, we present our annual lending outlook for the coming year. As the article predicts, the end of low rates will bring big ch-ch-changes in 2023.

A hard rain has (likely) already started falling on your mortgage and refinance business. Lenders originated $4 trillion in mortgages in 2021, reports Steve Hewins, SVP of CUESolutions provider CU Members Mortgage. That will fall to around $2.2 trillion in 2022 and even lower in 2023.

And since there ain't no sunshine when the loans are gone, you need to find a way to shelter from the storm. Home equity lines of credit and green lending products might have you singing in the rain.

Read more on p. 10, and here's hoping that, with careful work and prudent planning, your credit union will be singing "Here Comes the Sun" before too long.

Other highlights from this issue:

- Turn to p. 28 for a look at how the role, tools and skillset of the chief human resource officer needs to evolve to keep up with a changing employment landscape.
- Your cybersecurity protection also needs to keep up with the times. Credit unions are no longer defending a castle with a single drawbridge. Today, threats come from all directions. Read more on p. 14.
- No matter what you call it (omnichannel? digital transformation?), it's essential to offer consistent service and experiences across channels (p. 20).
- Find inspiration in our profile (p. 24) of 2022 CUES Exceptional Leader Kevin Martin, MBA, CUDE, CCE. "I've worked at Goldman Sachs, I've worked at Bank of America, and I am 100% convinced that credit unions are the best game in town for consumers," says Martin, EVP/strategic integration and member experience at $28 billion SchoolsFirst Federal Credit Union.
- And don't miss our special online feature, "Key Considerations for Crossing the $10 Billion Threshold." Read it at *cumanagement.com/112210billion*.

Theresa Witham
VP/Publications & Publisher

P.S. Check out my Spotify playlist (*tinyurl.com/stormyweatherplaylist*) for all the songs mentioned here and several more! What songs would you add to this list? Let me know and I'll add them!

YOUR THOUGHTS

WHAT IS YOUR CU FORECASTING FOR LENDING NEXT YEAR?

>> Email your answer to **theresa@cues.org**.

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This Way to a *Disney-Level Sales Culture*

BY ADAM PICKETT

It was the fall of 1999, and instead of starting my sophomore year in the classroom, I was spending the semester working in merchandise on the Walt Disney World College Program.

At the end of my "Be Our Guest" class for new Magic Kingdom Cast Members (Disney's name for employees), one of the trainers left us with a message that still resonates 20 years later.

"Don't ever lose sight of the connection you'll have with every Guest you meet," he implored. "The Cinderella Castle snow globe or Mickey Mouse toy someone buys aren't just pieces of merchandise—they are keepsakes that instantly transport our Guests back to the magical memories they made here at Walt Disney World."

FINANCIAL PRODUCTS ARE YOUR "KEEPSAKES"

The products you offer your members are the tools that will positively impact their financial lives. A personal loan isn't just a way to consolidate debt; it gives members comfort and peace of mind as they battle inflation and an uncertain economy. A car loan isn't just a way to get a new vehicle; it allows members to accommodate their expanding family and ensures their kids arrive safely to their soccer games and dance recitals. And a mortgage isn't just a way to buy a property; it's the catalyst for members to live the American dream.

Your team members are the key to unlocking the financial dreams of your members, but they must be properly equipped to identify opportunities, share products and services, and most importantly, not be afraid to have a genuine and open conversation with their members.

DISNEY NEVER MISSES AN OPPORTUNITY

In addition to their incredible guest service, Disney has mastered the art of creating ways to enhance your vacation experience.

When you book a Walt Disney World trip, one of the first products they offer is Disney's PhotoPass, which captures all your images throughout the theme parks. Cast Members who schedule your dining reservations will always ask if you're celebrating a special occasion to see if you'd like to make the experience extra magical.

And Disney is famous for having attractions exit through their shops to give you an opportunity to purchase ride-specific t-shirts and souvenirs, allowing you to take a piece of the magic home.

Now, imagine you took a vacation to a Disney park and none of these products were offered. How would you feel finding out, after the fact, that you could have purchased all the pictures from your trip, enhanced your daughter's birthday dinner or brought home your son's favorite attraction on a "Haunted Mansion" t-shirt?

The same holds true for your members. It is your mission and obligation to make sure the right products are presented at the right time to impact their financial lives. Your members may not even be aware of everything your credit union offers. Others may not understand the details of certain products or how they could directly benefit from them. And some may be so busy with life they simply forget to ask about a product even when they stop by a branch.

"Sales" is not a dirty word; it is the only way to truly serve your members.

SERVICE WITHOUT SALES ISN'T GREAT

At Accelergy, we have yet to encounter a credit union that doesn't have a focus on providing excellent member service. However, most CUs don't have a sales culture on par with their service standards, which hinders the overall member experience.

One of my friends recently experienced this first-hand. Lucia had fraud on her debit card and needed to get a replacement. On the drive into her CU, she started thinking about getting a HELOC. After 19 years in their house, she and her husband had significant equity and were contemplating several home improvement projects.

Arriving at the branch, she was warmly greeted by the front desk team member who promptly assisted with the fraud issue. He expedited the request and was courteous and attentive throughout, providing excellent service while her new card was being processed.

However, as Lucia drove away, it dawned upon her she neglected to ask about a HELOC. No one took the opportunity while she waited to discover what was happening in her financial life. While Lucia received excellent service, she ultimately had a subpar member experience because she didn't get any information about a HELOC!

SYSTEMIZE PRODUCT DISCUSSIONS

I will let you in on a little secret: Disney doesn't always hire elite sales talent or individuals with extensive sales backgrounds. They have built an outstanding sales culture that turns team members who excel at guest service into natural salespeople with the right processes, infrastructure and training.

The good news is you can implement the same strategies at your CU. For each product, we recommend documenting every step of every process and building out the supporting elements that go with each: discovery questions, key benefits, talking points, common objections and next steps. Establishing processes allows your team to feel comfortable having sales conversations with members while eliminating the feeling of being "salesy." And it makes sure members are being offered the right product at the right time.

If you or your CU still thinks "sales" is a dirty word, it is time to change your mindset.

Adam Pickett *is founder/president of Accelergy Consulting* (accelergy.co)*, Winter Garden, Florida. Combined, the Accelergy team has over 30 years of experience working for Disney, where guest service is paramount.*

GO DIGITAL WITH YOUR LOAN MARKETING

Nearly 60% of people would consider another lender for a mortgage loan, auto loan or credit card.[1]

Deepen relationships with members and stay top of mind with always-on, multichannel loan offers at their fingertips. Be in front of your members consistently by providing:

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Combining proprietary consumer data and timely alerts from multiple credit bureaus offers the best opportunity for acquiring new loans.

60% of loan shoppers will commit to a loan within a week of a credit bureau inquiry.[2]

[1] Vericast 2022 Financial Services TrendWatch
[2] Vericast client data

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Cloudy With a Chance *of Everything*

THE END OF LOW, LOW RATES BRINGS BIG, BIG CHANGES.

BY RICHARD H. GAMBLE

In the coming year, U.S. credit unions will, of course, continue to make home, car, personal and commercial loans to their members. They'll just have to make them in a different market.

"We're going through an economic transformation that has been accelerated by COVID," suggests Bill Handel, chief economist at Raddon Research (*raddon.com*), a Fiserv company. (Brookfield, Wisconsin-based Fiserv is a CUES Supplier member.) "The long tail of COVID will have more impact than COVID itself. Consumer behavior has changed. It's a different economy."

Setting goals and budgets for 2023 lending depends on things like how far interest rates will rise and when they might peak, as well as whether there will be a recession and what kind of recession it might be. This is crystal ball territory, and necessarily speculative.

CU lenders need to approach 2023 with both a short view and a long view, Handel says. Short-term, the Federal Reserve will probably raise rates further and inflation will get worse before it gets better. The consumer price index was up about 9.1% in the past year, he notes. But the producer price index, which measures change in the prices paid to U.S. producers of goods and services, is a better leading indicator. It was up around 11%.

A true recession is more likely in 2023, Handel says, and it should be constructive.

"Adjustments have to happen to put the economy back on an even keel," he explains. "A recession will help do that. It should be relatively short and more of an adjustment than a decline."

How will all of this impact the situations in the various lending markets in which credit unions do business? Read on. And what can credit unions do to succeed in this new world? Check out our bonus coverage at *cumanagement.com/111422blog* and *cumanagement.com/112122blog*.

MORTGAGES AND REFIS DOWN

The mortgage goose has stopped laying golden eggs, drastically changing the credit union lending outlook for 2023.

"The days of booking mortgage loans in high volume through call centers and online loan applications is over," observes Jason Sweeney, SVP for the real estate solution group at Allied Solutions (*alliedsolutions.net*), a CUES Supplier member based in Carmel, Indiana. "That big, thriving market has dried up. The only people refinancing now are doing it out of need, not choice, and even purchases are slowing."

What a difference a year makes, observes CUES member Bill Vogeney, chief revenue officer of $9.3 billion Ent Credit Union (*ent.com*), Colorado Springs.

"I can't think of a time in my 39 years as a lender, 34 of them in credit union senior management, when we've seen such drastic change as we have in the first half of 2022," he says.

2021 was a banner year for mortgage production, Vogeney notes, much of it refinancing. "We were booking record profits on the gain on the sale of mortgages," he reports. "Like other financial institutions, we hired and trained and spent like mad to keep up with near historic demand. Now that's gone."

People won't want to refinance or purchase homes at these high rates, predicts CUES member Derek Fuzzell, chief financial and strategy officer of $290 million PAHO/WHO Federal Credit Union (*pahofcu.org*), Washington, D.C. "They'll invest in the homes they already have."

