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FEATURES

>> 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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Mortgage Lending: A Texas Perspective

RBFCU is focusing on communication, education and low down payments to assist young homebuyers in a tough market. The CU also has a title company and real estate brokerage operation.

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CUES Video

How to Kick-Start Your Managers' Development

Lesley Sears, VP/consulting services, CUES Consulting, discusses the roles and responsibilities new managers take on and the skills and development strategies they need to start off on the right foot.

cumanagement.com/video070323

Online Column

The Growing Connection Between Compliance and DEI

Including a robust DEI program in the strategic plan sets up a CU for future success in the form of membership growth, product and service innovation, and better risk management practices.

cumanagement.com/0623diversityinsight

CUES Podcast

Becoming a CEO With a Vision for Technology and Teamwork

Dana DeFilippis, CCE, CEO of Merck, Sharp & Dohme FCU, leverages technology and teamwork to promote staff innovation and better serve members.

cumanagement.com/podcast145

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LET'S CONNECT

Comments, suggestions and letters can be sent to **theresa@cues.org**.
LINKEDIN: Theresa Witham
INSTAGRAM: tawitham

YOUR THOUGHTS

WHAT IS ONE THING YOU CAN STOP DOING TO HELP PREVENT BURNOUT?

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

RealTalk! Is Back, *Plus More Resources for Women*

The CUES RealTalk! online discussion series is back this summer, with more real talk and more real stories. This four-part series tackles the important, but often hard-to-discuss, issues impacting women in the workforce.

On July 17, get inspired by CUES' own Jimese Harkley, VP/membership, as she shares her experiences in managing diversity along her career path and within her personal life. She will also discuss how she found the confidence to be herself at work and at home.

Then on Aug. 16, we'll hear from CUES member Rachel Guyselman, SVP/risk and compliance at $1.4 billion Credit Union One, Anchorage. This will be a candid conversation about executive indifference. She'll talk about where this indifference and reluctance to change comes from and what you can you do about it—to save not only your career but also the movement.

In "From the Brink of Burnout" on Sept. 20, Laurie Maddalena, CEO of Envision Excellence and the moderator for the other RealTalk! sessions, will share her journey of balancing the demands of career and family while dealing with feelings of not being or doing enough for anyone.

Finally, on Nov. 15, we'll hear from a panel of women who are their credit unions' first female CEO. It will build on the article we brought you last year, "Lessons Leared From the Firsts." Read it at *cumanagement.com/1122firsts*.

Learn more about the series at *content.cues.org/realtalk-series-2023*.

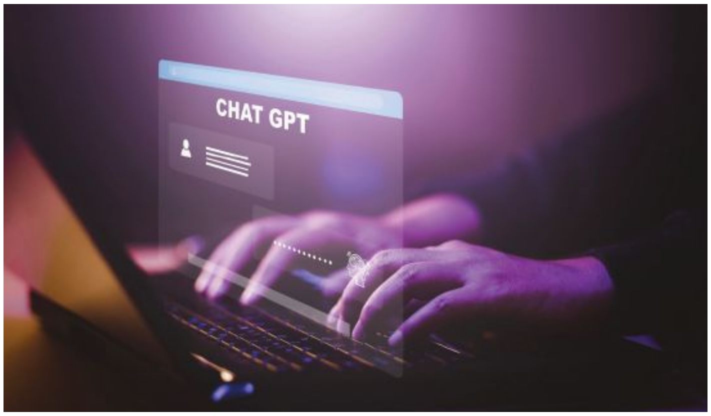
And that's not all. I think most of our readers (of any gender) will appreciate this month's "Overtasking the Multitasker" feature article. In it, credit union industry women describe how the so-called "invisible tasks" that many of us volunteer for can hurt our mental health and damage our careers long term. Read more on p. 22.

And finally, we have another educational offering designed especially for women this summer. In "Unlock Your Potential: Building Your Personal Brand," Executive Coach and Leadership Consultant Katie Wiesel will help ambitious young women early in their careers define their personal brand so they can better stand out from the crowd and boost their professional visibility. Learn more at *cues.org/personal-brand*.

I hope to see you at these events!

Theresa Witham

Theresa Witham
VP/Publications & Publisher



Can ChatGPT Write A Better Job Description *Than You Can?*

The answer to the title question, “Can ChatGPT write a better job description than you can?” is a resounding yes. It can write that job description faster than you can, too.

ChatGPT (*chat.openai.com*) is an artificial intelligence chatbot—a computer program designed to simulate conversation with human users—that was developed by OpenAI and launched in November 2022. The “GPT” part of its name stands for “generative pre-trained transformer.”

Being generative, this transformer (a kind of neural network) can quickly create anything from computer code to a magazine feature to a job description based on its extensive training on a massive amount of data, plus human feedback.

There’s no doubt that ChatGPT is powerful; one *Fortune* article (*tinyurl.com/mvcv6ham*) labeled it the most powerful form of artificial intelligence yet—because it produces “informed B.S.,” just like humans do. A key indicator that ChatGPT has the potential to disrupt many arenas is the fact that when people go to the site and can’t use it because it’s overloaded with traffic (something that happens with fair frequency as of this writing), many still go back later to use it.

Over time, ChatGPT and its cousins may change the way some people (think writers, coders, marketers and legal staff) do their jobs—or if they still do their job at all. Right now, however, while the site is often unavailable and doesn’t have the functionality to work with current web data, ChatGPT is something to learn about, try out and watch.

It’s also something to use for the nitty gritty of talent management. Try it for composing a job description or a hiring email. See how it analyzes your data—or how quickly it retools that staff presentation you’ve been wanting to refresh. I’ll bet you find it frees up time for tasks that ChatGPT *can’t* do, like refining your talent strategy.

Whether or not you use ChatGPT for routine HR tasks, here are some things to focus on when it comes to talent strategy today. Drawn from an article in *HBR (tinyurl.com/5xkzk2yd)*, these actions can help you develop the kind of game-changing talent strategy that will not only help your credit union succeed today but also help it be ready to pivot as things like ChatGPT continue to shake the talent marketplace.

1. COMMIT TO THE IMPORTANCE OF TALENT

What would it take at your credit union to have the CEO, members of the C-suite and your board of directors aligned around the importance of having a solid talent strategy in place—and then delivering on it? What conversations would need to take place to secure this commitment?

2. SUPPORT RECRUITMENT EFFORTS WITH STAFF LEARNING PROGRAM

It’s well established that today’s job seekers want to join companies with a clear commitment to learning and development. What do you have in place today to support the growth of new skills, knowledge and competencies in your people? How can you bolster your current offering?

3. CREATE AN ORGANIZATIONAL CLIMATE OF SPIRIT AND ENERGY

The *HBR* article says a climate of spirit and energy is created by committed managers and gifted people leaders—and can serve as “a magnet for the very best professionals” from the hiring marketplace. In organizations with this kind of climate, “talent policies are built to last but are constantly under review,” to ensure that they can respond to changing conditions and cultural differences.

“Getting these things right makes all the difference,” the authors of the *HBR* article add. “It creates an authentic connection between how a company presents itself as an employer and how it really feels inside—the employee value proposition.

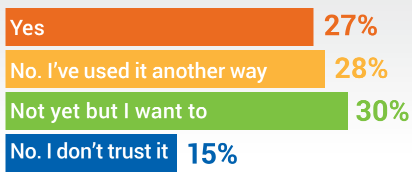
“Make no mistake: This is not an easy place to get to,” the authors continue. “In fact, the path to a truly game-changing talent strategy is rife with complexity and ambiguity.”

Fortunately, credit union talent leaders don’t have to do talent strategy or management alone. You can join wonderful online communities that have important discussions about HR and talent leadership. Your team can also attend TalentNEXT in September in Savannah. At that event, they’ll be able to talk about best practices and emerging trends in talent—including ChatGPT—with other top credit union people strategists.

Jerry Saalsaa *is interim CEO of CUES. Since joining the team in 1997, he has led CUES’ finance, technology, human resources and strategy teams, including serving as VP/finance and technology and, most recently, as SVP/chief administrative officer.*

Poll

We asked our LinkedIn followers: “Have you used ChatGPT to help you write a job description?”

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Your *North Star*

CHOOSE YOUR PLANNING APPROACH BASED ON YOUR CREDIT UNION'S PHILOSOPHY, VALUES AND CULTURE.

BY ART CHAMBERLAIN

At its core, a strategic plan seems simple. You weld together your vision—what you are trying to do—and your mission—how you are going to do it—and set out how you will make those ideas come to life.

But any experienced executive or board member can tell you how painful it can be to determine an organization's vision, mission and plan. It always takes longer than expected, and execution often proves challenging because of rapidly changing conditions.

However, management and governance experts say the effort is vital since it establishes the road map for your journey and gives you a purpose to focus on in good times and hang onto in difficult ones.

"The thinking that you go through in the process of strategic planning is invaluable," says Roch Parayre, founder/CEO of consulting company Strategique and a teaching fellow at the Wharton School of the University of Pennsylvania (*wharton.upenn.edu*).

He notes there is a famous quote, attributed to General Dwight D. Eisenhower, that says plans are useless, but planning is indispensable.

"The whole purpose of these tools is to increase your organization's strategic IQ," Parayre says. "Yes, you get a plan out of it, but you know the world will change tomorrow and the thing may go on the shelf never to be read again."

When the world changes rapidly, the ability to respond in an agile way is crucial for a credit union, he says. "The plan won't necessarily allow you to do that, but the conversations you've had during the planning process and the thinking that goes into it will allow you to pivot more quickly than you normally would."

