



RBK Annual Credit Union Seminar

Implementing your Strategic Plan

1st May 2019

COLM O'GRADY

We're by your side



Introduction

- **Facilitated 12 Strategic Plans last Year**
- **Comprehensive Process**
- **Really good plans**
- **Review a Year Later - Varying Degrees of Implementation**
- **Started working with a number of Credit Unions on mentoring their SP Implementation**
- **My talk today – outline some success factors in implementing strategy**

Our Strategic Plan Process

> Prep Work

- Survey; Financial Projections; Benchmark
- Last SP Implementation; Regulatory Review

> Facilitation Day

- Board & Management Team Offsite
- Present Findings & Discuss
- Workshop on 8 Strategic/Operational Areas

> Afterwards

- Script Plan based on days outcomes
- Review & Sign Off

> Box Ticket - SP Plan Done



Strategic Actions – 8 Areas

1. Regulatory & Compliance
2. Products & Services
3. Financial
4. Board
5. Merger
6. HR
7. Infrastructure
8. Business Development

The Hard Work – Implementation and Monitoring

- > **Implementing Key Actions – 8 Different Areas**
- > **Need Ambition / Capability / Reserves / Determination**
- > **Good Ones Get Help**
- > **Here are my Fundamentals required to ensure implementation**

My Fundamentals

- a) Strategic Plan Review process**
- b) Financials and KPI Reporting**
- c) Effective HR Structure and management practices**
- d) Marketing and Business Development Plan**
- e) Effective dynamic Board**
- f) IT & Technology**
- g) Regulation and Compliance**
- h) Mergers & Collaboration**

Fundamental – Strategic Plan Review

> Communication

> Formal quarterly review meeting

- Attendees - Management Team and Executive Committee
- Outside Facilitator / SP Champion – keeps focus / challenge / unreasonable
- Advantages
- Have Strategic Plan objectives/actions update document

> In doing the review

- Review implementation of specific strategic actions
- Has to include a review of the financials and KPI's
- Strategic action implementation should flow through to the KPI's
- If not – action needed

> Re-affirm actions / dates / what done for next review

> Board update – Management action plan

Fundamental – Financial & Other Reporting

> Monthly financial reporting

- Accurate management Accounts
- Actual v Budget & Variance – month, YTD and last year
- KPI's – Loan Book Growth, repayment ratio, average interest rate
- Easy to read / presented well / concise

> KPI reporting – each strategic area

- Registered users; score cards; regulatory; business development; lending
- KPI's each strategic area / dovetailing with operational area

> CEO comment on KPI's – variances – corrective action

> Update and challenge projections – twice yearly min – expertise

Fundamental – Effective HR Structure and Practices

- > **Firstly - Clarity on responsibilities**
 - Board – set strategy and monitor implementation
 - CEO and management team – Implement agreed Strategy
- > **Organisation structure review – CEO formal report to Board**
 - Ideally – an external objective review and recommendations
- > **Implement new Structure**
- > **Managing and delivering results**
 - > key objectives, KPI's, communication, accountability
- > **The biggest factor of Poor SP Implementation – ineffective HR structure and practices**
- > **Needs continuous objective focus by CEO's – free up time**

Fundamental – Marketing and Business Development Plan & Resource

- > **Key Strategies & Objectives – this area**
- > **Comprehensive Plan & Resource Required**
 - Scoring 4/10
 - Not a Calendar of Events
 - Recent one sighted – 27 Page Plan
 - Got excited
- > **KPI's this area**
 - Loan applications; Loan growth; New members; Age groups
 - Marketing spend
 - Individual Campaigns results versus plan
 - Registered Users; Web Transactions
 - Online Loan Applications

Fundamental – Marketing Plan (Cont'd)

> Suggested Items in Plan

- Goals - Key actions under each Strategic Plan Objective above
- Products & Services
- Marketing Budget and Resources
- SWOT & Competitor Analysis
- Member & Common Bond Analysis
- Online and Social media usage - Online Banking; Facebook, Website
- Marketing Activities – Yearly Planner
- Campaigns – Each One – Objectives, target market, channels, timing, budget, measurement
- Digital marketing plan
- Staff Training/upselling/referrals
- KPI's

Fundamental – Marketing Plan (Cont'd)

> Seeing a lot of success in this area

- Where well structure & resourced
- 15% loan book growth
- 20% of loan online

> Challenge is:

- Comprehensive plan
- Monthly reporting & measurement
- Enough relevant activity – play with
- Loans issued down – focus on this area

Fundamental - Effective Dynamic Board

- **Effective Board – needed to support management team and keep momentum going**
- **Agenda & reporting – Content, timing**
- **Committees - Clear briefs, Executive, ARC, Marketing**
- **Rejuvenate nominations Committee – New Members each year – More mainstream mix – meeting quarterly?**
- **Training – Business-like – Inductions – structure right**

Fundamental - IT & Technology

- Importance of plan, expertise and reporting
- Separate Presentation
- Risk Area
- Efficiency & Service Area
- Use technology

Fundamental - Reg & Compliance

- All areas reviewed – Risk, compliance, External Audit, Internal Audit, Central Bank, AML, GDPR, Policies
- Internal head of Regulation
- Strong skilled AR&C Committee
- Annual Effectiveness Review – all areas
- Function Synergy
- Culture

Fundamental - Merger & Collaboration

- **Strategy**
- **Stop Re-inventing - Collaboration**
- **Relationship Development – Board & CEO**
- **Resourcing**

Leadership Style

> **Grand Prix pit stop**

- > 4 tyre changes in 1.9 seconds
- > Team of 20 people

> **Joe Schmidt**

- > Famous Monday Morning reviews
- > Set pieces; tactics

> **Own style**

- > Team, Process, Consistency, Winning
- > Fellow of the Institute of Head Wreckers Association!
- > Team – empowerment, communication, relationships

Summary – Strategy Implementation

- > **Need Ambition / Capability / Reserves / Determination**
- > **Insist on formal Processes:**
 - Strategic Plan Preparation
 - Formal Implementation reviews
 - Org Review, implementation and Performance management
 - KPI's all areas
- > **Outside influence – new dynamic**
- > **Be a head wrecker!**
- > **Vision of best in class**



Thank you

 @RBK
 @RBKCA
 @RBK
 www.rbk.ie

We're by your side

Colm O'Grady

RBK

T: +353 9064 80600

E: cogrady@rbk.ie

Disclaimer

While every effort has been made to ensure the accuracy of information within this publication is correct at the time of going to print, Russell Brennan Keane do not accept any responsibility for any errors, omissions or misinformation whatsoever in this publication and shall have no liability whatsoever. The information contained in this publication is not intended to be an advice on any particular matter. No reader should act on the basis of any matter contained in this publication without appropriate professional advice.