

# 2017 CEO Strategies



**Welcome!**



# CEO Strategies Week 2017

## Events



### Tuesday, November 7

1:00 – 5:00 PM ET

CEO Collaboration in the cuasterisk.com Network (Past, Present, and Future)

5:00 – 6:30 PM ET

CEO Open Networking Session (*Refreshments served*)

### Wednesday, November 8

9:00 AM – 4:30 PM ET

CEO School: Driving Solutions & Execution

5:00 – 6:30 PM ET

CEO Open Networking Session (*Refreshments served*)

### Thursday, November 9

9:00 AM – 3:00 PM ET

CEO Roundtable



Materials covered in  
all sessions will be  
posted online on the  
Events > CEO  
Strategies page

<http://cuanswers.com/events/ceo-strat/ceo-strategies-week-2017/>



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## CEO Strategies: CEO Strategies Week 2017

Registration is now open

<http://cuanswers.com/events/ceo-strat/ceo-strategies-week-2017/>

roundtable, as well as informal networking events.

Register Today!

### CEO Strategies Week 2017

Mark your calendar for this year's event! All CEOs will attend the same 2 1/2 day event once again: **November 7-9th, 2017**, at the [Watermark Country Club](#) in Grand Rapids, Michigan. We'll start with the Collaboration Workshop in the afternoon on Tuesday, CEO School all day Wednesday, and end with a day-long CEO Roundtable on Thursday. New informal networking events will also be held during Tuesday and Wednesday evenings.

#### Schedule

**Tuesday, November 7**  
1:00 – 5:00 PM ET  
CEO Collaboration in the [cuasterisk.com](#) Network  
5:00 – 6:30 PM ET

**ALL CEOS WILL ATTEND THE SAME 2 1/2 DAY EVENT!!**

#### 2017 CEO Strategies

In This Section

- CEO Strategies
- CEO Strategies Week 2017
- CEO Strategies Week 2016



# 2017 CEO School

CEO Strategies is not just a once-a-year event . . . stay engaged to stay on top of things!

**CUANSWERS BOOT CAMPS 2018**

**Developer's Help Desk Executive Boot Camp**

**Boot Camp Participants**

- 6 credit union developers selected
- Up to two multi-day, laboratory sessions
- 20-40 hrs of development time for your project or app
- Work hands-on with CUAnswers developers to design, construct, and launch your product
- CUAnswers will pay overnight lodging and food. Travel is at your expense
- Must have a financial and resource budget for your credit union to complete your project (leave in this together)
- For that project only - help us figure out how this experiment should work and where it will go

**What is the Q&D Project Boot Camp?**

To apply for this boot camp you must have a project in mind. You must be able to explain your idea, what components your team will work on and what components CUAnswers' team will work on.

**Examples of project types that might work with the boot camp format:**

- Integrating with our APIs to create new mobile app or new features for your existing mobile app
- Integrating with our APIs to create new features for your website
- Setting up integrations with 3rd party vendors, primarily a CRM service
- Other API connect

**CUANSWERS Executive Study Groups**  
*You are what you study*

Home | Current Study Groups | Previous Study Groups | Webinar Tips | Register for a Study Group | Contact

**You Are What You Study**

**Sign Up Now to be a Co-Host in our 2017 Dashboard Drives Webinars!**

We are looking to have guest color commentators on the next round of Dashboard Drives Webinars. Come volunteer, throw in your input, and receive a \$25 gift card!

**Sign Up!**

**BE A CO-HOST!**

Dashboard Drive Webinars  
Or Co-Host a Dashboard Drive Webinar. Sessions begin June 1st!

**Be a Co-Host!**

**CHOOSE YOUR STUDY GROUP**

Choose Your Study Group

Select Category

**WHAT ARE STUDY GROUPS?**

Executive Study Groups provide a forum for leaders to discuss the issues that affect their institutions, teams, businesses and the industry at large. Participants meet to share information and discover new strategies to make their operations more effective.

Each Executive Study Group focuses on a different management area and may be renewed.

This site is intended to facilitate questions and answers and foster collaboration among the Executive Study Group.

If you have an idea for Executive Study Group, please contact us.

**YOU'RE HERE FOR A REASON**

Register today!

United Categories, thank the best. Special Events Training. Then focus on the. click Data First View Selected Courses. Then check the resources you'd like to attend and click Register for Selected Courses at the bottom.

**Click here**  
to see  
all our  
resources

**CUANSWERS BOOT CAMPS 2018**

**What Makes Data Valuable Executive Boot Camp**

**Boot Camp Participants**

- 12 students will be selected for year 10
- 1 representative per CU
- New Boot Camp students will be assigned a returning mentor student to help catch them up on last year's progress
- Four 2-day sessions (8 days total)
- 1 session per quarter
- CUAnswers will pay overnight lodging and food
- Travel is at your expense
- Work-study program (there will be homework)
- Must attend all 8 days to graduate

**Scheduled Classes**

November 29-30, 2017  
February 7-8, 2018  
May 2-3, 2018  
August 6-7, 2018

**Enrollment info coming September 2017**

**CUANSWERS BOOT CAMPS 2018**

**Building Solutions as a Co-Op Executive Boot Camp**

**Boot Camp Participants**

- 12 students will be selected for year 10
- 1 representative per CU
- New Boot Camp students will be assigned a returning mentor student to help catch them up on last year's progress
- Four 2-day sessions (8 days total)
- 1 session per quarter
- CUAnswers will pay overnight lodging and food
- Travel is at your expense
- Work-study program (there will be homework)
- Must attend all 8 days to graduate

