



# MARK ARNOLD

Helping **mark** credit unions for success.

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## Shaking the Dust Off Strategic Planning

**Strategic planning** — now there are two words that can strike cynicism and frustration into the hearts of any bank or credit union executive. And with good reason. Financial institutions spend a great deal of time, money and energy on strategic planning, all too often with sketchy results. The refrain goes a little something like this: “Year after year, it is the same old thing. We talk and talk and nothing gets done.”

Unfortunately, these are all too often the results of traditional or old-school bank and credit union strategic planning sessions. A group of well-intended and committed executives get together in a boardroom or somewhere off-site, share a good meal and brainstorm ideas for the future. Somebody takes notes, compiles the report, and shares it later with the participants. There are about 97 action items to complete, all front-and loaded into the first half of the next year.

This is about as inspiring as watching paint dry. And you can do a whole lot cheaper by actually watching real paint dry, for all the worth that too many strategic plans have.

But what if strategic planning wasn't that way? What if you could shake the dust off of the typical strategic planning session, turning it into something from which real and substantive results could come?

There are differing opinions amongst financial institution executives about strategic planning. Some extol the virtues of strategic planning as a viable tool for banks and credit unions. Others, however, such as this recent article in Forbes, herald the death of strategic planning and the rise of “execution and flexibility.”

While strategic planning certainly needs a refresher course to remain vibrant and dynamic, it is by no means dead. More

than likely, what your financial institution strategic planning session needs are a few ideas to help shake the dust off the status quo.

To do this, we will examine three ways you can revamp and revitalize your strategic planning sessions:

- 1 Focus on change
- 2 Unify all departments
- 3 Communicate the brand

By taking a closer look at each of these three elements, we begin to uncover the true importance and value of modern strategic planning for banks and credit unions. We can also examine and share ways you can reenergize the process. In the current hyper-competitive environment of financial services, banks and credit unions need all the help they can get — and strategic planning is still a go-to tool.



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### Focus on Change

Banks and credit unions are typically conservatively-run. This conservative mentality, however, leads to challenges. For example, resistance to evolution and change, while seemingly innocent enough, can actually retard growth and innovation. In fact, according to a *Boston Globe* [article](#), "...Many banks are not offering mobile technology as fast as their customers are ready to adopt it. Demands for new options are growing so quickly that by the time a bank upgrades its software, customers are already asking for the new function."

An [elitedaily.com article](#) looks forward to advancements in banking technology that may be the next "big thing," such as [Venmo](#) (an app friends can use to send the money, pay rent and collect on debts) and [Coin](#) (both an app and a physical card that stores the information from all your debit and credit cards, streamlining the wallet).

It seems as if the only sure thing in banking technology these days is uncertainty and constant change. Given their somewhat sluggish nature, banks and credit unions are at risk of falling behind the times when it comes to technology. Strategic planning is one way to help avoid this.

For change to work, however, banks and credit unions must get real. That is to say—they must have honest discussions that tackle the real issues dividing parties in the room. You're going to have to talk about those nasty elephants in the room—the things everyone knows exists, but no one wants to talk about.

Questions like "are we really up to speed in technology?" must be answered. You must also think about it from the consumer's perspective. Have you thought about your technology offerings from their shoes? And, most importantly, would you be a member or customer of your own credit union or bank, especially given the current technology product offerings it has?

Focusing on change also requires other key players at your bank or credit union to be involved. This includes human resources professionals (for items related to hiring, etc.) and marketing (for the many changes in consumer demographics and best practices for reaching consumers). In fact, the HR and marketing (along with IT) areas are now seen as merging into one larger department. They all interact and interconnect with each other in such a way that this coming together makes sense.

A Harvard Business School [article](#) sums up nicely why strategic planning still has a place at the table when it comes to guiding banks and credit unions, stating "Strategic planning, especially long-term strategic planning, is no less necessary in a fast-changing world...The root cause of every business disaster is mistakenly pursuing short-term goals ahead of long-term ones...Strategic planning has never restricted new innovation."

Thirty years ago, innovations such as home banking, smart phones and tablets and the Internet itself were pipe dreams in their infancy. Today, we take them for granted. By using strategic planning, your bank or credit union can help

### Testimonial:

*"Mark will provide an energetic approach that will make you not want to end your meeting. My Board and Management Team can't wait to have him back for our next session."*

—Todd Pearson, CEO  
Arizona Central CU



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stay current with the times, offering consumers the products they want before the competition lures them away.

### Key Takeaways

- Change is inevitable, and your bank or credit union should leverage strategic planning to help address that change.
- A fast-paced world does not negate the need for strategic planning – in fact, a fast-paced world demands strategic planning.

### Key Applications

- At your next strategic planning session, answer the question “How are we going to truly change this year?”
- Consider the following question: what is your bank or credit union strategy with regard to technology? Do you plan to be cutting-edge? Are you a follower? Are you comfortable as a laggard?

### Unify All Departments

The typical bank or credit union is as stratified and top-heavy as any Fortune 500 Corporation. You've got your executive management team and Board of Directors on top, your middle management under that and a host of other positions, roles and people sandwiched in between, at every angle. Even more problematic, all these people and departments tend to operate from their own silos.

This silo-thinking is dangerous. A *Forbes* [article](#) takes it a step further, stating: “The silo mindset does not appear accidentally nor is it a coincidence that most organizations struggle with

interdepartmental turf wars. When we take a deeper look at the root cause of these issues, we find that more often than not silos are the result of a conflicted leadership team.” What better way to address the challenge of a conflicted leadership team (and its subsequent silo thinking) than with strategic planning?