There are dozens of ways to draft your strategic plan, including the tried-and-true strengths-weaknesses-opportunities-threats analysis that's been around since the mid-1960s and a complicated algorithm-based approach to business and strategy developed a decade ago (*tinyurl.com/hbralgorithmic*). Many models are now available online, making it easier for boards and executives to share ideas and produce plans.

A Boston Consulting Group report, "Your Strategy Needs a Strategy" (*tinyurl.com/bcgstrategy*), includes a chart that lists 83 different strategic frameworks that have been developed over the

> **"A strategic plan is something that's bold, that's going to really change the landscape and the face of the credit union for the future."**
>
> — Jennie Boden

past 65 years. They fall into five different approaches: classical, adaptive, visionary, sharing and renewal. Organizations may need different methods at different points in their evolution, especially as the environment changes.

Parayre suggests the SWOT approach that evaluates strengths, weaknesses, opportunities and threats remains a good standby for many credit unions.

"The way I use it as a tool is to think of a matrix," he says. "You have strengths and weaknesses, which are more internal, on top and opportunities and threats, which are more external, on the side."

The question to answer is how well your strengths and weaknesses match up with the opportunities and threats. "We can't necessarily control which opportunities and threats are out there. We can control, however, which ones we want to focus on, and we can control which strengths and weaknesses we want to develop or address."

YOUR FUNDAMENTAL VALUES

For a credit union, your not-for-profit, cooperative approach is the fundamental value underlying the planning process.

"What separates credit unions from more traditional financial institutions is that credit unions have their members' financial well-being at the heart of everything they do," says Chuck Howard, Ph.D., assistant professor at Texas A&M University's Mays Business School (*mays.tamu.edu*). "While private sector banks might pay lip service to that, it is not always the case. So, when choosing a strategic plan, it is really based on what the goals of the given credit union are and how they want to center the member along their path to success as an organization."

Howard acknowledges that a credit union can choose among many methods to reach that goal.

"I don't know that there's any one particular way to think about it other than to make a values-based decision," Howard says. "So, if the mandate of the credit union is to advance the financial well-being of its members, then that has to be at the core of the strategic plan."

Culture is different in every organization, "so you've got to use an approach that fits the culture," says CUES member Cynthia Jarboe, chair of the supervisory committee of $5 billion Virginia Credit Union (*vacu.org*), and author of *A Guide to Nonprofit Board Success: Answering the Call of Leadership* (*tinyurl.com/jarboebook*), who has helped many credit unions prepare their plans.

Jarboe says that she starts with a current state assessment, essentially a SWOT analysis, that draws on knowledge from management and the board. While developing a strategic plan is legally the board's responsibility, implementing it falls to management.

Jarboe recommends a credit union draft a new strategic plan every five years and review the current one each year, with updates on progress at every board meeting.

"The goals ought to be the lead slide for every board meeting so that everyone understands as they're making decisions: Does this particular investment align with our priorities and goals that came out of our strategic planning effort?" she says.

Peter Myers, SVP at CUESolutions provider DDJ Myers, an ALM First Company (*ddjmyers.com*), warns that a board or CEO can select a strategic planning method that is great in theory but "if it doesn't inform the right conversation or it doesn't get us aligned, then the model is useless."

DDJ Myers uses its own system "that is all about developing and aligning robust strategies that produce clarity of action and insights," Myers says. "Where are we trying to go? How are we going to get there? Why is this important? Are we all on the same page?"

Myers says that when his company started providing planning assistance, it quickly learned that no matter what model was used, what was missing was a clarity of vision and robust strategies. "The third thing, which is our specialty, is developing the skill set to be strategic."

Developing those skills can take much longer than many CEOs or board chairs realize, he says.

For example, a CEO recently asked him to facilitate a planning session that would provide a framework for 10 years and do it all during two-thirds of a day-long board meeting. Myers says the very best strategy consultant in the world couldn't do a good job with so little time—and that he replied to that offer with a proposal for a two-month effort.

"I said, 'We will have your executive team and board think more broadly, and then we can start building out a robust strategic framework later on."

HAVE DIFFERENT CONVERSATIONS

Myers says he tried using the SOAR method in the past. It's a variation of SWOT that looks at strengths, opportunities, aspirations and results with the focus more on dreams and an organization's future.

"But we also found that that model in practice isn't as digestible, where people don't run with it as much. So, what we've come up with is what we call a strategic and tactical architecture. We've identified six different conversations on the strategy and operations perspective that allow boards, CEOs, executives, even management to decide: 'What is the conversation we need to be in?'"

Myers says a challenge is that some people struggle with discussing abstract concepts while others have trouble communicating

operational aspects. "Now what can happen is that if you put both those people in the same room and we throw a topic on the table, they're going to come from different places. What's worse, they may not realize it," he says.

"We firmly believe that whatever the model or methodology an organization picks, it has to align with the CEO's vision for the organization, and I don't mean just the vision that's on paper or definitely not the vision that's on the website, but the way that a CEO sees the future possibilities for their organization—the way that they feel it in their bones. The methodology has to be coherent with that. If it is fragmented or not fully aligned with that, it's like a CEO trying to push a square peg into a round hole."

One mistake new CEOs make is to adopt the existing strategic framework, even if it doesn't feel right, Myers says. Recently, a CEO told him he'd been reluctant to make drastic change when he took over and was trying to leverage the existing system.

"I told him the first year is actually the time to disrupt that model because whatever you're doing is setting a precedent, and if you can't defend or champion that precedent, then it's going to come back later and bite you," Myers explains.

The decision about how to approach your next planning cycle depends on whether you are hoping to stay the current course with some minor changes or feel the need for a transformative change, Myers says.

If it's the former, you can probably stick with your current approach and perhaps have a subject matter expert address the board on a special topic. "But if you're looking at fundamental change, if you're looking at taking your organization to a whole new level, then you have to blow up the process," he says.

Jarboe says she feels boards are becoming more strategic and less focused on such operational issues as how many branches to open and where they should be located.

"I've seen an improvement in a board's willingness to make change and be more visionary and be more strategic thinkers and say, 'What is our vision in five years as to where we want our credit union to be?'" she explains. "I think it's important to have fresh perspectives and in order to get that, I think boards need to rotate and have term limits."

Jennie Boden, CEO of Quantum Governance L3C (*quantumgovernance.net*), says one of her guiding principles is that "the key elements of this strategic plan, as opposed to the operational plan, should be developed in constructive partnership between the board, the CEO and management team."

The finished strategic plan "probably ends up being three to five pages. It's not a detailed business plan or operational plan or department plans or division plans," Boden says.

MAKE YOUR STRATEGIC PLAN BOLD

"A strategic plan is something that's bold, that's going to really change the landscape and the face of the credit union for the future," Boden continues. "What are the goals that are going to change the future of your credit union? That's what strategic planning is, not what are the day-to-day things you're already doing."

Typically, though, when Boden starts with a new client and asks them to send her their current strategic plan, she most often receives an operational guide.

"Sometimes we will say to them, we don't think you have a vision or a mission statement," Boden says. "We think your vision statement reads like an advertisement."

Quantum says a vision statement is an outwardly focused document that defines what a credit union ultimately wants to achieve: How will the world be different because of the credit union's efforts? In contrast, a mission statement is inwardly focused and defines what the credit union is and does to realize its vision. It provides the cultural glue that enables the credit union to thrive and articulates the shared core values that distinguish the credit union from other institutions.

Boden points to $842 million Solarity Credit Union (*solaritycu.org*) in Yakima, Washington, as one that has a clear vision that drives its efforts. Solarity CU's mission is "to help every family have a place to call home." The focus influences all its products and even its charitable donations.

"If the mandate of the credit union is to advance the financial well-being of its members, then that has to be at the core of the strategic plan."

— Chuck Howard

She contrasts that with the vague goals of many credit unions.

"Every single credit union director, CEO and management team member that we have interviewed and asked, 'What are your strategic priorities for the future?' they said growth. But Filene Research has identified more than 60 or 70 different ways of measuring growth, so how are you going to measure your growth?"

A factor to consider is a CU's size, since that has an impact on the role of the board. In small credit unions, the board often has an operational role and supplements staff in many ways, Boden says.

"The role of the board shifts from operational to being more strategic as the credit union grows because the staff has grown, and if the board hasn't done governance work along the way, they haven't gotten used to that strategic role," she says.

A Quantum Governance report, *The State of Credit Union Governance 2023 (tinyurl.com/qgstateofcugovernance)*, published in partnership with CUES and the University of North Carolina and Chapel Hill, found that respondents from credit unions with assets between $500 million and $1 billion thought their governance was most effective. The perception of effectiveness drops once a credit union is over $1 billion in assets and falls again when asking credit unions with more than $2 billion in assets.

Boden suggests the staff and the board are most aligned in that sweet spot under $1 billion, with larger credit unions feeling a greater need for strategic input from the board.

HEART OF YOUR DECISIONS

Coro Strandberg, president of Strandberg Consulting (*corostrandberg.com*), helps credit unions and other organizations put social purpose at the heart of their decisions and build it into every strategic plan.

"I've helped a number of credit unions decide their social purpose, the reason they exist to create a better world," Strandberg says. "If you don't know why you exist, it's really hard to determine where your strategic plan should take you.

"You also need a vision, because your purpose is your why and your vision is where you're headed," she says.

Strandberg recommends a 10-year vision that shows where you want to be to bring your vision to life. Then, a credit union looks backward from that vision to determine a strategy that will get it there. This strategy includes actions needed in three to five years. "Backcasting" forces an organization to leap forward in its planning.

