



Personalized Leadership Journey

CONCEPT DOCUMENT

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TARGET MARKET

In today's rapidly evolving financial landscape, small credit unions with assets under \$150 million face unique challenges that larger institutions may not fully appreciate. One of the most pressing issues is the need for effective succession planning. With limited resources and time, these smaller credit unions must develop training plans that ensure leadership continuity without overwhelming their already stretched teams. Yet, the question remains: how can these credit unions create a robust and sustainable succession strategy that is both cost-effective and manageable within tight schedules?

The answer lies within the collaborative power of small credit unions helping each other. By pooling resources and expertise, these institutions can develop tailored training plans that address their specific needs. This collaborative approach not only reduces costs but also fosters a supportive network where small credit unions can thrive together. As you explore this project, you'll discover actionable strategies and insights that can transform your credit union's succession planning, ensuring that your leadership remains strong and your mission endures for years to come.

PROBLEM DEFINITION

Smaller credit unions struggle with attracting the next generation of leaders due to limited time and resources.

As of August 6, 2024, the National Credit Union Administration (NCUA) approved 46 credit union mergers during the second quarter of 2024. This is an increase from 26 mergers in the first quarter and 36 in the second quarter of 2023. Due to the increase in mergers, NCUA and state regulators now required a written succession plan.

Smaller credit unions play a crucial role in local communities, providing financial services tailored to the needs of their members. However, these institutions often face significant challenges in ensuring long-term sustainability, particularly in leadership development and succession planning. As the current leadership of many credit unions approaches retirement age, there is an urgent need to attract and develop the next generation of leaders who can navigate the evolving financial landscape and ensure continued success.

Make sure your audience can relate and convince the reader that the problem needs a solution.

Unlike larger financial institutions, these credit unions often operate with leaner teams and smaller budgets, which restrict their ability to invest in leadership development programs, talent acquisition, and succession planning initiatives. Additionally, the demands of daily operations leave little time for current leaders to focus on long-term strategic initiatives, such as mentoring and leadership training. This challenge is compounded by the competition from larger institutions and the private sector, which can offer more attractive compensation packages and career growth opportunities to young professionals.

How do we develop the next generation of leaders?

INNOVATIVE SOLUTION

Our Leadership Development Journey is a game-changing solution designed specifically for smaller credit unions, empowering them to cultivate the next generation of leaders without the need for extensive

resources. This innovative program provides a structured, scalable approach to leadership development by combining the ability to determine specific training needs for high potential leaders with specific tailor training suggestions.

We start by assessing the unique needs of each individual, then match the emerging talent with seasoned mentors within the industry, who guide them through a tailored curriculum that covers essential skills like strategic thinking, financial acumen, and member engagement.

Our journey not only builds leadership capacity but also fosters a culture of continuous growth, ensuring that these credit unions remain competitive and resilient in a rapidly changing financial landscape. By investing in this targeted development journey, smaller credit unions can confidently secure their future leadership while maintaining their community-focused mission.

PROTOTYPE



WILD HEARTS

LEADERSHIP SELF-ASSESSMENT

FOR EACH STATEMENT BELOW RATE YOURSELF FROM 1-3.

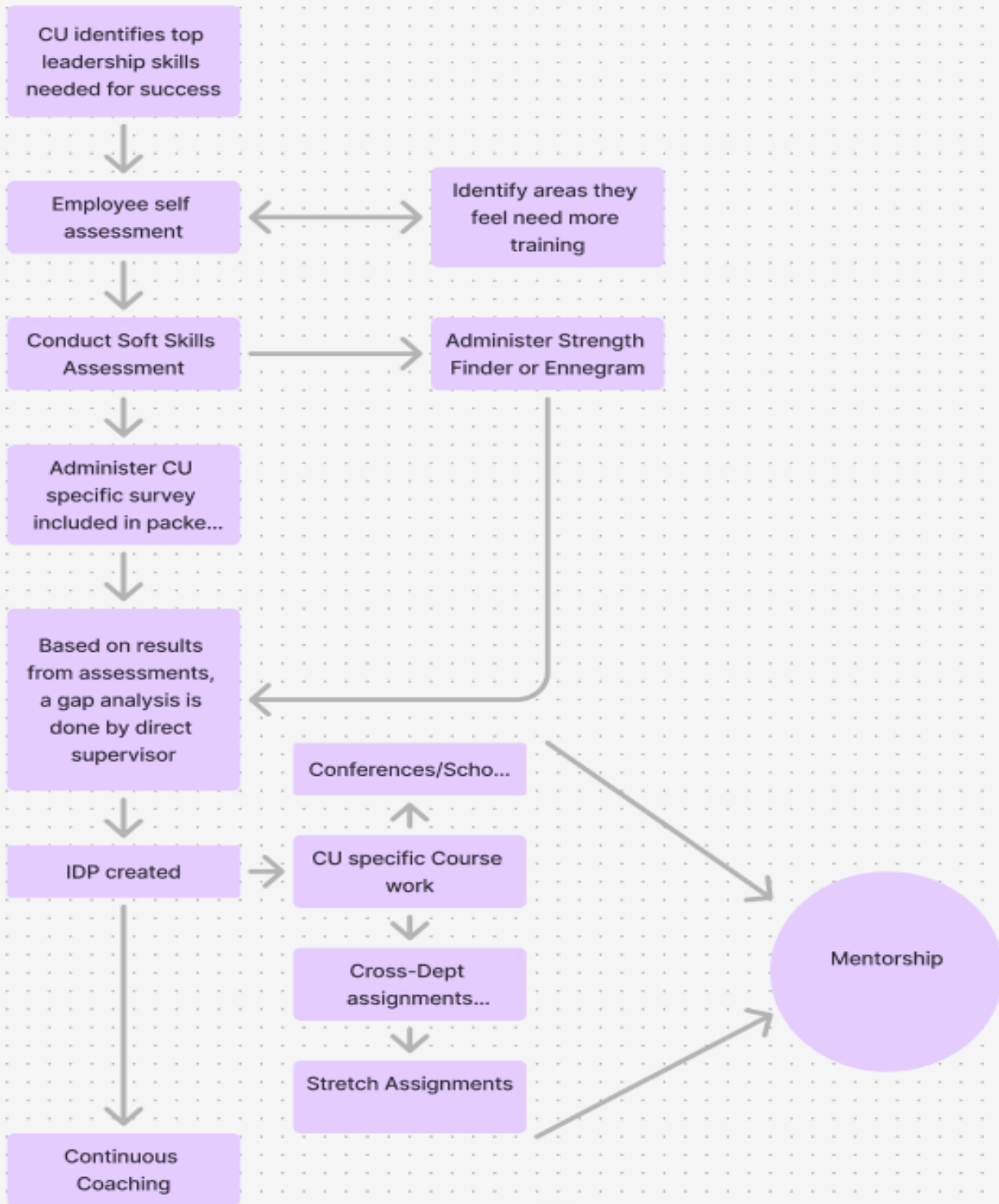
1 BEING THE LOWEST RATING AND 3 BEING THE HIGHEST RATING.

