





Strengthening Collaborations and Networking Business Model

Making The Network:

Aims to help organizations, centers, neighborhoods or networks plan and use the network effectively.

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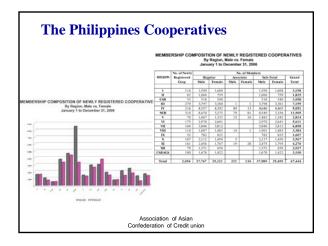
Strengthening Collaborations and Networking in Cooperative in the Philippines

Individual Members Credit Unions 4,000,000? Primary Cooperative Credit Unions 40,000?

Provincial Cooperative Federations 200?

National Organization of Cooperatives 10?





International Credit Union System National Federation (Regional Federations) Primary Credit Unions Individual Members

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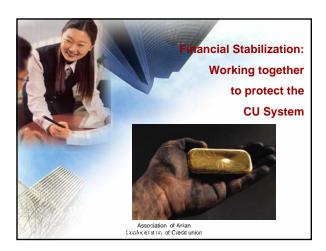
International Credit Union System

International Cooperatives Alliance ICA
World Council of Credit Unions WOCCU
Asian Confederations of Credit Unions ACCU

Federations PFCCO /NATCO (Regional Credit Union Federations)

Primary Credit Unions

Individual Members







The Effects of Economic Modernization & Globalization on Credit Unions

- Free Market Economies (Open Entry/Exit)
- Elimination of Protective Tariffs and Price Controls
- Greater Abundance of Financial Products & Services

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The Effects of Economic Modernization & Globalization on Credit Unions

- Aggressive Competition
- Volatile Prices
- Advanced Computer Technology
- Inflation
- Currency Devaluation
- Unemployment

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Weaknesses of Government Supervision

- Banking Focus and Mentality
- Apathy towards Credit Unions
- Politically Susceptible to Changes in Government Leadership
- Insufficient Budget
- High Staff Turnover
- Untrained Personnel

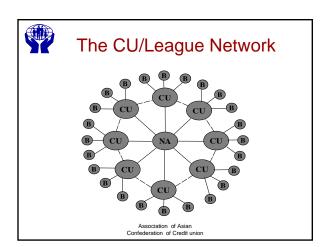


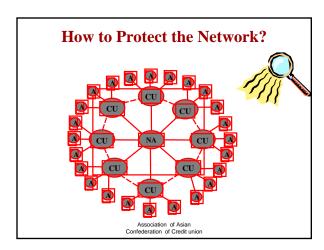
The Net Effect:

GREATER RISK OF INSTITUTIONAL FAILURE

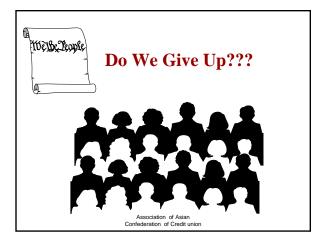


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Why Network and Collaboration Share Business Intelligence

Products Development
Marketing
Standardization
Quality Control
Stabilization
Human Resource Development
Market Research



Networking and Collaboration in Asia and Philippines?

Fair, Good, Very Good, Excellent

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Characteristics of Fragmented CU Movements

Concentration of Power

- Super Personality than institution
- Insider Cliques
- · Autocratic and Unilateral Decisions
- Stagnant Leadership
- No Checks and Balances

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Characteristics of Fragmented CU Movements



Affiliation of Weak and Uneconomical Credit Unions

- Poor Image in market place
- Outdated Products & Services
- Small Membership
- Small Volume of Transactions
- "Free Lunch" Mentality

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Characteristics of Fragmented CU Movements

External Dependence

- Little Savings Mobilization
- Focus on External Credit and Donations
- Irregular Growth
- Lack of Liquidity to Lend and Withdraw Resources

Characteristics of Fragmented CU Movements



Low Quality Products and Services that are Subsidized or Free

- Technical Assistance
- Seminars & Workshops
- Technology

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Characteristics of Fragmented Movements

Non-Transparent Financial Information

- Deficient Accounting Nomenclature
- · Limited Financial Reporting
- · Out-of-Balance and Unreliable Data
- Hidden Negative Information