"If you start from where you are and just try to do a few things over the next year, you're likely not going to be able to get very far on your purpose because you're just incrementally moving forward," Strandberg says.

If a credit union focuses on a social purpose, its strategic planning process will need to engage stakeholders, including members, suppliers, business partners and other community groups, Strandberg says. That's because social goals can often only be achieved by collaboration with others, so they need to be part of your planning.

Strandberg has been working with $22 billion Coast Capital Savings Federal Credit Union (*coastcapitalsavings.com*), a financial cooperative headquartered in British Columbia that serves 600,000 members, as it develops ways to implement a social purpose that was introduced in 2021. That purpose, building better futures together (*coastcapitalsavings.com/about-us/social-purpose*), has involved Coast Capital Savings FCU working to reduce income inequality.

A report (*tinyurl.com/coastcapitalreport*) on the CU's activities says: "Research indicates that growing income inequality in Canada negatively affects individuals, families, our society and the economy. By embracing a social purpose business model, we're focusing on building meaningful solutions, and using our products, people, partnerships, supply chains, capital and influence to accelerate positive impacts for our members, employees and communities."

Parayre says a credit union's purpose is its north star and should always be its guiding light, no matter how it develops its strategic plan.

"The north star should be written in stone. How you get there, that can change, depending on which way the winds are blowing, but the destination should be clear."

Art Chamberlain *is a freelance writer who covers the credit union system.*

MORE ON STRATEGIC PLANNING

Effective Horizon Scanning (*cumanagement.com/0722horizon*)

Five Success Tips for Horizon Scanning (*cumanagement.com/0722horizontips*)

Four Pitfalls to Avoid in Board-Level Strategic Planning (*cumanagement.com/0622strategicpitfalls*)

CEO Institute I: Strategic Planning (*cues.org/inst1*)

Building a Fintech *Framework*

Participants in alphabetical order: Andy Atkinson; Kristopher Carl; John Cedillo; John Conine; Mackie Connell; Marcus English; James Grosskopf; Jennifer Hamrick; Josh L. Henderson; Stephanie Jones, CPA; Jennifer Kutcher, CCE; David Mann, CCE; Thom Meyer; Michael J. Millhouse, CCE; Dustin Montoya; Scott Murray; Scott Rains, CCE; Nathan Rogers; Ashish Shroff; Josh Sidell; Eddie Sorrell; Darius Wise

CUES' NEWEST CEO INSTITUTE GIVES CU EXECUTIVES INSIGHTS INTO DISRUPTION & OPPORTUNITY.

BY DIANE FRANKLIN

Over the last decade, the widespread adoption of fintech has dramatically transformed the financial services marketplace. Credit union executives who previously viewed financial technology companies strictly as competitors now see advantages in embracing fintech strategies and engaging in partnerships to improve the way their credit unions do business.

"Obviously fintechs are disruptors," says Christopher Stevenson, CAE, CIE, SVP/chief learning officer at CUES. "They're changing the way people do banking, whether they're a neobank like Chime (*chime.com*) or a P2P provider like Venmo (*venmo.com*). The environment will continue to change rapidly. The way that people are transacting is different than it was five or 10 years ago. Six months from today, it's going to be different than it is right now. And two years from now, who can predict where the change will take us?"

To help credit union leaders leverage fintech and navigate disruption, CUES launched a new educational program, CEO Institute: FinTech (*cues.org/fintech*), this spring with 22 credit union professionals in attendance.

"The course came about because we'd heard from our membership that the topic of fintech is front and center as credit unions are thinking through their strategies, where competition is coming from and how they can better serve their members," Stevenson explains. "We created the program to help our attendees better evaluate what they're trying to achieve and then adapt their business models to remain relevant with the use of technology tools to achieve their organizational goals."

CUES partnered with Cornell SC Johnson College of Business and eCornell to present the course, which includes prework consisting of digital self-paced content and a three-day in-person class. The inaugural class took place April 18-20 on the Cornell Tech campus on Roosevelt Island in New York City.

Course instructors were Cornell professors Drew Pascarella and Karan Girotra, both experts in the fintech space. "The approach of these professors is to not just focus on the technology but to look at where business and technology intersect in a way that will improve decision-making around the strategy of an organization," Stevenson says.

During the in-person class, participants also heard from three companies that represent the diversity of what is achievable in the fintech space: Miraj Patel, founder/CEO of Harness FI (*harnessfi.com*), a digital tool that helps CUs achieve more with their card programs; Tanya Van Court, founder/CEO of Goalsetter (*goalsetter.co*), an app that CUs can partner with to provide financial literacy education and digital financial services to young people; and Calvin Chen, head of revenue operations for Posh

"We should be willing to explore ways to leverage technology to improve time-consuming processes but not compromise any of our core operating principles."

– Jennifer Hamrick

AI (*posh.tech*), a tool that facilitates conversational AI in banking.

"All three have distinctive business models," Stevenson says. "We spent much of the class talking through what different business models can look like when using technology, and we felt that presenting actual practitioners would help our attendees solidify their own frameworks."

Course participants represented a broad array of business titles. "We had a lot of technology people in the room, including CIOs, chief experience officers who work with technology, and one individual who was focused on the digital branch experience," Stevenson reports. "We also had several CEOs and a chief lending officer, so it was a wide-ranging group."

Credit Union Management reached out to four CEO Institute: FinTech participants, asking them to share what they learned and to describe how their credit union is approaching fintech.

A NEOBANK WITH ACCESS FOR ALL

Some course participants' credit unions already are active in fintech development. One of those attendees was CUES member Mackie Connell, director of implementations at $2.8 billion USALLIANCE Financial (*usalliance.org*), headquartered in Rye, New York.

Connell reports that USALLIANCE Financial took the lead role in establishing dora financial (*bankdora.com*), a neobank named for credit union pioneer Dora Maxwell. Founded in 2021, dora was created with the mission of reducing racial and economic disparity and providing access to fair financial services to all. Through its bilingual mobile app, dora aims to reach 50 million unbanked and underbanked Americans, offering such attractive features as no credit check, no minimum balance, no monthly fees, access to surcharge-free ATMs and free financial coaching.

"We had five investors, including four credit unions, come together to form this atypical challenger bank that offers all the products and services that consumers expect," reports Connell, adding that accountholders have the opportunity to become a member of a participating credit union.

Having established dora, USALLIANCE Financial is now moving forward with additional fintech projects, including a potential partnership for disrupting private auto sales.

"One of my reasons for attending this course was to make sure we understand what the fintech landscape looks like," Connell says. "We want to stay grounded in reality, but at the same time, we want to understand what's coming so that we can leverage technology to make life better for our members. Some people view fintech as strictly competition, but we see it as an opportunity to partner with people who have great ideas."

Connell was impressed with the caliber of instruction from Pascarella and Girotra, especially after learning that each had practical fintech experience.

"That gave them an extra level of credibility with me," he says. "They weren't just talking academia. They've lived this. One of the things I wasn't expecting to hear from them, with the way the economy is right now, is that there is still a lot of venture capital out there. It's not being tossed around to anyone and everyone, but it's good to know there is money in the fintech space for legitimate disruptors with good ideas."

However, those good ideas must be accompanied by a solid business model. "We learned that it's important not to fall into the trap of thinking the technology is the 'cool part' of fintech," Connell says. "Everything you need to run a successful business still applies. You still need to pay attention to revenue and expenses. If you're talking to a partner, you still need to make sure they know how to run a project and hit a timeline. Technology is just an enabler for what you're trying to achieve."

At USALLIANCE Financial, the most important criterion for evaluating fintech partnerships is whether it will improve the lives of members.

"Our mission is to help the underbanked and underserved, and we're always looking for ways to partner with mission-aligned organizations," Connell says. "If a fintech comes to us and says they're looking to do something with compassion and to bring fairness to the same market segments that we're chartered to serve, we're very interested in that. Those opportunities get our attention first."

DEVELOPING A FINTECH PLAYBOOK

Making the trek from western Canada to attend the course was CUES member James Grosskopf, VP/fintech partnership development for $3.5 billion Innovation Credit Union (*innovationcu.ca*), headquartered in Swift Current, Saskatchewan. Prior to joining his current employer in August 2022, Grosskopf had gained experience working in both the fintech and credit union worlds. Now he is vetting fintechs to integrate into Innovation CU. "I get to combine two of my passions, fintech and credit unions," he says.

Grosskopf's first priority when arriving at Innovation CU was to develop a structured process for engaging with fintechs while working toward satisfying their due diligence requirements.

"We called it our fintech partnership playbook," he says. "It's a four-step process that takes us from discovery to delivery. Now that we have it in place, we're focused on finding fintech partners that align with our strategic objectives and integrating them into our CU."

Taking the fintech course led Grosskopf to an important revelation about his four-step evaluation process. "There was an exercise on resequencing processes, which gave me a big 'aha' moment," he recounts. "Based on that exercise, I'm going to make some changes to how we engage with our fintech partners."

Specifically, Grosskopf plans to flip the two central steps of the four-step process—feasibility and viability. "It makes sense to put

> **"If a fintech comes to us and says they're looking to do something with compassion and to bring fairness to the same market segments that we're chartered to serve, we're very interested in that."**
>
> – Mackie Connell

viability before feasibility because it will allow us to determine if a partnership is worth our time before we get any further in the process," he says. "If we flip those two steps, I believe it will help us get to a decision quicker."