**Scheduled Classes**

January 10-11, 2018  
March 7-8, 2018  
May 16-17, 2018  
August 13-14, 2018

**Enrollment info coming September 2017**



# 2018 Boot Campers

## Building Solutions in a Cooperative (10)

- Kris Walpole, Aneca FCU
- Greg Smith, CU\*NorthWest
- Bret Weekes, eDOC Innovations
- Voula Sepsakos, First United CU
- Mike Varley, Frankenmuth CU \*
- Kaylee Ganus, Honor CU
- Karen Padrevita, Metrum Community CU \*
- Eric Wathen, Notre Dame FCU
- Melissa Goins, Notre Dame FCU
- Alayna Johnson, Sioux Empire FCU \*

## What Makes Data Valuable? (18)

- David Wodke, Aneca FCU
- Steve Cobb, BlueOX CU
- Alec Gajewski, Calcite CU
- Laura Corp, Chief Financial CU
- Craig Parsons, Day Air CU
- Travis Lane, DOLFCU \*
- Jonathan Weirauch, Frankenmuth CU
- Zakery Lewellen, Honor CU
- Maria Keller, Kellogg Community CU
- Tracy Wilson, North Central Area CU
- Shanna Dee, NorthStar CU
- Andrea Alexander, Notre Dame FCU
- Kate Siupinski, Notre Dame FCU
- Rhonda Harrington, Preferred CU
- Kyle Thompson, PrimeSource CU
- Dan Hertzler, rkGoBig \*
- Christie Dompierre, TBA CU \*
- Dominic Sloma, Verve, a Credit Union \*

NEW

## DHD

- Scott Flak, Community West CU
- Greg Smith, CU\*NorthWest
- ??? ... **deadline is December 18<sup>th</sup>!**

\*Returning Boot Camper

**Think about these as survey responses – the number of people who sign up for Boot Camps tells us a lot about the focus of CUs in 2018**



I might have voted differently about which Boot Camps were most important to the CUSO and the spirit of a cooperative

UNDERSTANDING HOW A CO-OP PRIORITIZES THINGS, AND TRUSTING IT, IS ONE OF THE FOUNDATIONS NEEDED FOR BUILDING LIFE-LONG CUSTOMER-OWNERS

The screenshot shows the 'Owner's Voice' forum interface. At the top, there's a header with the 'Owner's Voice' logo and 'CU ANSWERS' branding. Below the header, there's a navigation bar with 'Forum' and 'Home' links. The main content area is titled 'Let's Make a Plan!' and features a 'MARKETING' section with the question 'What is your plan?'. Below this, there's a 'Board Index' section with three main categories: 'Help Us Decide What To Do Next', 'Help Us Decide What To Stay Focused On', and 'Help Us Decide What's On The Chopping Block'. Each category lists several topics with their respective vote counts and the date they were posted. For example, under 'Help Us Decide What To Do Next', there are topics like 'Software Enhancements' and 'Program Modifications'. At the bottom, there's a 'Results' section showing 'Owner's Voice Voting Results' and 'Moved To Production'.

This collage displays several informational pages from the 'Owner's Voice' website. The pages include:

- Owner's Voice**: A page with the title 'CU ANSWERS AT ITS CORE IS A COOPERATIVE ORGANIZATION. WE ARE CONSTANTLY PUSHING WHAT IT MEANS TO BE A TRANSPARENT CUSO. THIS YEAR WE HAVE DECIDED OUR NEXT STEP IS TO GET YOU ENGAGED. WE WANT TO HEAR YOUR VOICE, THE OWNERS VOICE.' It also features a 'DISCUSS PROJECTS' section.
- WHY OWNER'S VOICE?**: A page explaining the purpose of the forum, stating 'YOUR VOICE GUIDES OUR PRIORITIES' and 'As a cooperative, we need your input to move in the right direction. Together, our owners' input allows CUAnswers to shape our future together. Discussion and voting within Owner's Voice allows every owner to contribute to the process of guiding the priorities for the products and services offered at CUAnswers and our customer.com partner.
- THE ORIGIN OF OWNER'S VOICE**: A page titled 'BOOT CAMPS' that describes the origin of the forum, mentioning 'Owner's Voice is the culmination of the work from participants in the 2016 and 2017 Building Solutions as a Co-Op Boot Camps. The participants created Owner's Voice to give members a voice in the decision-making process at CUAnswers. The name got stuck to our forum and Owner's Voice is the vehicle to grow, prioritize, bring value, and complete these projects.'
- CONTINUING INTO THE FUTURE**: A page titled 'Owner's VIEW' that discusses the future of the forum, stating 'The 2018 Building Solutions as a Co-Op Boot Camp will move to its conclusion. Moving forward, the CUAnswers project involving this tool. The website will allow members owners the ability to track the software development lifecycle (SDLC). For more info, visit: [www.cuanswers.com/news/2018/08/01/owner-view](https://www.cuanswers.com/news/2018/08/01/owner-view)
- RULES OF THE GAME**: A page detailing the 'GENERAL RULES' and 'DISCUSSION RULES' for the forum. It includes sections for 'VOTING RULES' and 'PROJECTS MOVED TO PRODUCTION'.
- HOW TO VIEW RESULTS**: A page titled 'VIEWING RESULTS OF VOTING' that explains how to view the results of the voting process.
- HOW TO JOIN THE DISCUSSION**: A page titled 'JOIN DISCUSSION' that provides instructions on how to join the discussion.
- HOW TO VOTE**: A page titled 'USED VOTING' that provides instructions on how to use the voting system.
- HOW TO SIGN UP**: A page titled 'THE SIGN UP PROCESS' that provides instructions on how to sign up for the forum.