Lenders originated $4 trillion in mortgages 2021, reports Steve Hewins, SVP of CUESolutions provider CU Members Mortgage (*cumembers.com*), Dallas. That will fall to around $2.2 trillion in 2022 and even lower in 2023, according to statistics from the Mortgage Bankers Association (*tinyurl.com/mbapredictions*).

Still, mortgages should limp along as the equity build-up stalls. Demand will sustain value, but house prices will plateau as high interest rates discourage buyers, predicts economic consultant Bill Conerly of Conerly Consulting LLC (*conerlyconsulting.com*), Portland, Oregon. Without soaring equity, lenders will have to underwrite more cautiously.

Adjustable-rate mortgages might grow in 2023. "We haven't seen the demand for ARMs that you'd expect in 2022 with rising interest rates," Hewins says, partly due to a flat or slightly inverted yield curve; when it normalizes, interest in ARMs should grow.

But then again, rates are going up. "Some members will consider using ARMs to bet on rates going down, but most will want the security of a fixed rate, knowing they can always refinance if rates fall," says Robert Parks, CPA, a shareholder in the Troy, Michigan, office of Doeren Mayhew (*doeren.com*), a CUES Supplier member.

EQUITY LENDING AN OPTION

With bleak prospects for originating a lot of mortgages in 2023, CU lenders will turn to equity financing. They can do this in two ways, Sweeney says: second mortgages on the same property or home equity lines of credit.

He thinks closed-end second mortgages that cannot be prepaid, renegotiated or refinanced without paying breakage costs or other penalties to the lender are less complicated to service than HELOCs. Plus, credit unions already have much of the software and experience required to make second mortgage loans, as they are a lot like first mortgages.

Although credit unions have not done much second mortgage lending in the past, the loans' simplicity and credit unions' readiness to make them could make them a good product for 2023. "It's a way to help members and diversify loan portfolios," Sweeney says.

Vogeney has seen the positive impact of prioritizing home equity lines of credit. "We saw an opportunity there and geared up for it, investing in digital marketing. We led the market. Our HELOCs doubled from 2020 to 2021 and were up another 50% by July."

Handel says hybrid HELOCs have good potential and underscores the importance of being creative in product design as the market keeps changing. For example, he thinks members will go for an evergreen lending product that starts with a line of credit that allows them to carve out pieces that can be turned into fixed-rate term loans.

INDIRECT USED CAR LOANS A SWEET SPOT

Indirect used car loans should continue to be a sweet spot for CU auto lenders in 2023, according to Bob Child, COO of CUES Supplier member Origence (*origence.com*), based in Irvine, California.

"CUs make 70% of their car loans for used cars," he reports, and seller inventory is up 13% in 2022 compared to 2021, with another 10% gain projected for 2023. CUs now have a market share of 27% and rising in used car loans.

The chips and parts shortage will keep new car inventories low by historical standards in 2023 but up a little from 2022, Child expects. With higher rates and short supply, auto manufacturers have been cutting back on incentives, but larger credit unions more than smaller CUs have been picking up the business. Direct auto lending will continue to be a rising opportunity for CUs in 2023, Child speculates, due in part to credit unions directly financing larger numbers of electric vehicles.

The short supply of automobiles that created a sellers' market in 2021 and 2022 will shift in 2023 as supply catches up and dealers trim prices to encourage sales, Conerly says. The high gas prices and product improvements will feed a steady increase in demand for electric cars and hybrids, he adds.

Higher interest rates are handing CUs an opportunity, Vogeney says, because they have ended auto manufacturers' 0% financing offers. Zero percent is now more expensive, he explains, and it doesn't make sense for manufacturers to pay for it when they don't have enough cars to satisfy demand and sales are certain.

While Vogeney expects to pick up some market share with the death of 0% loans, he also says there may be a ceiling on auto

Canadian CUs: *Worry About Rates, Not Recession*

Credit unions in Canada should anticipate higher interest rates in 2023, but they don't need to worry excessively about a recession, says Bryan Yu, chief economist at Central 1 (*central1.com*), a wholesale CU based in Vancouver, British Columbia. Aggressive rate increases by the Bank of Canada align with those of the U.S. Federal Reserve Board. Long-term rates should peak and start to ease in 2023. "We expect to hear more chatter of rates back below 3%," he says.

Yu thinks a Canadian recession is unlikely. "We're more commodity-oriented than the U.S.," he notes, and demand for commodities is solid. "We've become a more important global player. We'll have high population growth due to immigration."

Inflation Reduction Act: *Catalyst for Green Lending*

BY NEDA ARABSHAHI

The Inflation Reduction Act (*tinyurl.com/hr5376*), which became law in August, includes a strong and effective framework for equitable climate finance. The IRA includes rebates, tax credits and the $27 billion Greenhouse Gas Reduction Fund that will provide loans, grants and technical assistance for projects that reduce greenhouse gas emissions and air pollution.

These initiatives hold significant promise for credit unions interested in starting or growing green lending programs to help their members lower their energy bills and increase their homes' climate resiliency. Credit unions across the country have already developed innovative green lending programs that are both well-positioned to access IRA resources and designed to meet their members' specific needs.

Research by Inclusiv (*inclusiv.org*) shows that 391 credit unions across the U.S. currently offer dedicated green loan products. Inclusiv surveyed just 40 of these credit unions and found they have collectively made more than $500 million in green loans in the past three years. With the IRA and the Greenhouse Gas Reduction Fund, this lending is poised to grow significantly.

As examples, $53 million MariSol Federal Credit Union (*marisolcu.org*), Phoenix, anticipates that the Greenhouse Gas Reduction Fund will enable it to lower its solar loan costs, making loans more accessible to the credit union's primarily low- and moderate-income members. The IRA's tax credits and support from the fund should help $754 million USC Credit Union (*usccreditunion.org*) continue offering financing options for clean energy and low-emission vehicle financing in the low- and moderate-income Los Angeles communities it serves. Using state government incentives that have now ended, 82% of $4.7 million in solar loans made by Franklin First Federal Credit Union (*franklinfirst.org*), Greenfield, Massachusetts, went to low-income borrowers. The $87 million credit union expects the new fund's dollars will help it continue to serve these members.

Fifteen billion of the Greenhouse Gas Reduction Fund is earmarked for disadvantaged and low-income communities. Although depository institutions like credit unions are not permitted to apply directly to the fund, they will be able to participate through nonprofit intermediaries. For example, Inclusiv plans to serve as an intermediary to deliver fund dollars as operating capital, loan loss reserves and technical assistance to community development credit unions interested in green lending.

Other key IRA programs that your credit union might benefit from knowing about include:

High-efficiency electric home rebates: This $4.5 billion program provides point-of-sale rebates of up to $14,000 for low- and moderate-income households that install new, qualified electrification projects like heat pumps, electrical system upgrades or electric stoves. The program will not cover the full project cost, providing an opportunity for credit unions to offer electrification loans.

Clean vehicle tax credits: This approximately $7.5 billion program provides tax credits for the purchase of new or used electric and fuel cell cars. These incentives can help grow credit unions' vehicle lending programs by lowering the upfront purchase price for these in-demand cars.

Homeowner managing energy savings rebates: The $4.3 billion HOMES program provides direct rebates to homeowners for home energy retrofits. The rebates are unlikely to cover the full cost of the retrofit for many homeowners, creating opportunities for credit union lending.

Residential energy efficiency and clean energy tax credits: This program provides nonrefundable tax credits of up to 30% of the cost of buying and installing residential energy efficiency upgrades, up to $3,200 per year. Credit unions can provide loans that complement these tax credits to support their members in weatherizing their homes and making other efficiency upgrades.

Credit unions play a unique role in ensuring all communities have access to fair and affordable financial services. The Inflation Reduction Act has created a new set of tools that credit unions can use to help their members and communities build climate resiliency and lower their energy costs.

***Neda Arabshahi** is vice president of the Inclusiv Center for Resiliency and Clean Energy (*inclusiv.org*), working to build a network of credit unions committed to designing and scaling solutions to climate change, with a goal of promoting affordable and sustainable energy for all people. Learn more about Inclusiv's Solar Lending Professional Training and Certificate program at* tinyurl.com/inclusivsolar.

"The days of booking mortgage loans in high volume through call centers and online loan applications is over."

— Jason Sweeney

loan growth for another year or two due to the chip shortage. Delays in new car production will last for at least three model years, he says.

COMMERCIAL, CARDS AND BNPL

Commercial lending in 2023 will depend on whether there's a recession and where the economy grows or shrinks, Vogeney says.

"Multifamily housing loans have been looking good," he notes. Small business startups have been strong, and there is some pent-up demand and entrepreneurial enthusiasm.

Conerly is not so sure. He says commercial lending could be dicey until later in 2023 because the tight labor market may discourage startups until then. "Bad times are often good times to start a business," he observes. "It's easier to get space and employees then."

On the payments front, PAHO/WHO FCU has seen low demand for new cards or line increases but increased use of existing lines, Fuzzell reports, a trend that he thinks will carry over into 2023.

Inflation will increase demand for buy now, pay later programs, Handel warns, as consumers don't want to save and wait to buy a product whose price keeps going up. Interest-free BNPL offers will be very attractive, especially to younger consumers, he reasons, and that could cut into CU consumer lending volume and credit card interchange.

However, rising rates also put pressure on BNPL providers as their cost to offer interest-free financing escalates, Handel points out.

In all, the lending outlook for 2023 is cloudy with a chance of everything. "I have never been so uncertain about what to expect in a coming year," Vogeney says. "The range of potential outcomes is much broader than usual."

Richard H. Gamble *writes from Grand Junction, Colorado.*

Help Members Qualify *in 2023*

It's pretty clear to CUES member James Hunter, CCM, chief diversity officer of $250 million New Orleans Fireman's FCU (*noffcu.org*), New Orleans, that 2023 will see a growing number of CU members who need help qualifying for loans.

