



CUDCC

Module 1

# **Module 1**

## **Credit Union Image in the Marketplace**



# After this module, you will

- Acquire a broader perspectives of the marketplace in the Asia region
- Develop heightened awareness and responsiveness regarding the challenges posed to credit unions in the marketplace
- Gain knowledge on the approaches to exploit competitive advantage in positioning credit unions in the marketplace
- Reinforce credit union operating principles as the core foundation and key differentiation of credit unions in the marketplace

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# Team exercise 1

- What is a financial market?
- Who are the players in the financial market?
- How will you differentiate SACCOS with other players in the market? – 10 minutes
- 39 NGOs Licensed by Rastra Bank





# Differentiation of SACCOS

- Business with members only
- Owned by member
- Education for members
- Community based organization
- Easy access
- Opportunity for leadership development
- Benefit to members
- Self-help concept
- Simple process on savings and loans
- Transparent organization
- Savings is first priority
- Competitive members need based p/s
- Guided by policies and procedures
- Good image
- Two way communication
- Gender responsive
- Low operational cost / limited area



# How will you differentiate SACCOS with other players in the market?

## Credit Union...

- Builds community
- Provide financial solutions to members financial problems/needs at every stage of life
- Helps members achieve financial independence
- Guides members to manage their money and build wealth
- Offers affordable financial services to everyone



# Team exercise 2

- Membership penetration of credit unions in your country

$$\frac{\text{Total individual Membership of CUs}}{\text{Total population/5 members per family}} \times 100$$





# Trends in the Marketplace

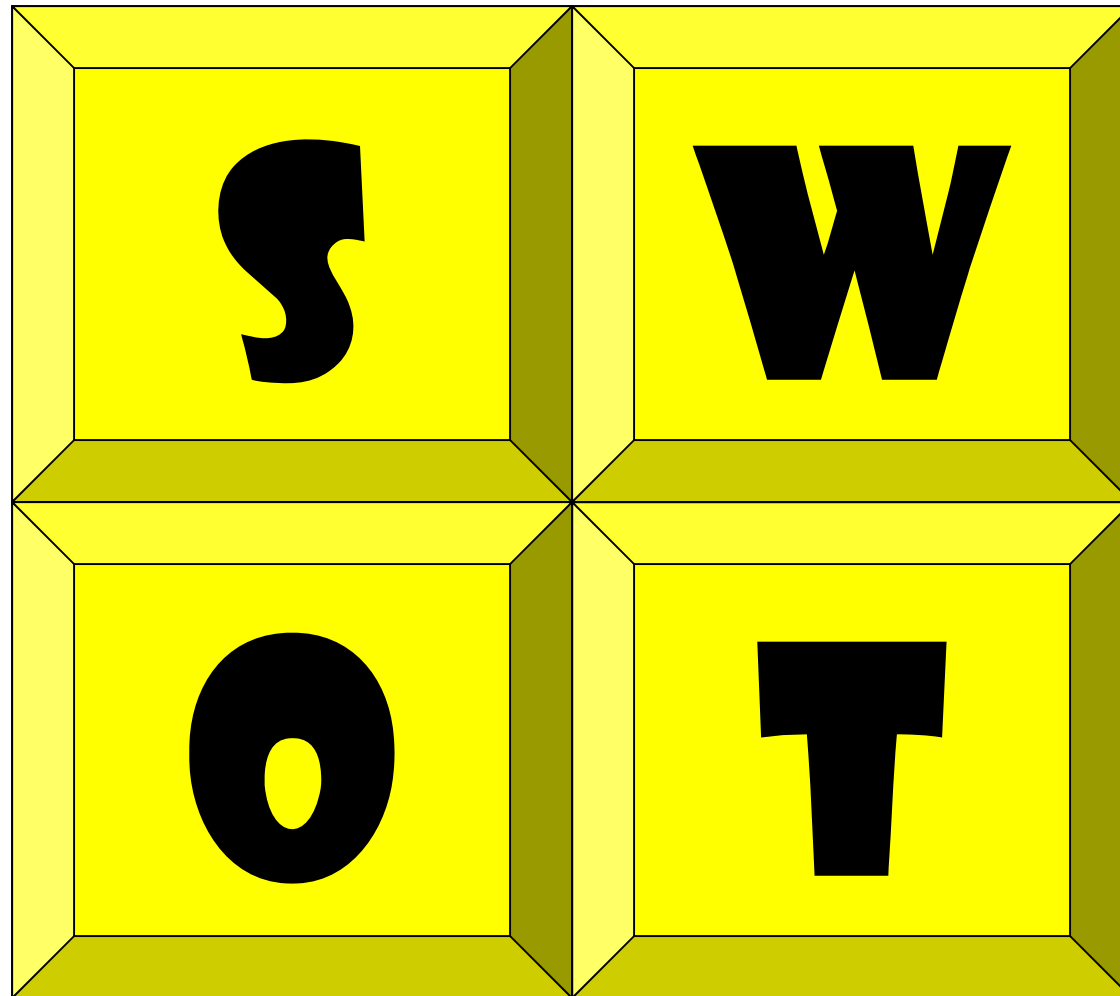
1. Political pressures
2. Economic conditions
3. Technology
4. Employee attitudes
5. Social values and lifestyles
6. Market demographics





# Team exercise 3

Do your SWOT ANALYSIS







# Team exercise 4

- How your credit union could respond to the SWOT?