# Today's Interactions



- We'll start with some round-robin introductions to get to know each other
  - With so many people, this will probably take a couple hours!
- Then we'll brainstorm on a topic where we might collaborate to make a difference
- Then this evening we'll enjoy a networking session where we can think (and drink!) while we discuss our collaborative project



**We're trying a  
new rhythm  
for this year's  
interactions...**

And as other thoughts  
occur to you over the  
next few weeks, go to  
the CEO Strategies page  
and leave a comment!



For each topic:

- 1) Briefing targeted to CEOs
  - Randy will introduce the topic
- 2) Presentation by marketplace experts
  - Tactical responses to the topic from our technical or other teams (including software demos, etc.)
- 3) CEO discussion/brainstorming
  - A TNT session designed to bring out CU leaders ready to **Teach**, **Negotiate** and **Tell** their point of view



# Round Robin Introductions

We'll be together for the next 3 days, so let's get to know each other

This is speed dating – quick answers that inspire others to get to know you more



Use your participant contact sheet to take notes!



- ☐ Your Name
- ☐ Your Credit Union Name, City and State
- ☐ How many CEO Strategies sessions have you attended?
- ☐ Give one competitive differential credit unions have that no one can deny
  - Something unique that banks don't have



CEO Strategies  
2017

# CEO Collaboration Workshop

On the way to the future, CEOs  
need the chance to influence  
the final destination



TUESDAY



The Collaboration Workshop speaks to the essence of why credit unions own CU\*Answers: so that **their voice is heard**, their ideas are worked on, and their priorities are considered as part of everything this CUSO tries to accomplish





# Today's Topic:

## CEO Challenges in Driving Cooperatives in a Consumer-focused World

In our lust for more “consumers” have we lost sight of how “owners” secure our futures?






# Can we easily identify our opportunities, and how we're different?



“WE’RE DIFFERENT! ACCEPT THIS BASED ON YOUR FAITH IN OUR IDEALS”

“WE’RE DIFFERENT! BELIEVE IT BECAUSE WE SHOW YOU HOW”

- ❑ What are the competitive differences at the core of our business model?
- ❑ How would you drive your differences as a competitive advantage?
  - Can we list 10 unique differences that might be candidates to emphasize in our business plans?
  - Given these 10 differences, how could we change our regulatory and share insurance environment?
  - Do we share these 10 differences, based on today’s credit union community and the diversity within our communities?

 Topics ▾ Reference ▾ Advisors ▾ Market ▾

### What is 'Competitive Advantage'

Competitive advantages are conditions that allow a company or country to produce a good or service at a lower price or in a more desirable fashion for customers. These conditions allow the productive entity to generate more sales or superior margins than its competition. Competitive advantages are attributed to a variety of factors, including cost structure, brand, quality of product [offerings](#), [distribution network](#), intellectual property and customer support.

### BREAKING DOWN 'Competitive Advantage'

Competitive advantages provide an edge over rivals and an ability to generate greater value for a firm and its [shareholders](#). **The more sustainable the competitive advantage, the more difficult it is for competitors to neutralize the advantage.** The two main types of competitive advantages are [comparative advantage](#) and [differential advantage](#).

**In trying to gain comparative *advantages* over banks, have we lost ground on selling our comparative *differentials*?**



# Where are we today?



## HAS OUR FAITH THAT CONSUMERS WILL SEE OUR COMPARATIVE ADVANTAGES VS. BANKS LED TO OUR DEMISE?

- Are individual credit unions counting on their comparative advantages, or their differentials?

“Compared to a bank, I have these advantages...”



A reaction to this statement might be, “Then you’re just a better bank” (or more likely, “Not really”)

“I’m not a bank, and I do not compete with banks. I am a cooperative, completely different.”



A reaction to this statement might be, “Show me why I need a cooperative financial service firm”

- How do regulators/insurers help you succeed based on your *differential* advantages?
  - Should they? How would we start a collaborative project to ensure they do?
- How do trades help you succeed based on your *differential* advantages?
  - Should they? How would we start a collaborative project to ensure they do?
- How do vendors help you succeed based on your *differential* advantages?
  - Should they? How would we start a collaborative project to ensure they do?

**It’s possible we have been forced into a box to compete on *comparative* advantages by the very people who should guarantee our *differential* advantages**



# Consider our tactics that prove we're different



## DO YOU ENGAGE THEM? ARE THEY IN YOUR CONSUMERS' FACES?

- ☐ List 5 tactics you have engaged to show you are *different*, without saying you're just better at doing what banks do
- ☐ List 5 tactics you wish our network would add, so that we have a growing set of tactics for our future that prove we are different in a way that can't be denied?
- ☐ When you consider our system players:
  - List 3 tactics regulators/insurers could engage to help you succeed based on your *differential* advantages
  - List 3 tactics the trades could engage to help you succeed based on your *differential* advantages
  - List 3 tactics that vendors could engage to help you succeed based on your *differential* advantages
  - Do you believe they're even trying, or do we have to force their hands?

