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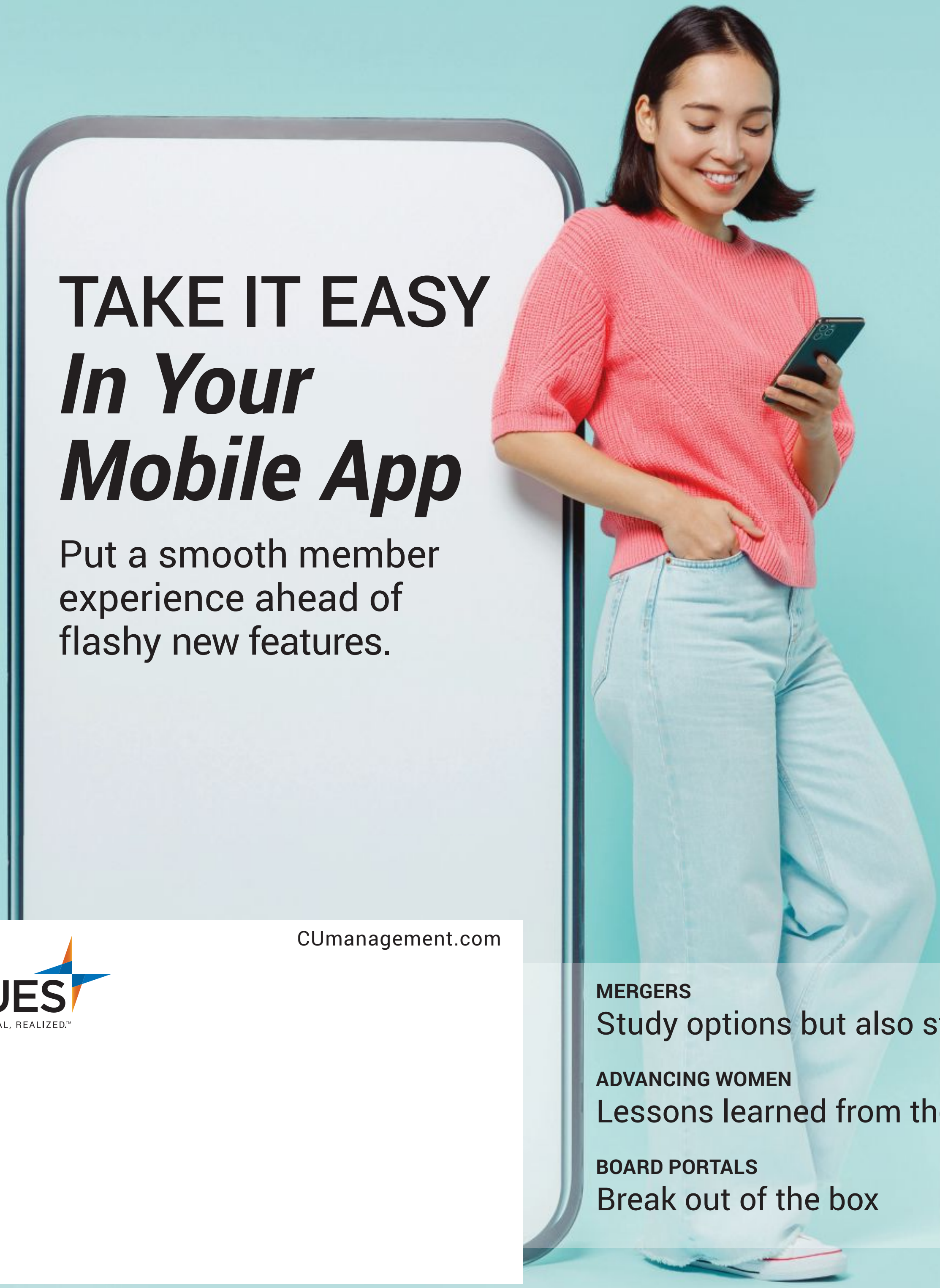

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ADVANCING WOMEN
Lessons learned from the 'firsts'

BOARD PORTALS
Break out of the box

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>> CUES commits to fight racial injustice. Find resources for diversity, equity and inclusion, along with our full statement, at *cues.org/dei.*

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ONLINE ARTICLES, VIDEOS AND MORE

Online-Only Column

CFO Focus: Strategic Planning to Survive and Thrive, Part 1

How would you rate your credit union's approach to strategic planning? Is your plan going to ensure your credit union survives and thrives, or is it more of a check-the-box exercise?

cumanagement.com/0323cfofocus

CUES Video

Don't Let Gender Norms Impact Staffing Decisions

Beth Livingston, Ph.D., associate professor at the University of Iowa, discusses the pitfalls of gender norms in the workplace and the importance of objective, outcome-based criteria when evaluating employees.

cumanagement.com/video040323

Online Blog

6 Signs of Ageism in the Workplace and How to Deal With It

Age discrimination in the modern-day workplace is still alive and well, so it's important to be alert for signs of ageism and to know your options if you or someone in your family experiences it.

cumanagement.com/030823blog

CUES Podcast

With Fintech, Knowledge Is Power

Alex Johnson, creator of the Fintech Takes newsletter, describes ways credit union leaders can track trends in fintech, underscores the idea that knowledge is power when it comes to decision-making and shares several of his favorite fintech resources.

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YOUR THOUGHTS

WHAT TOPICS DO YOU WANT TO READ MORE ABOUT?

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

On Mergers, Mobile and *Being the First*

This month we're covering some big topics for credit unions.

First, check out our cover story on making mobile easy. Kate Rogers, chief innovation officer at $590 million University of Illinois Community Credit Union, says about 85% of the CU's logins are on a mobile device. So, her team's goal is to make it as easy as possible to sign in to mobile banking.

And as CUES member Joe Lovasz, VP/products and payments at $5 billion Virginia Credit Union, says, it is important to offer members the ability to seamlessly make payments—to the credit union in particular. "They look at it and say, 'I'm trying to give you money. Don't make it hard.'" Read more on p. 10.

On p. 18, we feature "Getting the Most From Mergers." Even if you don't have merger plans in place, you need a strategy in case an opportunity presents itself. "One of the exercises I encourage credit unions to undertake is to consider their future under various merger scenarios," says Glenn Christensen, president/CEO of CEO Advisory Group, a consultancy firm specializing in credit union mergers and bank acquisitions. "What would it look [like] if you were an acquiring credit union, a merger of equals or if you were to be acquired? And what would your future look like if you were to rely strictly on organic growth?"

For perspective on mergers in Canada and creating a cohesive culture, read "Managing Mergers Needs Communication, Maybe Even Love" at *cumanagement.com/0323canada-mergers.*

You can make life easier for your board—and staff—by adopting a board portal. Read how high-performing boards make use of them in "Breaking out of the Board Portal Box" on p. 14. "The move to electronic board packages has really streamlined meetings a lot," says CUES member Bob Falk, president/CEO of $1.8 billion Purdue Federal Credit Union, which has used OnBoard since its inception. "We can make changes on the fly to an agenda. We can tweak a board packet. ... Paper-wise, you couldn't easily do that. Directors just seem like they're well-engaged in the meetings. We're having better dialogues, discussions and meetings since we've gone electronic, ... and it continues to get better as more folks get comfortable with it."

Finally, we are bringing to print one of our online features from the quarterly *Advancing Women* digital publication. In "Lessons Learned From the Firsts" (p. 22), read about the experiences of four female CEOs who are the first women to lead their credit unions and what they suggest for other "firsts" who aspire to the top spot.

Theresa Witham

Theresa Witham
VP/Publications & Publisher

Take It *Easy*

PUT A SMOOTH MOBILE EXPERIENCE AHEAD OF FLASHY NEW FEATURES—BUT DON'T FORGET THE BASICS.

BY ART CHAMBERLAIN

If you're like most credit union executives, you probably spend a lot of time thinking about your mobile app. That only makes sense because mobile is becoming a top way members interact with your credit union.

But what's the key mobile functionality you should be worried about? Security? Payment features? Personal finance management? Loan applications and payments? Card controls?

Several credit unions and consultants say it's actually not a single feature or functionality you should be most worried about. Instead, worry about making your members' experience *easy*—as easy as ordering from Amazon or calling an Uber. Said a little differently, the best credit union mobile app isn't the one offering the most features but the one delivering the least frustration.

Megan Cummins, strategic consultant at CUES Supplier member Engage fi (*engagefi.com*), Tampa, Florida, spends a lot of time examining credit union mobile offerings—and she sees a lot of problems. "There's a big difference between the experience you get when you sign on to Bank of America or Chime and what you get when you go to many credit unions," she says. "A lot of credit unions offer a very clunky experience."

The problem for many credit unions lies in their back office and the challenges they face there when trying to improve the user experience, she explains. Some of those challenges are IT issues, such as compatibility problems or limited resources and capacity for upgrades, while others may be staff concerns. For example, Cummins says credit unions can run into staffing issues when they want to add live video chat to their mobile apps. "You can say, 'We're going to add a chat,' and then you've got back-office people who have been answering phones for the last 30 years who may be reluctant to go on camera. There's a cultural aspect that they have to deal with as well.

