

2010 CEO Roundtable



**November 10, 2010
at the Frederik Meijer Gardens & Sculpture Park**

Welcome!



Today's Agenda

Morning (10:00-12:30)

- n **10:00** Introduction
 - n Architects of Crowds (*Randy Karnes*)
 - n A Message from the Chairman (*Chris Butler*)
 - n Report to Owners Video
- n **11:00** Topic 1 Group Interaction
 - n 15 minutes “meet the group” and assign a presenter
 - n 30 minutes group discussion
 - n 5 minutes for each group to report to the entire room

Afternoon (1:15-3:45)

- n **1:15** Topic 2 Group Interaction
 - n 30 minutes group discussion
 - n 5 minutes for each group to report to the entire room
- n **2:35** Break
- n **2:45** Wrap-Up



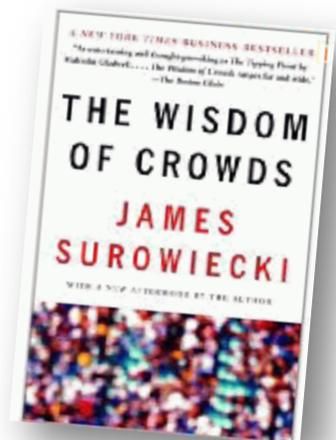
Architects of Crowds

- n When thinking about what it means to lead and build a company, an exercise I have personally found helpful, and healthy for CEOs in general, has been to try to see my role from different perspectives, to assume other personas
 - n It's easy to see yourself through your job description and your industry's terminology, in a limiting way
 - n But try thinking of yourself as a **general** running the army...
 - n or a **politician** getting reelected...
 - n or an **evangelist** fostering a belief system
- n Translate their vocabulary and tactics into your role as a CEO, and see a different twist on your problems



Architects of Crowds

- n Our 2011 Business Plan has the theme of “Still The Place To Be”
- n In choosing that theme last year I thought about what it means to craft an environment as *the place to be*
- n What is a place to be if it’s not enjoyed by a crowd? Respected by the crowd, and valued by the crowd for what they plan to harvest from their participation
- n That got me thinking about *architecting* a place to be, and what kind of crowd we would want to show up
- n That led me to some interesting ideas about networks, the Internet, today’s plugged-in consumer, and a whole lot of other CEOs (you) trying to build their own crowds and places to be





Architects of Crowds

Accepting the Mantle of Leadership

ar-chi-tect [ahr-ki-tekt] *noun*

1. The deviser, maker, or creator of anything: *the architects of the Constitution of the United States.*

- n How differently you see your role when you move from managing the existing creation of past leaders, to one where you know you have to *create* it
 - n We have to *build* businesses, not just run them
- n Have we just accepted the crowd we inherited?
- n Or are we totally engaged in redesigning that crowd with a vision of sustainability and moving our capabilities to the future?

**Think about this room: are we the crowd we hope to be?
Do you find yourself in crowds that you are proud of and
confident about their future successes?**



Architect of Crowds

The Foundation for Bigger Things

crowd [kroud] *noun*

1. any group or set of persons with something in common: *The restaurant attracts a theater crowd.*
2. audience; attendance: *Opening night drew a good crowd.*
3. the common people; the masses
4. *Sociology* . a gathering of people responding to common stimuli and engaged in any of various forms of collective behavior.

- n As an architect of a crowd, what kind of crowd are you trying to build?
 - n Whether a set of peers, an employee team, a Board of Directors, or even your membership, have you identified the qualities the crowd will need to create a fertile environment for success?

Is the crowd wise? Can you draw from the crowd the ideas, the hopes, and the collective vision for your own success?



Types of Crowd Wisdom

Are there advantages in being able to watch the crowd?

n Cognition

- n The crowd naturally knows the lay of the land and can make judgments faster and more reliably than a committee of experts
 - § With Learn From A Peer product development, can we improve the speed at which we interpret the crowd here at CU*Answers?

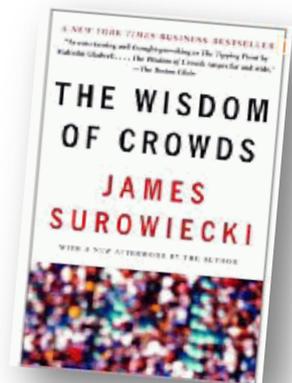
n Coordination

- n The crowd tends to follow the path of least resistance and their movements signal a natural path to follow
 - § As we write more analysis software to watch your members move, does it make sense to watch all memberships within the network move?

n Cooperation

- n People naturally form their own networks of trust without anyone directing them or enforcing their compliance
 - § The value of CU*Answers: a network where individuals thrive

*Cited from The Wisdom of Crowds by James Surowiecki
as reported on Wikipedia*





Are all crowds wise?