1	<i>I DON'T HAVE EXPERIENCE AND WOULD LIKE TO FURTHER DEVELOP IN THIS AREA.</i>
2	<i>I UNDERSTAND THIS CONCEPT BUT HAVE DIFFICULTY BEING CONSISTENT IN THIS AREA. I WOULD LIKE MORE PRACTICE AND FOCUS MY DEVELOPMENT IN THIS AREA.</i>
3	<i>I HAVE EXPERTISE IN THIS AREA, I DO NOT NEED FURTHER DEVELOPMENT.</i>

STRATEGIC THINKING	EXECUTING FOR RESULTS	INFLUENCE	FINANCIAL ACUMEN	EMOTIONAL INTELLIGENCE
<p><i>MY TEAM HAS A CLEAR UNDERSTANDING OF OUR STRATEGIC ROADMAP AND HOW THEY CAN CONTRIBUTE TO THE SUCCESS OF THE ORGANIZATION WITHIN THEIR ROLE.</i></p> <p>SCORE:</p>	<p><i>I HAVE A SCORECARD OR OTHER PERFORMANCE METRICS TO IDENTIFY TRENDS AND MANAGE EMPLOYEE AND ORGANIZATIONAL PERFORMANCE.</i></p> <p>SCORE:</p>	<p><i>I CAN GET PEOPLE WITH CONFLICTING POINTS OF VIEWS TO WORK TOGETHER FOR A COMMON PURPOSE.</i></p> <p>SCORE:</p>	<p><i>I CAN CONFIDENTLY EXPLAIN THE KEY COMPONENTS OF A BALANCE SHEET, INCOME STATEMENT, AND CASH FLOW.</i></p> <p>SCORE:</p>	<p><i>I CONFIDENTLY CONDUCT CANDID CONVERSATIONS WITH EMPLOYEES ON THEIR PERFORMANCE AND DEMONSTRATE EMPATHY.</i></p> <p>SCORE:</p>
<p><i>I STAY CURRENT AND SEEK RELEVANT INFORMATION ABOUT THE CHANGING DEMANDS OF THE CONSUMER, THE FINANCIAL INDUSTRY AND TECHNOLOGY.</i></p> <p>SCORE:</p>	<p><i>I HAVE STRONG ORGANIZATIONAL SKILLS AND A SYSTEM TO FOLLOW-UP ON DELEGATED TASKS, AND PROJECT DEADLINES.</i></p> <p>SCORE:</p>	<p><i>I ESTABLISH AN ETHICAL WORK ENVIRONMENT AND CONDUCT MYSELF IN AN ETHICAL MANNER.</i></p> <p>SCORE:</p>	<p><i>I UNDERSTAND HOW TO CREATE AND MANAGE A CREDIT UNION BUDGET.</i></p> <p>SCORE:</p>	<p><i>I FUNCTION EFFECTIVELY UNDER PRESSURE AND HAVE A METHOD TO KEEP MYSELF CALM UNDER STRESSFUL SITUATIONS.</i></p> <p>SCORE:</p>