# What are the issues in Credit Unions

## 1. Our Image in the marketplace

When compared with our competitors, where do we place our organization?





# According to Survey of non-members

**“People in the coop do not project professional attitude in the way they deal with members”**

**“I am not a member because I do not know what is a coop?”**

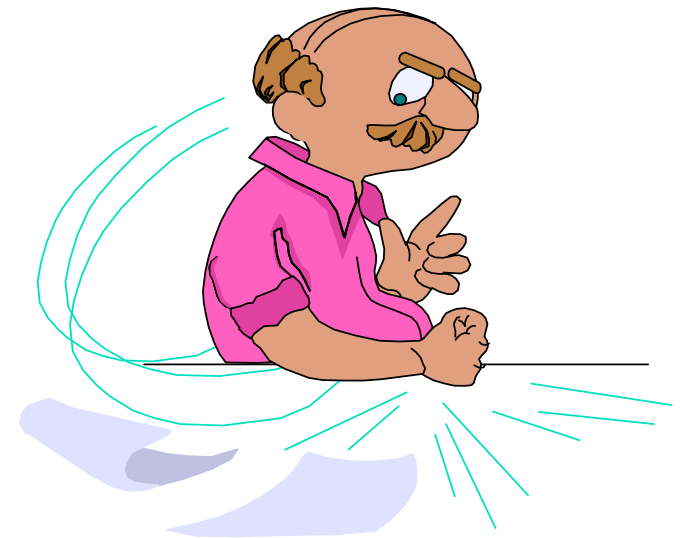
**“People in the coop office seemed confused or do not have a full understanding about the policies and operation”**



# What are the issues in Credit Unions

## 2. Prudent operating standards of cooperatives

....industry standards..are we complying?





# What are the issues in Credit Unions

## 3. Professional management

...it's not the people but how efficient and competent coops are delivering services to members





# What are the issues in Credit Unions?

## 4. A highly competitive and rapidly evolving financial sector





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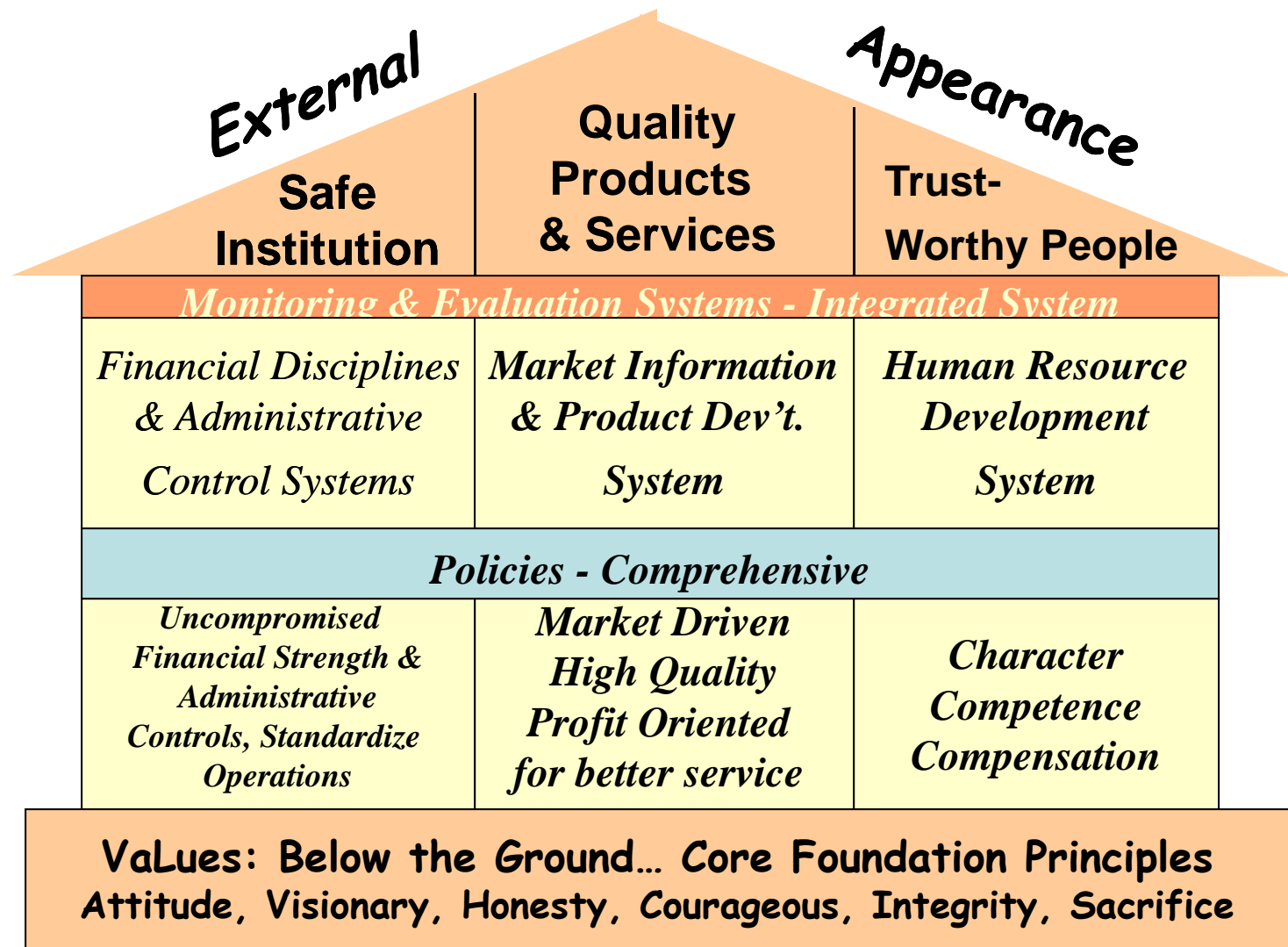
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# **Safe and Sound Credit Union**