**If you have 100 tactics to show you are *better* compared to banks, how many tactics do you have that show you're *different*, in a way that can't be denied?**



**Now for the tactical presentations...**



# Meet the presenters

**Geoff Johnson, COO**

**Keegan Daniel, VP Professional Services**

**David Damstra, VP Marketing Services**

**Josh Peacock, Analytics Development Manager**



# Tactic #1: Treat the world like they're insiders

CAN YOU USE DATA ANALYTICS AND TOOLS FROM ASTERISK INTELLIGENCE FOR A COMPETITIVE DIFFERENTIAL?



[cuanswers.com/asterisk-intelligence](https://cuanswers.com/asterisk-intelligence)

**Asterisk Intelligence is a team that you should watch and include in your 2018-2020 business plans**

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## ASTERISK INTELLIGENCE

**Become Masters of the Data**  
Asterisk Intelligence will visit your board of directors and teach your credit union executives how to manage their data using Analytics, Reports, Dashboards, and Unique Data Management (UDM).

**Asterisk Intelligence**  
Work smarter, not harder. The Asterisk Intelligence team brings you a team of analysts who work to interpret your data for insights and opportunity. Tools like Analytics, Reports, Dashboards, and Unique Data Management (UDM) give the power to you and control your database. Then we work with you to maximize the benefits of these solutions in the context of our five pillars of data analytics – Finance, Operations, Fraud, Audiences, & Marketing.

**CONTACT ASTERISK INTELLIGENCE**  
HAVE QUESTIONS? CONTACT THE ASTERISK INTELLIGENCE TEAM  
PHONE: 7-800-327-2674  
EMAIL: INFO@ASTERISKINTEL.COM

**UDM**  
UNIQUE DATA MANAGEMENT

### 5 Reasons You Should Turn to the Asterisk Intelligence Team

Work smarter, not harder. The Asterisk Intelligence team brings you a team of analysts who work to interpret your data for insights and opportunity. Tools like Analytics, Reports, Dashboards, and Unique Data Management give you the power to see and control your database – the Asterisk Intelligence way.

**Don't Get Lost in a Sea of Data**  
ASTERISK INTELLIGENCE

**Meet the Team**  
**Keegan Daniel – VP, Professional Services**  
Beginning his career at CUAnswers in 2007 as a Client Service Representative, Keegan's quick and thorough understanding of the credit union environment soon saw him promoted to a managerial position within the department. By 2012, his critical business skills and ability to perform at a high level led him to the CUAnswers Management Services team, as the leader of the newly formed Strategic Edge team. Since its inception, Keegan has led the Strategic Edge team to drive growth and efficiency for credit union customers and answers. Keegan is known for his all-around expertise, organization, and level of organization that helps credit unions reach their goals of becoming high-performing organizations.

**Thomas Hull – Business Intelligence Analyst**  
After joining the CUAnswers family in 2011 as a Staff Accountant, Thomas' passion for data and analytics became an immediate specialty, and he quickly came to become the go-to person for data modeling and forecasting, financial analysis, and data visualization.

**Annalyn Hawkes – Business Intelligence Analyst**  
Known for her versatility and value within the cuanswers.com network, Annalyn began her career with CUAnswers in 2012 as a Client Service Representative. As a support with a strong attention to detail, Annalyn quickly advanced to the project-based role of Business Support Representative.

**Gold Updates**  
The next 2020 updates are currently scheduled for:  
Online CUAs: 12/12 (Nov. 3, 2017)  
CUA Partners: 12/12 (Nov. 3, 2017)  
Self-Processing CUAs: 12/12 (November 14 & 15)

**Popular Content**  
- 2017 Leadership Conference  
- CUAnswers Share is Open!  
- Introducing Online PDs  
- Asterisk Intelligence