<p><i>I COLLABORATE AND INVOLVE MY TEAM WHEN CREATING A VISION/STRATEGY FOR OUR DEPARTMENT.</i></p> <p>SCORE:</p>	<p><i>I HOLD TEAM MEETINGS ON A REGULAR BASIS TO GO OVER PERFORMANCE AND TO DRIVE RESULTS.</i></p> <p>SCORE:</p>	<p><i>I SCHEDULE FORMAL COACHING SESSIONS WITH MY TEAM AT LEAST ONCE A MONTH.</i></p> <p>SCORE:</p>	<p><i>I CAN IDENTIFY AND IMPLEMENT COST-SAVING STRATEGIES.</i></p> <p>SCORE:</p>	<p><i>I PRACTICE EMOTIONAL INTELLIGENCE AND UNDERSTAND THE IMPACT I HAVE ON OTHERS.</i></p> <p>SCORE:</p>
<p><i>I REGULARLY SET ASIDE TIME FOR STRATEGIC THINKING.</i></p> <p>SCORE:</p>	<p><i>I SET EXPECTATIONS FOR MY TEAM, DELEGATE RESPONSIBILITIES AND HOLD THEM ACCOUNTABLE FOR RESULTS.</i></p> <p>SCORE:</p>	<p><i>I FOSTER A COHESIVE TEAM ENVIRONMENT WHILE MAINTAINING PROFESSIONAL BOUNDARIES AND ENCOURAGE MY TEAM TO DO THE SAME.</i></p> <p>SCORE:</p>	<p><i>I UNDERSTAND THE DIFFERENT INVESTMENT OPTIONS FOR THE CREDIT UNION.</i></p> <p>SCORE:</p>	<p><i>I DEMONSTRATE SELF CONFIDENCE IN GROUP SETTINGS.</i></p> <p>SCORE:</p>
<p><i>I UNDERSTAND HOW WORLD EVENTS AND INDUSTRY TRENDS IMPACT MEMBER EXPECTATIONS AND TAKE THIS INTO CONSIDERATION WHEN STRATEGIZING.</i></p> <p>SCORE:</p>	<p><i>I INFUSE MY TEAM WITH STRONG POSITIVE ENTHUSIASM AND LET THEM KNOW WHAT SUCCESS LOOKS LIKE FOR THE TEAM.</i></p> <p>SCORE:</p>	<p><i>I UNDERSTAND EACH EMPLOYEE'S STRENGTHS AND CHALLENGES. I WORK WITH THEM ON TO MAXIMIZE THEIR STRENGTHS AND TAILOR A DEVELOPMENT PLAN.</i></p> <p>SCORE:</p>	<p><i>I USE FINANCIAL DATA TO MAKE STRATEGIC DECISIONS.</i></p> <p>SCORE:</p>	<p><i>I ADAPT WELL TO CHANGE AND SUPPORT NEW CREDIT UNION INITIATIVES AND STRUCTURAL CHANGES.</i></p> <p>SCORE:</p>
<p><i>I HAVE AN IN-DEPTH UNDERSTANDING OF THE COMMUNITY WE SERVE, OUR MEMBERSHIP BASE AND WHO THE KEY GROUPS, PEOPLE, ORGANIZATIONS, AND PUBLIC OFFICIALS ARE IN THIS COMMUNITY.</i></p> <p>SCORE:</p>	<p><i>I CELEBRATE MILESTONES ALONG THE WAY TO MOTIVATE THE TEAM TO ACHIEVE RESULTS.</i></p> <p>SCORE:</p>	<p><i>I ENCOURAGE AND EMPOWER EMPLOYEES TO TAKE CALCULATED RISKS WITHOUT REPERCUSSION, FOSTERING AN ENVIRONMENT OF INNOVATION AND CREATIVITY.</i></p> <p>SCORE:</p>	<p><i>I UNDERSTAND BASIC ACCOUNTING PRINCIPLES SUCH ASSETS, LIABILITIES, INCOME AND EXPENSE GENERAL LEDGERS.</i></p> <p>SCORE:</p>	<p><i>I CAN PROFESSIONALLY DISAGREE WITH OTHERS.</i></p> <p>SCORE:</p>
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

Personalized Leadership Development Journey



TESTING AND RESULTS

Leadership Assessment Analysis

Overview

The leadership assessment involved 26 participants from five different organizations: Alcon EFCU, Baylor Health, Canopy, Prime Source, and Iron Workers. All credit unions under \$250M in assets. This analysis examines the tenure and experience of the participants, with a focus on leadership roles, gender distribution, and specific areas that received lower scores in the assessment.

Demographics of Participants

1. **Age Distribution:**
 - 22 participants (85%) are aged 40 years or older.
 - 4 participants (15%) are under 40 years old.
2. **Leadership Roles:**
 - 17 participants (65%) are in leadership roles.
 - 9 participants (35%) are not in leadership roles.
 - 13 participants (50%) who have leadership roles, have more than 10 years of leadership experience.
3. **Gender Distribution:**
 - 19 participants (73%) are female.
 - 7 participants (27%) are male.

Key Areas with Lower Scores

The assessment revealed three primary areas where participants scored lower: **Executing for Results, Influence, and Financial Acumen**. These areas are crucial for effective leadership and organizational success for every credit union.