**This is our IMAGE!**



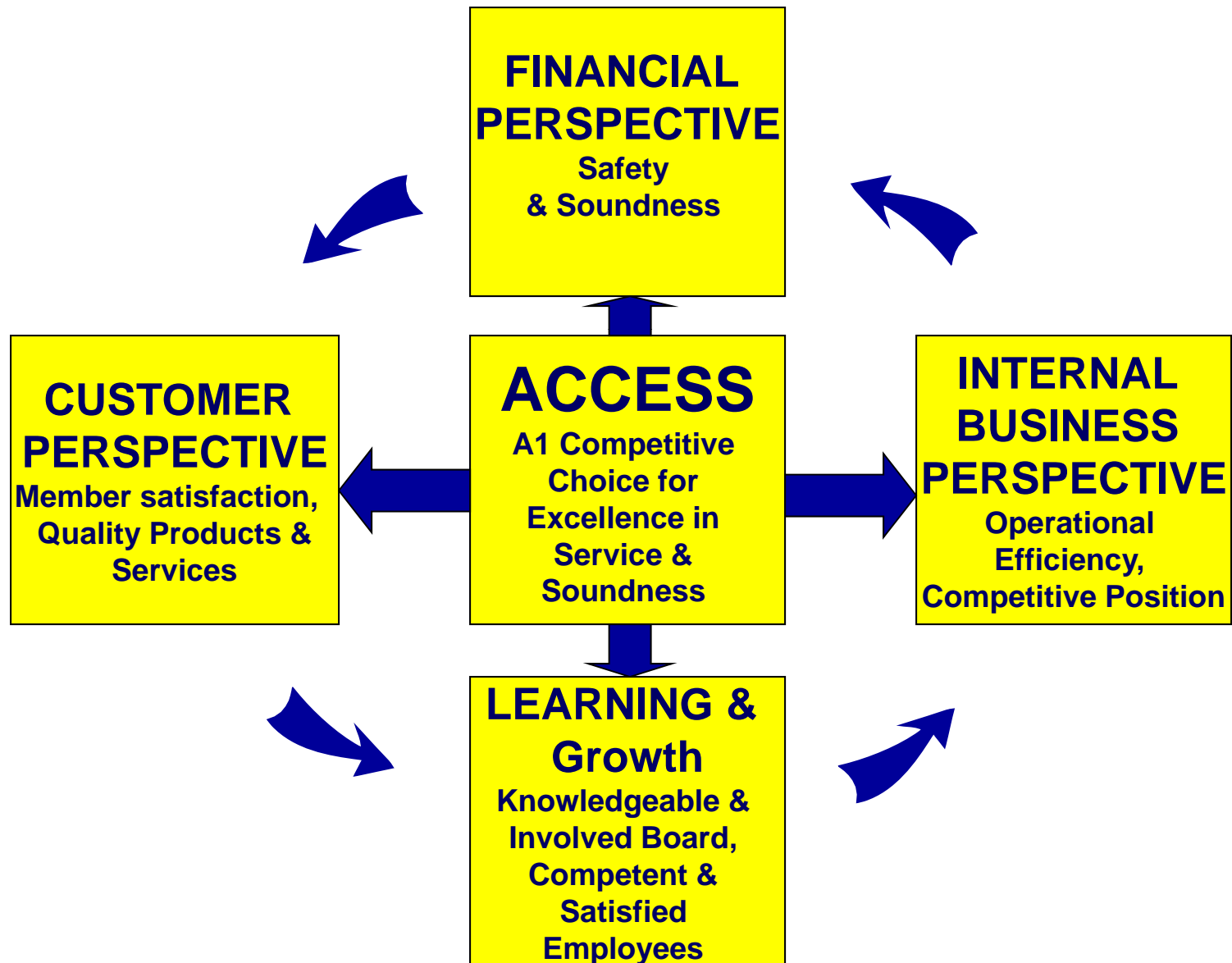
# Credit Union Image in the Marketplace







# The “HUB of the Wheel”

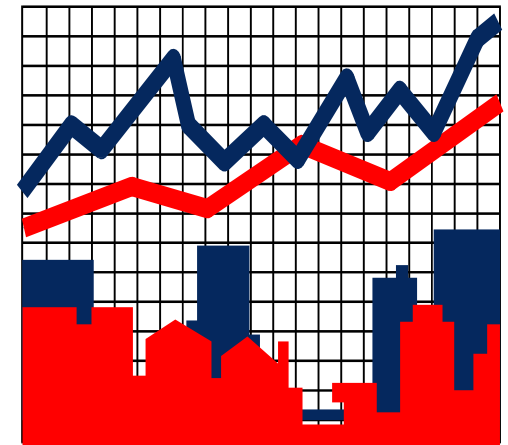




# What do we mean of sustainable Credit Union?

## Key Success Factors

- Financial viability
- Operational Efficiency
- Competitive position
- Member satisfaction
- Employee satisfaction





# What is financial viability?

**Benchmarks based  
on industry  
standards:**

**PEARLS / COOP-  
PESOS is the  
Philippine Standard  
for credit  
cooperatives'  
operation**

**no choice! We have to adhere  
to the standards**