# Tactic #1: Treat the world like they're insiders

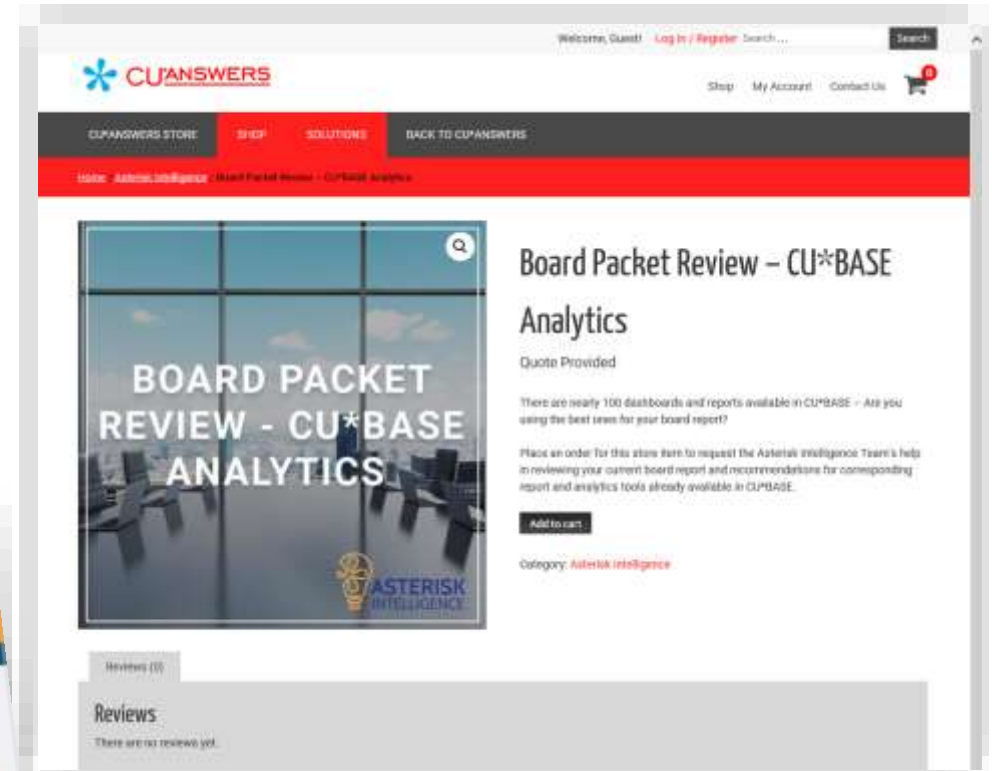


VOLUNTEERS, 3<sup>RD</sup> PARTIES, AND EVEN YOUR MEMBERS – CAN YOU PUT THEM TO WORK AS OWNERS?

□ How do you get a large audience of contributors to see that you're different for the way you interact and respect their input?

- Share data
- Share “secrets”
- Ask for more than validation – ask for insight
- Have conversations (not just marketing)
- Vest in their opinions

□ For you to be a VIP in their minds, think of them as VIPs in yours



Of the 5 pillars we are using to build Asterisk Intelligence as a major new force, audience expansion is my favorite



Session 0 C/P/ASE GOLD - ABC CREDIT UNION

File Edit Tools Help

## Configure Patronage Dividend - Calculation Parameters

UPDATE

Pay a patronage dividend based on: ☒ Dividends & interest paid ☐ Annual average balances of member accounts

Calculate Patronage Dividend Based on Dividends/Interest Paid

Pay  % of dividends/interest paid on account types ☐ SHRR ☐ SD ☐ CD ☐ TX ☒ LN ☒ OC

Pay  % of dividends/interest paid on account types ☐ SHRR ☐ SD ☐ CD ☐ TX ☐ LN ☐ OC

Pay  % of dividends/interest paid on account types ☐ SHRR ☐ SD ☐ CD ☐ TX ☐ LN ☐ OC

Dividend/Interest amounts to use: ☒ Current year dividends/interest ☐ Prior year dividends/interest

☐ Use YTD amounts OR ☒ Session 0 C/P/ASE GOLD - ABC CREDIT UNION

**Tool #583 Patronage Dividend Configuration**

The screenshot shows the 'Configure Patronage Dividend - Calculation Parameters' window. The window has a blue header with the title and an 'UPDATE' button. Below the header, there are radio buttons for 'Dividends & interest paid' and 'Annual average balances of member accounts'. The 'Annual average balances of member accounts' option is selected. Below this, there is a section titled 'Calculate Patronage Dividend Based on Average Balances of Member Accounts'. This section contains three rows of input fields for 'Pay' (all set to 0.000) and checkboxes for account types (SHIR, SD, CD, TX, LN, OC). A red circle is drawn around the text 'OWNERSHIP DIVIDEND' and 'BECAUSE YOU OWN THE PLACE!' in the window. The background shows a blurred view of the 'Configure Patronage Dividend - Payment Parameters' window.

## Tool #547 *Net Relationships Dashboard*

[←](#)
[→](#)
[↑](#)
[⏮](#)
[⏭](#)
[🔍](#)
[🔗](#)
[📄](#)
[?](#)
[@](#)

[Savings Total](#)
[Select Type of Balance](#)
[View Filters](#)
[Where Am I](#)
[Balance By Age](#)

FRN 154853 1002717



## Tactic #3: Present an ownership report everywhere



I USED TO WALK RIGHT BY THE OWNERSHIP REPORT WHENEVER I ENTERED A BRANCH



The 1970s version was for bookkeeper types...  
the 2020 version had better be for owner types



Links to  
ownership  
news

The screenshot shows the Success Credit Union website. The top navigation bar includes links for HELP, CONTACT US, MANAGE MY SECURITY, and LOGOUT. The main header features the Success Credit Union logo and a banner for the 2018 Board Elections. Below the header, there are several sections: 'My Preferences' with links for Site Options, Point Summary, My Benefits, How Do I Get Points?, and Rewards History; 'Tiered Services' with links for Point Summary, My Benefits, How Do I Get Points?, and Rewards History; and a 'Helpful Links' section with links for 2017 Annual Report, Quarterly Financial Report, and 2018 Board Elections. A red circle highlights the 'Helpful Links' section. Below this, there are tables for 'OWNERSHIP SHARE' and 'SHOPPING'. The 'OWNERSHIP SHARE' table shows a balance of \$1,456.33 and a maturity date of 7/5/2018. The 'SHOPPING' table shows a balance of \$1,456.33 and a maturity date of 7/5/2018. The bottom of the page features the 'It's Me247 Online Banking' logo and the 'Master Branding Credit Union' logo.