"Life has happened," he observes. "The higher rates and home values will be making it harder for members to qualify." Many have missed a payment or two during the COVID disruptions and seen their credit scores dinged. "We'll need to find other, nontraditional ways of looking at their ability to repay."

That will mean taking more apparent risk and making portfolio loans that won't qualify for resale. "We'll need to rely on relationships and insight instead of impersonal technology and ratios," Hunter says. To serve all members, "we'll have to take a second look at the declined loans to see if there's a safe way to make them. Denials are rising across the country. Maybe there's a reason for a couple missed payments. Maybe there's a long history of making payments on time."

The gap between the haves and have-nots is growing. There needs to be an equity injector, Hunter says. Credit unions have filled that role, and the need will be even greater in 2023. Hunter believes that home ownership is one of the best ways to build wealth.

"Over 170 million individuals are struggling financially," Hunter adds. "Many of them are caught in debt traps that keep them from believing home ownership is attainable. They may also be seeking an affordable, reliable vehicle to find or continue good employment."

Conversely, they are making rent payments equivalent to or higher than a mortgage, Hunter points out. "We need to meet people where they are, educate them and turn rent payments into mortgage payments."

New Orleans Fireman's CU is a community development credit union. Its members have an average FICO score of 621. Still, the CU tries to find reasons not to reject loan applications, and that's been working. Its average charge-offs are less than 1% of loans.

MORE ON LENDING TRENDS

Innovation and Collections Two Focus Areas in Your Response to Rising Rates (*cumanagement.com/111422blog*)

COVID Spending Fever and Other Trends to Watch in 2023 (*cumanagement.com/112122blog*)

The Big Opportunity to Reduce Friction Across the Credit Union (*cumanagement.com/podcast133*)

Be an Equity Injector (*cumanagement.com/podcast134*)

Future Loan Prospects (*cumanagement.com/1022lendingperspectives*)

Call (Cyber) *Security*

CUs ARE NO LONGER DEFENDING A VAULT WITHIN A CASTLE WHERE THE ONLY WAY IN IS OVER THE DRAWBRIDGE.

BY CELIA SHATZMAN

Depending on your credit union's cybersecurity policies, logging into your account can take your members a few minutes; they may have to input the name of their first pet to answer the security question or enter a code that was texted to them. But that's only the surface of your CU's digital protections and safeguards—and many members aren't aware of the labyrinth that cybersecurity entails.

"Credit unions, along with the entire financial services industry, are a high-value target for cyber criminals, given the vast amounts of sensitive data—customer transactions, account information and personal data—that institutions collect, process and store," says Tim Chang, global VP at Imperva (*imperva.com*), a cybersecurity company based in San Mateo, California.

"Increasingly, credit unions are digitally transforming their businesses to enable online banking, mobile transactions and multichannel customer service," Chang notes. "While transformation is essential for driving growth and customer satisfaction, it requires more technology. As a result, this expands the attack surface and gives cybercriminals more pathways to steal data or gain unauthorized access to financial accounts."

But, he adds, "by implementing security controls and programs, credit unions are able to mitigate the impact of online fraud, data leakage, vulnerabilities, regulatory risk and more."

As technology has become more advanced, so necessarily has cybersecurity. Nowadays, CUs are a network of interconnected systems and vendors, so there are many different vulnerabilities—there's no moat protecting a single keep. That means credit unions need to be protected from all angles.

An evolving cybersecurity program is crucial in allowing credit unions to protect data during its collection, storage and transmission. "Further, they are protecting against downtime," says Chris Sachse, CIE, CEO of CUES Supplier member Think|Stack (*thinkstack.co*). "Members expect the systems to be up and operational at all times. This means that they must ensure the services can always be delivered, protecting against attacks like ransomware or DDOS (distributed denial of service) or others that can impact service."

Rather than the outdated idea of a moat and castle, CUES member Dan Rousseve, CIO of $4.5 billion Teachers Credit Union (*tcunet.com*), South Bend, Indiana, shares this analogy: "Cybersecurity is like the brakes on a car; brakes are not placed on a car to make it stop; they are there to enable the driver to go faster, safely," he says. "No one would drive 70 miles per hour on the highway if they did not have brakes. Cybersecurity has a similar goal: to enable an organization to assuredly move at a higher velocity with confidence through risk communication while having appropriate guardrails in place."

PROGRAMS AND POLICIES FOR PROTECTION

When it comes to building cybersecurity strategy for credit unions, most people immediately think of protecting member information. That's a huge part of it, but credit unions are also responsible for protecting sensitive data related to employees and the business.

"We have our employees' information in our organization as well, so we want to protect them," points out Paul Love, chief information security and privacy officer for CUES Supplier member Co-op Solutions (*coop.org*), Rancho Cucamonga, California. "We're also part of a critical infrastructure, so we're protecting the ability for financial systems to operate effectively and support the economics of the U.S.

"Typically, when people think of security, they're just thinking of one organization, but when you talk to security people, they'll generally speak in the bigger terms of we're also protecting the infrastructure of the United States, Love adds. "We've got a lot on our plate."

Given the wide breadth and volume of sensitive information with which credit unions are entrusted, they take on a lot of risk. As such, credit unions should regularly test for and prioritize the remediation of vulnerabilities. When Steve Soukup, CEO of DefenseStorm (*defensestorm.com*), Alpharetta, Georgia, started with the company five years ago, it wasn't typical to hear people say they did that even twice a year. Now, it's done monthly, if not weekly, and that's really good hygiene.

"Credit unions are a unique high-value target because of the information that they hold about your members and the funds that they have on deposit with you," Soukup says. "It's not a matter of *if* you'll become a victim of cyberattacks—it's a matter of *when*, and when it happens, you have to be ready for it.

"We've seen some clients who have really well-documented plans; they're very current, and you can go through and do a tabletop exercise with them to simulate it. It's impressive to see how well-oiled their machine is, no matter what kind of curveball you throw at them. The flip side of that is some don't have a clue what to do, and you can't help but think, 'I'm glad I don't have my money there because it's kind of scary.'"

ESSENTIAL SECURITY

Though the task list for a comprehensive cybersecurity plan may seem endless, there are a few essentials that every credit union should have in place.

"What's essential is to make sure cybersecurity is one of your top two priorities," says Mike Cardell, VP/general manager for the signature and secure managed services businesses at CUES Supplier member Fiserv (*fiserv.com*), Brookfield, Wisconsin. "It may not always be No. 1, but it can't slip too far down in priority. I think if it's No. 3 on the list of priorities, that's not high enough.

"It's also essential to have a layered approach. A cybersecurity approach should account for the entire attack surface, meaning all the different places from which data could be accessed ... should be secured in more than one way. It is the equivalent to the real-world practice of locking the door and then also arming the security system."

Having a plan in place for when a breach occurs should also be a top priority. "Assume the bad actors are going to get in, then put layers in place to prevent them from going further or from getting data out," Cardell says. "First, try to stop them. If that fails, try to catch them. Then, have a plan for recovery. Determine how you are encrypting data and how you are arranging for backup of data in the event something leads to a catastrophic failure. These steps will enable your credit union to recover from such an event more easily."

There are a few specific technologies and processes a credit union might want to focus on. Cardell recommends the following:

- Dark web monitoring to make sure bank identification numbers haven't been compromised, employee passwords haven't been compromised and members aren't being phished through fraudulent social media accounts or online or mobile channels;
- Network perimeter protections such as firewalls, as well as email filters and web filters, to keep malicious content out of the credit union environment;
- Internal network monitoring controls, including MDR (managed detection and response) and EDR (endpoint detection and response) solutions, and an orchestration platform to evaluate information from tools throughout the credit union environment to identify and prevent events that might lead to a breach; and
- Monitoring any third parties that have connections to credit union systems. Credit unions need to be able to understand threats third-party vendors represent and take action to mitigate any risks or vulnerabilities they might introduce.

KNOW YOUR WEAK POINTS

To protect themselves, credit unions need to identify where their systems tend to be the most vulnerable. By learning the most common cybersecurity mistakes, CUs can better safeguard themselves.

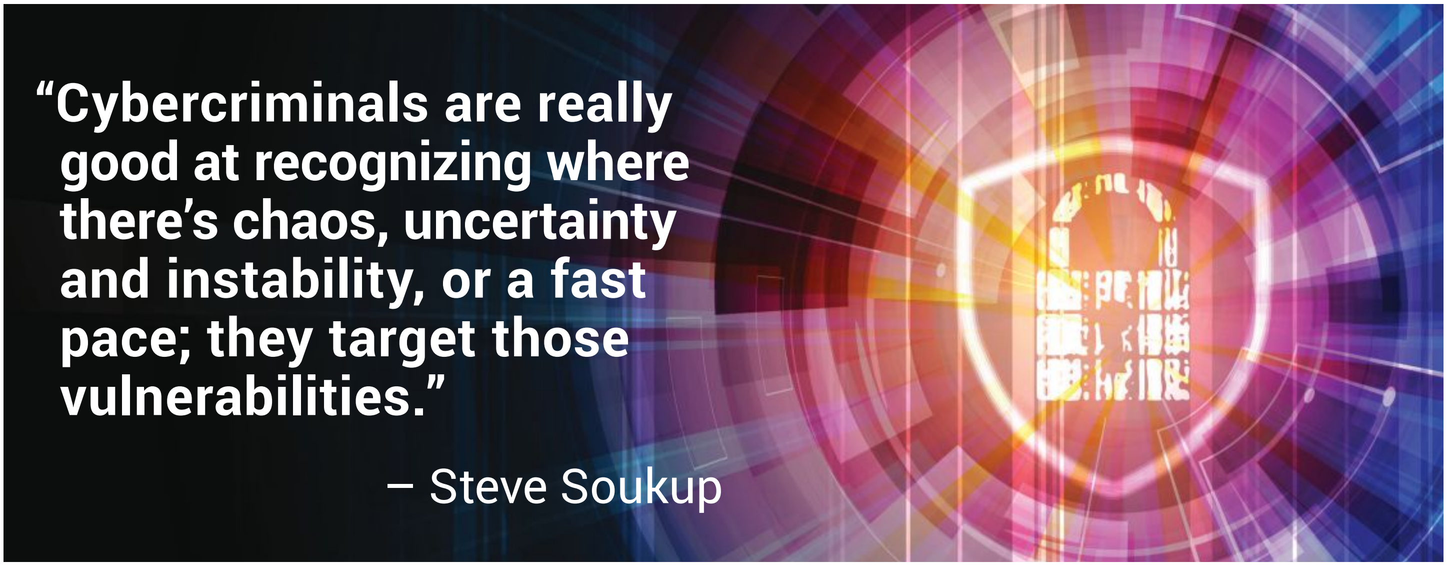
Step one: Every credit union should have at least one person who is thinking about cybersecurity. "Whether that's a CISO—somebody with the chief information security officer role—or if you're too small of an organization to have somebody completely 100% dedicated, at least have somebody whose primary responsibility is to be the security advocate for the organization," Love says. "Make sure they're integrated with your different processes and then create a program around it, because creating a consistent program is very important."