***We will not settle  
for less!***



# What is operational efficiency?

**..measurement of the effectiveness of workflow or processes of service delivery**

**..the speed members are served**





# What is competitive position?

The degree of acceptance of credit union “brand” in the market.

“How are we compared with competitors?”



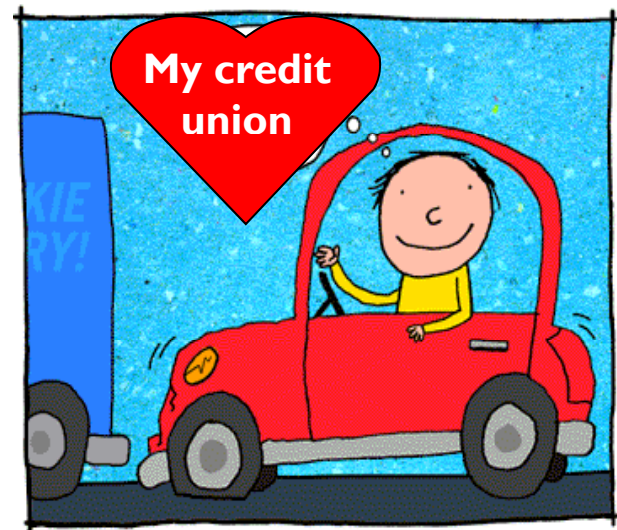
*are we 1st, 2nd, 3rd class  
or no class?.... On the  
eyes of members, public,  
government*



# What is member satisfaction?

at least 30% of the  
market are members  
and users of credit  
union services

“savers and good  
borrowers”