Consider this analogy—all the key players in your bank or credit union, from the CEO to the back office in the front line, are all passengers on the same bus. You're also trying to get to the same location. Now, different people have different ideas as to the best route (Do we stay on the main highways? Do we take the unknown shortcut? What about that Y in the road up ahead?). But everyone wants to get to the same place.

Rather than everyone shouting above each other, jostling for position in the debate, strategic planning brings all the key players in the same room, encouraging them to work as a team and get on the same page. Strategic planning also coalesces the energies and drives of all the passengers on the bus, funneling them together towards achieving success with strategies, action plans and budgets. For example, say your bank or credit union share the common goal of increasing its number of customers or members. The CEO might think the best way to go about this is by enhanced business development activities by branch managers at the local level. Marketing might feel otherwise – that the best way to do this is through a jumpstart in targeted online advertising. Human resources might feel another option is to hire only the best and brightest for new





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positions and to train them accordingly. Strategic planning helps to bring these divergent ideas together into a goal all parties can agree upon and work towards.

### Key Takeaways

- Rather than a cacophony of voices, strategic planning encourages unity, teamwork and a combined goal-setting model.
- Strategic planning enhances workplace communication and builds towards a stronger, better future for your financial institution.

### Key Applications

- Consider teambuilding exercises (maybe even starting with icebreakers) as part of every strategic planning process.
- Involve all voices of your bank or credit union (and not just those present at the actual meetings) in the strategic planning process. One way to accomplish this is to distribute and collect pre-session surveys from staff members who are not attending the actual meeting.

### Communicate the Brand

Branding. If there was ever a hot-button word in financial services circles, it is branding. Branding now drives the strategic thinking of most progressive and successful banks and credit unions. As the very genetic makeup of a bank or credit union, branding is the most important asset a financial institution has—and it's not even on the balance sheet. This [CU Insight article](#) says of

credit unions (and the same thing is applicable to banks): "...if you look at how the financial industry is evolving it's clear to me that the single most important asset of your credit union, irrespective of its size or charter type, is its brand. And it is getting even more important by the day."

How do strategic planning and branding go together? Hand in hand. The strategic planning process represents an incredible opportunity for bank and credit union professionals to promote, encourage and nurture their existing brands or even to create a new one.

Before we progress further please note the differences between a strategic plan and a brand plan. A strategic plan is the decided direction that a bank or credit union will take within a limited time frame (typically anywhere from 2 to 5 years). It is the written directive of what your financial institution wants to do and how it's going to do it. A brand plan, on the other hand, is the summary of values, personalities and promises a financial institution makes to consumers.

In order to succeed and thrive in this hyper-competitive financial services marketplace, banks and credit unions must-must-must effectively communicate their brand. You must also fully integrate brand communications into every aspect of your financial institution.

In order to accomplish this, you must fully integrate brand communication into every aspect of a financial institution's strategic plan. From the beginning of the strategic planning process, brand and brand messaging must take front and center stage.

### Testimonial:

*"Mark is terrific! We can't say enough good things about Mark. We would definitely recommend him and we are so happy to have had the benefit of his expertise to help us craft our marketing strategy."*

—Minghon Tourne, CEO  
ASI FCU



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“Communicating the brand is a critical part of any bank or credit union’s structure.”

What are some ways you can accomplish this during the strategic planning process?

- 1 Ensure that the entire strategic planning team knows that branding is the senior partner in the room.
- 2 Work to include the bank or credit union’s brand message in every element of the strategic plan.
- 3 At the end of the strategic planning process, review the created documents and ensure that every project, goal in and initiative is in some way tied to and enables the brand message.
- 4 When sharing elements of the strategic plan with staff members not involved in the actual planning process, make sure they know that branding is a critical component of every plan initiative.
- 5 Cross-pollinate your brand and strategic planning and messages with staff at every opportunity (for example, sharing both brand and strategic planning messages at staff meetings and gatherings).

Communicating the brand is a critical part of any bank or credit union’s structure. It is also important that brand communication permeate every level of strategic planning.

### Key Takeaways

- The strategic planning process and its outcome directives represent a prime opportunity to communicate the importance of branding to all staff.
- Ways to help accomplish this communication of brand during the strategic planning process include top-down communication amongst team members and the sharing of the importance of brand with all staff at every opportunity.

### Key Applications

- Ensure that your bank or credit union brand plan is tied directly into its strategic plan.
- Demonstrate to your staff, at every opportunity, how the strategic plan fits into the brand.



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### Conclusion

The good news is—your bank or credit union strategic planning process doesn't have to be the “same old, same old.” By shaking the dust off of the strategic planning process in three key areas (focusing on change, unifying all departments and communicating the brand) your plan can take on a new life and vitality. This reinvigoration of your strategic plan will benefit your financial institution for years to come.

Another great way to learn more about the strategic planning process is to check out the “[Strategic Planning Primer](#)” located here. The primer offers terrific information on the strategic planning process, including:

- The Strategic Funnel
- Is Your Strategic Plan Really Strategic?
- Ten Questions to Ask at Your Strategic Planning Session
- How to Put Zing Into Your Planning Sessions
- Five Reasons Your Strategic Plan Could Flop

### About the Author

Mark Arnold is an acclaimed speaker, brand expert and strategic planner. He is also president of On the Mark Strategies, a consulting firm specializing in branding and strategic planning.

Some of the services Mark provides include strategic planning, brand planning, leadership/management training, marketing planning and staff training. His web address and blog is [www.markarnold.com](http://www.markarnold.com). You can also contact him at 214-538-4147 or [mark@markarnold.com](mailto:mark@markarnold.com).