That means having systems and processes in place that are centralized and consistent, which will help all involved understand your organization's environment and keep track of the policy, vendor, hardware and software decisions you've made. Having an incident response program is also key, so you can contain any damage from a breach as quickly as possible, Love recommends.

It may or may not be a surprise to learn that the most vulnerable spot for any organization, not just credit unions, is email. "Research shows email is the most utilized channel to deliver malicious payloads, with over 70% of breaches and malware attacks resulting from email-based phishing attacks," Cardell says. "A risky email can look very clean, very normal. And then someone clicks on a link in the email and boom—that opens up a PowerShell script (a task automation program from Microsoft) that kicks off ransomware. A layered approach can make a difference: effective email filtering, good security protocols, training for employees and then being prepared to respond if something does get through."

INTERNAL AND EXTERNAL THREATS

Danger doesn't just come from outside the credit union—there are plenty of cyber threats within. Humans are typically the weakest link when it comes to security; that's why testing for social scams and phishing is essential. To minimize internal threats, credit unions need to be proactive in training their employees. This will raise awareness, and in turn, security and safety.



"They absolutely have to be doing some sort of security awareness training and testing for everybody that works at the credit union," Soukup says. "Oftentimes, it is C-level execs that are the ones getting spoofed by phishing campaigns. Attacks are getting more frequent and increasingly sophisticated. Cybercriminals are really good at recognizing where there's chaos, uncertainty and instability, or a fast pace; they target those vulnerabilities.

"We need to focus on educating people about this kind of vulnerability and take it seriously," he adds, "because ultimately, that's where everything can break down—with a person who's not well trained and just clicks on one thing that they shouldn't click on."

Shadow IT—when people decide to use their own devices or software rather than or in addition to the technology the organization provides—is another major internal threat. For example, someone might bring in their own wireless router or decide to use Gmail instead of their corporate email. "People don't do it maliciously; they're trying to get their job done," Love says. "But by using nonapproved technologies beyond what your IT organization [approves], sometimes they create unintentional risk to the organization by exposing information" or allowing an unauthorized person or bad actor access to the system unintentionally. "Not following the organizational processes can create havoc."

But, of course, even if your staff practices constant vigilance, that won't stop outside attackers from trying to get in. And there are more external threats than credit unions probably realize.

A denial-of-service attack is still a major threat. "That's basically somebody overwhelming a network and attempting to shut down your public-facing infrastructure," Soukup says. In other words, this is done by flooding targeted servers with traffic, thus disrupting online service delivery. "The huge risk there is reputational; nobody wants their members to be inconvenienced, especially now that more and more of them are interacting digitally with their credit unions online. So, that's one thing to be prepared for."

Ransomware is another continuing high risk. Training and preparing staff for this type of incident will help if and when the real deal comes along, because if you're the victim of a ransomware attack, the clock is ticking quickly, and it can be very expensive to remediate.

API AWARENESS

Application programming interfaces give an organization the ability to access information and functionality between multiple applications, but the use and abuse of APIs by attackers has been emerging for years and continues to escalate as a key access point to information or systems.

This is a common conundrum. Chang notes that the volume of APIs used by businesses is growing rapidly; nearly half of all businesses have 50 to 500 deployed either internally or publicly, while some have over a thousand active APIs, according to an Imperva report (*tinyurl.com/2e36k33y*).

"Many APIs connect directly to backend databases where sensitive data is stored," he says. "As a result, hackers are increasingly targeting APIs as a pathway to the underlying infrastructure to exfiltrate sensitive information. Today, as many as one in every 13 cyber incidents can be attributed to API insecurity. As the number of APIs in production multiplies, this figure is expected to grow in the coming years. An analysis of nearly 117,000 unique cybersecurity incidents (*tinyurl.com/bdepz7cj*), conducted by the Marsh McLennan Cyber Risk Analytics Center, estimates that API insecurity results in $41 to 75 billion of losses annually."

However, the threats through APIs are not so different from threats via other applications. "Concepts of least privilege (the security principle of limiting users' access to only what is strictly required to do their jobs), layered security and a balance of prevention, detection and response controls still apply," Rousseve says. "A software development life cycle with security throughout that includes threat modeling, secure design, static and dynamic analysis testing, third-party library analysis and security assessments to uncover weaknesses, ... coupled with secure coding standards and training, can prevent weaknesses from making it to production to be exploited. Furthermore, having standards, including a security standard, ... to ensure consistency in the approach will streamline the process. Investing in the development of this struc-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MORE ON CYBERSECURITY

Cybersecurity Awareness Month: What to Know About Phishing-as-a-Service (*cumanagement.com/1022phaas*)

Credit Union GRC Done Right (*cumanagement.com/0822grc*)

Tech Time: How to Protect Your Credit Union From Cyberattacks (*cumanagement.com/0822techtime*)

Protecting the Crown Jewels During Heightened Cybersecurity Risk Periods (*cumanagement.com/0722crown*)

Cybersecurity Is a Discipline (*cumanagement.com/podcast132*)

Tech Time: Cybersecurity Best Practices for Your Employees (*cumanagement.com/0422techtime*)

First Line of Defense (*cues.org/firstline*)

"Unfortunately, many organizations do not consider the data past creation and usage, and thus data is stored indefinitely. Over time, organizations do not even realize they have the data until it is part of a breach event."

—Dan Rousseve

ture up front will pay dividends in efficiencies as well as security in the long run."

THE OLD GUARD

Many recent breaches have resulted in access to old—but still sensitive—data, since many financial institutions collect and keep data forever. "That practice seems reasonable, but it creates a difficult burden to protect, back up, secure and support that data," Sachse says. "Having a full-scale data model that includes a life cycle and purpose is critical."

To tackle old data, Rousseve suggests taking a two-pronged approach. First, old data breaches are often the result of password reuse. A password used in another service or system is compromised, and that password has been reused in the enterprise. Organizations should encourage passphrases and password vaults. "This allows for long, random passphrases to be checked out of a vault and prevents password reuse," he says. "Furthermore, security teams should collect public password files and attempt [to use] them against their own systems. Preferably, these can all be prevented from being used.

"Finally, consider risk-based authentication with multifactor authentication. Risk-based authentication is the idea that more than just the credentials are used to authenticate. Perhaps geolocation is involved, [and] patch levels, time of day or other criteria are used to grant access. The risk level can then define what the user has access to; perhaps a certain level allows only for commodity services, and a lower risk score is required (i.e., more factors) to access sensitive data or business systems."

The second aspect of old data is data life cycle. According to Rousseve, mapping a data life cycle enables the business to fully understand how it creates data, the necessary use of the data, its long-term storage needs and its useful life. At the end of its useful life, the data must be destroyed.

"If information does not exist, it cannot be stolen," he says. "Unfortunately, many organizations do not consider the data past creation and usage, and thus data is stored indefinitely. Over time, organizations do not even realize they have the data until it is part of a breach event. Taking the time to define the data life cycle and include the destruction phase will save storage space, increase efficiencies, lower liability risk and prevent it from being able to be stolen."

REPORTING FOR DATA DUTY

The National Credit Union Administration board (*ncua.gov*) recently approved a proposed rule (*tinyurl.com/ncuacyberrule*) that requires a federally insured credit union to notify the agency as soon as possible but no later than 72 hours after a reportable cyber incident has occurred. Inevitably, this will change the landscape of cybersecurity and accountability for credit unions.

"Many credit unions already take a proactive approach to reporting breaches and taking proper steps to inform members, which is a testament to how they operate," Cardell says. "A reporting requirement can increase accountability and incentivize credit unions to place a high priority on cybersecurity."

Ultimately, each credit union is responsible for determining the best way to guard its data. Whether serving a small community or members across the nation or globe, *all* credit unions need to have comprehensive cybersecurity measures in place.

"It's easy to get comfortable and complacent and underestimate the extent of the threats," Soukup says. "I frequently hear, especially with smaller credit unions, that they are too small to be a target; they believe they are not on the radar for cybercriminals. It couldn't be further from the truth. It's more than an individual institution—it's an interconnected network. That's certainly part of what they are preying on. They're motivated by stealing the data and selling it; they're motivated by cleaning dirty money or absconding with funds. They don't care if they get into Capital One Bank or the National Bowlers Association Credit Union, because once they're in the system, they're in the system, and that's a cloud that can cover the whole industry."

Celia Shatzman *has penned stories on topics ranging from beauty to fashion, finance, travel, celebrities, health and entertainment.*

Jerry Reed

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What makes Member First Mortgage unique?