# What is employee satisfaction?

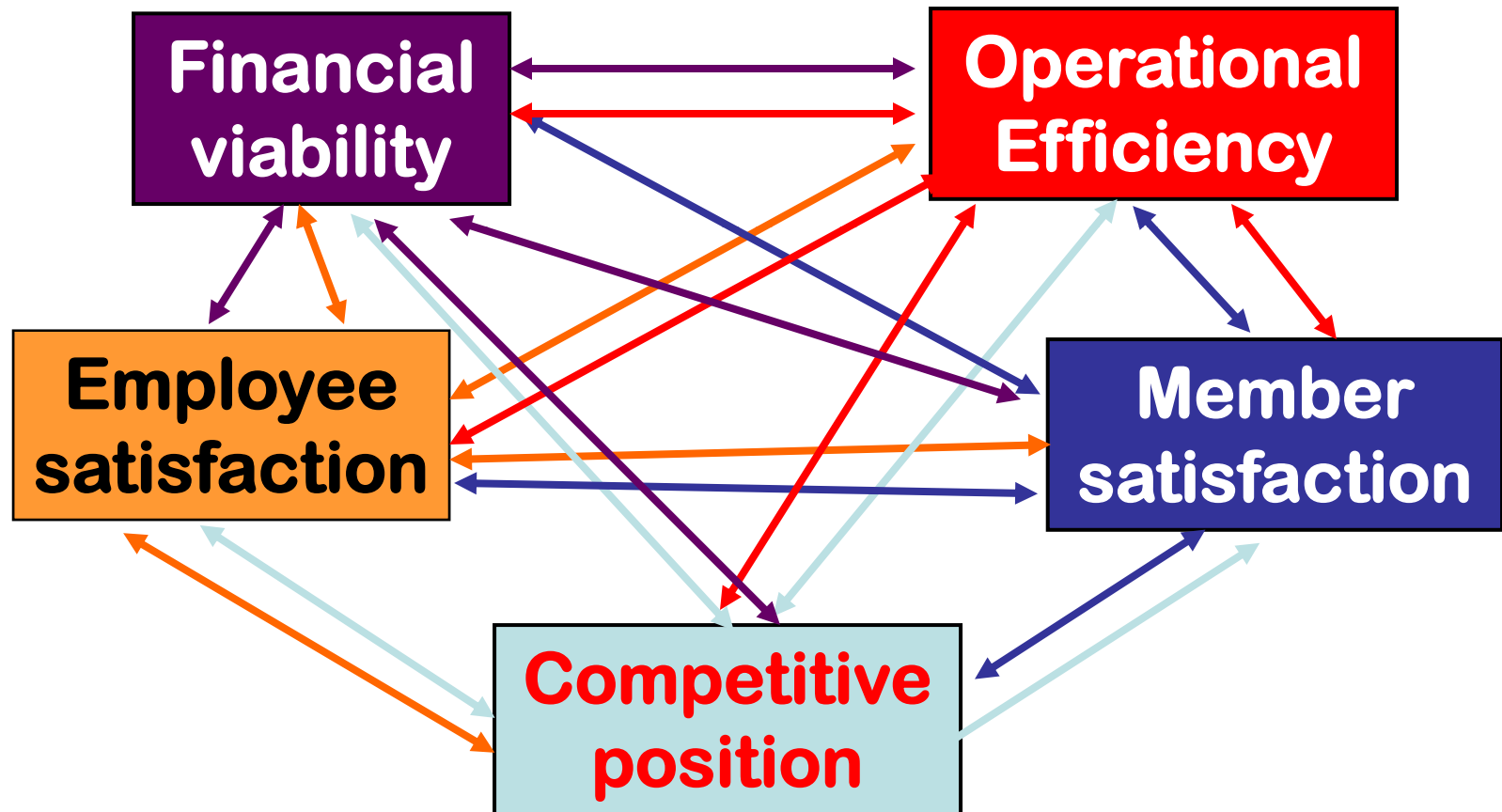
## Indicators.....

- less staff turn-over
- no labor dispute
- high degree of sense of ownership
- high level of innovation
- teamwork
- Value based management