Account	Balance	Interest Rate	APR	APY	Term	Start Date	End Date
003	\$1,456.33	4.00%	4.00%	4.00%	12 Months	7/5/2018	7/5/2019
<b>ACCOUNT TOTALS</b>							
	\$1,456.33						

Account	Balance	Interest Rate	APR	APY	Term	Start Date	End Date
670	\$1,456.33	4.00%	4.00%	4.00%	12 Months	7/5/2018	7/5/2019
<b>ACCOUNT TOTALS</b>							
	\$1,456.33						

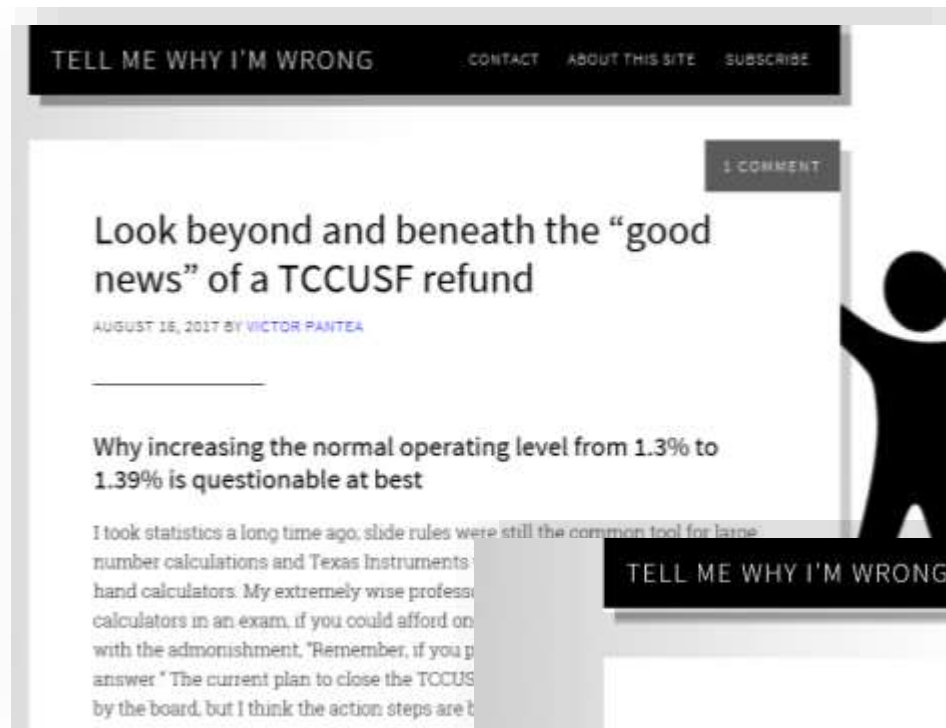
Customized  
ads

The screenshot shows the Success Credit Union mobile app interface. The top status bar displays the time as 9:41 and the battery level. The app header features the Success Credit Union logo and a banner for the 2018 Board Elections. Below the header, there is a section titled 'Your vote counts!' with a link to 'Tap here for more information about upcoming board elections'. Below this, there are three buttons: 'SCU Mobile Website', 'Live Chat', and 'View the 2017 Annual Report'. The bottom navigation bar includes icons for Home, Locked, My Accounts, Move Money, and More.