"I think a lot of credit unions are now getting to a point where it's like: 'OK, I don't care what happens in the back office. We will have to fix that, but we really need to focus on the user experience and *then* fix everything that's broken on the back end.'"

Cummins says in many cases credit unions have lagged in providing a better user experience because their digital vendor has been slow with third-party integration, but that is improving as vendors realize the importance of mobile integration and upgrade their service.

Credit unions also face some special challenges that banks often don't, she says. For example, members want to be able to open an account online, something they can't do in many credit union apps at this point. That's because there is the challenge of opening a membership, which is typically complicated by restrictions related to residency or occupation.

She finds that credit unions often want to talk about adding artificial intelligence and bots to their mobile apps. That's a great goal for the future, but Cummins' advice is to first make sure it is easy to open an account before looking at other high-tech features.

KEEP IT SIMPLE

Kate Rogers, chief innovation officer at $590 million University of Illinois Community Credit Union (*uoficreditunion.org*), based in Champaign and serving 57,000 members, says about 85% of the CU's logins are on a mobile device. So, her team's goal is to make it as easy as possible to sign in.

"Ultimately, we are not talking about comparing ourselves to the credit union down the street, or the small community bank that might have some legacy technology," notes Rogers. The comparison, in members' minds, is to their everyday mobile experiences with e-commerce and retail giants. "Our members are saying, 'How does my Starbucks app work? How does Amazon work?' That's the experience our members have come to expect [from mobile], and that's the experience we need to deliver."

Rogers says her credit union doesn't want mobile banking to be a chore. "We don't want to be another errand on their list. We want it to be so simple and easy that they don't even think about it."

University of Illinois Community CU has experienced strong growth in its checking products and debit cards just by making it easy to open an account with a few clicks, she reports. This approach, with a focus on ease, helps build a relationship with the member that can increase the level of trust and boost the CU's share of members' financial activities.

Chris Miller, senior director at CUESolutions provider Cornerstone Advisors (*crnrstone.com*), Scottsdale, Arizona, agrees that CUs should focus on providing a better user experience, not on providing more functionality. He suggests they pay attention to digital providers who are tracking eye movements as a member navigates their app. "You want it to be seamless for your eyes. Having that capability for your mobile app is really going to set you apart."

UNIFY, BUT DON'T OVERWHELM

But having a top-notch mobile app is not just about a well-designed experience. There definitely are features that members expect and demand: card controls, personal financial management tools, AI-driven chatbots, easy money movement and access to credit scores. Some of these features are table stakes today.

> **"There's nothing that even the smallest of credit unions can't do, really, which is kind of amazing when you consider the millions of dollars a huge bank has in their tech budget."**
>
> – Megan Cummins

And Miller says it's essential that credit unions offer the same services in both their mobile and online banking platforms.

CUES member Frank Macrina, SVP/products & channels at $5 billion Virginia Credit Union (*vacu.org*), based in Richmond and serving 320,000 members, says the CU currently has different vendors for its desktop and mobile applications. The credit union is working to bring them under one provider.

He notes that PFM tools are part of the ante just to play for most credit unions, and they are a vital offering if a credit union provides wealth management services.

CUES member Joe Lovasz, VP/products and payments at Virginia CU, says that providing chatbot capability requires sensitivity; people will get frustrated if it becomes clear they are getting responses from a bot that is just recycling canned answers, so your platform needs to be able to easily escalate to live chat if necessary.

He also says it is important to offer members the ability to seamlessly make payments—to the credit union in particular. "They look at it and say, 'I'm trying to give you money. Don't make it hard.'"

Macrina notes that agility—being able to adapt quite quickly—is also a big focus of the credit union's mobile efforts. "We work really hard to deliver value more iteratively and frequently, but not too fast that we overwhelm members," he says.

Rogers also thinks it's better to have frequent, smaller mobile updates rather than a major upgrade once a year that creates enough difference in member experience that it results in frustration. "Consumers are used to small changes, but they don't like big changes, so whenever you can minimize that and just enhance their experience, that's what we like to do."

CREDIT SCORING AND CONTROL

"Credit scoring used to be a nice-to-have feature that people found in their credit card applications, but now it is part of a credit union's mobile app," says Jason Schwabline, chief strategy officer at CUES Supplier member Alogent (*alogent.com*), Peachtree Corners, Georgia. "It's become a feature that teaches members financial wellness."

During the pandemic, credit unions saw some mobile users checking their balances up to 10 times a day. Now, many are also checking their credit scores whenever they get an alert that

it has changed. "It's become one of those things they hit and refresh," Schwabline says, noting that many members, especially younger ones, realize the importance of monitoring their finances for unusual activity or data breaches.

This vigilance corresponds with the importance members place on effective card controls—features that let them freeze their cards or issue new ones should a problem arise. While older members might panic when something unusual happens in their account, Schwabline observes that younger members say, "I can stop all my activity till I figure out what's going on. I know I can get my funds back; I know I can access things and move forward."

Schwabline also notes that many credit unions now are looking to upgrade their apps and replace existing elements that have become tired. That need for a refresh is driving feature change and speeding up the process of enhancement. But those changes must be made with member priorities—and concerns—in mind.

For example, from a credit union's internal perspective, a key feature of modern mobile apps is improved marketing capability that allows the CU to target members without overwhelming them.

Schwabline says marketing has always been part of mobile app solutions, and related functionality provides important information to members about new products and services—but it has to be done in a "noninvasive way." He says members have become more concerned and more knowledgeable about privacy protection, especially since Apple raised the bar with its recent iOS changes (*tinyurl.com/2p88b8kp*). But app usage can still provide a wealth of data that gives credit unions a better sense of what a member is doing and why, "and you want to provide helpful tools and services for their specific needs, rather than come across as someone watching their every move."

Credit unions need to find ways to allow members to view and control all their investments and assets within their app, Schwabline advises. "Credit unions have become very aware of people spending time in the app, and they want them to stay there for all of their banking needs. But consumers frequently leave the app because they need to go and manage assets elsewhere."

Another member-empowering feature that should be in a mobile app is a way to resolve any disputes or problems without going elsewhere, he adds.

Schwabline also urges credit unions to simplify their apps to make it easier for members to find what they're looking for. "We used to force people on a journey and say, 'Listen, I know what you're looking to check, but you're going to have to go three pages deep inside our application to find it.' Now, the goal is to make the user journey simple and intuitive; we don't want to see a high abandonment rate. We also don't want to see frustration, because frustration means a phone call."

MAKE IT A GAME

$7.3 billion, 338,000-member Michigan State University Federal Credit Union (*msufcu.org*), E. Lansing, Michigan, has been working on ways to use its payment products to increase member engagement with its mobile app. Last fall, the CU partnered with Flow Networks (*flownetworks.io*) to test a gamification approach tied to the university's football games. The credit union invited 30,000 members to sign up to play Game Day Experience, and about 5,000 joined in.

> "We don't want to be another errand on their list. We want [mobile banking] to be so simple and easy that they don't even think about it."
>
> – Kate Rogers

MORE ON MOBILE

A Worthy Work in Progress (*cumanagement.com/1222omnichannel*)

The Power of Inclusive Data (*cumanagement.com/1122inclusivedata*)

Delivering Engaging Digital Experiences (*cumanagement.com/0922engaging*)

Hit the Road, App (*cumanagement.com/0922app*)

The Best Branch Configuration Today (*cumanagement.com/0922branch*)

Fintech for the Win (*cumanagement.com/0622fintech*)

Engaging With Members in the Wild (*cumanagement.com/0921engaging*)

"As more people move into the digital channel, we need to find ways to build a digital relationship with them," says CUES member Benjamin Maxim, chief digital strategy and innovation officer at MSUFCU. "Now, we're trying to figure out ways to get people to log in to have a digital experience with us.

"In the past, people might have come into the branch to build that relationship, but now we need to figure (out) how to do it digitally, so the Game Day Experience was born out of this idea of boosting digital engagement through gamification."

Ami Iceman-Haueter, chief research and digital experience officer at MSUFCU, says the credit union is striving for a deeper digital relationship. "We don't want to just be the place they're coming to check their balances," she explains. "We have that traffic already. We want to start creating more opportunity for them to feel like we are a resource—that we're a place that they can come to, whether it's in a game sense, or it's understanding their financial education tools, or it's starting to save for the future. We want to offer those opportunities so that we become a hub for their financial wellness."

Maxim said the goal of Game Day was to encourage members to use MSUFCU's credit card and to study a way to increase engagement when they do.

"You swiped our card, so what can we do to engage with you at that moment?" he says.

After making a purchase, members got a chance in their mobile app to kick field goals for 45 seconds and move up a leaderboard, getting a prize at the end. Top Game Day Experience players received $200 gift cards. The Game Day Experience test was a victim of its success and maxed out the server. Now, with more capacity in place, the credit union is looking at offering Game Day contests with other sports. It's also thinking about how to enhance that payment experience by offering products or discounts on a member's next purchase.

"It really is the start of how we build that engagement," Maxim says.

