2011 CEO Strategies Week

A Network of Venture Capitalists

CEO Roundtable

Building solutions with the spirit of collaborative venture capitalists

WELCOME!

November 9, 2011
at the Frederik Meijer Gardens & Sculpture Park

CU*ANSWERS
A Credit Union Service Organization

Your Board of Directors

A Hint on This Year's Numbers

THE BOARD'S INSTRUCTIONS TO OUR CPA FOR CLOSING THE YEAR

- Declared 2011 Patronage Dividends:

  $ 700,000 Standard Patronage Dividend

  $ 700,000 Bonus Patronage Dividend

  $1,400,000

  Year #2 for a Bonus Patronage Dividend: can we make this a new annual tradition?

- Projected Stock Dividend: **4.40%**
- Projected Increase in Stock Equity: **16%+**
- Projected Stock Price: **$150,000** per owner share

These are all projections and should be finalized by December based on our CPA's work…then look for a check!

It's Been a Great Year...

...NOW ON TO 2012!

- In August, the BOD approved the 2012 Business Plan and Budget
  - This marked the end of our 2012 Planning Session, and now we're on to executing the plan – our new year started 10/1/2011
- Today's event is the first in our planning season for 2013
  - There are many more events planned for 2012, as part of our 2013 planning season – from our Board meetings to focus groups to all of our credit union education – it will be a full year
- The next major event is our Leadership Conference (June 19-21, 2012 – mark your calendars!)

We truly appreciate your participation, and respect your dedication in leading this cooperative

Today's Agenda

Morning (10:00-12:30)

- 10:00 **Introduction**
  - Are we ready to invest in the ventures identified by this crowd? (Randy Karnes)
- 10:30 **Roundtable Discussions**
  - 15 minutes "meet the group" and assign a presenter
  - 30 minutes group discussion
  - 5 minutes to report to the entire room (two tables paired for each question)

Afternoon (1:15-3:30)

- 1:15 **CU*Answers Show and Tell: the $10,000 Investment Grant**
  - Introduction
  - Presentations from the 5 finalists
  - Select the panel of judges (this means you, CEOs)
- 2:45 **Break**
  - Judges vote on the winner(s)
- 3:00 **Present Grant Awards**
- 3:15 **Wrap-Up**

Now introducing today's facilitator...Randy K

Are We Ready to Invest in the Ventures Identified by This Crowd?

Resolving the Cliffhanger from the 2010 CEO Roundtable

REMEMBER THIS FROM LAST YEAR?

I DO…IT WAS AN ASSIGNMENT FOR THIS YEAR

Your Assignment, Mr. Phelps…

Topic 1 Theme (a.m.)
Leveraging This Crowd for Personal Advantage

- There is a freedom in being faceless in a crowd that is moving in the right direction
- But for that momentum to continue you sometimes have the responsibility of being the individual with a plan
- Are we confident in our direction and loaded with leaders to keep us on track?

Topic 2 Theme (p.m.)
Headaches & Aspirin

- The classic presentation needed to move venture capitalists from skeptics to supporters of a business idea is to convince them that you have the medicine for the crowd's most common headache
- Are we ready to invest in the ventures identified by this crowd?