Grosskopf speaks highly of what he learned from the Cornell professors, but he also is appreciative that the course gave him the opportunity to learn from his peers. "It was great to connect with other credit unions and see where they are in their fintech journey," Grosskopf says. "In fact, Mackie [Connell] and I exchanged contact information. We identified that our credit unions are at the same stage in addressing fintech partnerships, so we intend to reconnect to share best practices."

Innovation CU already has several potential fintech partnerships in the works, some of which could use a banking-as-a-service model. The rollout of these partnerships could coincide with Innovation CU's pending transition from a provincially regulated credit union to one of three federal credit unions in Canada. When the transition is complete, the credit union will be able to operate throughout Canada without restrictions.

"We're just getting our feet wet with banking as a service, which essentially is providing the infrastructure and being the sponsoring institution for these fintechs, letting them leverage our soon-to-be federal license and transaction capability," Grosskopf explains. "They'll be the front-facing organizations while Innovation will be in the background providing oversight, compliance and other services."

Grosskopf adds that other partnerships will help Innovation CU as it scales up nationally. "We're not necessarily known in other parts of Canada, but we can leverage the fintechs' platform to gain new channels and grow our membership across the country."

Innovation CU is also forming several fintech partnerships related to process improvements. "Our purpose is to simplify banking for Canadians, so one of the first questions we ask fintechs during our due diligence is how they can contribute to this goal," Grosskopf says. "We feel we can simplify our processes through these partnerships, but it's important that there's cultural alignment between our two organizations."

MEETING MEMBERS' NEEDS

Also looking to learn more about the fintech landscape was CUES member Stephanie Jones, EVP/chief strategy officer for $2.6 billion TTCU Federal Credit Union (*ttcu.com*), in Tulsa, Oklahoma. With fintechs becoming more prominent in the marketplace, Jones viewed the course as a timely opportunity to understand how better to partner with them.

"I learned that it is more important than ever to put the members' experience and needs at the forefront in everything that we do," she says. "Fintechs will continue to gain market share if we do not. It is important to innovate and not be complacent."

The fact that the market is transitioning rapidly toward digital makes a compelling case for credit unions to explore fintech. "Mobile is at the center of the banking relationship today," Jones observes, as branches were in the past. "However, as we learned in the class, we will be expected to provide a hybrid model for years to come."

Jones also learned that it's important to understand the disruptions caused by fintech and to respond accordingly. "We are constantly scanning the environment and adopting products, services and technologies where feasible. For example, we now offer early pay on payroll direct deposits, and we have a LevelUp account (*tinyurl.com/ttcu-levelup*); debit card purchases are [automatically] rounded up to the next dollar, and the difference is placed in a higher-yielding savings account."

TTCU FCU has already built relationships with several fintech companies as a way to improve its service to members. "We recently converted our digital banking provider to Alkami (*alkami.com*) and have had positive feedback from the membership," Jones reports. "In addition, we offer Zelle (*zellepay.com*), allowing members to make P2P payments. A few years ago, we converted to Corelation Keystone (*corelationinc.com*), our core solution, which features open architecture," making it easier to integrate with third parties.

Another compelling reason to partner with fintechs is to control costs. TTCU FCU's mission is to be the trusted source for members' financial solutions, but Jones acknowledges that the credit union does not have the resources in-house to develop many of today's required technologies. "The only way to accomplish this is to partner with

"We called it our fintech partnership playbook. It's a four-step process that takes us from discovery to delivery. Now, ... we're focused on finding fintech partners that align with our strategic objectives and integrating them into our credit union."

– James Grosskopf

fintechs as we strive to meet our members' needs and provide the best financial solutions," she says.

VIEWING FINTECHS AS ALLIES

The subject of fintech is not new to CUES member Jennifer Hamrick, EVP/deputy chief operating officer of $50 billion State Employees' Credit Union (*ncsecu.org*), headquartered in Raleigh, North Carolina. However, she came away from the institute with deeper knowledge of what fintechs can achieve.

"I had some basic familiarity with fintechs and their disruption in the financial services industry, but I learned that this disruption is a result of a number of factors and not just any one circumstance," Hamrick says. "It also presents interesting opportunities to view fintechs as allies and not competitors."

Hamrick was particularly intrigued by the information the instructors shared about artificial intelligence and machine learning. "It was fascinating to understand how machine learning has evolved to what is happening today," she observes. "As impressive as it is, humans are still better than machines in many regards, and this won't ever change. The challenge is to try to understand what this means for the future of work and improving operational efficiency."

The course turned out to be timely for Hamrick, since her credit union is currently looking into upgrading its systems to better enable the organization to meet its members where and how they wish to be met.

"SECU is evaluating updates to our systems and processes—for example, core, teller, dispute tracking, lending, account opening, etc.—to keep pace with the rate of innovation yet being careful to align with member needs," Hamrick reports.

However, Hamrick stresses that technology will not replace the advantage that CUs have in connecting with their members. "We believe a differentiator for us will be our strong branch presence and the personal relationship we have with our membership. While there have been advancements in the fintech space, we believe these innovations will never fully replace the need for in-person engagement."

The CU is currently engaging with fintechs to enhance the services it provides. "One of our lending platforms is a fintech alliance that provided a robust online application, e-delivery and e-signature capability, allowing for a better member experience from application to closing," Hamrick says.

Though Hamrick sees great potential for CUs in working with fintechs, her advice is to be open-minded but careful. "We should be willing to explore ways to leverage technology to improve time-consuming processes but not compromise any of our core operating principles."

HERE TO STAY

After a successful inaugural outing, CUES plans to offer CEO Institute: FinTech on an annual basis. It's a standalone course, so completion of the other CEO Institutes (*cues.org/ceo-institutes*) is not required to attend. "It is an extension of our CEO Institute in that we're partnering with Cornell University, as we do with CEO Institute II," Stevenson explains. "But it is separate from the three-component CEO Institute we introduced in 1995."

The positive feedback from this year's attendees confirms that the fintech course is a valuable addition to the CEO Institute series. "People who attend this program will gain a better understanding of their own business models and learn ways they can experiment with new business models to avoid disruption," Stevenson says.

Certainly, participants recognize the program's value. "The main thing I took away from the course is that fintech is here to stay," Grosskopf says. "The ecosystem is only going to grow, which reinforces the idea that we should view fintechs as partners, not enemies. We shouldn't be threatened by fintechs but should work with them instead."

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

MORE ON FINTECH

On Compliance: NCUA Financial Innovation Proposal Will Modernize Indirect Lending (*cumanagement.com/0523oncompliance*)

Digital Banking With Neurodiversity Functionality Supports Member Inclusivity (*cumanagement.com/0423neurodiversity*)

Make Fintech Decision-Making Easier (*cumanagement.com/0223fintech*)

Will You Choose Embedded Fintech or Embedded Finance? (*cumanagement.com/011823blog*)

Unlimited+ Video: A Boardroom Consideration for Fintech Partnerships (*cumanagement.com/video030623*)

Podcast: With Fintech, Knowledge Is Power (*cumanagement.com/podcast142*)

Video: Three Things CEOs and Execs Need to Know About Fintech (*cumanagement.com/video010323*)

Mortgage Lending for the *New Generation*

MANY FACTORS ARE IMPACTING THE DREAM OF HOME-OWNERSHIP FOR YOUNGER BUYERS TODAY.

BY STEPHANIE SCHWENN SEBRING

It's no secret the mortgage industry has seen its fair share of ups and downs over the past two years, with lenders navigating the shift from a hot to an increasingly uncertain market amid rising rates and looming recession. Lenders are also experiencing a shift in first-time homebuyers' mindset.

Pages have been written about millennials and Gen Z, but much goes into an individual's psyche and decision-making. Statista reports that between 2018 and 2022, the share of U.S. millennials who expect to always rent their home increased from 13.3% to 24.7% (*tinyurl.com/statista-millennial-rent*).

"Following the 2008 financial crisis, younger generations saw parents losing their homes or fighting foreclosure. This led to some indifference, even reluctance to home ownership," notes Jerry Reed, CEO of CUES Supplier member Member First Mortgage (*memberfirstmortgage.com*), a credit union service organization based in Grand Rapids, Michigan. "As a result, many of these individuals opted to rent instead of dealing with the stress of buying and maintaining a home.

"[But] there are signs the tides are turning toward homeownership," says Reed. "Younger buyers are finally at an age where they're forming households, starting families. Contrary to previous polls, millennials want housing to raise those families."

Millennials and elder Gen Zers who rented or began their homeownership journey with condos or smaller properties in urban settings are now looking to upgrade. "[They] are looking to the suburbs and rural areas to raise those families where space is readily available in both the housing and outside yard space," Reed says. "These buyers are re-entering the market, looking for affordable homes and fast and affordable mortgage solutions."

NEW MARKET, DIFFERENT VALUES

"Unfortunately, we in the mortgage industry haven't done particularly well in making it easy for younger buyers, especially with the application process," Reed continues. "Much is because of the compliance [requirements] that came out of the 2008 recession and discriminatory practices that have occurred for decades. The resulting compliance [process] can feel restrictive, and an overwhelming number of documents can intimidate younger buyers."

Reed says that newer generations are conditioned to function without face-to-face interactions. "We must adapt to this changing perspective. Today's buyers have grown up on the computer, and their channels of contact are evolving, so competing with technology for their mortgage business is critical."

Younger homebuyers immediately go to the internet for information, Reed notes. "However, up to 90% of these individuals still want to talk to a human being following their research—and here is where CUs can capture the lead," he says. "Like previous generations, they see a home purchase as monumental and don't want to do it wrong. Specifically, we're not connecting to younger generations at a moment that resonates. Education and addressing their concerns—things that credit unions do well—are what younger borrowers desire."