A panel of more than 600 members helps MSUFCU test new ideas before they are rolled out. Maxim says the credit union has asked critics of past efforts to join the panel so they can provide input and identify potential problems. Iceman-Haueter says she hopes to expand that group to 1,000 people this year.

The credit union invites members to join its innovation center, called The Lab at MSUFCU, so they can help it turn innovative ideas into advanced financial technologies.

A DIGITAL JOURNEY

Maxim says MSFUCU has gone through a journey with digital suppliers. A few years ago, it was relying on external vendors but became unhappy because they weren't responsive enough. "They were just not keeping up with what we needed to do and not really keeping up with how the internet and the web was evolving, so we built our own apps, our own websites and our own online bank."

Now, in part because of staffing challenges in recent years, the credit union has gone in a different direction. MSUFCU has partnered with CU NextGen (*cunextgen.com*), Wilmington, Delaware, a credit union service organization formed in 2021 to provide technology and automation solutions, to develop a new digital banking platform called Nextly that will launch later this year. Maxim calls it the next generation of digital banking.

Iceman-Haueter says Nextly will provide hyper-personalization that should be more engaging for members. "The industry needs to flex more than we do now to respond more quickly and create a personalized experience for our members," she adds.

Cummins says despite all the challenges and changes in the mobile space, most credit unions—regardless of size—believe that they can meet members' mobile needs because they see vendors moving quickly to add more capabilities. One credit union she's working with only has 12 employees, but it is determined to offer a full range of mobile services.

"[Vendors are] making it easier, so I think even the smallest credit unions are optimistic because they can offer the same services as the large banks," she says. "There's nothing that even the smallest of credit unions can't do, really, which is kind of amazing when you consider the millions of dollars a huge bank has in their tech budget."

Art Chamberlain *is a writer who focuses on the credit union system in the U.S. and Canada.*

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Breaking Out of the *Board Portal Box*

HIGH-PERFORMING CREDIT UNIONS ARE MAKING THE MOST OF THEIR GOVERNANCE SOFTWARE.

BY FELICIA HUDSON HANNAFAN

Anyone who supported a credit union board before the early 2000s remembers the arduous task of collecting paper materials and assembling them into binders for board meetings. The process was time-consuming and begged for a more efficient (and environmentally friendly) solution. Plus, the financial scandals of that time, such as Enron, Tyco International and WorldCom, along with other breaches in business ethics, led to demands for more accountability, transparency and compliance protocols that resulted in The Sarbanes-Oxley Act of 2002 (*tinyurl.com/sarbanes-oxley*).

Enter the creation of board portal software. Once considered a "nice-to-have," these centralized hubs are now a staple of high-performing credit unions. They streamline meetings through such features as automated meeting scheduling and reminders, electronic document distribution and storage, real-time collaboration, virtual voting, and improved communication between board members.

Though board portals are an essential tool for good governance, it is crucial for credit union boards, committees and leaders to consider their specific needs and budgets when researching portal options. However, these secure platforms are proving they have no shortage of innovative uses, making them well worth the investment.

THE MATURATION OF BOARD GOVERNANCE

Paroon Chadha, CEO and co-founder of CUES Supplier member OnBoard (*onboardmeetings.com*), an Indianapolis-based board portal software provider, has witnessed the transition from shipping board materials to the adoption of digital solutions. His company was a pioneer in the industry, starting as a credit union service organization of Purdue Federal Credit Union. OnBoard has scaled to serve over 400 credit unions and more than 5,000 organizations worldwide.

"The benefits of going digital have continued to compound over time," Chadha says. "We went from emails being shared to needing a secure portal. That shift towards security was the first shift.

"The secure portal then shifted to not just being a secure way to access material but also enabling collaboration within the governance structure of a credit union, allowing for lots of pre-meeting and between-meeting interactions. That collaborative work was the second shift.

"Over time, we went from the board meeting being run in the portal to the supporting committees also being run in the portal. From loan committee to executive compensation committee, ... credit unions started using board portals as a scalable way to support the board work. The move to digitizing the board's underlying committees was the third shift," Chadha explains.

CUES member Bob Falk, president/CEO of $1.8 billion Purdue Federal Credit Union (*purduefed.com*), W. Lafayette, Indiana, has been an OnBoard user since its inception. As the owner of Passageways, the parent company of OnBoard, Purdue FCU was one of the company's first customers.

"We've always been able to be part of the design phase," he says. "We went through a beta on it, and we were able to test it out and kick the tires on it a little bit." It was an obvious decision to go with OnBoard, he notes, as he felt it was custom-designed for his credit union.

Falk, who refers to himself as a "techie geek," says in the day of disseminating binders for in-person meetings, he ran into the challenge of where to store confidential documents. He wanted the board to have access, but not the entire credit union. After the portal implementation, he was able to address this challenge by creating cloud drives and then, using the authorization rules within OnBoard, creating links to those different drives.

"The move to electronic board packages has really streamlined meetings a lot," Falk adds. "We can make changes on the fly to an agenda. We can tweak a board packet. ... Paper-wise, you couldn't easily do that. Directors just seem like they're well-engaged in the meetings. We're having better dialogues, discussions and meetings since we've gone electronic, ... and it continues to get better as more folks get comfortable with it."

Purdue FCU uses OnBoard for all the usual board needs, according to Falk, such as meetings and vote capture. These features were earth-shattering when the software was created in 2011, he notes.

"Our directors like the ability to be able to make comments within the board packet, and they have their annotations they can pull up during the meeting," he says. "The annotation allows them to go question after question and move through the packet. All those things have changed the nature of work."

And then came another earth-shattering event in 2020. Chadha notes, "The supporting committees sharing all the information through the portal creates a clear governance infrastructure, something that obviously makes you more efficient because you can attend meetings remotely. All this came in handy when the pandemic hit, as board portals allowed boards and committees to operate remotely, securely and with more agility.

"Through all these technological, behavioral and exogenous changes, the governance approach at most credit unions matured. We leaped forward at least five to seven years in just the adoption of technology in the boardroom."

Chadha adds that OnBoard's capability to rate meetings can keep everyone accountable, allowing the board or internal teams to consistently improve meetings.

"You can rate meetings on a scale from one to five like you would rate your Uber driver or CEO on Glassdoor," Chadha says. He adds that users can share what worked, what didn't and what could be improved in the agenda structure.

"Meeting ratings are not meant to be an assessment of the board," he stresses. Rather, they're "meant to be like a reading of the meeting so that you know, day to day, you're improving your meetings. All workflows and information flows can be streamlined using such technology today."

UPGRADE YOUR INTERNAL MEETINGS

Kenny O'Reilly, president of CUES Supplier member MyBoardPacket (*myboardpacket.com*), Arroyo Grande, California, says that MyBoardPacket's competitive advantage is security, followed by simplicity. "Throughout the whole experience using MyBoardPacket, people are usually very surprised" at how intuitive it is, he says. "We want people to focus on what's important: the meetings, the preparation for meetings, and communicating securely and efficiently."

This design focus has inspired users to expand beyond using MyBoardPacket just for board meetings, says O'Reilly, and to use the portal as an intranet for communication between employees, remote teams and internal meetings.

"We've never branded it as such, but we let people know that is an option that our customers have discovered," he adds. "Because it's so simple to use, anybody can just log in and start to use it without any training."

O'Reilly notes that because the portal's month-to-month subscriptions include unlimited users, clients have gotten creative and use it as an extranet as well. This can come in handy when a credit union needs to share documents or communicate securely with such outside parties as regulators or vendors. Customers are only charged additionally for increased storage needs, but they can keep fees low by deciding how long to keep and when to purge past meeting data. "[Users] have discovered that it really does have more value outside of just the board."

Chadha agrees that using board portals for collaboration and real-time communication between executives and their teams is an efficient use of the software. He reports that 42% of OnBoard's 400 credit union clients also run their leadership meetings using their portal.

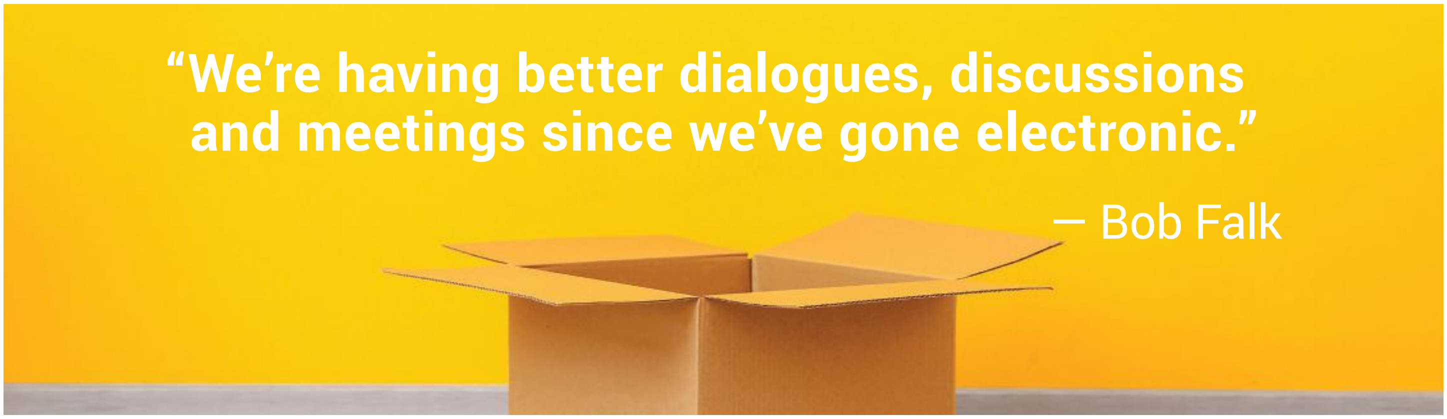
"The leadership team meets in an organized way," he says. So, much like the board benefits from the software, internal teams can time-box agendas (set their time in the meeting)and be better prepared, and past meeting output can be accurately referenced as often as needed.