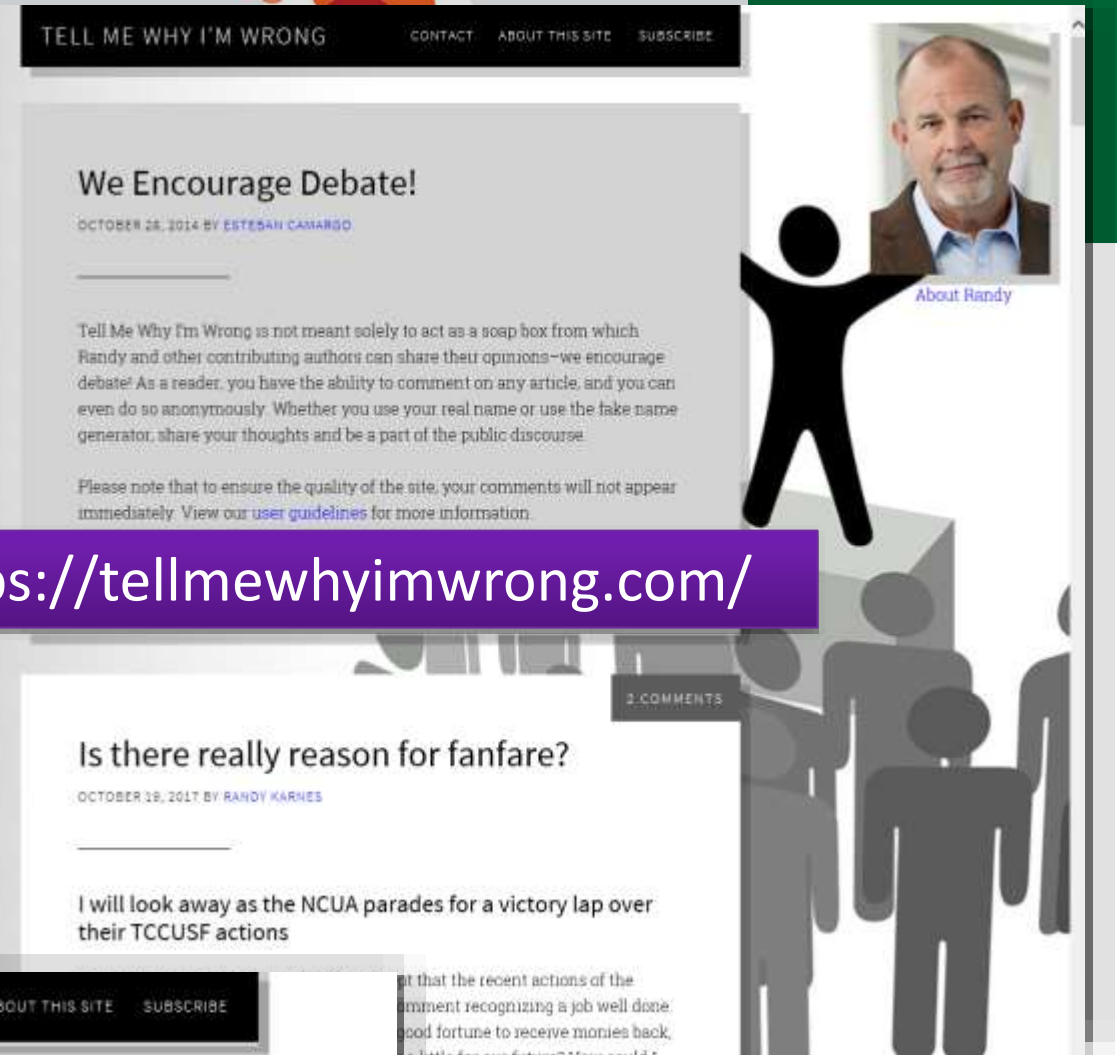


# Tactic #4: Engage your owner lobbyists

HAVE CONVERSATIONS WITH YOUR OWNERS  
AS THE GUARDIANS OF THEIR INVESTMENTS



<https://tellmewhyimwrong.com/>





# Tactic #4: Engage your owner lobbyists

WE INVITE YOU TO DEFEND YOUR COOPERATIVE – ACTIVATE THE GRASSROOTS MOVEMENT



## RAISE YOUR VOICE!

We need you to speak up.  
**THAT'S WHAT MEMBERS DO!**

### 2017 NCUA Stabilization Fund Closure

All comments will be published on the NCUA website as you are representing yourself, our company and our credit union.

Name \*

First

Last

Company or Credit Union \*

Email \*

Message Options \*

☒ Prewritten Choices

☐ Write Your Own

Prewritten Responses

Time is running out!

The NCUA Comment Period closes on 10/27/2017.



10/27/2017 10:34 PM

David Damstra <no-reply@cuanswers.com>

David Damstra - Comments on Stabilization Fund Closure

To: Board Comments  
From: David Damstra  
Preferred CU

10/27/2017

Dear NCUA Board:

I am a credit union member and a credit union professional. Capital is the lifeblood of every credit union, and my credit union is counting on the monies owed them by the NCUA. I am worried as an industry professional that the NCUA will pad the system via its budgets and overstating the needs for the insurance fund, and not send all of the monies owed our credit union back to QUIL community. Help us, help the members of our community locally by returning the maximum amount, lowering the overhead of the NCUA on our system, and rethinking the same-old tried and found lacking responses to our systems financial challenges from time to time. Have faith that we can work through challenges instead of dooming us to fail and claiming the hard won reserves our members have saved. Do the right thing now and in the future.

David Damstra  
Preferred CU





# What do you do when an icon signals a new level of frustration?

10/26/2017

CreditUnions.com

CREDITUNIONS.COM  
POWERED BY CALLAHAN & ASSOCIATES



Print

## Time For Real Credit Union Disruption: Seek Change From The NCUA!

Keeping credit unions' money for itself in the corporate bailout fund merger is the last straw — NCUA's self-interest trumped its cooperative responsibility.

By Chip Filson

Credit unions are inevitably polite; part of their service persona. But there comes a time when the pretense of public civility no longer pertains. The NCUA's hoarding of billions in credit union members' funds via the merger of the Temporary Corporate Credit Union Stability Fund (TCCUSF) into the National Credit Union Share Insurance Fund (SIF) is that tipping point for me.

### Now Is The Time To Act

Are you:

- Willing to sign a letter of appeal of the NCUA board's actions?
- Willing to share that letter with your congressman and state how you would use the funds?
- Willing to ask members to sign a common petition requesting that their funds be returned?

Let me know at [chip@callahan.com](mailto:chip@callahan.com).

Here's why. Since 2011, 97% to 98% of SIF expenses have been reimbursement for the NCUA's operating budget. In 2016 this transfer covered 73% of the agency's total spending. This transfer of \$203 million took more than 90% of the SIF's total income in 2016. By keeping the vast majority of the initial TCCUSF \$2.4 billion distribution, the NCUA is creating a larger SIF primarily to pay for the regulator's ever-increasing operating expenses.

This self-interest was not disclosed or discussed with the credit union member-owners. Rather this motivation was disguised with novel modeling and undocumented assertions of higher risk conveniently discovered as the TCCUSF is being closed.

Much more is at stake than money. On the line here is nothing less than the independent future of the most successful cooperative financial service system in the world? the American credit union movement.