Competitive lending technology is a must. The bigger banks are cutting to the chase with technology, appealing to younger generations conditioned to click a button or swipe their phone to manage their financial business. "If a credit union isn't on the same playing field, it may not even get a chance to connect with a potential buyer," notes Reed. "Nurture these opportunities and step into your members' lives as their kids are growing up. Provide mortgage education early, starting in high school and progressing as children become adults."

THE AMERICAN DREAM

Even with an increase in millennial renters, a 2023 Bankrate.com study (*tinyurl.com/2p9er4c5*) found that 74% of U.S. adults still view homeownership as part of the American Dream. This includes 76% of Gen Xers (ages 43-57), 62% of younger millennials (ages 27-33) and 63% of Gen Z (ages 18-26). Older millennials (ages 34-42) were absent from the list. Most Americans (64%) are also willing to make sacrifices to find affordable housing.

"Financing a home is not something most people want to think about—but what they do think about

MORE ON MORTGAGES

Mortgage Lending: A Texas Perspective (*cumanagement.com/0623rbfcu*)

New Technology Options Unleash Mortgage Lending Opportunities (*cumanagement.com/0223mortgagetech*)

With a Challenging Year Ahead, When Does Mortgage Subservicing Make Sense? (*cumanagement.com/0123mortgagesubservice*)

"Nobody wants a mortgage; they want the comfort of a home where they can spend time with those they love."

– Tansley Stearns

a lot are their dreams," says CUES member Tansley Stearns, CME, CSE, president/CEO of $1.5 billion Community Financial Credit Union (*cfcu.org*), Plymouth, Michigan. "As credit unions, we have a unique opportunity to assist with those dreams by offering awareness, education and tools. … Nobody wants a mortgage; they want the comfort of a home where they can spend time with those they love. Today, we can tailor our products to meet the consumer's shifting needs, values and wants.

"For example, we've learned that owning a home is not as much about social status today—and the size of the home is not the same dream as earlier generations. Many younger buyers are choosing smaller homes to save resources for other parts of their lives, such as their careers, family and traveling," notes Stearns.

With this trend in mind, Community Financial CU began testing the tiny home market earlier this year. "We've constructed two tiny homes we call 'flex offices,' which travel throughout Michigan to spread the word about our mortgages," Stearns explains. "Here, we can connect with more people in more places and showcase what owning a tiny home is like."

An increase in multi-generational living has also impacted homeownership. "The next generation is staying with Mom and Dad longer than they once did," Stearns observes. Nevertheless, "while owning a home hasn't happened at the same time as it did for other generations, it still deeply matters."

OVERCOMING BARRIERS

"Affordability issues, such as high home prices, income that is too low or not being able to afford the down payment and closing costs, are holding back nearly three in four aspiring homeowners," writes Greg McBride, Bankrate's chief financial analyst, in the Bankrate report. "Among nonowners who aspire to homeownership, the most cited hurdles were not enough income (46%), home prices that are too high (42%), and the inability to afford the down payment and closing costs (40%)."

These are all very real challenges, but savvy CUs can embrace the opportunity to carve out a niche helping young homebuyers.

A common misunderstanding is that to qualify for a mortgage, you need to put 20% down. "Young buyers want and need lending education, as many do not properly understand what factors lenders use to qualify a buyer for a home loan," says CUES member Mark Riegal, real estate agent with Real Estate One in Plymouth, Michigan, and a board member of Community Financial CU.

To address these barriers, the CU created a special-purpose credit program, "The Path to Homeownership" (*cfcu.org/homeownership*), reinforced by a collaboration with Detroit-based NINE Design + Homes (*nine.homes*) and NINE Design owners Keith Bynum and Evan Thomas, hosts of the HGTV show "Bargain Block." The program highlights their journey of restoring a block of Detroit homes into affordable, stylish starter homes for first-time buyers.

"Keith and Evan shared the obstacles they commonly see among first-time buyers, including the time required, credit score, down payment and approval criteria," explains Stearns. "We structured a flexible mortgage program addressing these obstacles to put more people into homes."

The program offers flexible criteria: incorporating consistent rent payments as a basis for approval; using, if the homebuyer chooses, a home's state equalized value, automated valuation models or even broker price opinions for home value appraisals where allowable, as these can be lower cost and quicker to obtain; no minimum credit score requirements; affordable closing costs; and fixed rates.

A faster, smoother approval process has been vital, notes Stearns. And, "because we hold the mortgage, we can customize the loan and value the home differently than Fannie Mae."

Another obstacle for many buyers is credit score. "Many borrowers have credit score challenges," Stearns says. "Despite those challenges, they often pay their rent perfectly, but positive rent payment history is … not traditionally reflected in a consumer's credit score."

The final obstacle: the need for a sizeable down payment. "We relaxed the standards typically needed, … so members could buy with little or no down payment," says Stearns. "It also eliminated the need for private mortgage insurance."

The collaboration with NINE Design + Homes has been a merging of values. "By sharing the obstacles they saw, we could structure a program to get more members into homes."

STUDENT DEBT LOOMS LARGE

With student loan debt reaching $1.74 trillion and the average federal student loan debt in the U.S. at $37,667 (*finmasters.com*), it's no wonder Reed sees the student loan crisis as a significant barrier to millennial homeownership. "The crisis has been hugely mismanaged by the persons incented to put these young people into loans. Twenty years ago, you could discharge a student loan if you couldn't find a job. That's not an option anymore. And with fewer ways to build wealth, young homebuyers are struggling."

For example, those with $80,000 worth of student debt can't rise up the corporate ladder fast enough to purchase the kind of home their parents did. "The standard of living of younger generations has gone down," stresses Reed. "The result is younger individuals buying smaller homes or in neighborhoods they might not have initially chosen. They've also settled into higher density or more urban situations because that is all they could afford."

Reed notes that most people in the U.S. are not born into wealth. "However, wealth can be built through homeownership. Not only does it foster roots, but it is the basis for the economic progression of this country. … More importantly, it creates communities and a support center for families."

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.*

PEFCU Saves 30% of Time With ART

How It All Started

Headquartered in Florida, Publix Employees Federal Credit Union (PEFCU), a member-owned co-operative was created in order to meet the financial needs of Publix Super Markets, Inc. associates and their family members. Founded in 1957, PEFCU currently has over $1 billion in assets and is ranked in the top five percent of credit unions nation-wide.

PEFCU's accounting department needed a standardized process, centralized system and tracking capabilities, as their current process had proven to be inefficient. The biggest challenge for the accounting team was time, as it was taking over two months to complete the entire reconciliation process.

After the controller was introduced to SkyStem at an industry event, PEFCU ultimately selected SkyStem's month-end close and reconciliation automation solution, ART, based on the ease of the onboarding process, user-friendly interface and the short implementation timeline.

"Efficiency is standard, ART provides consistency across the board."

Publix Employees Federal Credit Union

Why ART?

Satisfactory Audits: PEFCU was able to reduce the total time and effort needed to respond to auditor's requests by allowing auditors access into ART.

Key Features: ART provided real-time updates on close and reconciliation status, instant visibility and communication across all accounts.

Customer Support: PEFCU was keen to partner with a vendor who valued a "high touch" approach to customer support.

Time Saver: Provided full access to the reviewer to see everything in one place and sign off electronically.

Customer Service

PEFCU's implementation of ART was swift and painless. After a kickoff meeting with the SkyStem team, ART was set up in a matter of weeks and ready to go.

With SkyStem's award-winning 97% customer satisfaction rating, PEFCU's accounting team typically received a resolution in a matter of hours. Along with personalized customer support, the availability of further training for both beginner and expert users has been abundant and caters to all types of learning preferences: job aids, FAQs, live and web-based trainings.

The Results

- Eased the sign-off process.
- Satisfied auditors.
- Smooth adoption.
- Met reconciliation deadlines.
- Attentive customer support.
- Receives alerts of upcoming deadlines.
- Shortened the auditing process.

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Overtasking *the Multitasker*

THE PERCEPTION THAT WOMEN CAN 'DO IT ALL' CAN BE DETRIMENTAL TO MENTAL HEALTH AND CAREER GROWTH.

BY MAURA KELLER

Back in the 1940s, Rosie the Riveter was the nation's premiere poster girl. Rosie—with her stoic face, strong, flexed arm and clenched fist—was an empowering symbol for a generation of women joining the workforce during World War II. She helped women everywhere recognize the role they could play in improving their families, communities and nation. Fast-forward 80 years and women are leading the charge in companies and organizations around the world.

But with that drive often comes the tendency for women to overburden themselves with myriad tasks that may not be beneficial to their careers or at home. What does that mean for employers? If your top staff volunteers—especially women—start missing deadlines or stop responding to requests, they've probably overextended themselves and are burned out. That can have real consequences in the workplace, not to mention a huge impact on the employee's mental health.

"According to Gallup, employees who are burnt out are 2.6 times more likely to be searching for a new job," reports *Business.com* (*tinyurl.com/bdh79y4m*). "Meanwhile, Limeade found that 40% of workers leave their jobs due to burnout—and many of them do so without even having another role lined up."

Some additional food for thought from the report:

"Managers who saddle their employees with responsibilities beyond the scope of what they were hired for are setting those team members up for exhaustion and inefficiency. Adding unrelated assignments can disrupt workflow, increase frustration and lead to more hours on the job. Workers can get overwhelmed, focus on the wrong tasks and, ultimately, burn out."