COMPLIANCE AND PREPARING FOR GROWTH

Grant Sheehan, CEO of the National Council of Firefighter Credit Unions Inc. (*ncofcu.org*), Coconut Grove, Florida, and Sheehan's Consulting (*sheehansconsulting.com*), has found a board portal to be invaluable. Sheehan says that when he was CEO of Miami

"Through all these ... changes, the governance approach at most credit unions matured. We leaped forward at least five to seven years in just the adoption of technology in the boardroom."

— Paroon Chadha



Firefighters Credit Union (*mffcu.org*, now $153 million in assets) from 1998-2009, MyBoardPacket was an important tool not only for his board but also as an extranet for communicating with National Credit Union Administration (*ncua.gov*) examiners.

"The nice thing about MyBoardPacket is you can open several different tabs and you can assign different people to see those tabs," he says. "At the credit union, long before NCUA and some other accounting firms had their portals, we uploaded the accounting side of the information into MyBoardPacket so they could access it. The NCUA examiners could access many selections and read them before they came to the credit union.

"It's like any other innovation out there," he adds. "You have to explore it and talk to other people about it. There are a lot of features that I may not be using."

Sheehan says he now uses the software for the council's board because its members are located all over the United States. They can use it to discuss and vote on different topics, and Sheehan also uploads financials to the portal where the council's auditor can readily access them and complete their audits.

Erin O'Hern is VP/strategic initiatives for ViClarity (*viclarity.com/us*), a provider of governance, risk and compliance technology solutions. O'Hern notes that the subject of how boards and senior executive teams are managing their governance activities, monthly requirements, communication and engagement has become more of a priority from a regulator and examination standpoint.

"It is an interesting topic when you think about innovation in relation to board governance," she says. "And we've talked a lot about it internally—especially over the last year or two, as regulators expect more from boards to understand and set the overall direction of the credit union and risk tolerance. I think folks are looking at how they utilize software in general to ensure that they're maximizing their resources and time."

O'Hern, who came from a compliance and governance consulting background working with PolicyWorks LLC before it merged with ViClarity in 2020, relishes working in a combined compliance consulting/technology solutions capacity with credit unions. "What I loved coming into the technology world in 2020 is how adaptable the ViClarity system is," she says. "The governance oversight of changing regulations and growing member services requires a technology solution for a board that can not only help them with their needs today but adapt over time to match the growth of the credit union. That is how a board prepares itself and the credit union for future innovation. It is exciting to be a part of that growth.

"While there are some similarities amongst boards, such as setting up the audit or supervisory committee and credit committee, every credit union has unique needs," she adds. "You might have board members in training learning about board responsibilities and preparing to run in future years, or an additional diversity, equity and inclusion executive committee. There are unique setups within credit union boards, and technology can help a credit union manage those needs."

STRATEGIC PLANNING

O'Hern says she has recently seen credit unions using ViClarity to track and measure their strategic plan progress throughout the year. As credit unions look at their three-to-five-year plans and break them down into annual initiatives requiring different operational teams, the software can aggregate that information and facilitate regular check-ins.

"There are a variety of ways technology can support board activity, such as with document management automation, to execute annual policy reviews with features like version controls or maintaining a history of the credit union's strategic plan," she explains. "Tracking board education trainings or documenting monthly board discussions all strengthen the governance of the credit union.

"However, the importance of interconnectivity between reports and information across different modules or systems can often be overlooked," O'Hern adds. "Depending on the size and setup of a credit union, information the board needs to review, such as audit finding reports and remediations, high-level risk reports or complaint trends, may all come from different sources or departments. If the information from different modules can connect to each other—which they can on ViClarity's product—it not only creates efficiencies but a stronger view into potential gaps and strengths at the credit union.

Many boards are also required to review policies and procedures annually, she notes. Robust software can provide a one-stop shop to not only review those policies but also strategic planning documentation to get a clear picture of how the policies and strategic initiatives relate.

ACHIEVE CORPORATE SOCIAL RESPONSIBILITY

Boards are also using portal software to hold themselves accountable for their corporate social responsibility goals by using the

> **"The governance oversight of changing regulations and growing member services requires a technology solution for a board that can not only help them with their needs today but adapt over time to match the growth of the credit union. That is how a board prepares itself and the credit union for future innovation."**
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> — Erin O'Hern

software for tracking and reporting sustainability initiatives, environmental and social impact projects, and sharing best practices and impact data.

For example, Chadha says boards can use OnBoard for diversity reporting on their boards and committees. The software can identify and report out the level of diversity and representation on the board, including skill sets. The software can produce a visual representation of where the board is doing well and where it is lacking diversity or needed skills.

O'Hern says ViClarity has long been having conversations with credit unions about DEI and where it crosses over into compliance and governance. She has seen a rise in credit unions incorporating DEI into their strategic plans and initiatives throughout the process.

"Financial inclusion requires consideration of the regulations and often raises compliance questions," she notes. "As an example, in the past we've worked with credit unions to adapt account opening policies and procedures to adjust for changing demographics or fields of membership as they've seen an influx of new immigrants who have other forms of identification that can be accepted. It's important for the board to receive regular updates on DEI initiatives. The board sets the supportive culture of DEI, not to mention the initiatives that may occasionally require board policy updates."

THE FUTURE OF BOARD PORTALS

So where do board portals go from here? O'Hern says that on the innovation side, ViClarity continues to watch for evolving trends and needs to guide what the company builds and enhances within the system.

"I think folks are looking to technology as a solution, whether it's a portal or a governance, risk and compliance system," she says. "But we have seen folks struggle when they end up with many different systems that can't connect reports or information together. Either [the technology] doesn't grow with them, or they have to go to a different vendor for another solution."

O'Hern stresses that it is essential for credit unions to think long term about their technology plan—not just for operations, but for governance needs too. "Starting small is important to make sure you're getting the most out of the system you decide to use," she says. "Then you can grow over time and identify your top needs."

When thinking about the impact board portal software can have on organizations, Chadha says that now that people have become more comfortable with technology, a secure board portal is a crucial safeguard.

"It's a no-brainer—especially in this post-pandemic world," he says. "We are giving you a secure record-keeping system for governance."

Chadha says 2023 marks 20 years of his work on the same challenge of improving board governance. "I believe boards matter, because strong corporate governance forms the backbone to create a sustainable, scalable and diverse business ecosystem. In the case of credit unions, they are a business, but they are also a key element of their local community. That has a huge impact on our world, one community at a time.

"Leveraging the power of digital is a powerful way to bring about this change, this impact. It is the most promising way to make every board high-performing. And I do believe every board can be high-performing with the right infrastructure, committee structure and approach."

Formerly a member of the CUES marketing staff, **Felicia Hudson Hannafan** *is a writer based in Chicago.*

MORE ON BOARD PORTALS

How Skills Tracking Can Aid a Board With Succession Planning (*cumanagement.com/072022blog*)

It's Time to Disrupt Board Meetings (*cumanagement.com/0522disrupt*)

Board Portals Are Table Stakes Today (*cumanagement.com/0322portals*)

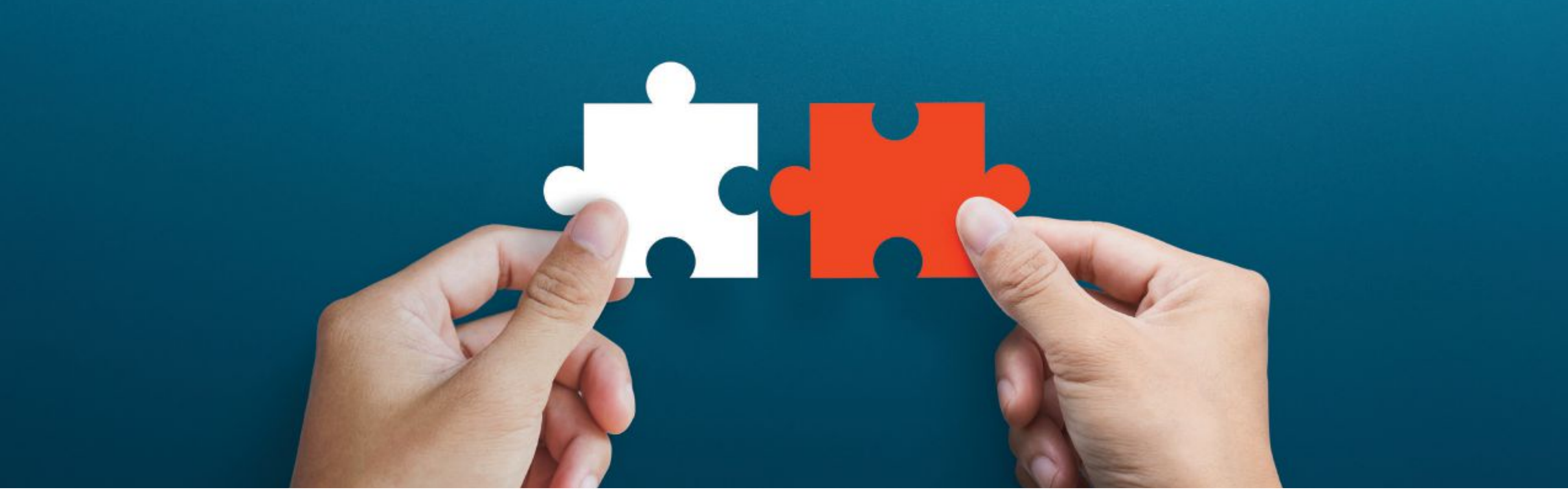
Good Governance: Make the Most of Your Board Portal (*cumanagement.com/0222goodgovernance*)