# Mapping the Credit Union's future

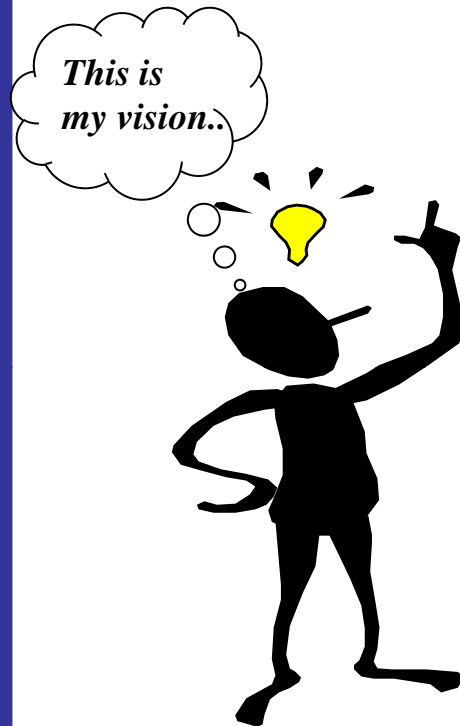






*This is all we've got to do!!!*

**TODAY....**



*This is my vision..*

**“PERSONALIZATION”**  
President, Board of Directors are important.....

**TRANSITION...to Professionalize Coops**



*This is painful but necessary!*

**By-Laws Changes**  
Policy dev't. & review  
Product Development  
Standardization  
Integration

**FUTURE..YEAR 2002 & beyond**



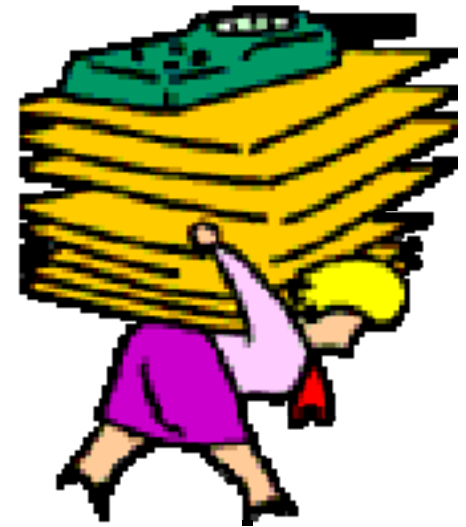
*Our CU is smart & strong!*

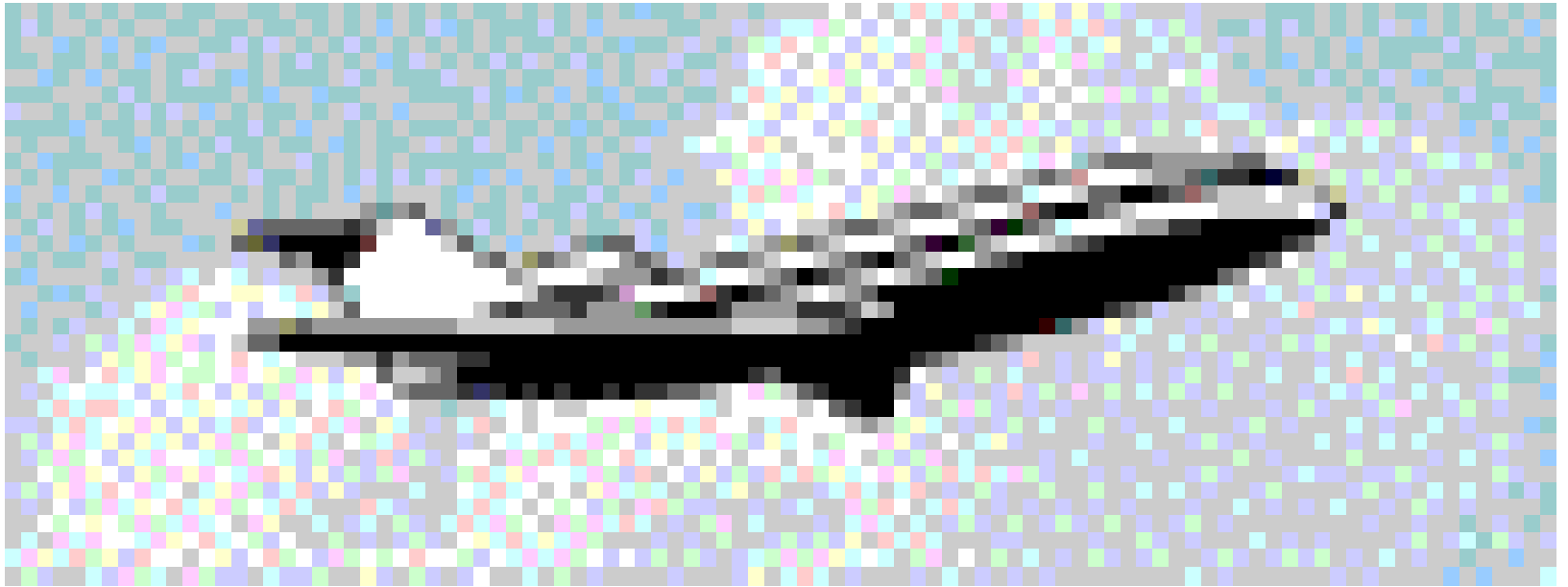
**“INSTITUTIONALIZATION”**  
Institution is important  
the framework for the system to work is installed ...