1. Executing for Results

This area is focused on how leaders manage team performance and drive results. The lower scores indicate potential gaps in the following:

- **Performance Metrics and Scorecards:**
 - Many participants lack a systematic approach to using scorecards or performance metrics to identify trends and manage both employee and organizational performance. This could hinder their ability to make data-driven decisions and track progress effectively.
- **Team Meetings and Accountability:**
 - Regular team meetings are essential for aligning goals and ensuring accountability. The assessment suggests that some leaders may not be holding these meetings consistently, which could lead to unclear expectations and missed opportunities for performance improvement.

- **Setting Expectations and Delegation:**
 - There appears to be a need for stronger delegation and accountability practices. Without clear expectations and proper delegation, teams may struggle to meet targets or understand their roles within the broader organizational goals.
- **Team Motivation and Success Metrics:**
 - Enthusiasm and clarity about success metrics are critical for team motivation. The lower scores suggest that leaders may not be effectively communicating what success looks like, which could impact team morale and performance.

2. Influence

Influence is about how leaders coach and develop their teams. The lower scores in this area highlight challenges in:

- **Coaching and Development:**
 - Regular coaching sessions are essential for employee development. The assessment indicates that formal coaching may not be happening as frequently as needed, which could limit employee growth and the development of a high-performance culture.
- **Understanding Strengths and Tailoring Development Plans:**
 - To maximize employee potential, leaders need to understand their team's strengths and challenges. The lower scores suggest that this understanding may be lacking, and development plans may not be effectively tailored to individual needs.
- **Encouraging Innovation and Calculated Risks:**
 - Fostering an environment where employees feel empowered to take risks is key to innovation. The assessment suggests that some leaders may not be encouraging this behavior, potentially stifling creativity and innovation within their teams.

3. Financial Acumen

Financial acumen is critical for strategic decision-making and managing resources effectively. The lower scores in this area suggest gaps in:

- **Understanding Financial Statements:**
 - The ability to explain key components of financial statements is fundamental for leaders, yet some participants may struggle with this. This could affect their ability to make informed financial decisions or communicate financial information effectively.
- **Budget Management:**
 - Creating and managing a credit union budget is a critical skill, and the assessment indicates that not all leaders may have a strong grasp of this area. This could lead to inefficiencies or mismanagement of resources.
- **Investment Options and Strategic Decisions:**
 - A solid understanding of investment options and how to use financial data for strategic decisions is necessary for long-term success. The assessment suggests that some leaders may need further development in these areas to enhance their financial decision-making capabilities.

- **Basic Accounting Principles:**

- Understanding basic accounting principles is essential for financial oversight. The lower scores in this area indicate that some participants may need additional training to better manage financial responsibilities.

Conclusion:

The analysis reveals that while the participants have substantial experience, particularly those over 40 years old and those with more than 10 years in management, there are significant areas for development in executing results, influence, and financial acumen. These gaps could potentially impact the effectiveness of leadership and organizational success, now and in the future. .

Recommendations:

Based on the analysis of the leadership assessment, the following recommendations aim to address the identified gaps in executing results, influence, and financial acumen. These recommendations are designed to enhance leadership effectiveness and drive organizational success.

1. Targeted Training Programs

To address the skill gaps identified in financial acumen, performance management, and leadership coaching, targeted training programs should be developed and implemented. These programs should be tailored to the specific needs of the participants and aligned with the strategic goals of their organizations.

- **Financial Acumen Training:**

- **Workshops on Financial Statements and Budget Management:** Offer workshops that cover the basics of reading and interpreting financial statements (balance sheets, income statements, and cash flow statements). These workshops should also focus on practical exercises in creating and managing budgets, especially tailored to the context of credit unions or the specific industries involved.
- **Advanced Financial Decision-Making:** Provide training on using financial data for strategic decision-making, including understanding investment options, assessing financial risks, and applying basic accounting principles. This could include case studies and simulations that allow participants to practice making financial decisions in a controlled environment.
- **ACU Management School:** The program offered by ACU in various parts of the country offers invaluable insights into the financial management side of a credit union.

- **Performance Management Training:**

- **Scorecard and Metrics Implementation:** Develop training on how to effectively use scorecards and other performance metrics to identify trends and manage performance. This training should include setting up KPIs (Key Performance Indicators), tracking progress, and using data analytics tools to make informed decisions.
- **Effective Meeting Facilitation:** Offer sessions on how to conduct productive team meetings that focus on driving results. These sessions should cover agenda setting, goal alignment, and techniques for fostering accountability within the team.

- **Leadership Coaching and Development:**

- **Formal Coaching Techniques:** Provide training on how to conduct effective coaching sessions. This should include techniques for understanding individual employee strengths and challenges, creating personalized development plans, and using coaching as a tool for performance improvement.
- **Delegation and Accountability Workshops:** Offer workshops on how to set clear expectations, delegate responsibilities effectively, and hold team members accountable for their results. Role-playing scenarios could be useful in practicing these skills.

2. Mentorship and Coaching Initiatives

To reinforce learning and provide ongoing support, organizations should establish formal mentorship and coaching initiatives. These initiatives should be structured to ensure regular interaction and feedback, fostering continuous development.