Member First Mortgage is a credit union service organization with the ability to customize, develop, augment, enhance, adapt or scale mortgage services in ways that are custom and specific to a CU's strategy. We deliver state-of-the-art technology and dependable mortgage services that expand CUs' abilities to grow. Over the 21 years since we were formed, the needs of CUs have changed in many ways. MFM's ability to quickly adapt to new requirements and monumental technological advances has been vital. Our extensive experience, CU relationships and "people helping people" approach have enabled us to grow and stand out in the industry.

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Partnering with MFM enables our clients to dramatically impact their bottom lines by increasing mortgage volume, membership and retention. With MFM, CUs can offer a complete suite of mortgage loans, regardless of their size, experience or in-house expertise. Our partnership models allow CUs to customize the level of staff involvement they are comfortable with and take advantage of a dedicated mortgage consultant, customizable marketing materials and our advanced origination/servicing solutions.

What do your clients love about Member First Mortgage?

We were built by CUs to serve CUs; their values are in our DNA! The MFM team's experience and dedication to service allow them to make things simple for members and staff. "What really sets MFM apart, and a huge reason why I have always recommended them, is the people," says Aaron Craig, VP/mortgage and indirect at $3 billion Georgia's Own Credit Union, Atlanta. "Their team *cares* about the members and the credit unions they service. It's obvious they're willing to do whatever it takes to get the job done!"

A Worthy *Work in Progress*

WHETHER YOU CALL IT 'OMNICHANNEL,' 'DIGITAL TRANSFORMATION' OR SOMETHING ELSE, DELIVERING CONSISTENT SERVICE ACROSS CHANNELS IS AN ONGOING JOURNEY.

BY GLENN HARRISON AND LISA HOCHGRAF

The concept of "omnichannel" delivery of financial services—along with the "digital transformation" of credit union functions that is supposed to enable it—remains a work in progress for most credit unions. And that's not necessarily a bad thing. In fact, a credit union's omnichannel transformation will probably succeed better as a journey rather than as a destination.

Way back in 2015 (which, in tech years, is the equivalent of several decades ago, give or take), Steve Williams declared, "We will never get to the omni promised land." In a blog post with that headline (*tinyurl.com/gonzoomni*), Williams, CIE, president/co-founder of CUESolutions provider Cornerstone Advisors (*crnrstone.com*), Scottsdale, Arizona, detailed four reasons that a perfect omnichannel world, as it was envisioned then (and now), was unlikely:

- Technology tools and specifications evolve too quickly for financial institutions to fully change out all their systems before some are already obsolete.
- The sheer complexity of coordinating with multiple vendors.
- The tendency of executives to overinvest in applications and underinvest in integration.
- Complying with changing regulations requires too many resources, and some new rules alter how the customer experience can be designed.

The bad news is that Williams appears to have nailed his prediction. The good news? Williams and the other experts we asked for an update on our industry's omnichannel transformation think credit unions in general have taken some strong steps forward. And they offered some ideas about how to advance omnichannel faster while using internal and external resources safely and effectively.

OMNICHANNEL VICTORIES SO FAR

Two places in which Williams sees credit unions making progress with omnichannel efforts are the call center and the branch.

"I give them credit in terms of integrating the contact center more with digital," he says. "Seven years later—and that's a long time—we've started to build some integration in the contact center where I can do things like go to chat from digital or request a callback or even have the agent co-browse my digital. So, I'm starting to see what they call these days, 'intelligent interaction.'" He thinks credit unions will continue to invest in this area.

Another move forward, according to Williams, has been integrating branch staff with the call center queue, so when a branch is slow, its staffers help with contact center calls.

Some of that happened during the height of the pandemic when branches weren't open, he observes. Credit unions trained branch staff on remote contact center work. The CUs that liked the results decided to continue using branch staff that way.

Williams also says credit unions have taken more control of their omnichannel futures by investing more in the ability to drive consistent service delivery across channels. And that's necessary, because no single solution will shoulder the full load of integrating channels in a member-friendly way, Williams says.

"There's not going to be an app that does all this for you," he adds. "You're going to have to slog it out" to build certain omnichannel capabilities. To do this, he's seeing credit unions building their own talent to integrate operations with providers such as Salesforce (*salesforce.com*) or CU Nextgen (*cunextgen.com*). "They're starting to build workflows around member experience," he notes.

Finally, Williams says he's seeing real progress in credit unions seamlessly delivering transactions, such as starting a loan application in one channel and finishing it in another. Credit unions that are the furthest along on their digital transformation journeys tend to be those that think the most about the big idea of member experience rather than individual transactions.

COMMON OMNICHANNEL CHALLENGES

To get your arms fully around any topic as broad as omnichannel, you would probably need several more arms. So, we asked an expert panel to point to some key areas of digital transformation for credit union leaders to take a good hard look at:

Fintechs and the member experience. "Fintechs are really doing a good job of taking business away from community banks and credit unions, and they're good at it because they focus on the experience, not on the product," says Brian Scott, chief growth officer for CUESolutions provider PSCU (*pscu.com*), St. Petersburg, Florida. Take, as an example, buy now, pay later. When a consumer wants to buy something and doesn't have the funds, "they make it super easy to conduct that transaction and they don't focus on, 'Hey, this is a buy now, pay later product,'" Scott says. "But if you go into most CU websites, you see them marketing a product—an auto loan, a checking account, a savings account. It's very product-focused and not very experience-focused." The fintechs aren't marketing products so much as explaining how easy it will be to do something.

Marketing automation. If credit unions are not using the data they collect from members who use digital channels—to research and buy products and make transactions—to drive personalized marketing, they're not getting the value they need from their omnichannel efforts, asserts Todd Robertson, SVP/business development for ARGO (*argodata.com*), Richardson, Texas. Sophisticated analysis and use of data is crucial to omnichannel ambitions, adds Ben Stangland, president/COO of Strum (*strum agency.com*), a CUES Supplier member based in Seattle, and Strum Platform (*strumplatform.com*). When credit unions are looking at personalization, he emphasizes, they're not just competing against other banks or other credit unions, but against the best experience the member has had *anywhere*.

Talent and culture. Stangland says a big challenge for credit unions in driving their digital transformation is having the right talent at the right time. And having a culture that supports and keeps the right talent is key too. "If you're hiring the right people who are capable of helping you move the needle, but your organization is not ready to make that change culturally, those people will leave," says Stangland. "I've seen that happen."

Payments. A crucial area where credit unions lose the digital transformation race is payments, Scott says. Fintechs, especially, offer new, flexible payment methods to engage consumers, then use that as a lever to pry them away from their primary financial institutions. Think about the youth sports coach the players' parents always pay using Venmo (*venmo.com*). One day, the coach realizes she has a balance with Venmo. That coach didn't really mean to start what amounts to a new checking account with a new vendor, but *presto*, she has one. Scott suggests creating a "payment hub" that routes members to fintech solutions *inside* your credit union's mobile app.

NINE STEPS TO BETTER OMNICHANNEL

Turns out, Williams' five suggestions from his 2015 blog about what to have in your channel integration have stood the test of time. They are summarized in the first five suggestions below, with more bonus ideas from our experts.

1. A pragmatic future systems road map. Every credit union should have a three-year plan that illustrates which application enhancements, replacements and integration initiatives require focus and resources. This helps to coordinate vendor selections across business areas and simplify the application environment.

2. Strong architectural standards for new system purchases. While technology standards change often, you should still require vendors to deliver solutions according to the credit union's technical specifications. A specific person should be accountable for enforcing this requirement.

3. Heavy pressure on vendors to deliver integration capabilities. Credit unions can't accept empty promises from vendors about integration. CIOs need to become integration bulldogs, consistently putting pressure on vendors to deliver interfaces that use open web services frameworks and provide well-documented tool kits that allow for credit union staff to integrate systems themselves.

4. A dedicated integration team. Whenever possible, credit unions need to staff their integration groups with skills including system architecture, database administration, interface development and business analysis. This group becomes a valued focal point for making systems "talk to each other" to create a more user-friendly member experience.

5. An organizational focus on "design thinking." Sometimes in the rush to implement new channel and system capabilities, credit unions move with a "ready, fire, aim" approach. New web and mobile applications are often just plain clunky, especially during rollout. In a world of slick Amazon and Uber interfaces, credit union customers are saying "ho-hum" to most self-service capabilities. Credit unions need to emulate industries outside of financial services, such as software, retailing and consumer appliances, that spend a huge amount of resources and talent sweating all the tough details of the user experience—long *before* rollout.

6. Confidence. "We can demystify technology," Williams says. "Some of the things that vendors and fintechs do are within our grasp. I can buy platforms and bring in technologists and data people, start to educate staff and start to mint my own techies. In this new world, there are lots of training programs." Think of it this way, he advises: Half your future IT team will be transformational talent from the broader marketplace, and half will be trained and built over time.

7. Know your ideal customer. "If you don't know who your member is, if you're guessing [about things like] 'I want a certain generation' or 'I want anybody with assets over a certain amount or anybody over 18,' you're kidding yourself," Stangland suggests. "So first, identify who your ideal member is, and spring-boarding from there, [ask yourself,] 'How do I find more of them?'" From that, a lot of things in product development, technology choices and even your market positioning can fall into place. In short, Stangland says, "Run your credit union around your ideal member."

8. A vision of your members' experience with your credit union. "Map out the experience you want your member to have. And map out the pain points either in an existing process that you can improve, fix or exchange," Scott says. "As you're building out a process, be really candid with yourself about what's not going to be a good experience" for members. CUs too often skip over such pain points, considering them necessary evils. For example, how many pieces of paper and agreements do members have to sign to get an auto loan?