The Board Portal Wish List (*cumanagement.com/0222wishlist*)

How to Close a Board Meeting (*cumanagement.com/1121closemeeting*)

Ideas for Environmental, Social & Governance Action (*cumanagement.com/0921esg*)

Getting the Most *From Mergers*



MAXIMIZE COMBINATIONS BY EXPLORING YOUR OPTIONS WHILE STILL STICKING TO YOUR STRATEGY.

BY DIANE FRANKLIN

Successful credit union mergers create a stronger, healthier organization that will better serve the membership well into the future. To optimize a merger's outcome, CUs should start with a well-defined strategy that provides guidance for a spectrum of possibilities.

"It is important for all boards to have a policy around mergers and provide guidance to the CEO on how to act if and when they receive a proposal," says Glenn Christensen, president/CEO of CEO Advisory Group (*ceoadvisory.com*), a consultancy firm in Bonney Lake, Washington, specializing in credit union mergers and bank acquisitions.

"The policy also should spell out what types of mergers you are willing to consider," he continues. "One of the exercises I encourage credit unions to undertake is to consider their future under various merger scenarios. What would it look [like] if you were an acquiring credit union, a merger of equals or if you were to be acquired? And what would your future look like if you were to rely strictly on organic growth?"

The best mergers come from compatibility between the CUs looking to combine. "To get the most from their merger strategies, credit unions must carefully consider the strategic and cultural 'fit' of their potential partners," says Mark Sievewright, founder of Sievewright & Associates, a subsidiary of SRM (Strategic Resource Management, *srmcorp.com*), based in Memphis, Tennessee. Without achieving this fit, Sievewright cautions, "a merger is very unlikely to be successful in realizing its goals."

Sievewright adds that it's vital to achieve alignment on the fundamental principles of the merger, including agreement on which CU survives; the composition and structure of the board; the organizational design and leadership structure of the new CU; the headquarters location; the brand name; and the organization's overarching purpose and strategic focus.

REASONS FOR MERGING

Before undertaking a merger, identify good reasons for pursuing it. "There are various potential reasons and benefits for financially healthy credit unions to pursue mergers with each other," says Sievewright, naming the following:

- creation of greater scale, efficiencies and effectiveness to drive greater member value;
- expansion into new markets (geographically and/or new product categories);
- enhancing the member experience through

  improved business processes, technology capabilities, and branch network and call center services; and
- the opportunity to strengthen each CU's financial position.

Christensen sees mergers as the most effective way for CUs to enter new markets—much more efficient than creating a market presence from scratch. "Many credit unions prefer to partner with an existing institution rather than going into a new market organically, because the organic approach often carries more risk in terms of building up a membership base," he explains.

Many CUs use mergers as a means of expanding their talent pool by combining human resources from both organizations. "I've been through several mergers where one of the biggest motivators was to gain the top-notch talent from the credit union being acquired," Christensen says. "Forming a larger credit union will also enable them to compete for top-level talent in the future."

Ultimately, CUs should evaluate merger opportunities based on their impact on members, Sievewright says. "While credit unions should be open-minded in their merger strategies, it is vital to clearly define the credit unions that offer the best opportunities to achieve their member value and business objectives. ... At the end of the day, the key question for credit union leaders and boards is, 'How does this merger benefit our membership?'"

KEEPING OPTIONS OPEN

Christensen recommends CUs keep an open mind about merger possibilities—for example, considering a merger of equals as an alternative to acquiring or being acquired. "A growing number of credit unions are open to having these conversations," Christensen says.

The experience of Charlotte Metro Credit Union in Charlotte, North Carolina, provides an excellent example of how to optimize outcomes by keeping options open. In 2019, the CU—$500 million in assets at the time—began preparing for the upcoming retirement of long-time CEO Bob Bruns. Recognizing the need for greater scale, the board interviewed several large credit unions as potential acquirers.

Before any decisions could be made, word reached Bruns that Premier Federal Credit Union, headquartered in nearby Greensboro, was interested in discussing a merger. The two CUs came to an agreement and completed the merger in August 2021. By that time, Charlotte Metro CU's assets had grown to $700 million, while Premier FCU was at $250 million. While not technically a merger of equals, the institutions treated the transaction as a collaboration.

"We wanted to make sure that we had a credit union that would partner with us, not just acquire us," says CUES member Lori Thompson, CCE, who was Premier FCU's president/CEO. "That's exactly what we found in Charlotte Metro. We agreed going in that we were going to be collaborative and work together to build a brand new, amazing credit union."

Based on this rebranding effort, Skyla Credit Union (*skylacu.com*) was launched to the combined membership of 94,000 in October 2022. By then, Bruns had retired, and Eric Gelly had become CEO. Gelly's extensive industry experience included a stint at Premier FCU, so he knew Thompson well. In fact, it was Gelly who told Thompson about Charlotte Metro CU's desire for a merger. Thompson's response: Why don't we consider merging with each other?

Like Charlotte Metro CU, Premier FCU had begun struggling with issues of scale. Though both CUs were financially healthy, a merger seemed like a pathway to achieving the scale they needed.

> **"At the end of the day, the key question for credit union leaders and boards is, 'How does this merger benefit our membership?'"**
>
> — Mark Sievewright

"Scale had become more and more important in financial services," says Thompson, who now serves as Skyla CU's chief culture officer. "At our size, it had become harder to compete—not only from a marketing standpoint but also from the standpoint of offering products and services. It was also getting more difficult to compete for talent. That was a turning point for me to go to our board and say, 'I think we need to consider a merger.'"

With a combined employee base of 230 employees, Skyla CU now has the talent to compete effectively. The consolidated organization also has a broader range of products and services than either CU had on its own.

"From Premier's standpoint, Charlotte Metro brought to the table several services that we didn't have—in particular, mortgages," Thompson says. "And while we dabbled in commercial lending, we didn't have nearly the expertise or portfolio that Charlotte Metro had."

The merger also provided an expanded geographical presence for the combined credit unions. Premier FCU contributed seven branch locations throughout North Carolina.

"We instantly gained a much larger footprint in the two states and a much larger base of members," says Gelly, adding that this affirmed the need for a new brand identity. "We knew that 'Charlotte Metro' would not play well in Greensboro or Asheville, North Carolina, or in South Carolina," Gelly says, "so we started a journey to create a new, contemporary brand that would create excitement for our members. That's how we arrived at Skyla Credit Union."

Skyla CU started 2023 by completing a merger with $300 million Parsons Credit Union, based in Pasadena, California. With its most recent merger, the CU has reached $1.5 billion in assets and is poised for a stellar year.

"We're excited about 2023," Gelly says. "We have a more robust product offering. ... We also have the resources to build an amazing digital platform. We're in a better position than ever to serve the needs of our members."

MAKING OPEN-MINDED CALLS

An open-minded approach to mergers has facilitated the growth of University Credit Union (*ucu.org*), headquartered in Los Angeles. University CU grew to $1.3 billion in assets and 52,000 members after acquiring two credit unions in the last four years: $21 million CBS Employees Federal Credit Union, Studio City, California, in 2019, and $75 million Chabot Federal Credit Union, Dublin, California, in 2021.

"CBS was definitely an open-minded call for us," says President/CEO

David Tuyo, CSME, CIE, CCE. Tuyo, a CUES member, notes that it was a troubled credit union with a field of membership in the entertainment industry. At first glance, it might not have seemed like a good fit with University CU, which has a membership base in higher education.

"However, we recognized that there were some adjacencies in that CBS had a culture of embracing development and education, with many robust programs to support higher education," says Tuyo. "Today, their field of membership does more business with the credit union than they did before the merger. The share of wallet—what we call 'relationship strength'—has increased as well."

Tuyo also classifies the Chabot FCU merger as an open-minded call, given its location 365 miles north of Los Angeles. The CU was founded to serve the Chabot Community College District and later expanded to include the Las Positas Community College District.