## To institutionalize standards....

- Policies
- Systems
- Procedures





# Auto Pilot organization

**even people change..it will run in the  
same standard, systems and quality...**



**How do we ensure that  
the KEY INDICATORS  
are translated into our  
operations?**

**...this is not an overnight job!**

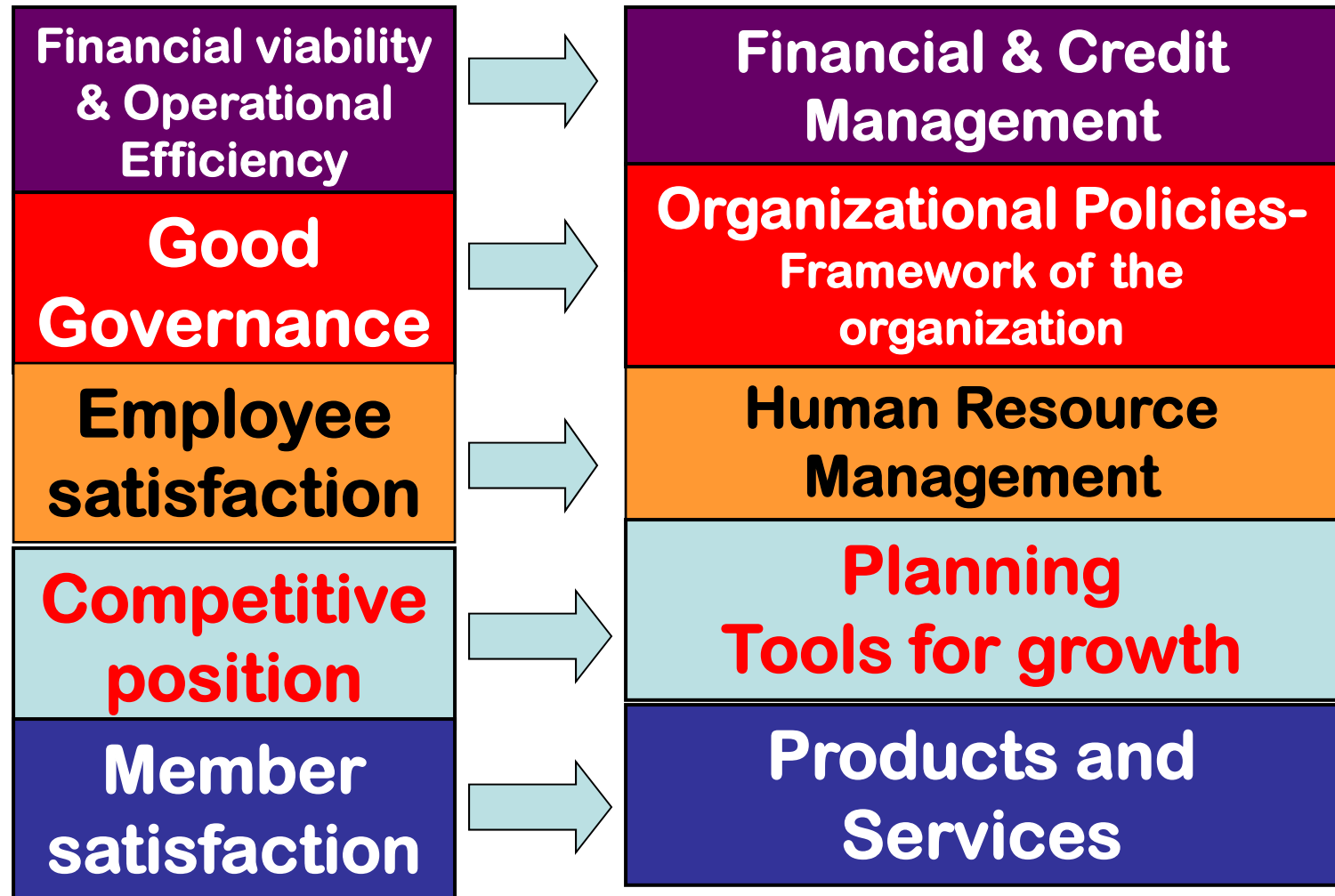


# How do we Achieve?



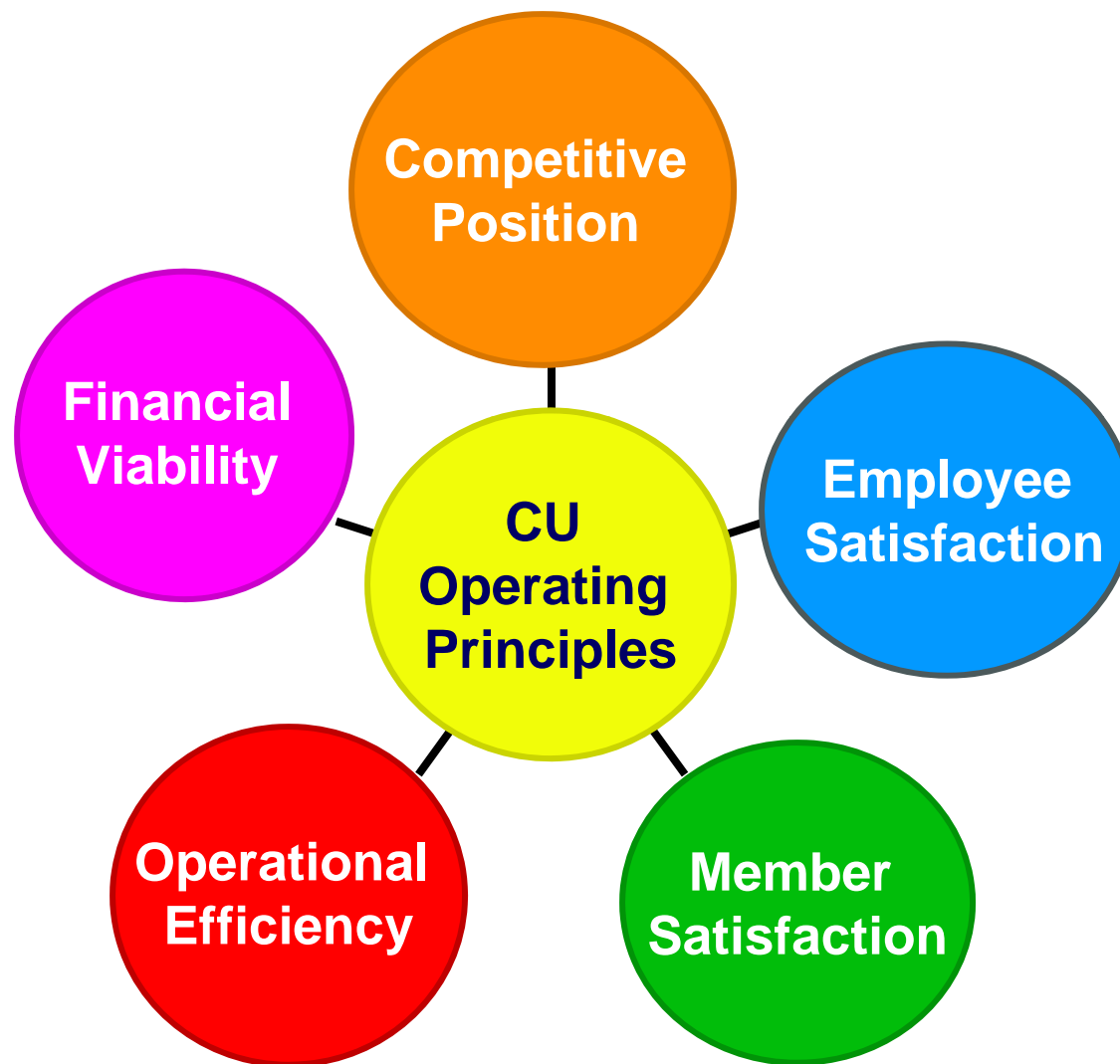


# What are the Tools





# Core Foundation of a Sound & Safe CU





# Changing Credit Union Leadership Competencies in Today's Market Environment



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# Changing Leadership Competency

**Articulate a  
tangible vision,  
values and  
strategy**





# Changing Leadership Competency

**Empower  
others to do  
their best**



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# Changing Leadership Competency

**Be a catalyst or  
manager of  
strategic change**



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# Changing Leadership Competency