NON-PROMOTABLE MULTITASKING

According to Laurie Maddalena, CEO/chief leadership consultant at CUES Supplier member Envision Excellence (*lauriemaddalena.com*), women have traditionally been conditioned in our society to be helpful and supportive. While these are great traits, this conditioning often manifests in the work environment by women either being assigned extra tasks or volunteering for "supportive" tasks—while still doing their "real" jobs.

"Research shows that women tend to take on, or are assigned, non-promotable tasks. This can be challenging because many of these tasks are important to the organization and need to be done, but [they] can have an adverse effect on women's careers since these 'extras' are not typically considered when making promotion decisions," Maddalena says. "In addition, women are typically the leaders most often providing emotional support in the workplace, more than men. This also takes time and energy and adds to the other job responsibilities."

The mental load of women at home also impacts women's workplace roles in different ways. CUES member Soma Sarkar, CCE, EVP/COO at $425 million Credit Union of New Jersey (*cunj.com*), Ewing, says the invisible labor for a woman at home is different from invisible labor at work. At home, a woman plays various roles—a grandmother, mother, wife, daughter or sister, for example.

"There are different types of responsibilities tied to each role," notes Sarkar. "Woman are raised to mentally think we must do this for our family, relatives, etc. We are raised with a sense of belonging. So now that we are mentally trained to take on invisible labor, we carry that attitude into work. We will always volunteer to help decorate, organize parties, etc.—tasks that are not part of a required job description. Even if we have an event planner at work, woman always like to step forward to help."

Maria Martinez, president/CEO at $224 million Border Federal Credit Union (*borderfcu.com*), Del Rio, Texas, says it's very common for a woman to multitask without even thinking about it.

"Most of us don't see this as a burden but as the natural thing to do, because we have accustomed our brain and body to do it," observes Martinez, a CUES member. "We developed this skill while growing up, and when we enter the workforce, it's almost impossible for us to slow down. We take on additional responsibilities because we trust ourselves to get things done. It's not that we don't trust others, but being in control gives us the capability of modifying a task if needed."

MORE FROM ADVANCING WOMEN

Promote Gender Equality in Leadership: Take a Stand When Tall Poppy Syndrome Occurs (*cumanagement.com/0223tallpoppy*)

Can-Do Gets It Done (*cumanagement.com/0523can-do*)

Martinez joined the workforce in her late teens while regularly being involved in extracurricular activities. She then graduated from college, got a job and became a wife and a mom—and her role of multitasker climbed to an even higher level.

"But nobody told me to do more; to me, it just came naturally," Martinez says. "It's almost like your family is now giving you that extra energy to do more. They feed your soul and motivate you to do more." However, Martinez notes that when someone is multitasking, they often have to figure out how not to get overwhelmed and off track.

CHANGING PERCEPTIONS

Companies and organizations have a role to fill when it comes to handling the "invisible," non-promotional tasks that women tend to take on simultaneously with their "real" work.

Sarkar says non-promotable tasks benefit the organization more than it benefits the women doing them. "It is not part of the job description, but somehow women are expected to step up, and in some cases, women volunteer to get the non-promotional tasks done," she notes. "Equally distributing the non-promotable tasks among both men and women would be helpful to consider."

Sarkar advises organizations to create a survey to find out who is doing most of the non-promotable tasks and then strive to assign tasks to a diversified group of people, both men and women. She also suggests organizations allocate and prioritize time and resources adequately so that employees are not expected to multitask and juggle invisible work with regular responsibilities and home life.

"Provide work/life balance trainings to all employees. There needs to be downtime built into the schedule, whether at work or home, to take breaks," Sarkar adds.

According to Maddalena, organizations also need to understand that this is not a small issue: How these non-promotable tasks have been traditionally distributed has had an impact on women's promotability and contributes to the gender pay gap. That's why, she says, organizations need to bring awareness to the impact and create structures to ensure tasks are assigned more equitably.

Maddalena suggests several ways organizations can approach this:

1. Train leaders to be purposeful when assigning these types of tasks. Senior leaders and managers should be trained to understand the impact of these tasks on women and be more intentional about distributing non-promotable tasks.

2. Larger initiatives that are important to the organization—for example, DEI—should be built into job descriptions and key result areas of the appropriate positions. Work in these areas should then be considered promotable tasks for those positions. Meaning, companies need to rethink the importance of initiatives that support the organizational culture; working on such initiatives should be prioritized and valued when employees are being considered for promotions.

3. If possible, assign non-promotable tasks to support roles like an administrative assistant. Tasks such as parties, birthday recognition, taking notes in meetings and so on can be built into the job description of a supportive role, thereby taking the pressure off managers and leaders to add these extra tasks to their—or their team members'—workloads.

4. Weigh resources. In Maddalena's experience, many leaders are overwhelmed because companies expect more from people today—and the workload is often not reasonable. Senior organizational leaders need to understand that leadership positions have evolved, and organizations may require more support positions so leaders can focus on the most important impact areas.

Community-minded organizations like CUs should pay attention to activity outside the office or traditional job responsibilities when hiring or promoting staff. Candidates who take such initiative can be a great asset to the organization, Martinez explains.

"People who are actively involved in their community or who perform extracurricular activities can be more productive," Martinez says. "An active mind is an indication that the person has a love for life and for personal growth, and therefore, professional growth."

WHAT WOMEN CAN DO

While organizations have a role to fill in making non-promotional tasks more equitable, women must also advocate for themselves.

"Women also need to learn to say 'no' and not always volunteer for the non-promotional tasks," Sarkar says. "Be realistic, take on what you can handle, create a work-life balance.

"You do not need to work long hours or extra hours," she adds. "Make a list of things and prioritize your list, ... as we have other responsibilities outside work too. Delegate what you cannot do or do not need to do. It is OK to say 'no' or push back a little. Don't feel the pressure of being called someone who is 'not being a team player.'"

Martinez likewise stresses that women shouldn't overcommit. They need to regularly analyze all of their tasks, prioritize and be ready to say "no" in order to avoid feeling burdened.

"If you feel burdened by the role or extra tasks you are performing, then stop and examine your options and then slowly release those tasks that are burdening you," Martinez says. "Don't overcommit, and if you do, then be able to admit your overcommitment and ask for help, step down or delegate to others, if possible."

"Coach Ellyn" Schinke, MS, burnout coach and speaker (*coachellyn.com*), says boundaries are a major component of what women can do to avoid taking on too much. However, before you can set those boundaries, you have to understand your capacity.

"That's really the first part of all of this. Burnout cannot be overcome without self-awareness, and for most women, they're not aware of what their capacity truly is. It's as simple as checking in with yourself each and every week and asking, 'How did this amount of work feel? Was it manageable or was it too much? What made it unmanageable?'" Schinke says. "Once you know the answers to these questions, you know when you do and do not need to say 'no.'"

STRATEGIC PRIORITIZATION

Organizations can take steps to help women strategically prioritize their workload and figure out when to say "no" to non-promotable tasks. But first, Sarkar suggests, the equity and empowerment of women should be factored into the strategic vision and goals of the organization.

"Gender diversity and equity are critical to ... the cultural enhancement of female employees," Sarkar says. "More and more women are looking for flexibility, and that is not the topmost priority for all the companies. Women are still significantly underrepresented in leadership roles; very few women hold C-suite positions."

At the senior leadership level, Maddalena says, "organizations should strategically determine ... key initiatives and ensure tasks outside of those key areas are not automatically given to women."

At the team and employee level, communication is key to the strategic prioritization of tasks. It seems so simple, Schinke says, but it's important to communicate with your employees and truly listen to their feedback.

"I hear all the time about organizations whose leaders have the most tremendous vision for the company and keep coming up with new directions and priorities for their organizations. However, their employees pay the price with more projects and initiatives to balance than they have the time and bandwidth for," Schinke says. "One of my favorite quotes about overwhelm is, 'Overwhelm isn't having too much to do; it's not knowing where to start.' The best thing you can do for your employees is listen to them and make it very clear to them where they should be starting. This will remove the uncertainty and lack of clarity that can waste so much time and bandwidth."

Before you add a new strategic initiative, Schinke advises leaders to get a pulse on how your organization is feeling. Are employees already overloaded? Or do they have the capacity for more? If they don't have room for more, for the sake of a happy workforce, consider either waiting or removing something from their already full plates. And if they do have room for more, make it very clear to your organization where this new task fits in the grand scheme of things.

There are cultural changes that organizations can make to minimize multitasking by women both in the office and while working from home. Schinke notes that creating cultural change requires more than just saying what you want your employees to do. Rather, it's about modeling what you want your employees to do, especially among your leaders.

"If you don't want your employees to be working late and responding in the evenings, make sure your leaders aren't working late and aren't sending emails in the evenings. If you want your employees to be taking lunches and not working through their lunch, make sure your leaders are modeling it," Schinke says. "There is also something to cultural accountability. Could your organization or teams set up Slack (*slack.com*) channels where leaders could facilitate subtle reminders to their direct reports to take breaks? To take their lunch? To make sure their team is logging off at a reasonable time?" These subtle nudges, done consistently, not only show employees that it's OK to do these things but also reinforce that this is the expectation organization-wide.

Martinez reiterates the importance of prioritization to prevent overwhelm, stay on schedule and accomplish all assigned tasks.

"In the end, you have to move to the top of your list the things that will improve your life and career. If your interest is to be at the top of your organization, then you may want to take a look at all the things that you're doing and devote your time to your success," Martinez says. "We must take control of our tasks, not the other way around."