"Its focus on higher education was the same as ours," Tuyo reports. "Chabot's location was ideal because we have relationships with Santa Clara University, UC-Davis and St. Mary's, all within 30 minutes of Dublin, and this allowed us to set up a central hub of operations in Northern California."

University CU was one of a dozen potential merger partners that Chabot FCU invited to make presentations. Ultimately, the cultural fit and progressive business model gave University CU the edge.

"From a fit perspective, we both had compatible missions, purposes and values," Tuyo says. "And financially, UCU is a great success story. I like to say that our credit union is punching above our weight class. We are performing in the top 1 or 2 percentiles across the U.S. in every growth metric, every service metric and every satisfaction metric."

While its primary focus is on organic growth, University CU is open to additional mergers that fit in with its business model. "We believe that mergers will play an important role in our future growth and success," Tuyo says. "We have a merger strategy in place that defines what we're looking for in a partner."

Tuyo adds that potential partners could be larger or smaller. "We're not looking in just one direction. Part of being open-minded is being willing to consider merging with a larger credit union, continuing to grow with smaller mergers or having a merger of equals. It's also being opened-minded to collaborations of shared expense models to help attain economies of scale. It's all of the above."

DEFINING THE BOARD'S ROLE

The board of directors should play an important role in drafting and maintaining the CU's merger plan. However, Christensen concedes that not every board is prepared to act on a merger proposal.

"This is probably one of the areas that credit unions need to work on in terms of board governance, with the leadership team preparing their boards well in advance of any merger considerations," Christensen says. "The board has a duty of care and loyalty to act in the best interests of the institution and the membership. Board members need to take this duty seriously and be willing to review any credible merger proposal that is put in front of them."

When setting its policy, the board should determine how proactive it wishes to be in pursuing mergers. "Some credit unions take a passive approach, waiting for someone to come knocking on their door," Christensen says. "Others are more proactive, with a structured process of outreach for uncovering merger opportunities. In my experience, the best mergers happen between two strong credit unions coming together for the betterment of the membership and communities they serve. Proactive outreach is required to make those opportunities happen."

Sievewright suggests that it's helpful for boards to discuss their philosophy about mergers. "This process should involve the CEO and potentially the rest of the executive team," he observes. "Achieving alignment around desired outcomes from a potential merger is a vital first step in the process. This ... discussion will allow both groups to deepen their understanding of each other's philosophies."

To support CUs in their merger-related discussions and opportunities, Sievewright & Associates (*sievewrightandassociates.com*),

Merging With *CUES eVote*

With the credit union industry going increasingly digital, it should come as no surprise that electronic solutions are being used to facilitate merger proceedings. CUES eVote (*cues.org/evote*) is a highly secure platform that allows CUs to hold votes quickly, easily and confidentially.

$700 million First Credit Union (*firstcu.net*), Chandler Arizona, used CUES eVote for its recent merger with $21 million Bashas' Associates Federal Credit Union in nearby Tempe.

"We already had experience using CUES eVote for our board elections," reports CUES member Heidi Kim, chief experience officer. "Bashas' was interested in providing an electronic election with a paper option, making CUES eVote a perfect option for their members to vote on the merger."

CUES eVote "gave us a third-party, objective resource that allowed the membership to vote in a safe, secure way," Kim adds. "The process was easy. We just needed to provide CUES with a data file to identify eligible voters. We got the certificate and results back in a quick manner."

Plus, CUES was available to provide support for the electronic vote as needed. "There was a phone number that members could call to speak to CUES staff directly, taking both credit unions out of the picture of influencing members about their decision," Kim says. "Also, if someone needed a paper ballot, CUES was able to provide it."

Kim appreciates CUES' ability to work on a tight schedule. "We found out in December 2021 that the merger would be happening, and we had to get everything lined up for the official merger date of May 2022," she says. "CUES was able to work with us to accommodate our condensed timeline."

Having CUES handle the vote was particularly helpful during the hectic time of a merger. "It took the pressure off of both credit unions because we had other things we needed to be working on during that timeframe," Kim says.

> **"We have a merger strategy in place that defines what we're looking for in a partner."**
>
> — David Tuyo, CSME, CIE, CCE

recently launched its MergerMAP advisory service. "MergerMAP provides a methodology for defining desired outcomes as well as achieving the all-important alignment between the credit union's board and leadership team," Sievewright says. Additionally, parent company SRM advises CU on potential cost-savings opportunities and contract negotiations with selected third-party providers.

Tuyo reports that the board and management team at University CU are well-aligned on their merger strategy. The CU has developed a strategic blueprint as the means for achieving this alignment.

"Our strategic blueprint is our guiding document, covering everything from the CEO authority matrix to merger strategies, growth strategies and marketing strategies," he says.

University CU reviews and updates its blueprint at its annual planning session. "If something comes up in the interim, we have a strategic dialog that is part of our monthly board meeting," Tuyo explains. "Our merger strategy could be informed during one of those monthly sessions, in which case that portion of our strategic blueprint could be updated mid-year."

A post-merger board may look different from the one that existed pre-merger. For instance, Skyla CU's 11-member board features representation from its two original merger partners, with six coming from Charlotte Metro CU and three from Premier FCU.

"Our board members learned a lot from their recent merger conversations," Gelly says. "They'll be able to tuck this new knowledge into the strategy for considering future mergers."

Having just completed two mergers, Skyla CU is not in a hurry to jump into another one. "There are many positive things about mergers, but they're also disruptive," Gelly says. "It's hard work bringing two cultures together, and it also slows down your ability to focus on other projects. If an opportunity comes along to merge with a healthy credit union that shares our values, we'll certainly consider it. But our focus in the near term is on organic growth."

GAUGING SUCCESS

It may take some time to gauge a merger's success.

"At Skyla, we're still in the early stages of getting the word out to our members about this new, exciting credit union," Thompson says. "We're also just getting to the point where we're capitalizing on everyone's talents. I don't believe there's an endpoint to what you can achieve with a merger. We will continue to build on our strengths to maximize the benefits for our members and employees."

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

MORE ON MERGERS

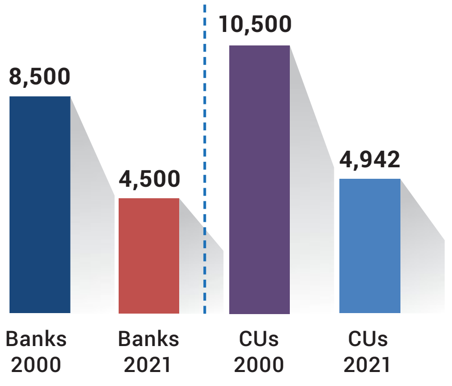
Stay Open to the Options in Succession and Mergers (*cumanagement.com/podcast137*)

Mergers Shouldn't Be Your Organization's Primary Tool for Growth (*cumanagement.com/072121blog*)

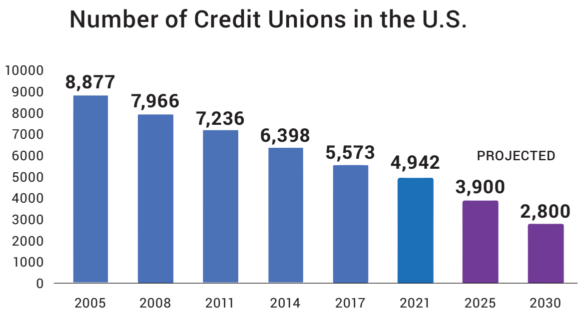
Mergers Have Roots and Wings (*cumanagement.com/podcast130*)

Collaboration Trumps Mergers (*cumanagement.com/0821collaboration*)

The Drumbeat of Credit Union Consolidation—
The Relentless Pursuit of Scale Continues



Sources: FDIC, NCUA



Sources: Projections based on Sievewright & Associates estimates

Faye Nabhani, LeAnn Kaczynski, Tansley Stearns, Tonita Webb

Lessons Learned *From the Firsts*

WOMEN SERVING AS THE FIRST FEMALE CEOs AT THEIR CREDIT UNIONS OFFER TIPS AND GUARDRAILS FOR THE NEXT GENERATION OF TOP FEMALE LEADERS.

BY AMY FREED STALZER, CAE

The percentage of female CEOs in the credit union industry is on a positive trajectory, rising to approximately 50% in 2021 from about a third in 2017. This ratio is better than that of many other industries, including banking. However, the number drops when the data is segmented by credit union asset size, with the number of women in the top leadership position at larger credit unions still below 20%, according to CUNA's 2021 Women in Credit Union Leadership study (*tinyurl.com/588xtbxp*).

This means it's still not uncommon for female CEOs to find themselves being the first woman ever hired or promoted to the role at many credit unions. For some women, the honor of being the "first female" in the top leadership role is a positive visible sign of the progress women have made in the workplace and of the opportunities available to them in the industry today—but with that can come new challenges, pressures and scrutiny.

HOW IT FEELS TO BE FIRST

Women who have risen to the role of CEO at credit unions are mindful of the significance of that achievement, especially as the world is still emerging from the effects of COVID-19.