- n The architect hopes so, and shoots for that
- n According to Surowiecki, these key criteria separate wise crowds from irrational ones (like mobs or crazed investors in a housing bubble):

Criteria	Description
Diversity of opinion	Each person should have private information even if it's just an eccentric interpretation of the known facts.
Independence	People's opinions aren't determined by the opinions of those around them.
Decentralization	People are able to specialize and draw on local knowledge.
Aggregation	Some mechanism exists for turning private judgments into a collective decision.

Here's where the architect has to go against some natural urges in building a business: you have to trust and build these concepts into your crowd



The Place To Be

- n For the rest of the day, we are going to talk as architects who have accepted the responsibility of building an environment that can attract the right crowd for our success, collectively and independently
- n We're going to think about the strategies and tactics that can emerge from the crowd in this room as signals for future directions
- n Are we a wise crowd?
 - n Throughout the day I hope you will evaluate our crowd and think about ways to bring the wisdom forward for everyone
 - n Guard the elements of a wise crowd: **diversity of opinion, independence, decentralization, and aggregation**
- n I hope we can build a place where respect for these elements is apparent to the next person who joins the group

When we reference this crowd and encourage others to join, they should trust we're not asking for conformity – we want people who are different enough to add to the value

Rev Up the Crowd...



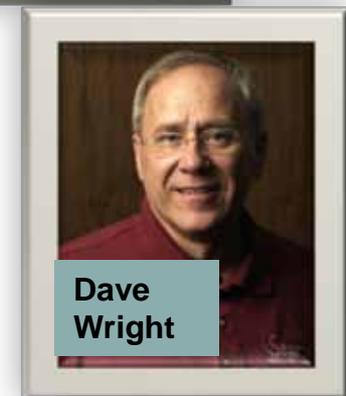
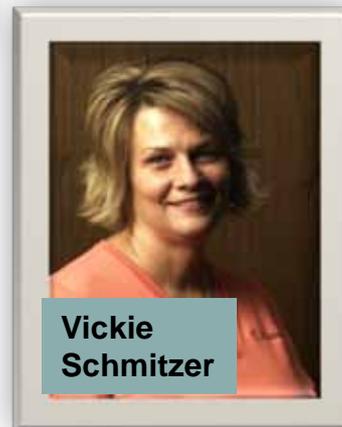
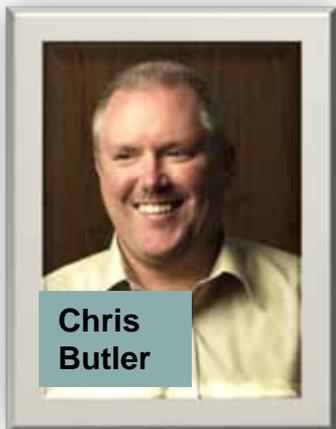
...and Create a Buzz



Speaking of a crowd, let's hear from one of our key architects...

2010 marks **40** years of serving the credit union industry
CU*Answers - EST. 1970

n Our Board Chairman, Chris Butler





2010: A Milestone for This Crowd

n Declared 2010 Patronage Dividends:

\$ 700,000 Standard Patronage Dividend

\$ 500,000 Bonus Patronage Dividend

\$1,200,000

A Bonus Patronage Dividend is unprecedented here at CU*Answers, but warranted this year as all credit union industry participants need to dig deep and participate in our economic recovery (nice birthday present, huh?)



n Projected Stock Dividend: **4.35%**

n Projected Increase in Stock Equity: **27%**

n Projected Stock Price: **\$125,000** per owner share

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

If the 2010 CEO Roundtable was a video shoot, what might you say about how we are all walking the talk together?



Let's start with the Board of Directors...





But enough about the crowd that is CU*Answers...

- n For what we need to accomplish, it's not enough to talk about our crowd in a way that pushes CU*Answers to the forefront
- n We need to talk about what this crowd is accomplishing for an industry, and how we benefit from being part of the crowd to succeed as individuals
- n It's the same for our members: we hope they will reference our credit union; that they will see that when they come together, they do so to succeed for their own personal situation

We are a crowd where the
individual's hopes are never lost

We are The Place To Be: *we are credit unions*



Your Assignment, Mr. Phelps...

Topic 1 Theme (a.m.)

Leveraging This Crowd for Personal Advantage

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

Topic 2 Theme (p.m.)

Headaches & Aspirin

- n 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
- n Are we ready to invest in the ventures identified by this crowd?



Topic 1 Theme (a.m.)

Leveraging This Crowd for Personal Advantage

Group	Topic
1 & 6	Discuss how this crowd could design a system to communicate examination experiences. How could you better prepare and use crowd data at your next examination? (For example, a survey completed and shared with everyone in this room within 2 days of the exam.)
2 & 7	List 7-10 answers you wish you could gather from this crowd for your next Board meeting, business plan, or staff pep rally. How could we turn crowd surveys into a business advantage?
3 & 8	Contrast building a crowd with a CUSO at the center versus building a crowd with a credit union at the center. How could we translate each model for the benefit of CUSO CEOs and credit union CEOs?
4 & 9	Think about the crowds that you coordinate in managing your credit union (volunteers, staff, members, customers, your community). List 1-2 things this CUSO could do to help with each crowd.
5 & 10	For a few minutes, let's break the 10th commandment and look around our crowd and covet the resources, the opportunities, the assets, the members, and the communities of those around us. List the top 3 things that you would recommend we aggregate and use as a crowd.