MORE ON OMNICHANNEL

Focus on Outcomes, Not Technology (*cumanagement.com/1122transformation*)

Pathways to Digital Transformation (*cumanagement.com/0922pathways*)

The Digital Transformation (*cumanagement.com/1121digitaltransformation*)

Five Hallmarks of Digital Transformation (*cumanagement.com/0721hallmarks*)

> **"We can demystify technology. Some of the things that vendors and fintechs do … [are] within our grasp."**
>
> — Steve Williams, CIE

"Maybe it's a necessary evil, but it's a painful process. I think too many CUs just accept that. What if you look at that differently, by looking at that one piece of getting an auto loan and figuring out how to make that much easier?"

For example, Scott points to PSCU's loan origination system that allows members to authenticate their identity by uploading a photo of their driver's license along with a selfie; if those two images match, the system authenticates them, *plus* ties all the driver's license information back to their account so it doesn't have to ask again for the same information.

9. Patience. Successful credit unions are okay with trying and failing, Scott says. "They iterate fast. They're not saying, 'Let's give this two years and see if it works.' It's 'Let's try this—maybe for 60 to 90 days—and they try it with 'live ammo' rather than just testing it with staff or board members, etc. And if the membership doesn't like it, they're okay with shutting it down and moving on to something else. They don't get really married to an idea." Yes, you risk alienating small pockets of members, he acknowledges, but you move forward with the understanding that it's just part of the bigger picture.

CLOSING INSPIRATION

It can be difficult to accept that even if your omnichannel transformation succeeds overall, you'll never be able to plant a flag in the ground and say, "We *made* it!" But take heart—the complex process our sources have detailed above is worth the effort.

And here are two more thoughts you can carry with you for the tough times on your ongoing omnichannel journey.

Williams reminds credit unions to take stock, regularly and honestly, and keep going.

"The biggest thing is to understand that it's a process of working your road map with a team of businesspeople, project managers, technologists," Williams says. "So, we're on the road, but that single-system omnichannel—it's not going to happen. That doesn't mean you can't prioritize the points of pain and still make progress."

Scott sees some credit unions creating a completely digital version of themselves that, in essence, competes with themselves. That's brave and worth continuing because it may prevent valued members from going to some other completely digital experience.

Credit unions that are the best at delivering omnichannel functionality tend to do one thing very well, Scott says: "They're disrupting themselves. They're not waiting for somebody else to disrupt them. And they understand that it's okay if I cannibalize my own member into a new channel I'm creating—because if I don't, somebody else will. And they're okay with creating a new thing and staying focused not only on getting new members into it, … [but] on keeping the members that they have."

Glenn Harrison *writes for* CU Management *from Stoughton, Wisconsin.* **Lisa Hochgraf** (lisa@cues.org) *is senior editor for CUES.*

What's the Right Way *to Say 'Omnichannel'?*

The CU industry has not settled on one word for how to describe giving members an outstanding digital experience. But they have settled on the idea that it's important to keep working toward providing members with the most frictionless, integrated and user-friendly interactions across all channels possible.

Frictionless Member Experience

OMNICHANNEL

Seamless

Integrated Member Experience

Digital Delivery

Digital Transformation

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What are the top issues for credit unions today?

With the state of inflation, rising interest rates and looming economic uncertainty, the landscape for credit unions has no shortage of hurdles for the rest of 2022 and into 2023. Softening loan demand due to higher rates and rising delinquencies will pose a series of challenges.

Loan demand. Higher interest rates reduce consumer spending, increase the cost of borrowing, hamper economic growth and limit the rate of inflation.

The Fed's more restrictive monetary policy is having the desired effect of slowing lending activity. For example, mortgage loan applications fell to 22-year lows this summer (*tinyurl.com/swbcoutlook*) with refinancing activity declining more than 81% year-over-year and 30-year mortgage rates up to 7.22% from 3.22% at the start of the year, according to statistics cited by *Forbes* (*forbes.com*). CUs are also seeing auto lending beginning to slow. While ongoing supply chain disruptions have contributed to this, higher rates are having a clear impact.

Rising delinquencies. Consumers are feeling economic strain. According to Cox Automotive (*coxautoinc.com*), auto delinquencies were up 30% year-over-year in Q2. After several months of record lows, mortgage delinquencies also rose in Q2 by nine basis points to 2.84%. Software and data analytics firm Black Knight (*tinyurl.com/bkinsights*) reports that the number of borrowers one payment past due rose 5% in Q2, and even 90-day delinquencies picked up 1% after 21 months of decreases.

The sharp increase is likely influenced by stimulus funds being used up and forbearance programs ending. The slide will continue as long as inflation outpaces wages.

Robust collections operations and proactive communication with members will now be at a premium for CUs. Phone calls, emails and text messages are all expected options. Be sure your collections partner offers channels to meet your members on the one they prefer.

A Champion for the *Underrepresented*

2022 CUES EXCEPTIONAL LEADER KEVIN MARTIN IS DEDICATED TO HELPING FAMILIES LIKE HIS OWN.

BY DIANE FRANKLIN

CUES member Kevin Martin, MBA, CUDE, CCE, holds a top-level position at the fifth largest credit union in the country, but he has never forgotten his roots as a kid growing up in Inglewood, California.

"We grew up with modest means, meaning no extra money, so I'm very familiar with not having enough money to do all the things you want or need to do," says Martin, EVP/strategic integration and member experience at $28 billion SchoolsFirst Federal Credit Union (*schoolsfirstfcu.org*), the nation's largest educational credit union, which serves 1.2 million members throughout California. "My mother was one of nine, and my grandmother knew how to stretch a dollar. When she made breakfast for us, it was a plateful of grits and a strip of bacon cut the long way so you felt like you had two."

Several family experiences motivated Martin to pursue a career in financial services. First, the family lost his grandmother's home after she passed away. Next, his mother lost her home as well. "Even my first mortgage experience was a poor one, a casualty of the predatory lending practices that led to the Great Recession," he reports. "I know firsthand how a poor financial decision can set a family back and put them in a position to lose their biggest asset."

Martin's dedication to helping credit union members avoid the financial pitfalls that befell his family has earned him recognition as the 2022 CUES Exceptional Leader. "Kevin is passionate about the credit union mission and service to members, especially the underserved," says SchoolsFirst FCU President Jose Lara, CCE, a CUES member. "His role to move the organization's initiatives forward have helped our organization complete important priorities in serving our members."

As Martin approaches his 10-year anniversary with SchoolsFirst FCU, he will continue to champion opportunities for underrepresented groups by focusing on the credit union difference. "I've worked at Goldman Sachs, I've worked at Bank of America, and I am 100% convinced that credit unions are the best game in town for consumers," he asserts. "Had my mother or grandmother been working with credit unions, they would have had a partner looking out for their financial well-being and likely would have gotten better help and advice."

Martin's pathway to credit union success started with a first-class education. He earned a bachelor's degree in applied science from the University of Pennsylvania, where he also played football and helped win two Ivy League championships. He began his career by launching a small consultancy practice and then worked for other firms in risk management and automotive consulting.

"I call that part of my career the coaching phase," he says. "I was helping businesses make better decisions through data analysis, but I wasn't responsible for actually running the plays on the field."

To move beyond the coaching phase, Martin enrolled in the Darden School of Business at the University of Virginia, where he earned an MBA in strategy and finance. After working three years at Bank of America, he got a call from a recruiter with a job opportunity at SchoolsFirst FCU.

"I didn't know anything about credit unions, but the way he described it, it felt like a place where consumer banking met education," Martin recounts. "Education had been another potential career choice for me, so this was a way to combine the two."

During the interview process, Martin had the opportunity to meet with Rudy Hanley, former longtime CEO at SchoolsFirst FCU. "Even though he was a guy from Hungary and I was a kid from Inglewood, we hit it off really well. He explained the credit union difference to me, taught me the meaning of member service and described why credit unions are the best choice for consumers compared to our for-profit sisters and brothers."

A STRATEGIC FOCUS

Martin joined the SchoolsFirst FCU team as SVP/organizational performance and strategic planning. During his early days at the CU, Hanley was a valuable mentor. "Rudy retired about eight years ago, and since then, Bill Cheney has been CEO," Martin says. "So, I've had the pleasure of working with two titans in the credit union space and having a front-row seat for what great CEOs look like."

In March, Martin was promoted to EVP, giving him more resources to fulfill his objective of using his strategic planning expertise to improve the member experience. He now leads 70 people on the planning and member experience teams.

"Our job is to provide the analysis and insight that will improve our members' experiences throughout the organization," Martin says. "We make sure our planning and investment decisions start with the member and end with the member."

Martin has implemented journey mapping to support his objective. "The reason we do member journey maps is to have a visualization of what members go through to complete a transaction," he says. This provides valuable information on how to remove friction points, which has resulted in key improvements in lending programs and other processes.

In improving member service experiences, SchoolsFirst FCU has leaned heavily into digital. "We were able to launch virtual service appointments for members during the middle of the pandemic," Martin reports. "Now members can set their own appointments and meet with an expert from the comfort of their own homes."

Martin has created what he calls a "discovery portfolio" as a means of exploring the viability of such innovations as blockchain and augmented reality. The purpose of the discovery process is not implementation, he explains, but rather testing and learning. "I'm proud of this adjustment to our planning process because it will allow us to bring products and services to market more quickly. ... And by using member feedback, we'll be able to ensure that we're delivering on an actual member service need."

THREE-PRONGED APPROACH

Martin's leadership philosophy centers around three components—vision, inclusion and empowerment. He communicates a common vision so that team members can unite behind a unique value proposition. "This gives everyone a clear picture of what we want to be when we grow up and what service will look like tomorrow," he says.

By focusing on inclusion, Martin makes clear to his team members that he wants to hear their ideas and that their opinions matter. "Giving everyone a chance to be heard means a great deal to their level of engagement in the organization," he says.

Hand in hand with inclusion comes diversity, Martin adds. "The nation is becoming more diverse by the moment. I believe that if we want to effectively serve the consumers of tomorrow, our workforce should reflect that diversity."