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Characteristics of Fragmented CU Movements



Lack of Financial Discipline

- Out-of-Control Delinquency
- Insufficient Loan Loss Reserves
- Weak Institutional Capital
- Inadequate Liquidity
- Excessive Non-Earning Assets
- Inefficient Operating Expenses



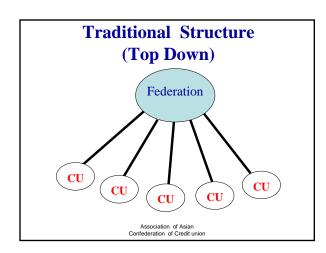
Characteristics of Fragmented CU Movements

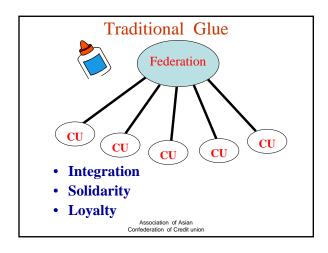
Violation of Cooperative Principles

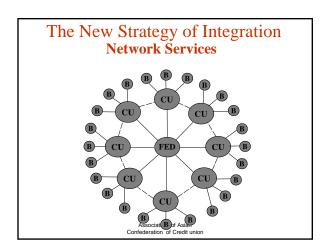
- Individualism
- (No desire to Cooperate)
- Autocratic Decisions (Absence of Democracy)
- Doing Business with Non-Members (No differentiation)
- Profit Seeking (Paying High Dividends and Profit Sharing Schemes)

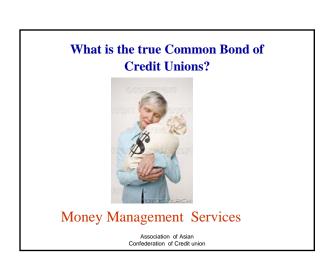
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Key Network Services

- Liquidity Management (CFF)
- Point of Sale Deposits/Payments and Transfers
- Debit/Credit Cards
- International Remittances
- Savings Guarantee Fund

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The Benefits of Working in a Network

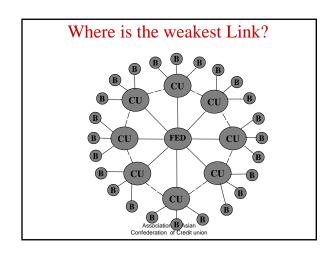
- •Position the Cooperative Movement to offer new services available only through the network
- •Improve operating efficiency through improved communications and connectivity
- •Improve service to the Membership through more points of service

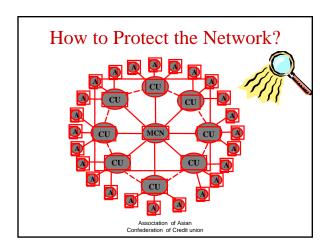
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The Benefits of Working in a Network

- •Expansion of Points of Service on a National Basis (Shared Points of Service)
- •Reduction in Transaction Costs (Economies of Scale)
- •Transaction Fees that are earned through the Network remain in the Credit Union







Change of Mentality



Traditional Mentality



- •Short-Term View
- •Penny-Pinchers
- •Uncompromising
- •Individualistic
- •Susceptible
- •Unreliable

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Progressive Mentality



- •Long-term View
- •Investment not Cost
- •Collaborative
- •Interdependent
- •Mature & Wise

Human Resource Management



Key Objective:

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What is the Concept of Stewardship?

The Faithful Administration of Community
Assets held in trust that achieve the
following objectives:

1. Protection



2. Patronage



3. Prosperity



What is the Role of a good Steward?

Balance the interests of all members so that everyone will patronize the Credit Union's products and services.



What is the Role of a good Steward?



Invest the collective wealth of the Credit Union in productive activities which satisfy the basic needs of the membership and help them to prosper.

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Credit Union Stakeholder Equilibrium









Borrowers
Association of Asian
Confederation of Credit union

International Credit Union System

World Council of Credit Unions

Asian Confederations of Credit Unions

Federations PFCCO

Visayas Credit Union League (Regional Federations)

Primary Credit Unions

Individual Members

