

DATE: November 4, 2019
BULLETIN: 2019-KDCU-CUB-14
TO: Kansas Chartered Credit Unions
SUBJECT: Strategic Planning

STRATEGIC PLANNING

Where do we go from here? How best can we serve our members? Questions often asked by credit union boards and ones that require thought and planning. These are not questions that can be answered in one board meeting or two-hour session. As [one author](#) put it, strategic planning is best performed as a formal exercise that involves several distinct phases over a period of time.

The board of directors has the ultimate decision-making authority for the credit union. ([NCUA Examiner's Guide, Chapter 7](#)) The board's responsibility includes a regular review of business goals while upholding the fiduciary responsibility for member assets. This bulletin is not meant as an all-inclusive how-to guide, but to offer guidance on beginning the strategic planning process. It is your decision whether to hire a consultant to assist in the process.

Strategic planning for credit unions is about making choices. It is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. In more simple terms, this process answers the following questions: Where are we going? How do we get there? Is everyone on the bus (an oft-used analogy)? Do we know what our members want?

As with any large project, advance preparation is required. Is your membership growing? When was the last time that you walked in to any of your locations and viewed it through the eyes of your members? How are your peers doing? Do you have a succession plan? What is the state of the economy? Is there an area of opportunity for the credit union to offer new products and/or services to your membership?

So many questions! But, if you want to grow and continue to be a valuable financial partner to your members, these are the types of questions a board must ask...and answer.

Recent KDCU exams have shown [several](#) credit unions who have (1) failed to have planning sessions for 2-3 years; and/or (2) been operating at loss without addressing the issue at a planning session. As we all know, ignoring something unpleasant will not make it go away.

Don't view strategic planning as a couple of meetings on your calendar, you must commit to making strategy a part of your day-to-day management.

"Plans are useless, but planning is everything." - - Dwight D. Eisenhower