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A major issue credit unions are facing is the number of options out there for their members. Members can go to multiple places for their financial needs, which leads to a decline in loyalty. Credit unions need to provide more products in a convenient way for their members. They also need to use data and personalization to understand where, how and what to offer each member while increasing their brand affinity. That's where our expertise comes in with "omnichannel surround," enabling us to offer your members multiple ways to learn about and enroll in insurance products.

Need *Deposits?*

CONSIDER COURTING SMALL-BUSINESS MEMBERS USING THESE FOUR STEPS.

BY AMANDA SWANSON AND MARY WISNIEWSKI

It's the year of wanting deposits.

While most credit unions are dreaming up ways to gather more retail deposits, an increasing number of institutions are eying a less explored market: small businesses.

According to Cornerstone Advisors' "What's Going On in Banking 2023" study (*tinyurl.com/cornerstonewhatsgoingon*), 39% of credit unions said small-business deposits were a high priority in 2023, up from 2022 when only 12% of credit unions said the same thing.

This presents many opportunities. In 2022, the number of small businesses surpassed 33.2 million, according to the U.S. Small Business Administration (*tinyurl.com/sbastatsource*). Moreover, almost 4 million U.S. small businesses have revenue under $500,000. Local or big community financial institutions are underserving them. That ought to change.

Small-business owners' balances run higher than consumers' balances. On a month-to-month basis, many run average checking account balances of around $20,000, and they are willing to pay a small fee for their account if it helps them grow.

Cornerstone Advisors' research shows that many small businesses act more like consumers about the products they need. They want business checking, small lines of credit or credit cards, and a robust digital banking offering. Instead of ignoring the market, explore banking them as members. That way, your CU will have an opportunity for large financial growth.

To serve these members well, think about staff, technology, credit policy, business acumen and, arguably most important, the value proposition. Here's how to do it.

1. DEFINE YOUR TARGET AUDIENCE

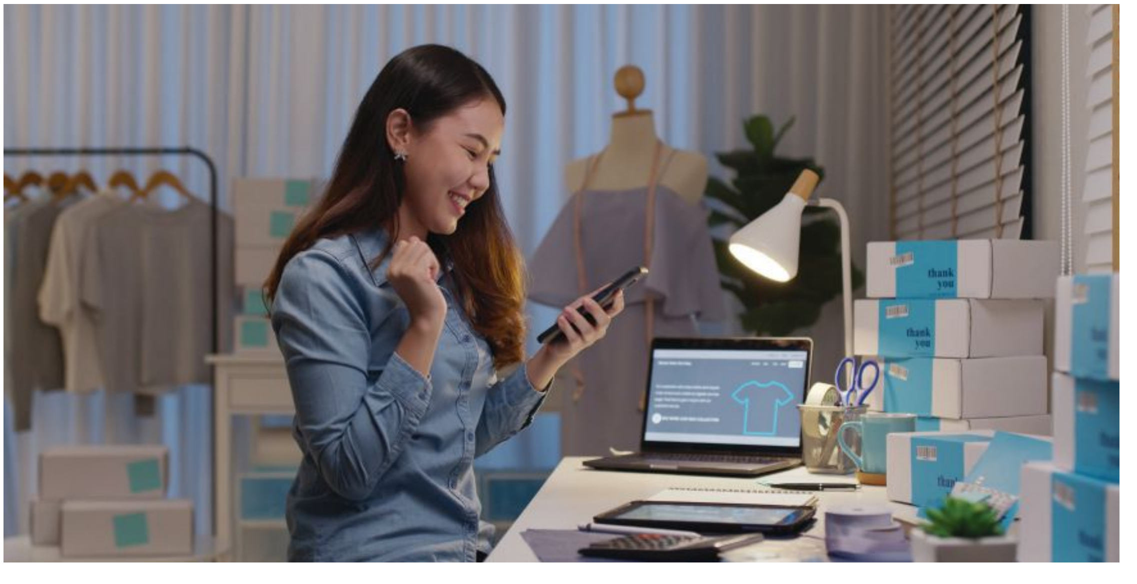
Defining the target audience for your business services offerings is just as important as how you select your consumer segments. For example, suppose your CU serves workers at select employee groups or residents of specific counties. It must consider using the same approach it uses to target individual members to even more carefully refine which banking business members it wants to work with.

A good pathway might be to study the market by segment (say, retail, professional services, construction or healthcare), and use that information to determine which of those businesses are the right ones to serve. Then the CU can determine the products and services it needs to offer.

The decisions will be based on factors like the CU's risk profile. (Does it want to bank cannabis businesses or other heavily cash-based businesses?) In all, the executive team needs to have a clear strategic vision of which types of businesses the organization wants to bank and develop the strategy to serve those businesses.

2. COLLECT LEADS

Having an integrated marketing strategy with objectives and quantifiable outcomes will help ensure a CU's success in drumming up leads for a business services launch.



MORE ON SMALL-BUSINESS SERVICES

What Does CFPB's New Business Loan Data Collection Rule Mean for Credit Unions? (*cumanagement.com/042423blog*)

What's the Best Way to Get More Small-Business Loans Today? (*cumanagement.com/121922blog*)

School of Business Lending™ (*cues.org/sobl*)

To find leads, your CU will need various tactics, such as account-based marketing, lead generation for sales staff and social media marketing. Assigning measurable outcomes to each of these will allow your organization to develop benchmarks and implement any modifications needed to achieve the goals.

Don't forget existing members who already do business with your CU. Analyze data from your current portfolio to find them. Then, use that data to put these members on a journey for communications about the next best product the credit union can offer.

The relationship with business owners is one of the most important factors for credit unions' lead generation. No matter what size a business is, it needs a financial services consultant to help it grow. CUs can provide that advice. The organization's reason for being is to expand the membership base with a great member experience in multiple delivery channels, offering a plethora of products and services to enable members to become financially secure, and to be there for all their life stages. This core strategy segues perfectly into offering services to small-business members.

3. TRAIN YOUR STAFF

When employees from the front line—whether in the branch or contact center or on the lending or operations teams—hear the term "business" or "business member," they often feel apprehensive about having the necessary conversations. They fear not asking the right questions or giving a wrong answer. That's why it is important to train your staff about business banking. By giving employees a good baseline and helping them build their confidence, the credit union can remove the fear.

First, teach the differences among business entities. For example, explain how sole proprietorships, single-member limited liability corporations, S corporations, C corporations and partnerships differ from one another. Help employees understand what is important to know about each business and develop a business-at-a-glance questionnaire. This document can be used when a business owner is in front of an employee and comes in handy for cross-selling. The answers business members give will help employees complete the documents the credit union will need and point to what products and services to offer a particular member. Questions to consider including on such a document are:

1. How many owners does your business have, and who are they? (Answering this question will help with beneficial ownership details—who benefits from the earnings and profits of the business.)
2. What deposits do you make on a month-to-month basis, and do you use remote deposit and check writing?
3. Who will need access to the business's credit union accounts? And what type of access—digital or in-branch?
4. How do you pay the business's bills? How many transactions is this each month? Will you need automated clearinghouse transfers, wires or bill-pay?
5. What does your cash flow look like? Will you need credit cards or revolving lines of credit?

Asking these questions will not only help the credit union but also help the business look to the credit union as an advisor and/or business consultant to help it achieve its goals. Weave this approach into other employee channels, especially those working in the contact center. It adds credibility by demonstrating that the credit union understands a small business and the employees care about the owner.

Create a win-win by helping small businesses grow with the credit union as part of their journey.

4. CONSIDER TECHNOLOGY MATTERS

In the wake of Silicon Valley Bank's collapse (*tinyurl.com/cumanagement-svb*), all kinds of startups opened bank accounts elsewhere. Big banks and fintech companies, like Brex (*brex.com*), Lili (*lili.co*) and Bluevine (*bluevine.com*), were reporting an influx of deposits. Among the reasons why: They provide great digital tools.

If your CU is dreaming of winning over small-business deposits, it's essential to make signing up for accounts online as simple as possible. There's room for improvement. By nCino's count (*tinyurl.com/ncinoreport*), financial institutions can take up to two weeks to onboard a new business customer and, worse, require them to come into a branch multiple times.

Small-business owners are busy building their businesses and don't want to waste time trying to open and fund checking accounts. A Cornerstone Advisors study conducted during the pandemic found that of the 88% of small and medium-size business deposit accounts opened in the branch, only 32% were ready to be used within an hour.

Sure, an ongoing challenge to letting people sign up for accounts quickly is the risk of fraud. But companies like Alloy (*alloy.co*) and Verafin (*verafin.com*) strive to help financial institutions address these challenges.

Opening a deposit account is just the first step. Your small-business members may also want additional digital features, like cash flow forecasting, confidential balances and expense management.

According to a 2022 report by American Banker (*tinyurl.com/2022abresearch*), the No. 1 thing small businesses want from their primary bank providers is a set of digital tools for managing their accounts. The study found that almost half of those surveyed (46%) said digital tools are critical, while another third (35%) said they are very important when choosing a primary bank provider.

Here, vendors like digital banking companies Alkami (*alkami.com*), Q2 (*q2.com*), Lumin (*lumindigital.com*), NCR (*ncr.com*) and Apiture (apiture.com) and account opening platforms like Mantl (*mantl.co*) and Terafina (*terafina.com*) can help your credit union compete for business.

Right now, credit unions have a big opportunity to serve business members. Each credit union's value proposition is an advantage in attracting local businesses as members. Create a win-win by helping small businesses grow with the credit union as part of their journey.