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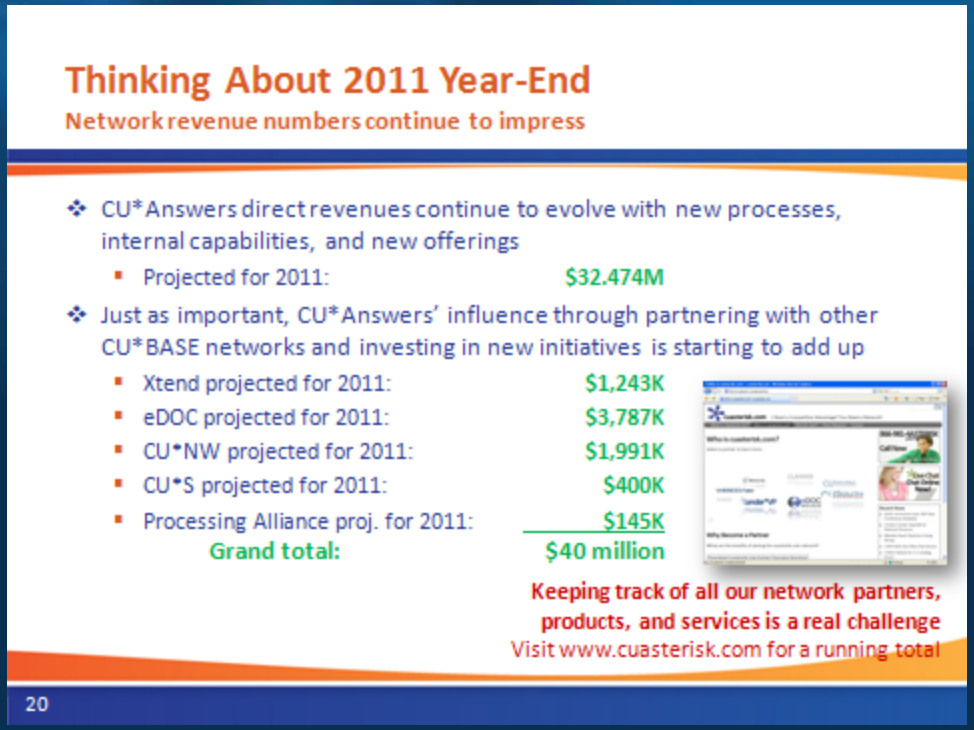
The $200 million Perspective

$40 million a year for 5 years

- As a collective, we will direct $200 million worth of cash flow over the next five years
- What should that patronage yield, both directly and indirectly, given our ability to turn entrepreneurial spirit into opportunities and success for all of our participants?