CUES member Tansley Stearns, CME, CSE, CEO of $1.3 billion Community Financial Credit Union (*cfcu.org*), Plymouth, Michigan, notes that working women in particular are still combating the pandemic's continuing impact on employment trends. Women in senior management positions, working mothers and Black women have experienced some of the largest employment challenges due to the pandemic, according to global management consulting firm McKinsey & Company (*tinyurl.com/mckinsey-covid-women*).

As the first female CEO at her 70-year-old financial institution, "it's a privilege to help shape our future" in this current environment, Stearns says. "As an industry that has a stronger representation of women leaders, I'm excited for credit unions to continue to shape new ideas that support the full lives of all human beings. We can be employers of choice that create a path for the future of work."

LeAnn Kaczynski, CEO of $872 million Smart Financial Credit Union (*smartcu.org*) in Houston, Texas, looks forward to a time when it won't be considered a milestone for a credit union to have a female CEO. “Many of my fellow CEOs are male, and while I think most make an effort to be inclusive, there are still some of the good old boys out there that really don’t look at women in the same role as peers. It’s unfortunate that in the 21st century, we aren’t there yet, but things are changing.”

Faye Nabhani, president of $4.4 billion SAFE Credit Union (*safecu.org*), Folsom, California, says being selected by the board to be the first female CEO in the 82-year-old organization’s history is a career capstone that makes her feel proud and honored, and she thinks of herself as a role model for other female leaders. Nabhani became president in January 2022 after joining the credit union as chief credit officer in 2016. She assumed the role of CEO in January 2023 after former CEO Dave Roughton retired.

“I’m excited to be in this role and what this could represent for others.” But, she notes, it’s just as important to acknowledge that the role is about “the job I’ve done, my vision, the way I engage with my leadership team, the organization and our members, and the things we do to serve them.”

In April 2021, when CUES member Tonita Webb, CCE, was named CEO of now $862 million Verity Credit Union (*veritycu.com*), which has served Seattle communities for nearly 90 years, she marked several milestones by becoming not only the first female to hold the role at her institution, but also the first Black, Indigenous or person of color in the top leadership position.

Webb notes that some of the challenges the first women to hold the CEO role face are “self-inflicted,” in that most of the pressure they feel is generated by themselves. “Being the first anything puts pressure on you. There are people looking to see how well I do. The feeling that ‘I can’t mess this up for everyone else’—I had to right-set that thinking,” she says.

REPRESENTING THE NEXT GENERATION OF WOMEN

The road to credit union CEO has not always been straightforward for women. For instance, Nabhani comes from a lending background, and it’s not common for anyone with a lending background—much less a woman—to become CEO, she notes.

Nabhani says that it took a lot of hard work, perseverance and determination to get where she is today. “When I think about my early career, I don’t think I necessarily thought I was going to be a CEO. I’m a curious, interested person. That curiosity and the journey of wanting to be challenged and learn more are what brought me to this point.”

Women don’t always think of themselves as leaders, but finding the right mentors at the right career stage can make all the difference, according to Nabhani. With more than 25 years in the credit union industry under her belt, she feels the opportunity to be a role model and help other women advance on their career path is important. "I've had mentors in my history who have had an impact in helping me get here, and I like the idea of paying that forward," she says.

Nabhani notes that she grew up in the credit union industry and had a chance to learn about the industry first-hand as she progressed professionally, but not everyone knows about the opportunities there and how to create a career path. "We don't yet have a pipeline of women. When you don't have female influence in an area, it's a miss for us all."

Both Webb and Nabhani note there are still not as many female leaders at larger, more complex credit unions. "I'm seeing that change, but we still have work to do," Webb says.

Webb grew up in a community similar to the ones served by Verity CU, and she remembers her family's struggles. "I understand the systemic challenges, and I get to be a part of dismantling those systems so other families don't have to struggle the way we did and [so] they can see possibility for themselves. That excites me and gets me up in the morning," she says.

"I'm seeing more and more women and BIPOC women become leaders of credit unions, and that is encouraging. Communities are able to see themselves represented," Webb adds.

Stearns likewise emphasizes the importance of representation for women in senior leadership roles in the industry. "The potential I see and greatly value is expanding the places where young people see a woman in leadership roles," she says.

"One way that we help people seize even more opportunities is by demonstrating the possibilities," she explains. "My daughter now sees vividly what it's like to lead an organization. She may have different dreams, and the horizons for her are even more vibrant today."

Aside from the C-suite, both Nabhani and Kaczynski cited IT as an area where women are currently underrepresented within the credit union industry.

"On the IT side and in technical spaces, there are amazing opportunities for women," says Nabhani. "When I look at my IT team, ... I don't feel like young women are given the idea that there is opportunity for themselves in those tech spaces."

As SAFE CU's new CEO, Nabhani plans to put greater focus on engaging with local STEM (science, technology, engineering and math) programs to help girls and young women see themselves in the industry, not just in leadership but all positions, including IT and finance. She also wants to explore how the credit union can bring cohorts of young women into a summer internship program.

"How are we helping and encouraging the girls? Finding that right moment to give that visibility and reaching girls at the right time is key," says Nabhani.

Kaczynski advises women wanting to advance to the credit union C-suite to consider getting their MBA. "It's very difficult for a hiring manager to choose an executive leader without one, and women are seeking more advanced degrees than men nowadays. Also, don't be afraid to take a lateral move to get diverse experience, even if it means no increase in salary. A diverse background coupled with an MBA is a pretty hard combination to beat.

"I think we are on the right track," she adds. "Women leaders are making strides across all industries, and the more we see CEOs with graduate degrees in my industry, the more momentum women leaders will get."

BE YOUR AUTHENTIC SELF

Webb encourages women who aspire to senior leadership positions to invest in self-care and always remember who they are during the journey. "You have to have a plan to navigate this role. Take advice, but don't lose yourself. Apply advice where it's needed and appreciate it, but feel free to take or leave it," she says.

As part of her approach to self-care, Webb has used therapy to process issues related to being the first BIPOC woman in the role and to address "the challenges and expectations I face from people who aren't used to seeing a person like me in this seat," she says.

Webb worked with Verity CU to ensure that she received executive coaching as a benefit, and she notes she has "put ego aside" to invest in that process. "It's helped me understand where I want to go and work through missteps and mistakes.

"The beauty of any leadership program is that we get to bring our background and experiences to help shape our leadership and organizations and to help pivot and progress when times are difficult. We've been through a difficult period these last few years with the pandemic—we have to emerge from this differently," Webb says.

"To 'know thyself'—this is really important," she continues. "Much of leadership in the past has been about forming individuals into someone else that you will never be. Determine how you want to impact your community and the world, and do it on your terms, not someone else's terms."

The best advice Nabhani has for women coming up in the industry is not to underestimate themselves. "Be curious and keep going, no matter who you are. I've pursued opportunities, and they didn't always work out, but you don't stop. Even if you get a 'no' or 'not now,' it doesn't mean never; use it as an opportunity to sharpen your skills."

Amy Freed Stalzer, CAE, *is a writer and communications consultant based in the Washington, D.C., area.*

MORE FROM ADVANCING WOMEN

Promote Gender Equality in Leadership: Take a Stand When Tall Poppy Syndrome Occurs (*cumanagement.com/0222promote*)

Building a Network of Constructive Positivity (*cumanagement.com/0222building*)

Video: Considerations for Women Who Want to Be CEO (*cumanagement.com/video020123*)

Advancing Women, a quarterly publication (*cumanagement.com/advancing-women*)

CUES SUPPLIER MEMBER SPOTLIGHT

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What makes Allied Solutions unique?
Allied Solutions' uniqueness lies in its continued growth and longevity in the marketplace and its deep and diversified product and partner list. This helps Allied take a holistic view of our clients' needs, being able to see the whole "chessboard" to help our clients grow—making us a trusted resource and partner to many institutions nationally.

How does Allied Solutions make its credit union clients more successful?
Allied Solutions is constantly looking—every single day—to form new partnerships that will bring the latest in technology to our credit union clients. In addition, we continue to not only make significant internal investments to keep our technology up to date to better serve our clients, but also invest in external companies that we feel will be beneficial to our clients and their growth. To continue to be our clients' No. 1 supporter, we keep our eye on the horizon for those constant changes and new opportunities.

What are the top issues for CUs today?
A top issue I see for credit unions today is the ability to remain consistent in their core purpose while having a repeatable business model that is sustainable for the long term. Consistent. Repeatable. Sustainable. All while overcoming the challenges and roadblocks that can try to throw you off course. I also see CUs struggling with the younger, upcoming generations. CUs must look for and find ways to remain relevant and compete against fintechs as they try to capture more market share from this key group of members and potential members.

Why do you love credit unions?
The people-first mentality is why I love credit unions. With pure motives at the core of the credit union movement, they were truly built to promote the well-being of the members and their communities. This passion for the members and communities (and not the far-away shareholders who are solely interested in profits) is a wholesome and respectable way to conduct a business.

Explore Organizational-Level Issues, *Emerging Tech for Board Members*

Registration is open for CUES Governance Leadership Institute™ I (*cues.org/gli*) and CUES Governance Leadership Institute™ II: Emerging Technologies (*cues.org/gli2*), held in partnership with the Rotman School of Management, University of Toronto.