The third component is empowerment, which entails hiring great people, equipping them with the right tools and then letting them do their jobs. "You have to provide coaching, you have to measure results, but I lean towards empowerment and trust over micromanagement," Martin says.

Martin also advocates being a lifelong learner—a trait he embodies with certifications from the CUES CEO Institute (*cues.org/ceo-institutes*) and from the Institute for the Future (*iftf.org*) as a Certified Foresight Practitioner. He also is a Credit Union Development Educator (*tinyurl.com/cude-ncuf*).

"It's OK not to know everything," Martin contends, "but it's not OK not to continue learning."

FAMILY AND SERVICE

Family continues to be an important motivator in Martin's life. "I cherish moments with my family," he says. "I see my mother daily, and I visit my father weekly." He also enjoys getting together with friends for brunch or to cheer on his beloved L.A. Lakers.

Martin devotes time to supporting his community and the industry, serving on the boards of Stone Soup Childcare Services (*stonesoupchildcare.com*), a nonprofit that provides after-school programs for children, as well as Curql Collective (*curql.com*), the first CU-led fund for fintech partnerships.

"We started the fund with the understanding that fintechs can be a threat or they can be great partners," Martin says. "We're looking to make them great partners so we can bring the latest and greatest products and services to our members."

Martin is active in the African American Credit Union Coalition (*aacuc.org*), whose mission is to increase diversity within the CU community through advocacy and professional development. He was recognized by the coalition with the Chairman's Award for his part in establishing the West Coast chapter and serving as its founding president. He also supports AACUC's initiative, Commitment to Change: *Credit Unions Unite Against Racism* (*tinyurl.com/aacuc-change*), which launched amid demands for social and economic justice in 2020.

As he reflects on receiving the CUES Exceptional Leader award, Martin is grateful for his SchoolsFirst FCU colleagues who have supported his endeavors. "They showed me that delivering world-class personal service is great for each member and their family, great for our communities, and it is also great for business ... which allows us to serve more members. It's a virtuous cycle."

Based in Missouri, **Diane Franklin** *is a longtime contributor to* Credit Union Management *magazine.*

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Technology and the Successful *CHRO*

THE ROLE, TOOLS AND SKILLSET OF HR LEADERS MUST EVOLVE TO REFLECT THE CHANGING EMPLOYMENT LANDSCAPE.

BY STEPHANIE SCHWENN SEBRING

Acquiring and retaining the right talent is a constant obstacle and opportunity for credit unions. CUESolutions provider Cornerstone Advisors (*crnrstone.com*), Scottsdale, Arizona, notes in its "What's Going on in Banking 2022" survey (*tinyurl.com/cstonebanking2022*) that talent acquisition and talent development are the largest concerns of credit union CEOs. This disclosure underscores just how dramatically HR philosophies and perceptions have shifted in the modern workplace.

Terence Roche, co-founder/partner at Cornerstone Advisors, says that instead of simply trying to fill positions, HR teams today are focusing on building talent pipelines through proactive hiring and continual employee development. "This requires a unique and much different skillset for today's chief human resource officer, including a proven track record in talent management and development and expertise in training and succession plans."

Having an innovative talent strategy and balancing the need for technology with human nuances are critical for credit union leaders, Roche adds.

CUES member Laurie Wiest, chief engagement officer for $1.2 billion The Summit Federal Credit Union (*summitfcu.org*), Rochester, New York, concurs, noting that statistics highlight the difficulty of this balancing act. "Gartner reports that only 19% of CHROs surveyed said their organization is prepared to address a shortage of critical talent (*tinyurl.com/gartnertalentsurvey*)," says Wiest. "Couple that with the uncertainty around the future of work, availability of workers and organizational culture, and this talent gap is a significant risk to organizations. High-potential employees must be developed to be retained, and current leaders willing to impart their knowledge to those on the bench to fill these talent gaps."

TECHNOLOGY HELPS BRIDGE THE TALENT GAP

It's no secret that nearly every facet of HR is impacted or enhanced by technology today. "All of HR is technology-based, from staff communications, a credit union's knowledge base, intranet and instant messaging to digital succession planning," says Wiest. "CHROs must be fluent and proficient in these technologies to bridge the virtual world with organizational culture, team values and employee engagement. How a credit union handles talent acquisition and candidate selection must be part of a CHRO's critical thinking."

Choosing the right technology is critical, but it's not enough for a CHRO to simply "know" a program or piece of software. "All CHROs require technical expertise, especially in enterprise organizations with complex technology stacks," shares Amy Dufrane, Ph.D., SPHR, CAE, CEO of the Human Resources Certification Institute (*hrci.org*), Alexandria, Virginia. "But they must also relate to the teams they support, which requires a deeper understanding of HR technology solutions both currently in place and emerging innovation in the market."

Wiest believes CHROs should view the HR team as salespeople for the entire organization. By employing the right technology and portraying a level of competency with that technology, you will not only bring people in but also keep people engaged.

"For example, to attract potential job candidates, it's essential to demonstrate your aptitude in technology, so candidates are assured they're joining a tech-savvy, proficient, forward-thinking organization," she says. "Also consider virtual interviews. Does the CHRO [and HR staff] demonstrate fluency, confidence and proficiency when using Zoom for meetings, interviews and training?

"Are they experts in leveraging LinkedIn? Do they inspire others, or does technology create a barrier when engaging?" Wiest asks. "It's … critical to understand and leverage the power of social media channels and LinkedIn."

AUTOMATION CHANGES THE HR LANDSCAPE

As in many sectors, automation is making business more efficient and strategic for HR teams. CUES member Lisa Brown, CCE, chief strategy and people officer for $685 million CommonWealth Central Credit Union (*wealthcu.org*), San Jose, California, reflects on several factors that are reshaping HR.

"First, I believe automation and digitization will continue to help the CHRO move away from administrative functions and processes" and focus on strategy, says Brown. "Second, data analytics will reveal vital new information to HR teams, which can help guide a CHRO in developing talent and building a future-ready organization. And finally, technology will enhance nearly all aspects of the employee experience while [we strive] for an all-in-one HR digital experience that can support in-person, remote and hybrid work models.

"As we envision the HR needs of the future, we are continually evaluating new technologies to help us deliver a seamless, convenient employee experience," she adds. "Our ultimate goal is to provide employees with easy access to information, tools and resources whenever and wherever they need them" with as little manual intervention as possible.

Every organization's talent acquisition tech stack will differ based on hiring needs and volume. Dufrane notes that for small and mid-sized businesses, all-in-one solutions (such as Greenhouse, *greenhouse.io*, or Lever, *lever.co*) can reduce administrative work and give recruiters more time to interact with candidates. For enterprise organizations, the TA tech stack may involve multiple systems (e.g., sourcing tools, recruitment marketing platforms, scheduling and interview systems, assessments, and onboarding solutions) that move candidates through the recruiting funnel from top to bottom and involve all stakeholders.

"It's also necessary to have a firm grasp on how existing software systems function and interrelate to identify any gaps or areas for improvement, particularly in terms of how available data and analytics support business decisions," says Dufrane. "Leaders should know how technology can help automate complex business processes and promote their company brand to candidates."

For optimal success, CHROs should also be competent in building partnerships with technology experts, including in-house and third-party service providers. "Still, there will always be a human element," says Brown, "and HR's digital transformation is not just about technology; it's about people too—supporting your employees and meeting them where they are. This requires a delicate balance of technology and the human touch."

Brown says the successful CHRO should enjoy keeping pace with new technologies and their benefits. Even so, she relies on her team to work collaboratively to identify, select and implement the technologies that best fit their needs and the needs of employees.

A STRATEGIC SHIFT

Evolving needs necessitate redefining what HR means in theory and in practice. This shift has led some organizations to adopt more than one HR-related executive position, says Dufrane. "These might include chief human resource officer, chief people officer or chief culture officer. And as organizations address the confluence of data and technology along with change management, career development and organizational culture, this trend will continue."

The pandemic accelerated this transformation and confirmed technology's role in HR. "During this time, HR professionals had the unique opportunity to leverage technology in a number of ways," as COVID-19 halted traditional face-to-face and in-office processes, reflects Brown. "And today, as credit unions continue to work through residual pandemic challenges and adapt to an increasingly competitive environment, I believe the CHRO will be key to driving this change while building organizational culture and employee experiences to attract and retain top talent."

This shift has revealed a critical need for CHROs to balance the demands of a hybrid and remote workforce. "CHROs must figure out how to implement training and development strategies for the remote workforce and keep them engaged," says Roche. "Equally important, it's up to the CHRO to take command of this expanding dynamic, and technology will play a key role."

Before the pandemic, many people worked in office-based cultures, notes Tracey Parsons, co-founder/CEO of WORQDRIVE (*worqdrive.com*), Columbus, Ohio, a mobility engine provider that automates staff redeployment. "Now, those same companies are fully remote by adopting systems that leverage advanced technologies such as artificial intelligence and machine learning." These tools can aid employee development by suggesting skills and goals to communicate to leadership while keeping the employee at the helm. "And since we aren't always face-to-face anymore, we've realized these tools need to be more interactive and less transactional.

"The perception of HR is shifting to that of a more strategic field, both operationally and on the people side," adds Parsons. "These shifting dynamics not only require an increased reliance on technology but will also evolve with the adoption of new digital strategies, such as moving from role-based hiring to skills-based hiring." This means HR teams will shift focus to the hard and soft skills needed for the job rather than candidates' education and past roles.

ENGAGEMENT AND RETENTION

To develop a healthy talent pipeline, CHROs must predict where the credit union is heading in its growth, talent development and recruitment strategies. "Two areas impacted by analytics are employee engagement and retention," says Roche. "Analytics will help CHROs predict unwanted attrition—when an employee you don't want to lose is about to leave. Things like point-of-tenure, age and lack of promotional opportunities are indicators; analytics can also point to why employees leave."