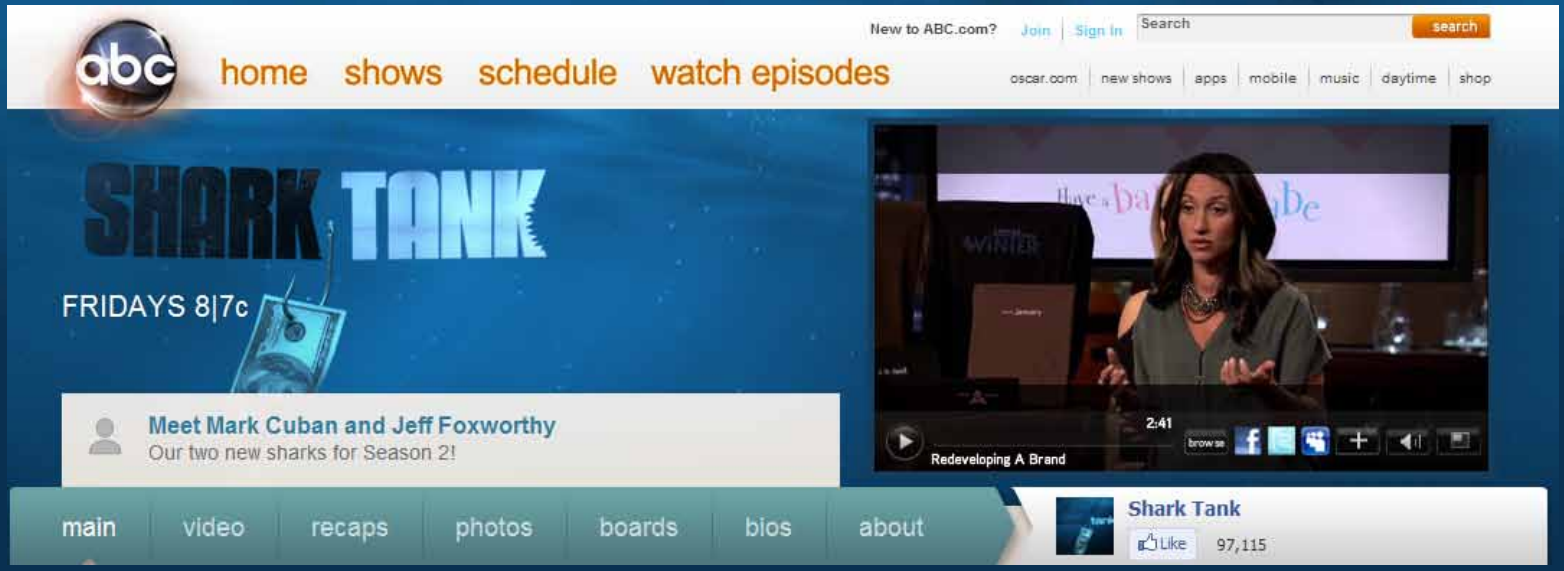


Equally important to what we do independently is what we might leverage as a network

1+1 can be greater than 2

Are We Venture Capitalists?

MINNOWS OR SHARKS…CAN WE EVOLVE?



Wading Into Deep Waters

CU*Answers Show and Tell: $10,000 Investment Grant

- Entrepreneurs are active all the time
- If you found yourself reading this email and dreaming up a new idea to qualify for a grant, what does that say about your day-to-day thinking, and your day-to-day execution?

CU*Answers Show and Tell:
a $10,000 Investment Grant Opportunity!

Do you have a great idea but lack of funding is stifling its progress?

Here's what you need to do to vie for a grant:

- By October 21st - Submit a brief synopsis of your idea to
- October 26th - The CU*Answers Board will select the top ideas submitted (up to 5)
- October 27th – CEOs selected to present will be notified via email
- November 9th – Each of the selected CEOs must be prepared to give a 5 to 10 minute presentation at the CEO Roundtable

*Plan to put your grant money to work in your organization, your community, your staff or your members. CU*Answers wants to invest in you!*

http://cuanswers.com/ceo2011/

Are we the network of coaches and mentors we think we are? Let's get on a program to improve on our entrepreneurial skills

Can We Be Like Sharks a Year from Now?

BUILDING A PROCESS TO AWARD $100,000

- At the end of the day, we will have to ask ourselves about that $200 million, and whether or not we can develop processes and a culture within our network to inspire new ventures, craft new solutions and expand everyone's horizons
- Can we put the Board to work in 2012 on a whole new vision for what we might be doing a year from now?

- The focus is to build a grant for *investment*…investment with a return, not a feel-good giveaway program or a collaborative feel-good program – a **venture capitalist program**

Collaboration is intuitive, but executing takes work – so let's get to it…

TODAY'S ROUNDTABLE DISCUSSIONS

TIPS FROM THE TANK

Shark Tank Tips

1. What makes a good business idea great?
2. What do you think are the traits of a great entrepreneur?
3. How do I know if there's a real need for my product or service?
4. What are the most important first steps a new entrepreneur should take?
5. How do you create a business plan that works?
6. Where can I get help creating a business plan?
7. How do you compete against the big guys?
8. How do you build a great team?
9. What makes an investor put their money into a deal?
10. How do I find investors and business partners and what's most important in my presentation?

Let's debate 6 of these with a network nuance

Today's Discussion Topics

2 GROUPS FOR EACH QUESTION

Group	Shark Tank Question	Network Nuance
1 & 7	What makes a good business idea great?	What makes a good business idea great *for a network to consider?*
2 & 8	What makes an investor put their money into a deal?	What makes an investor *from a network* put their money into a deal?
3 & 9	How do I find investors and business partners and what's most important in my presentation?	How do I find investors and business partners and what's most important in my presentation *to win over a network peer*?
4 & 10	What are the most important first steps a new entrepreneur should take?	What are the most important first steps a new entrepreneur should take *when trying to work within a network of peers*?
5 & 11	What do you think are the traits of a great entrepreneur?	What do you think are the traits of a great *network* entrepreneur?
6 & 12	How do you build a great team?	How do you build a great team *from within a network, utilizing everything available in the network*?