- **Peer Mentorship Programs:**

- **Pairing Experienced Leaders with Less Experienced Ones:** Create a mentorship program where leaders with more than 10 years of management experience are paired with those who are newer to leadership roles. This peer-to-peer learning can help transfer knowledge and skills, particularly in areas like financial management and strategic decision-making.
- **Cross-Functional Mentorship:** Encourage mentorship across different functional areas to provide a broader perspective and help leaders understand different aspects of the business. This can be particularly beneficial in improving financial acumen and understanding how different departments contribute to overall performance.

- **Regular Coaching Sessions:**

- **Monthly One-on-One Coaching:** Schedule monthly one-on-one coaching sessions between leaders and their direct reports. These sessions should focus on personal development goals, performance feedback, and addressing any challenges that team members face.
- **Leadership Development Circles:** Create small groups of leaders who meet regularly to discuss challenges, share best practices, and provide mutual support. This can help build a culture of continuous improvement and learning.

3. Enhanced Performance Management Tools

Effective performance management requires the right tools and processes. Organizations should invest in or enhance their performance management systems to ensure leaders have the resources they need to manage and improve team performance.

- **Implement Comprehensive Scorecard Systems:**

- **Customized Performance Dashboards:** Develop performance dashboards that are tailored to the specific goals and needs of each team or department. These dashboards should be updated in real-time and accessible to all team members, ensuring transparency and accountability.

- **Regular Performance Reviews:** Establish a structured process for regular performance reviews, both for teams and individuals. These reviews should be data-driven, using the metrics from the scorecards, and should culminate in actionable insights and follow-up plans.
- **Encourage Data-Driven Decision Making:**
 - **Training on Data Analytics Tools:** Provide training on the use of data analytics tools that can help leaders track performance, identify trends, and make informed decisions. This training should emphasize the importance of using data to set goals, monitor progress, and adjust strategies as needed.
 - **Incorporating Feedback Mechanisms:** Introduce tools that allow for regular feedback from team members, peers, and supervisors. This can help identify areas of improvement and ensure that performance management is a two-way process.

4. Encouraging a Culture of Innovation

To foster a culture where innovation and creativity thrive, it is essential to create an environment that encourages calculated risk-taking and empowers employees to think creatively.

- **Innovation Workshops and Brainstorming Sessions:**
 - **Regular Innovation Workshops:** Organize workshops that focus on creative problem-solving, design thinking, and innovation strategies. These workshops should encourage participants to think outside the box and explore new ideas without fear of failure.
 - **Brainstorming Sessions:** Hold regular brainstorming sessions where team members are encouraged to share ideas and propose innovative solutions to challenges. These sessions should be facilitated in a way that ensures all voices are heard and valued.
- **Empowering Employees to Take Calculated Risks:**
 - **Risk Management Training:** Offer training on how to assess and manage risks, particularly in the context of innovation. Leaders should be encouraged to support their teams in taking calculated risks, understanding that failure is a part of the innovation process.
 - **Recognition of Innovative Efforts:** Establish a system for recognizing and rewarding employees who contribute innovative ideas or take initiative. This recognition can be formal (awards, bonuses) or informal (public acknowledgment), but it should reinforce the value placed on creativity and innovation.
- **Building Psychological Safety:**
 - **Fostering Open Communication:** Encourage a culture of open communication where team members feel safe to express their ideas and concerns without fear of repercussions. Leaders should model this behavior by being transparent and approachable.
 - **Feedback Loops:** Create feedback loops where employees can share their experiences with innovation efforts, including what worked and what didn't. This continuous learning process can help refine strategies and foster a more innovative organizational culture.

Implementation Strategy

To successfully implement these recommendations, organizations should take a phased approach:

1. **Assessment and Planning:**
 - Conduct a thorough needs assessment to identify specific areas where each leader or team may require additional support or training.
 - Develop a detailed implementation plan with timelines, responsibilities, and success metrics.
2. **Pilot Programs:**
 - Start with pilot programs in key areas, such as financial acumen training or mentorship initiatives, to gather feedback and make adjustments before rolling out more broadly.
3. **Full Rollout and Continuous Improvement:**
 - Once pilot programs are refined, proceed with a full rollout across the organization. Ensure that there are mechanisms in place for continuous improvement, such as regular feedback surveys and performance evaluations.
4. **Ongoing Support and Evaluation:**
 - Provide ongoing support through coaching, mentoring, and additional training as needed. Regularly evaluate the effectiveness of these programs and make adjustments based on feedback and performance data.

By following these recommendations, organizations can strengthen their leadership capabilities, improve performance management, and foster a culture of innovation, ultimately leading to greater organizational success.

Recommended Training

Because each group scored similarly overall with Execution taking top priority for the over 40 but Execution coming in a close second and EQ taking top priority for under 40 and Execution coming in a close second we would recommend the same training material and process for both.