**Get results and  
manage  
strategy to  
action**



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# Changing Leadership Competency

**Exhibit a strong  
customer  
(member)  
orientation**





# Changing Leadership Competency

**Communicate  
effectively on a  
day-to-day basis**



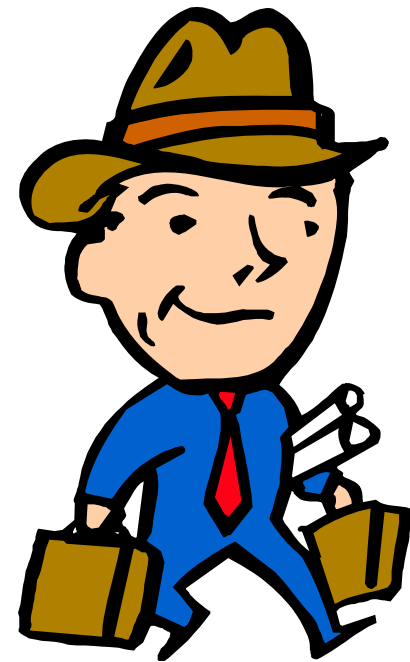
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# Changing Leadership Competency

**Integrative  
thinking about the  
total business**



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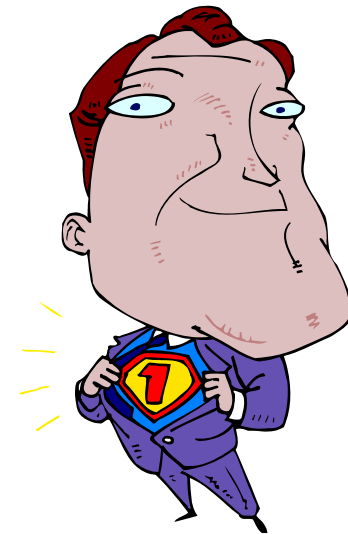


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# Changing Leadership Competency

Be flexible and  
adaptive







# Changing Leadership Competency

Have a global  
mindset



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***“The Board’s job is not to see the credit union as it is . . . but as it can become.”***





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**Thank you!**