Our Version of the Shark Tank

This Morning's Roundtable Discussions

10:30 – 10:45
Meet & Greet

- ò Start with 15 minutes to meet your table mates
- ò Assign a presenter

10:45 – 11:15
Roundtable Discussions

- ò Each question will be assigned to 2 different tables
- ò 30 minutes discussion about your assigned question

11:15 – 12:30
Presentations from Group Pairs

- ò 12 presenters will make 6 joint presentations
- ò Start an impromptu dialogue on stage
- ò 10 minutes each, please

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LUNCH

(NO, SHARK IS NOT
ON THE MENU)

Our First-ever Investment Grant Program

1st Annual Investment Grant Program

To be a venture capitalist, think like a venture capitalist

- Our 5 finalists will each have 10 minutes to present their idea to the group
  - We will take up to 2 questions from the audience for each presenter
- While you are listening, pay attention as if you were going to be the final judge…because you just might be
  - Following the presentations, we'll have a lottery to choose 4 names (with Bob F as a tie-breaker)
- After a break, we'll award the grant $$ to the winner(s)
  - The $10,000 can be distributed any way you see fit – all $10K to one winner, or $X to two, three, or more winners

It's the same as real life:
How do you spread your investments
when you come across great ideas?

What to Listen For

(You could be chosen as a judge!)

1. Does the business idea clearly **answer a need** in the marketplace? Or if the need is already being met by a competitor, does your idea do it cheaper or in a more clever way?

2. Show how a network of your **peers might share your idea**, or copy your idea for their institution, or participate in your idea and the business you are thinking about starting

3. Since most great businesses are built on better execution of an *existing* idea, how could our **network could help you improve on the execution of your idea**, even if it's not a new idea?

4. How do you intend to **show how the grant was used** and how it affected your CU at next year's CEO Roundtable?

Thanks to All of the Participants

- = FINALIST

- Brian Turmell -
  AAC CU
- Cheryl Hubbeling
  Telco FCU
- Chris Butler -
  Community CU
- Gregg Stockdale
  1st Valley CU
- Kimberly Wilson -
  Anna-Marie Zelinsky
  Mark Richter
  MI-CPR
- Kevin Finneran
  Community Driven CU
- Kevin Ralofsky
  VacationLand FCU
- Linda Bodie
  WV United FCU
- Sally Dischler -
  Heartland CU
- Scott McFarland
  Honor CU
- Vickie Schmitzer -
  Frankenmuth CU

None of these ideas should be discarded, just because it didn't make the cut for today

In fact, I'm sure CU*Answers will take away one or two for our own future business plan

Our Finalists

(IN ALPHABETICAL ORDER BY FIRST NAME)

Presenter Name	Credit Union	Idea
Brian Turmell	AAC Credit Union (Grand Rapids, MI)	**Online Credit Union**
Chris Butler	Community CU (LaCrosse, WI)	**Legal Services CUSO**
Kim Wilson	GR Family CU (Grand Rapids, MI)	**MI-CPR**
Sally Dischler	Heartland CU (Madison, WI)	**Go Local**
Vickie Schmitzer	Frankenmuth CU (Frankenmuth, MI)	**Touch the Future at Your CU**

Get your ballots ready, potential judges...

Remember What to Listen For

(You could be chosen as a judge!)

1. Does the business idea clearly **answer a need** in the marketplace? Or if the need is already being met by a competitor, does your idea do it cheaper or in a more clever way?

2. Show how a network of your **peers might share your idea**, or copy your idea for their institution, or participate in your idea and the business you are thinking about starting

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AND THE WINNER IS…

ON TO 2012…IT WILL BE A BUSY YEAR FOR EVERYONE

USE YOUR NETWORK!