

# The 5 Most Important Steps in a Successful Merger

In the near future, the average credit union will claim \$2B in assets.<sup>1</sup> The only way for your credit union to stay competitive is to grow by merger. In fact, one merger happens each day.<sup>2</sup>

**The time to start planning is now.** Mergers are more likely to succeed when a streamlined process is used from beginning to end.

Here's how to approach this important journey:

## 1

### Develop Your Strategy

**Know Your Vision** - Establish goals for your credit union, your staff, your board, and your members.

**Pick Your Markets** - Where should you look? Consider membership demographics, location, competition, product demand, cultural fit, etc.

## 2

### Choose Your Partner

**Identify Candidates** - Pick your partner. Be sure to consider more than one, and prioritize them into three tiers (primary, secondary and tertiary targets).

**Reach Out Anonymously** - See if they're interested. Use a third-party facilitator to market the idea of a merger to them, anonymously.

## 3

### Build the Bridge

**Introduce Yourself** - Pitch the vision. A third-party facilitator can easily set a meeting with the boards and CEOs of both credit unions.

**Negotiations** - Build the deal. Use a mediator to identify the wants and needs of each side. Ensure all voices and concerns are heard.

**Letter of Intent** - Put a ring on it. Declare in writing your intent to join forces.

## 4

### The Legalese

**Assemble Your Team** - You need a plan. Consultants and key staff members can put together and manage your all-important project.

**Due Diligence** - Do your homework. This step is critical; a third-party facilitator will help.

**Valuation** - Know your target's worth. An independent valuation expert is necessary to complete all required accounting entries.

**Regulatory Approval** - File the paperwork.

**Membership Vote** - Everyone has to be on board. Communicate, communicate, communicate to get the desired vote.

## 5

### Close and Integrate

**Sign the Deal** - Make it official. A third-party administrator can help file the necessary documentation.

**Harness Technology** - Execute the deal and manage your team efficiently using integrated project management, collaboration and document management tools.

**Training** - Share the vision. Give your team the technical training, tools and resources to succeed in your new organization.

**Live Happily Ever After** - You did it! Seamlessly continue serving the best interests of the membership, staff and communities of both credit unions.

1. <http://ceoadvisory.com/average-cu-2-billion-in-assets/>  
2. [https://filene.org/assets/pdf-reports/141\\_Brown\\_Board\\_Mergers.pdf](https://filene.org/assets/pdf-reports/141_Brown_Board_Mergers.pdf)