Lunch



Let's eat!



Headaches & Aspirin

Group	Topic
1 & 6	Personnel: List 3-5 of your worst HR headaches. See if you can match one potential cure for each one.
2 & 7	Volunteers: List 3-5 of your worst Board headaches. See if you can match one potential cure for each one.
3 & 8	Regulators: List 3-5 of your worst Auditing and Compliance headaches. See if you can match one potential cure for each one.
4 & 9	Operations: List 3-5 of your worst Operational headaches. See if you can match one potential cure for each one.
5 & 10	Capital and Growth: List 3-5 of your worst capital and growth headaches. See if you can match one potential cure for each one.

If your presentations yield 25 ideas for all of us to consider as seeds for new businesses, our CUSO will have a very good year in 2011 and 2012

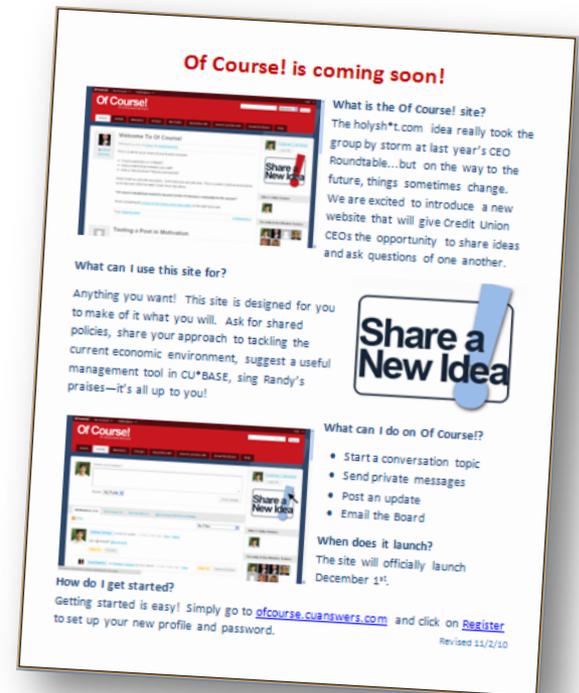
Wrapping Up the Day



Of Course!

There needs to be an automated voice for our crowd

- n Launching officially on December 1
 - n Requires registration to get your user ID and password (see the flyer)
- n This new site certainly allows you to read and be faceless and enjoy the freedom of a group going in the right direction...
- n ...but without participating leaders, that direction will not be positive for very long



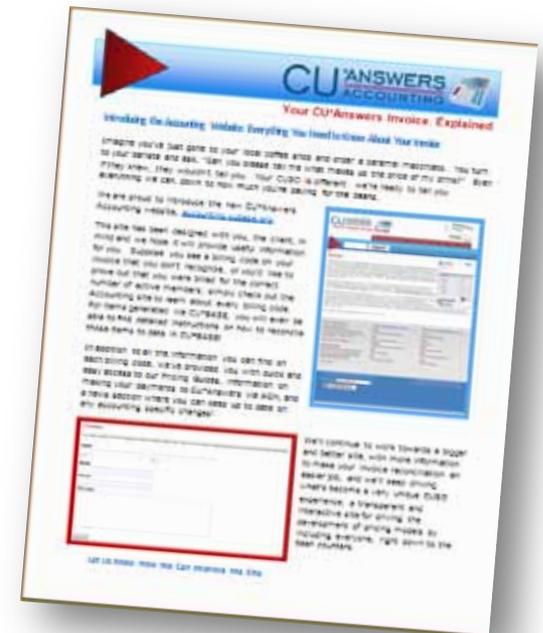
Coming December 1, 2010:
www.ofcourse.cuanswers.com



Participation Changes Everything

Watching the Crowd Respond to Pricing

- n Introducing the Accounting Website: accounting.cubase.org
- n One of the most unique experiences I believe available to any crowd of CUSO participants: a transparent and interactive site for driving the development of pricing models by including everyone, right down to the bean counters





Thanks for the week!

Starting a Business in the
CU*Answers Network

2010 CEO Roundtable

November 10, 2010
at the Frederik Meijer Gardens & Sculpture Park

Welcome!

CEO School
(Year 6!)

Where Everyone's a Student and
Everyone's a Teacher

2010 CEO Strategies Week
November 8-12, 2010

CU*ANSWERS
A COLLEGE UNION SERVICES ORGANIZATION

We started our 2012 planning
with our August
Board Planning Session

This week is the first event in that planning cycle:
one of my favorite weeks of the year

Thanks for participating!