1. Training focused on Executing for Results. The ability for leaders to personally execute and to inspire their team to execute is needed in order to be effective. This is an area that both age groups scored lower in. Suggested training material:

- CUES “courses on-demand” has several options available with the most appealing being the CUES-Harvard ManageMentor program. You must be a CUES member to participate in these training courses. https://www.cues.org/harvard-managementor_1
- CUES also offers an Emerging Leader program to assist this younger generation with networking and skill building.
- Books

- The 4 Disciplines of Execution by Chris McChesney and Sean Covey
- Think Again by Adam Grant
- Business Execution for Results by Stephen Lynch (also has a weekly email newsletter)

2. Mentorship and Coaching

- It is highly recommended those in this group find strong leadership mentors; people who have proven through results and reputation they have high Emotional Intelligence and have Executed for results. Consider finding a mentor outside your own credit union.
- Pay for an Executive Coach and/or Life Coach.

3. It is also recommended to provide stretch assignments where these individuals can gain “on the job” training to improve their skills or learn a new skill. Suggested stretch assignments:

- Head up a project implementation – be the project lead to coordinate the project and communicate results to the CEO and team.
- Switch roles with another person on the team. For example, the Director of Marketing becomes takes on the Director of Operations role for 6 to 12 months.

BUSINESS MODEL AND PROFORMA

Factors Demonstrating Viability

1. Alignment with Organizational Goals:

- **Training:** Ensure that training programs are aligned with the credit union’s strategic goals. For instance, if the goal is to enhance digital services, training should focus on digital skills and customer service excellence.
- **Talent Development:** Identify key competencies required for future roles and ensure development programs prepare employees for these roles. This includes leadership skills, technical expertise, and adaptability.
- **Succession Planning:** Develop a clear succession plan to ensure critical positions can be filled without disruption. This involves identifying potential leaders early and preparing them for future responsibilities.

2. Employee Engagement and Retention:

- **Training:** Offering relevant and ongoing training can improve job satisfaction and engagement. Employees are more likely to stay with an organization that invests in their professional growth.
- **Talent Development:** Creating career development paths helps retain top talent by showing them a future within the organization. Career progression opportunities can lead to higher motivation and lower turnover rates.

- **Succession Planning:** Transparent succession planning can boost morale by demonstrating that the organization values and is prepared to invest in its employees' future.
3. **Cost-Benefit Analysis:**
- **Training:** Evaluate the return on investment (ROI) by measuring improvements in employee performance, customer satisfaction, and operational efficiency against the cost of training programs.
 - **Talent Development:** Assess the cost savings from reduced turnover and internal promotions versus external hiring costs. Investing in employees' growth often reduces recruitment and onboarding costs.
 - **Succession Planning:** The cost of not having a succession plan includes potential disruptions, the cost of unfilled positions, and the expense of hiring externally in an emergency.

Bringing Innovation to Life

1. **People:**
 - **Champions of Change:** Identify and engage leaders who are passionate about the innovation and can advocate for it within the organization.
 - **Training Specialists:** Hire or develop internal training experts who can design and deliver training programs tailored to the new innovation.
 - **Project Managers:** Employ project managers who can oversee the implementation process, ensuring timelines and milestones are met.
2. **Processes:**
 - **Needs Assessment:** Conduct a thorough needs assessment to understand the current gaps and requirements for the innovation. This will guide the design of training and development programs.
 - **Implementation Plan:** Develop a detailed implementation plan that outlines the steps for rolling out the innovation, including pilot testing, feedback loops, and scaling.
 - **Evaluation Metrics:** Establish metrics to evaluate the success of the innovation, such as improvements in efficiency, customer satisfaction, and financial performance.
3. **Tools:**
 - **Learning Management Systems (LMS):** Invest in an LMS to deliver, track, and manage training programs efficiently.
 - **Talent Management Software:** Utilize software for tracking employee performance, development needs, and career progression.
 - **Communication Platforms:** Use collaboration and communication tools to facilitate feedback and ensure that everyone involved in the innovation process is aligned and informed.

Added Value and Cost Savings

- **Enhanced Member Experience:** Improved employee skills lead to better service quality, enhancing the overall member experience and potentially increasing member satisfaction and retention.
- **Increased Efficiency:** Well-trained employees and effective processes streamline operations, reducing errors and increasing productivity.
- **Cost Reduction:** Investing in internal development and succession planning can reduce recruitment costs, minimize disruptions from turnover, and avoid the expenses associated with external hires.
- **Competitive Advantage:** A skilled and well-prepared workforce can drive innovation, giving the organization a competitive edge in the financial services sector.

By focusing on these factors and aligning them with organizational goals, credit unions can effectively bring innovations to life while maximizing value and minimizing costs.

OPERATIONAL AND OTHER CONSIDERATIONS

Small credit unions face unique challenges in leadership development and succession planning due to limited resources, smaller teams, and a closer-knit organizational structure. The leadership assessment discussed earlier provides a valuable foundation for identifying key areas of improvement, but there are additional considerations to ensure long-term success in both leadership development and succession planning. These factors should also guide the future direction of the leadership assessment, particularly as its popularity increases or its target audience expands.

Here are additional thoughts on implementing the leadership assessment and succession planning, along with the potential future direction of the program.

Considerations for Implementation

1. Time and Resource Allocation

For small credit unions, one of the main challenges when implementing leadership assessments and succession planning is balancing the time and resources required to execute these programs effectively.