CUES Governance Leadership Institute I, June 4-7, focuses on issues at the organizational level. Registrants will learn:

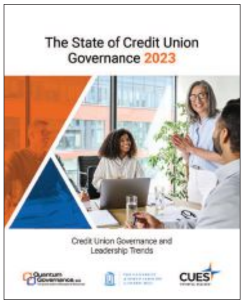
- how to balance healthy debate and diversity with consensus building;
- strategy leadership development;
- effective board and management communications;
- risk management;
- negotiations;
- influencing change; and
- succession planning.

CUES Governance Leadership Institute II: Emerging Technologies, June 7-9, takes an in-depth look into how embracing new tech can help optimize operations and give CUs a competitive edge. Attendees explore:

- using AI to optimize operations;
- evidence-based decision-making;
- weighing the options in selecting AI;
- using predictive models to your advantage;
- the credit union director's guide to cryptocurrencies; and
- IT security strategies.

"Directors who attend both institutes will leave with an excellent foundation covering not only the organizational side of governance but also what new tech can and can't do for their institutions. Plus, they'll gain a strong sense of the kinds of questions board members should be asking," says Christopher Stevenson, CAE, CIE, CUES' SVP/chief learning officer. "Emerging technologies are an important part of financial operations, and implementing them shouldn't be left to guesswork."

Attendees who complete all portions of the curriculum can earn the Advanced Certified Credit Union Director (A.CCD) designation.



New Report Available: *The State of CU Governance, 2023*

CUES has released *The State of Credit Union Governance, 2023* in partnership with Quantum Governance L3C (*quantumgovernance.net*), co-authored by Operations Research at the University of North Carolina at Chapel Hill. The report focuses on four elements of governance: roles and responsibilities, trust, engagement and accountability. It draws on data collected from the assessments of CU boards, with responses from nearly 200 directors, CEOs and other C-suite staff across the U.S and Canada. Key findings include:

- The four elements are correlated in a statistically significant way.
- Boards are most effective at building trust and least effective at remaining engaged.
- Boards and senior management continue to be misaligned in the area of governance.

Findings also showed that credit union boards are, in certain targeted areas, stepping up in some very important ways, while they continue to fall far short in other critical ones.

"We learned something so critical about understanding governance effectiveness through developing this report, and we are eager to share that knowledge to help ensure the future of credit unions through sound governance practices," says Quantum Governance CEO Jennie Boden. "As the industry evolves and contemporizes along with our social, economic and technological environments, how these organizations govern themselves is critical to the financial health and well-being of all our communities."

Download the report at *content.cues.org/governancereport2023*.

Online Learning

CUES Virtual Classroom sessions, CUES webinars and all program playbacks are free to CUES members. Learn more at *cues.org/events*.

APRIL 1-OCT. 30
School of Business Lending™ Online

APRIL 26
Virtual Classroom: Exploring Your Leadership Style

MAY 9
CUES Virtual Roundtable: Emerging Leaders Community

MAY 17
Virtual Classroom: Elevate How You Coach Your Direct Reports

JUNE 13
CUES Virtual Roundtable: Board Liaison Community

JULY 11
CUES Virtual Roundtable: HR Community and Learning & Development Community

JULY 11, 2023-MARCH 29, 2024
CUES Advanced Management Program from Cornell University

SEPT. 12
CUES Virtual Roundtable: Emerging Leaders Community

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Governance Leadership Institute™

Toronto, Ontario • June 4-7 & June 7-9, 2023 • cues.org/GLI & cues.org/GLI2

Discover how to balance healthy debate and diversity with consensus-building in the board room at CUES Governance Leadership Institute I. While learning from the renowned faculty at the Joseph L. Rotman School of Management, you'll gain a thorough understanding of key organizational-level issues, such as board effectiveness, risk management, negotiations and succession planning. Want more? Stay on to attend Governance Leadership Institute II: *Emerging Technologies* and take an in-depth look at how new developments in AI, blockchain and analytics can optimize operations and give your credit unions a distinct edge in a competitive marketplace.

MAY 2023			
CEO Institute II: *Organizational Effectiveness* (SOLD OUT)	*Johnson School of Management* Cornell University	**May 7–12**	cues.org/INST2
CEO Institute III: *Strategic Leadership Development* (SOLD OUT)	*Darden School of Business* University of Virginia	**May 7–12**	cues.org/INST3
JUNE 2023			
Governance Leadership Institute™	*Rotman School of Management* University of Toronto	**June 4–7**	cues.org/GLI
Governance Leadership Institute™ II	*Rotman School of Management* University of Toronto	**June 7–9**	cues.org/GLI2
AUGUST 2023			
Execu/Net™	Grand Hyatt Vail	**Aug 20–23**	cues.org/EN
CEO Institute II: *Organizational Effectiveness*	*Johnson School of Management* Cornell University	**Aug 20–25**	cues.org/INST2-Summer
SEPTEMBER 2023			
Supervisory Committee Development Seminar	Hyatt Regency Savannah	**Sept 6–7**	cues.org/SCDS
Director Development Seminar	Hyatt Regency Savannah	**Sept 6–8**	cues.org/DDS
TalentNEXT	Hyatt Regency Savannah	**Sept 10–12**	cues.org/TalentNext
NOVEMBER 2023			
CEO Dialogue	JW Marriott Austin	**Nov 6–8**	cues.org/ceo-dialogue
DECEMBER 2023			
Directors Conference	Hyatt Regency Maui Resort & Spa Maui, Hawaii	**Dec 10–13**	cues.org/DC
UPCOMING ONLINE PROGRAMS			
School of Business Lending™		**Apr 1–Oct 30, 2023**	cues.org/SOBL
CUES Advanced Management Program from Cornell University		**July 11, 2023–Apr 12, 2024**	cues.org/eCornell-CUManager
Board Liaison Workshop		**Sept 14, 19 & 21, 2023**	cues.org/BLW

Dates and locations are subject to change. For pricing options, visit ***cues.org/Events.***

Why Do My Talent Development Efforts *Feel Scattered?*

BY LESLEY SEARS

Many organizations approach their talent development efforts by randomly choosing a few focus areas for the next quarter or year. Some choose to have everyone read and study the advice of a good business book. Others choose a few learning courses and push them out to all staff. And those aren't bad things to do.

But I bet if you asked the people leaders of organizations that approach talent development this way how their efforts are going, they'll say they feel rather scattered. Some good new behaviors are being developed, but the behaviors aren't sticky—people don't continue to demonstrate those good new behaviors in the long term, the behaviors don't seem to make organizational teams stronger and, in the final analysis, what's learned doesn't drive teams and the larger organization to deliver on its mission and vision.

WHAT'S WRONG?

For best results, leaders need to understand what I call their "organizational insight." That means getting to know your credit union from your people's eyes and asking your team what behaviors they know drive success—for them individually, for teams and for the whole organization. Leaders need to ask what team members see within the CU that could be done better. They need to help their staff understand how to be a leader, not by title but by action.

Importantly, the recipe for success at your credit union will be different from the recipe at any other organization. But fortunately, your unique recipe for success will be built from ingredients from a standard list of behaviors that any organization can draw from. So, it's not hard; you just how to know how to do the work to discern which behaviors are most important for you. And then do it.

PUT IN THE TIME, REAP THE BENEFITS

All that takes time, but the results are so worth it. After all, if you go generic and follow the good ideas of a randomly chosen book, you may get some positive behavior changes. If you add a few courses for all staff each year, some staff members might get excited about some aspects of the courses. But if you don't step back and take a data-based look at what you're doing, you're just throwing darts at a dart board with your eyes closed! To make bullseyes, you'll need to open your eyes and ask your team.

Researching your organization's true learning and development needs—surveying your people and learning what behaviors matter most for success—will enable you to set up training that teaches and develops *those specific success behaviors* at the individual contributor, manager and leader levels.

When you create your talent plan based on data, your plan will help you create behavioral changes through learning in ways that equate to success. When you approach talent development this way, you'll soon see more successful people in your organization—because what they're learning matters to their success. When you approach talent development this way, you'll help individual contributors do their jobs better, managers supervise better and leaders lead better.

Moreover, when you're teaching the skills that you've identified as critical for the success of people at each level of your organization, suddenly, they'll all be rowing together. Your credit union will overall be more successful—and you won't feel scattered at all.

Lesley Sears (lesley@cues.org) *is VP/talent development consulting for CUES. Learn about CUES Consulting at* cues.org/cuesconsulting.

Read the original blog post and leave a comment at cumanagement.com/013023blog.

"A great way to start when you're approached to hear someone's thoughts on a problem or issue a credit union leader is facing is to say something like, 'Would you like me to listen, or are you looking for specific input and brainstorming?' It is also important to understand and communicate your boundaries … and to let the other person know when a networking opportunity or conversation is no longer serving its intended purpose."

Tanya Mueller Smith, CPHR, SHRM-CP (tanya@cues.org)*, manager/member relations and sales support-Canada for CUES, in "Purposeful Peer Networking":* cumanagement.com/021323blog

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