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What makes Gallagher Executive Benefits unique?

Our operating philosophy is to constantly innovate for our clients. We're always seeking better outcomes, better choices, better returns on investments, better everything for our clients. We are dedicated to delivering top-tier service, and that requires regularly evaluating what's important to our clients and seeking ways to over-deliver. This drive toward innovation and service excellence is found in every corner of our organization, and we are relentless in helping our clients pursue their strategic goals. Of course, there are other differentiators, but our uniqueness and success come from a place of always making forward progress for our clients.

What do your clients love about Gallagher Executive Benefits?

The people! We foster a workplace culture of engagement and empowerment. This allows our best qualities to shine, and it reflects in our business relationships. I'm so proud of my teammates and perhaps a little biased, but I think they are the greatest in the industry. They set the bar for commitment and professionalism, and I continue to learn from them every day.

Our clients view us as an extension of themselves. Their mission and goals become our mission and goals. In return, Gallagher's expertise, service-focused infrastructure and proven track record make it easy for clients to entrust their retention strategy to us. Our clients love us, and we love them back!

How can credit unions be more successful?

Identify and develop a deep bench of up-and-comers to help build a strong leadership pipeline. Your up-and-comers are top performers and others with potential who, with more experience and coaching, are your next generation of leaders. Numerous engagement options can be used to motivate and incentivize this group while supporting them as they build their leadership skills and broaden their operational knowledge.

TalentNEXT Returns in 2023,
Helping CU Leaders Create a Future-Focused People Strategy

CUES' TalentNEXT (*cues.org/talentnext*) conference, designed to help the industry's senior HR, training and talent development leaders realize a strong, future-focused people strategy, is returning for its second year Sept. 10-12, in Savannah, Georgia.

Unlike other HR events that focus on operational topics like recruiting and compliance, TalentNEXT helps credit unions create a smart people strategy.

"The working world has changed a lot over the past few years; business-as-usual no longer cuts it. Credit unions must keep up with those changes to help aid in attracting top talent and retaining their best employees, all things TalentNEXT can help with," says Christopher Stevenson, CAE, CIE, CUES' SVP/chief learning officer. "Lessons learned at TalentNEXT will help credit unions successfully shore up performance management, ultimately producing a strong leadership pipeline."

Led by authorities in people management and renowned faculty from Cornell University, sessions include:

- Hybrid Work Strategy: Navigating the Challenges and Opportunities of a New Work Model
- How Psychological Safety Can Bridge the Generational Gap in the Workplace
- What is your Stress Personality?
- The Gender Wage Gap & Bias—What Do We Know and What Can We Do?

"TalentNEXT is highly interactive, with group work, case studies and activities to ensure attendees will head home with actionable takeaways and new ideas to implement," says Stevenson. Learn more at *content.cues.org/TalentNEXT.*

CUES RealTalk! Returns This Month
Attend the groundbreaking discussion series.

The free online discussion series CUES RealTalk! returns in 2023 with a focus on real stories from women in the workforce.

"CUES RealTalk! debuted in 2022 to much acclaim; we're excited to bring this series back to the industry to help further discussions on the topics that are sometimes hard to discuss, but no less important to work through," says Dawn Abley, CUDE, SVP/chief sales & member relations officer at CUES. "During CUES RealTalk!, we'll hear directly from some amazing women as they share their successes and triumphs when faced with issues such as burnout or navigating the waters as a double minority."

The series starts July 19 with *Proving My Worth: Navigating the Intersection of Race and Gender*, featuring CUES' VP/Membership Jimese Harkley. She'll delve into the intricate interplay of gender and race as she shares her experiences managing diversity, not only in her career path but also within her personal life.

The rest of the 2023 series includes:

- *Dear CU Leaders: We're Here, But Not for Long. Managing Your Career Amid Executive Indifference,* with speaker Rachel Guyselman, SVP at Alaska One on Aug. 16;
- *From the Brink of Burnout: How Organizations and Leaders Can Support Working Women*, with speaker Laurie Maddalena, CEO of Envision Excellence on Sept. 20; and
- *Lessons from the Firsts: Inspiring Stories from Female CEOs*, featuring a panel of women who were the first female CEOs of their CUs on Nov. 15.

"CUES RealTalk! is free to everyone in the industry, CUES members and nonmembers alike," says Abley. Learn more and register at *content.cues.org/realtalk-series-2023*.

Online Learning

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

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

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

JULY 19
RealTalk! Session 1: Proving My Worth

JULY 20
Virtual Classroom: Internal and External Fraud—What to Look for and How to Prevent it!

AUG. 8
CUES Virtual Roundtable: Employee Resource Group Community

AUG. 8
Virtual Classroom: The Power of the Pause

AUG. 16
RealTalk! Session 2: Dear CU Leaders: We're Here, But Not for Long

AUG. 23
Unlock Your Potential: Building Your Personal Brand

LEARNING & EVENTS **CALENDAR**

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TalentNEXT

Savannah, GA • Sept. 10–12, 2023 • cues.org/talentNEXT

HR and talent execs—join your colleagues to take a laser-focused look at your credit union's people strategy and discover the latest trends in talent development. Changes in the modern work environment are staggering, and we know you are facing extraordinary challenges in predicting the future skills needed to take your credit union to the next level. Don't miss this opportunity to learn from renowned faculty and experts in talent management.

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
DECEMBER 2023			
Directors Conference	Hyatt Regency Maui Resort & Spa Maui, Hawaii	**Dec 10–13**	cues.org/DC
JANUARY 2024			
Symposium	Grand Hyatt Baha Mar Nassau, Bahamas	**Jan 28–Feb 1, 2024**	cues.org/SYMP
MARCH 2024			
Execu/Summit	Snake River Lodge and Spa Jackson Hole, WY	**March 10–15, 2024**	cues.org/ES
UPCOMING ONLINE PROGRAMS			
CUES Advanced Management Program from Cornell University		**July 11, 2023–Apr 12, 2024**	cues.org/AMP
RealTalk! Session 1	***Proving My Worth:** Navigating the Intersection of Race and Gender*	**July 19, 2023**	content.cues.org/ realtalk-series-2023
RealTalk! Session 2	***Dear CU Leaders:** We're Here, But Not For Long*	**Aug 16, 2023**	content.cues.org/ realtalk-series-2023
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.***

Preparing *Future Managers*

BY LESLEY SEARS

High-performing individual contributors are often thanked through promotion to a management role—for which they've been given no training in how to succeed! Many times, new managers are not offered training in how to be *good* managers even after they move up. This is a big deal!

Think about the skills a teller needs: Great member service skills. Knowledge of how to handle various transactions. Good math. Accuracy. Now think about the skills a teller supervisor needs: Delegation of duties. Conflict resolution. Effective performance appraisal writing. The required skills are not the same at all!

Let's look at six flips individual contributors need to do to successfully evolve into good managers, plus two strategies that can help.

6 KEY FLIPS NEW MANAGERS MUST DO

1. Mindset. They need to flip their mindset from that of an individual contributor to that of a manager.

2. Skill set. They need to develop new skills for their new role. (Do you know what managers at your credit union must be able to do well to achieve success? This is an important prerequisite!)

3. Relationships. This is one of the hardest parts because the new manager has typically been a member of the group they're now managing. So they are likely now managing people who used to be their peers.

4. Do-it-all-myself attitude. Instead of being an expert on particular processes or tasks, the new manager now needs to become an expert in helping other people excel at doing processes and tasks.

5. Perspective. All these flips require a change of perspective!

6. Focus. Up until their promotion, the new manager will have been doing concrete job tasks. Now they'll need to spend their time differently—managing other people to do concrete job tasks.

A big reason that new managers don't get the development they need is that new manager development is often not part of a CU's larger talent development plan. And it really should be.

In addition to making new manager development part of the overarching plan for talent development, there are things you can do to help your new managers succeed more quickly. Ideally, you'll do these items before they start their new position; but following up with them right away once they're doing the job is the next best thing.

1. Training. Both formal management training and on-the-job learning can be useful. If an individual contributor is being considered for a promotion to management (or if that person is the likely successor if the current person leaves the position unexpectedly), put the management skills they'd need in their next role on their individual development plan. Maybe they could take an online course on delegation or conflict resolution. Also, look for project teams (and assignments) they could join that would help them develop the new skills they would need in a leadership role that could be coming up.

2. Coaching and mentoring. People who have the potential to serve in a management role often benefit from the valuable feedback of coaching or mentoring. For up-and-coming managers, regular check-ins with a more experienced person, including celebrations of successes along the way, can be the difference between success and failure in the new role.

To help you get going on the development of new and potential managers, they'll likely need strong communication skills; effective influencing; self-awareness: preferences, priorities, strengths, weaknesses; to promote stronger alignment and trust; to inspire commitment from their team; to innovate and add value; and to evaluate their own blind spots.

I'm here for you if you want to talk more about this.

Lesley Sears *is VP/talent development consulting at CUES and leads CUES Consulting* (cues.org/cuesconsulting)*, which provides talent strategy support to credit unions of all sizes.*

Leave a comment at cumanagement.com/052923blog.

"Over time, ChatGPT and its cousins may change the way some people (think writers, coders, marketers and legal staff) do their jobs—or if they still do their job at all. Right now, however, while the site is often unavailable, ... ChatGPT is something to learn about, try out and watch."

Jerry Saalsaa, *interim CEO of CUES, in "Can ChatGPT Write a Better Job Description Than You Can?" Read more at* cumanagement.com/0523chatgptjob.