- **Time Constraints:**
 - Leaders and employees in small credit unions often wear multiple hats, which can make it difficult to carve out time for formal assessments, training, and development activities. Leadership assessments should be designed with this in mind, keeping the time commitment manageable without sacrificing depth and quality. Consider implementing shorter, more frequent pulse surveys or assessments that track leadership development over time rather than requiring one comprehensive evaluation.
- **Limited Financial Resources:**
 - Small credit unions often operate with tight budgets, which can limit their ability to invest in external training or leadership development programs. When implementing the leadership assessment, it's important to prioritize cost-effective solutions such as in-house training, peer coaching, and mentorship programs, or seeking industry partnerships to reduce costs. Customizable, modular training programs could also offer flexibility in spreading costs over time rather than requiring a large upfront investment.
- **Leveraging Technology:**
 - To maximize resources, credit unions should consider leveraging technology for assessments and training. Online platforms that offer customizable leadership assessments, performance dashboards, and training modules can streamline the process. These platforms can also be used to track leadership development over time, providing continuous feedback and reducing the need for manual data analysis.

2. Ability to Modify Questions and Objectives

As small credit unions evolve, their leadership development needs may shift. It's crucial that the leadership assessment is flexible enough to adapt to these changes by allowing for the modification of questions, objectives, and the overall focus of the assessment.

- **Customization for Different Leadership Levels:**
 - Credit unions should have the ability to tailor the assessment based on the specific leadership roles being evaluated. For instance, different sets of questions and focus areas may be necessary for executive leadership versus middle management or emerging leaders. This flexibility allows credit

unions to create more relevant assessments that align with the specific competencies needed at each leadership level.

- **Adaptability to Strategic Changes:**
 - As a credit union grows or changes its strategic focus, the leadership assessment should be adaptable to those new objectives. For example, if a credit union is shifting its focus toward innovation and digital transformation, the leadership assessment could include new questions related to managing change, fostering innovation, and leading technology initiatives.
- **Alignment with Organizational Goals:**
 - The ability to modify the leadership assessment questions ensures that it remains aligned with the organization's overall goals. If the credit union's priorities shift—such as a stronger focus on member services, community engagement, or financial performance—leaders should be evaluated based on their ability to drive these specific outcomes.

3. Adding or Subtracting Survey Questions

Customization is key when creating a leadership assessment that fits the specific needs of a small credit union. Allowing the option to add or subtract survey questions based on the size of the organization, its current challenges, or future goals can significantly enhance the relevance of the assessment.

- **Focus on Core Competencies:**
 - Leadership assessments should be flexible enough to focus on the core competencies that are most critical for the credit union's success. For example, if financial acumen and strategic decision-making are particularly important for a small credit union's leaders, additional questions in these areas can be added. Conversely, if certain competencies are not as relevant, such as large-scale change management, those questions can be omitted to save time and focus attention on more pressing matters.
- **Matching Training to Assessment Results:**
 - When survey questions are customizable, the resulting leadership development and training programs can be more precisely matched to the specific needs of the organization. For example, if the assessment identifies that leaders struggle with innovation but perform well in team management, the credit union can prioritize training in creativity and problem-solving while reinforcing existing strengths in team leadership.
- **Flexibility in Training Approaches:**
 - Small credit unions can benefit from matching the training to individual leader profiles, identified through customizable assessments. For instance, a leader identified as needing improvement in financial acumen could be offered focused training in credit union finances, while another leader identified as needing help with employee coaching could receive more tailored development in people management.

4. Succession Planning Integration

One of the primary goals of a leadership assessment is to help credit unions identify and develop future leaders. Effective succession planning requires not just identifying potential successors but actively developing them through targeted leadership programs.

- **Identifying High-Potential Employees:**
 - The leadership assessment should be used as a tool to identify high-potential employees who are ready or nearing readiness for leadership roles. By including succession-related questions in the assessment, such as an individual's readiness for increased responsibility or ability to drive organizational change, credit unions can create a leadership pipeline that ensures continuity in key positions.

- **Developing Leadership Bench Strength:**
 - Small credit unions should focus on building a strong leadership bench by investing in the development of potential successors. This may include cross-training employees in different functional areas, offering leadership development programs, or providing mentorship opportunities with current leaders. A modular assessment can help track an individual’s progress over time and ensure that they are developing the skills necessary to step into more senior roles.
- **Future-Proofing Leadership Development:**
 - As small credit unions grow or adapt to changing market conditions, the leadership assessment and succession planning process should evolve to ensure that future leaders are equipped with the skills needed for success in a dynamic financial landscape. This may involve incorporating new leadership competencies into the assessment, such as digital literacy, member engagement strategies, or crisis management skills.

