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Context

- Irish credit unions
 - 420 in total, size ranges from €3m to €350m, average €30m
 - Significant ongoing growth, mainly driven by savings
 - Focus today on restructuring & consolidation
 - Why? Because bigger is better!
 - Economies of scale
 - Better use of scarce resources & skills
 - Wider range of member services
 - Case not proven
 - Members have not always benefited
 - Growth for growth's sake
 - Temptation to prioritise financial considerations over member needs



Strategic imperative

- The credit union difference
 - Created for a special purpose
 - Mission, vision & values
 - Similar products & services, but delivered in a different way and with a different motivation – not for profit but for service
 - Accentuated in everything we do
- Balance between “business” needs and member needs
 - Member needs are paramount
 - Without our members we are nothing
 - But we can’t ignore business realities
 - Objective - kill two birds with one stone!



Challenges

- NB - our priorities are not necessarily those of our members
 - Financial crisis has changed the landscape
- Financial
 - Capital – the focus of regulators, but how much is enough?
 - Lending – stricter assessment criteria
 - Income – maximisation at the expense of fairness
 - Expenditure - cost control at the expense of a quality member service
- Increasing costs of regulation & compliance
- Technology
- People
 - New people & old culture



Solutions

- Vision & values consistent with ethos
 - Accentuated in strategy & every day actions
 - Communicated to members
- Strategic succession planning
 - Skills and credit union ethos
- Lending
 - Products for all members – social & community-benefit lending
 - Members' circumstances must be taken into account
- Technology
 - For the greater number, not the few



Lessons

- Achieving the right balance is difficult but achievable
 - Emphasis must be on member needs
- Vision & values are key
 - Must reflect the credit union difference
 - Must be embedded in our culture
 - Must be emphasised and sold to our members
- Providing quality products and services for the greater number of members
- Getting people with the right skills & the right attitude
- We have no option - if we are not different, we have no future!