Recruitment can also be enhanced through analytics to match a person's abilities to the position. "For example, analytics can cut through the layer of noise when numerous resumes are received for a single opportunity," notes Roche. "However, an interview will remain an integral piece of the puzzle, since analytics can never tell you if someone has the right attitude in life."

Traditional recruiting assessments and such metrics as cost-per-hire are helpful indicators of past progress but not necessarily forward momentum, says Dufrane. "People analytics are rapidly changing the way HR approaches decision-making—moving away from a prescriptive model (one that asks what we need to do to

MORE ON HR TECHNOLOGY

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Purposeful Talent Development: Visions' Vision for Growing Its People (*cumanagement.com/092622skybox*)

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How to Build the Tech Talent Force Credit Unions Need (*cumanagement.com/0822trellancewhitepaper*)

achieve a desired outcome) to one that is increasingly predictive (one that helps determine future outcomes)," she explains. "These predictive analytics may look at factors such as employee tenure, absenteeism or engagement."

Parsons notes that leveraging modern insight tools that deliver the point-in-time information is needed to advance such internal talent initiatives as recruiting current employees into new roles and departments or succession planning. "As HR professionals, we need to ensure we're looking at fresh data, which means encouraging employees to keep their profiles up to date and actionable" in the HR and learning systems being used, says Parsons.

"Analytics should also support employee development and reveal what skills exist within your workforce—and those that don't," she adds. "HR leaders can then determine ... how to bridge these talent gaps." That might mean placing additional focus on development, coaching and mentorship.

Wiest suggests examining your database of people from the perspectives of equity and inclusion, demographics and psychographics and making comparisons to highlight talent gaps within your team. "By understanding varying analytics [data sources]—including your team, people and community—you can respond appropriately to their needs and close potential gaps while learning more about your organization's cultural drivers."

For deep analysis, Wiest employs Energage (*energage.com*), Exton, Pennsylvania, a talent recruiting and employee engagement platform, which begins with a comprehensive employee survey. "Once you have the data, you can learn about the habits and tendencies of your people, allowing you to engage them more fully," she explains. "This engagement can also reveal striking philosophical tenets and insight on how an organization is managed and information is shared, as well as other emerging trends."

LEARNING MANAGEMENT SYSTEMS

CUs should look for and develop transferrable skills in their employees, notes Dufrane. "Jobs of the future haven't been created yet, but many skills of today (i.e., customer service) can be used elsewhere tomorrow. The key is to help employees learn and develop throughout their careers and ensure their preparation mirrors the organization's plans."

Learning management systems that deliver educational courses, training programs, certifications and credentialing can assist with this development.

While there are many ways to encourage talent development, Dufrane says the biggest factor is to ensure employees have the time and encouragement to focus on career growth. "Devoting five minutes a week (as some studies have shown) isn't enough. CHROs must acknowledge that employee development requires a commitment on the part of the organization and individual, no matter where that person physically sits.

"We also live in a time when there are ample resources for HR to follow trends, particularly around technology," she continues. "From the opportunities for employees to earn certification and recertification to training and developing specific skills, there are many ways to embrace the latest tech innovations for employee development."

Wiest uses the CUES Learning Portal, powered by Degreed (*cues.org/membership*), to provide ongoing learning opportunities guided by an employee's career goals and course selection. The platform provides resources that can aid in succession planning and identifying employees' future career paths.

Some development programs may focus on an employee's potential rather than performance. "Some employees may be great performers but do not want to advance," notes Wiest. "Others may want to advance but aren't solid performers. Technology can assist in finding the disparity between the two and provide a 360-degree view of a person's potential."

EXCEED EMPLOYEE EXPECTATIONS

Roche says to remember that employees have the same experience expectations as your members—they want robust, easy-to-use HR systems found in a single place—in particular, their mobile devices. "These technologies must meld, blending a CU's HRIS (human resource information system), benefits, payroll, other partnering platforms and even an employee's 401(k).

"To ensure this, CUs should treat HRIS system decisions the same way member-facing system decisions are made. Focus on getting the required functionality but give equal or more weight to the overall employee experience when accessing and using systems."

Technology feels ubiquitous in all aspects of our lives—and our people systems in the workplace need to reflect that, adds Parsons. "CHROs should push their teams, partners and vendors to find readily adoptable solutions. Given how dynamic the world is, leaders should not only understand emerging technologies but also recognize how each tool can support local, global and remote workforces."

Wiest concludes that if they're not already, HR leaders must become lifelong learners. "It will help you to embrace change and the technical expertise required today and enhance your agility. Both are keys to getting everyone involved and helping attract others to the organization."

Owner of Fab Prose & Professional Writing, **Stephanie Schwenn Sebring** *assists credit unions, industry suppliers, and any company wanting great content and a clear brand voice. Follow her on Twitter @fabprose.*

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CUES Announces 2022 Award Winners

4 Inducted Into CUES Hall of Fame

CUES is pleased to announce the winners of its annual individual awards and the class of 2022 Hall of Fame inductees (*cues.org/awards*). Winners were announced Oct. 20 during the CUES Member Appreciation & Awards Event, sponsored by Cuna Mutual Group.

- **GreenState Credit Union**, N. Liberty, IA, received the DEI: Catalyst for Change Award.
- **Linda Hoover, CCE**, president/CEO, Educators Credit Union, Mount Pleasant, WI, was honored with the CUES Outstanding Chief Executive Award.
- **Kevin Martin, CCE**, EVP/strategic integration and member experience, SchoolsFirst FCU, Santa Ana, CA, was named the winner of the CUES Exceptional Leader Award.
- **John Sackett**, board member, Royal Credit Union, Eau Claire, WI, received the CUES Distinguished Director Award.
- **Zachary Churchill**, VP/finance, USF FCU, Tampa, FL, is the 2022 CUES Emerge winner.

In addition, the 2022 inductees into the CUES Hall of Fame were recognized for their involvement in community service, dedication to education and self-improvement, and their contributions to CUES and the industry. This year's inductees are:

- **Paul Kelly**, retired CEO, connectFirst Credit Union, Calgary, AB;
- **Erin Mendez, CCE**, president/CEO, Patelco Credit Union, Pleasanton, CA;
- **Barry Nelson, CCE**, retired CEO, Travis Credit Union, Vacaville, CA; and
- **Sterling Nielsen, CPA**, president/CEO, Mountain America Credit Union, Sandy, UT.

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CUES' Directors Conference (*cues.org/dc*) is the annual must-attend director event for the credit union industry. This year we're headed to Caesar's Palace in Las Vegas, Dec. 4-7. Join your colleagues for an in-depth look at relevant governance and strategy issues affecting your board, credit union and the movement as a whole. We appreciate the following sponsors helping to make this event a success.

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JAN. 26 (REPEATED MARCH 2)
Webinar: What's In It For Me: The Ultimate Guide to CUES Membership

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FEB. 16
Virtual Classroom: Managing Change: How to Effectively Lead Your Team Through a Change Management Process

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Purposeful Talent Development: *Use Data to Hit Bullseyes*

BY LESLEY SEARS

The leaders of most organizations that I've worked with in my career don't really know what they need from their talent. They might know what tasks need to be accomplished to keep the business running. But they typically don't know which competencies are the ones their team members leverage to drive the business success.

WHY CLARIFY YOUR ORGANIZATION'S UNIQUE TALENT NEEDS

There are lots of good reasons to find out. Once you clarify your teams' success profiles, you can drive your organizational success by developing people in ways that help them do their current jobs better—and prepare them to move into managerial and leadership roles.

In other words, by articulating the unique combination of knowledge, skills and abilities that works best for your credit union, you can build a successful, research-based talent development program and create a solid succession plan that has the backing of deeper bench strength.

Said another way, once you know what your targets are for knowledge, skills and abilities at each level in your organization, you will be able to identify where the skills gaps are. This makes it easier to develop your team to fill those gaps.

All in all, understanding the specific competencies your team uses (and ultimately needs) means you won't just be throwing darts at the wall but actually hitting the bullseye of more effective talent development.

HOW TO IDENTIFY YOUR ORGANIZATION'S UNIQUE TALENT NEEDS

Interestingly, your organization has already selected the knowledge, skills and abilities that matter most. They are the key competencies that your leaders and staffers are using to effectively serve members every day. They are the skills that help people be successful and get promoted.

Over the last 50 years, behavioral researchers have been identifying the set of possible knowledge, skills and abilities from which your organization has made its choices. To set up your credit union for success with talent management, you'll ask leaders, managers and individual contributors to identify and prioritize which skills identified by the researchers are in play within your credit union.

POTENTIAL, REALIZED

There's a lot of unharnessed potential out there, since most credit unions haven't prioritized the competencies that their leaders, managers and staffers use to do their best work.

You're probably already paying for your team members' learning. Imagine getting a fuller return on that investment by knowing your organization's foundational skills for success and targeting the development of the knowledge, skills and abilities for each of them.

CUES Consulting helps credit unions of all sizes identify areas of opportunity, starting with a plan tailor-made to your needs. I'd love to talk with you about what is possible for your credit union.

Lesley Sears *is VP/talent development consulting for CUES. Contact her at* lesley@cues.org.

Leave a comment at cumanagement.com/1022bullseye.

"There is a lot of unaddressed brokenness in leadership, which in turn twists the work environment and culture into something inevitably unhealthy. As a leader, it is imperative that you become whole—emotionally, mentally, physically and spiritually. When you lead from a place of wholeness, you can be more available to your team to guide and direct from a place that is putting people first."

Stephanie Chadwick, CEO of CUES Supplier member Edge (*edgemm.com*), Vancouver, Washington, in "The Gift And Challenge of Working With People": *cumanagement.com/1022gift*

Compensation Survey Participation Opening Soon!