Future Directions and Considerations

As the leadership assessment program becomes more popular or as small credit unions begin to expand, the following future directions should be considered:

1. **Scaling for Larger Credit Unions:**
 - While the current assessment is tailored for small credit unions, it can easily be adapted to fit larger organizations by expanding the number of questions, diversifying the areas of focus, and incorporating more advanced data analytics tools. Larger credit unions may also benefit from more robust succession planning models, including formal leadership development programs and external coaching support.
2. **Changes in the Target Audience:**
 - If the leadership assessment gains popularity, there may be a shift in the target audience. Initially, it may focus on small credit unions, but as larger credit unions or even other types of financial institutions adopt the program, the assessment will need to evolve to address the more complex needs of larger organizations, such as managing large teams, leading digital transformation, or handling mergers and acquisitions.
3. **Continuous Improvement Based on Feedback:**
 - It’s important for credit unions to continuously gather feedback on the leadership assessment process. This feedback can be used to improve both the content of the assessment and the associated training programs. As the program grows, integrating real-time feedback loops will allow for continuous improvement and ensure that the assessment remains relevant to the changing needs of the credit union industry.
4. **Building a Data-Driven Leadership Development Framework:**
 - Credit unions should explore the possibility of using the data from leadership assessments to create a comprehensive leadership development framework. This could involve tracking performance over time, comparing results across different credit unions, and using the data to identify industry-wide trends in leadership competencies.

By considering these additional thoughts, small credit unions can create a flexible, customizable, and effective leadership assessment and succession planning process. These strategies will not only address current leadership gaps but also prepare credit unions for future growth, ensuring a robust and resilient leadership pipeline.

CALL TO ACTION AND NEXT STEPS

To ensure the continued success and resilience of your credit union, it is essential to invest in leadership development, succession planning, and targeted training programs. The leadership assessment has provided clear insights into areas for improvement—now is the time to act on these findings. Here's what you can do immediately to move forward:

1. **Start by Assessing Your Organization's Leadership Needs:** Conduct an internal review of your current leadership team and assess where the key gaps lie, using the data from the leadership assessment. This can help tailor training and succession planning initiatives to the specific needs of your credit union.
2. **Invest in Targeted Training Programs:** Implement training focused on improving financial acumen, execution, and emotional intelligence for both current and emerging leaders. These programs are not only essential for enhancing leadership effectiveness but also for ensuring long-term organizational growth.
3. **Establish a Formal Mentorship Program:** Pair experienced leaders with newer or aspiring leaders to foster knowledge transfer and build a strong leadership pipeline. Cross-functional mentorship can further broaden leaders' understanding of the credit union's operations and strategic objectives.
4. **Create a Customized Leadership Development Framework:** Use the leadership assessment data to build a comprehensive framework that includes regular performance evaluations, coaching, and ongoing training. This will help track individual progress and ensure that your leadership team evolves alongside your credit union's needs.

Next Steps for Implementation

Prototype Development and Pilot Programs:

- **Phase 1:** Beg/in with a pilot training program that focuses on financial acumen and executing for results, as these were identified as key areas for improvement. Collect feedback and refine the content to fit the needs of your leadership team.
- **Phase 2:** Establish mentorship and coaching initiatives. By pairing experienced leaders with emerging leaders, you can begin to transfer critical leadership skills and prepare for succession planning.
- **Phase 3:** Develop stretch assignments to give your leaders on-the-job training opportunities. Identify key projects within your credit union that will allow them to gain new skills and lead initiatives that align with strategic goals.

The Impact on Your Credit Union and Community

- **For Your Leaders:** A well-executed leadership development program will empower your leaders to drive performance, manage teams effectively, and make sound financial decisions. They will become more confident in their abilities, leading to a more dynamic and innovative organization.
- **For Your Credit Union:** By investing in leadership development, you are future-proofing your organization. A robust leadership team ensures that your credit union remains competitive in an ever-changing financial landscape, capable of meeting member needs and achieving sustainable growth.

- **For Your Community:** Strong leadership translates to better member service and community engagement. Your credit union's leadership team will be equipped to make strategic decisions that positively impact the financial well-being of your members and contribute to the community's overall economic health.

Now is the time to act. By implementing these leadership development strategies, you are taking a crucial step toward securing the future of your credit union, ensuring operational excellence, and making a meaningful impact in the communities you serve. Let's begin this journey together.

APPENDIX

Include sources for your research, details about your prototype, and full testing results, etc.

ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We work to strengthen organizations through cutting-edge research, incubation opportunities to test and scale solutions, advisory services to help organizations implement innovation, and host communities and events to connect a community of leaders to improve financial well-being.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: “Progress is the constant replacing of the best there is with something still better.” Together, Filene and our supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) nonprofit organization. Nearly 1,000 members make our body of work possible. Learn more at filene.org.

ABOUT THE CUWLA

Since the inception of this network, CUWLA has established for its members, monthly “Meet and Greet” opportunities and quarterly “Power Hour” events. Our website hosts a community forum that invites an exchange of ideas, best practices and policies, to name a few. Over the past two years, CUWLA has established itself as an effective support system with access to a wealth of experienced credit union leaders working toward a common goal; the need which is evident in its growing membership and through the continued support of various trade associations and business partners.

We are excited to be able to offer such an effective support system to women CEOs of smaller credit unions and are encouraged by the support we continue to receive from our members. We are equally enthusiastic about CUWLA’s future as we continue to increase the areas of support offered to this critically important segment from within the credit union movement and to be able to offer membership to others who can benefit from the support, knowledge, and experience of their peers.

Learn more at <https://cuwla.com/>