I'll lay out the situation in detail below but to summarize what's just happened:

- On Sept. 14, the House of Representatives, following extensive credit union lobbying, voted to leave the NCUA out of the congressional appropriations process, something that would have subjected NCUA financial decisions to congressional oversight, and potentially to Congress asking why the SIF should not be merged with the FDIC.
- On Sept. 28, the NCUA board then voted to merge the TCCUSF into the SIF. The regulator is keeping about \$2 billion for itself. The remaining balance after NCUA takes its portion off the top would return about \$800 million to credit unions and their members. These are the people who funded the entire corporate credit union losses in the first place. The board also approved raising its Normal Operating Level (NOL) from 1.30% to 1.39%. This increase enables the NCUA to continue to transfer its operating expenses to the SIF without raising the overhead transfer rate (OTR).

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## Now Is The Time To Act! Are You In?

Are you willing to get involved in saving the NCUA from itself and the credit union movement for future generations?

By Chip Filson

The NCUA board's decision in late September to retain billions in credit unions' money for itself when it merges the Temporary Corporate Credit Union Stability Fund (TCCUSF) and the National Credit Union Share Insurance Fund (SIF) has raised fundamental questions about the viability of an independent cooperative system in America.

### Chip Filson On The NCUA

Read Chip Filson's detailed analysis of the NCUA's flawed reasoning and realities in its decision to retain billions while returning to credit unions only millions as it merges the corporate bailout fund into the share insurance fund. Filson is Callahan chair and a former NCUA executive who was instrumental in the 1980s redesign of the insurance share fund with cooperative concepts.

[Read More](#)

The NCUA's diversion of member money was not about the safety and soundness of the NCUSIF; rather, it confirmed the continuing inability of the agency to heed the fiduciary responsibilities for cooperative management of common wealth that provides the foundation of the credit union system.

It also could easily lead to further blurring the lines between banks and credit unions in the minds of those who don't understand the importance and special purpose of member-owned, not-for-profit financial institutions.

The future of financial cooperatives, first promoted nationally during the depths of the Great Depression, has never been about their financial viability (after all they begin with no capital), but whether the concept of member-ownership and stewardship of common wealth can be sustained in a society that worships private ownership and capital markets.

Among the reasons the credit union community is deeply disappointed and concerned:

- The core issue: The NCUA took credit union money for one specific purpose and diverted it to another. In doing so, the board ignored the Federal Credit Union Act, distorted the forward viability of the share insurance fund, and failed to apply obvious lessons from the most-costly liquidations ever in credit union history.
- The dashed hopes that NCUA board chair Mark McWatters was attuned to the needs of and receptive to credit unions' points of view. Instead of "draining the swamp", this first major board action just confirmed the worst instincts of government to spend resources on itself rather than return funds to their rightful owners.
- Credit unions have done the math. The average credit union of \$240 million in assets would receive almost \$500,000 in refund assuming the initial cash of \$2.4 billion was distributed in full. The recent hurricanes and California fires show the need for special initiatives to serve members now. Credit unions want to invest to promote financial health initiatives, to enhance data analytics, and invest in more services for their communities. This money now sits in overnight funds at the Treasury, waiting only for the next NCUA budget increase.

The board ignored filed comments which nearly unanimously (98%) were opposed to the merger as planned, stated after the vote that credit unions just didn't really understand the issues, and did not even acknowledge the request that



## Now let's do some CEO-to-CEO brainstorming...

*“A TNT session designed to  
bring out CU leaders ready  
to **Teach, Negotiate** and  
**Tell** their point of view”*



- Has the pendulum swung too far towards looking for competitive advantages for the *member-consumer* to ever swing back towards the *member-owner* persona?
- How would you answer this question based on CU business plans and day-to-day execution?
- Is there an ROI in dedicating investments to customers versus owners? What is the split?



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- Has the pendulum swung too far towards looking for competitive advantages for the *member-consumer* to ever swing back towards the *member-owner* persona?
- How would you answer this question based on regulatory actions towards CUs and their execution?
- Is there a split in the way regulators think? Protect customers, control owners?



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- Has the pendulum swung too far towards looking for competitive advantages for the *member-consumer* to ever swing back towards the *member-owner* persona?
- How would you answer this question based on the insurance and management of the share fund?
- Is the fund managed for cooperative entrepreneurs? Or for something else?



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- Has the pendulum swung too far towards looking for competitive advantages for the *member-consumer* to ever swing back towards the *member-owner* persona?
- How would you answer this question based on the trades and vendor marketplace?
- Are they leading or following the momentum towards building too much consumerism in our customer-owner model?



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- Has the pendulum swung too far towards looking for competitive advantages for the *member-consumer* to ever swing back towards the *member-owner* persona?
- How would you answer this question based on how you personally lead as a CEO?
- Is there an ROI for you as a CEO to lead to maximize the owner persona and invest in it?



**When it comes to a consumer driven approach to cooperative financial services, is there a sustainable competitive advantage at all?**

**Would you get engaged to convince the marketplace at every level?**

*Would you...*

...Change your business plan and alter your culture?

...Push the regulatory environment to think “owner” as much as “consumer?”

...Push the insurance environment to think “owner” as much as “consumer?”

...Push the trades and your vendors to create value for owners?

...Push yourself to change the industry? (and do it soon?)





# Thanks for the day!

See you in the morning!

