

Succession Planning with an Eye Toward Mergers as an Option



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Introduction

The leadership and technical talent within the credit union industry has never been stronger. Great talent has arisen within credit unions, and additional talent has been imported from the banking, retail, and technology industries. The cross-pollination of ideas and experiences has further strengthened our talent base, providing optimism for the future of our industry.

At the same time, the financial services industry is in the midst of a hyper-evolution that is transforming our industry. The transition from a branch-centric to a technology-centric business model is accelerating. Competition from fintechs is already strong, accounting for 57% of all unsecured consumer loan balances, according to 2021 figures from Experian, and they are clearly on a path to capture a much larger share of the market in the future. Large banks are beating credit unions in customer satisfaction ratings and capturing ever greater market share (according

to the most recent American Customer Satisfaction Index). Meanwhile, regulatory pressures are mounting, and operational costs are increasing. On top of this, the competition among credit unions will continue to intensify as the larger credit unions search for growth opportunities.

Growing Importance of Succession Planning

Amid this evolution comes a growing awareness of the importance of succession planning, particularly for the CEO role. The succession planning process compels organizations to consider not only what their current leadership needs are but also what those needs will be in the future. This is a major challenge for credit union boards, since the environment in which their CEO will be operating in 10 to 15 years will be substantially different than it is today. Business models will become more complex, and asset sizes will be considerably larger. In 2022, the average credit union asset size was \$450 million with a median of just over \$50 million. By 2030, the average credit union is projected to be \$1.2 billion. If a successor CEO was hired today and had a typical longevity of a CEO, they would be retiring near 2040 when the average credit union would be, according to our estimates, well over \$4 billion in assets.

Vision, culture-building, communication, branding, and knowledge of financial complexities will become increasingly essential leadership traits as credit unions increase in size. Additionally, adopting a critical mindset about fintechs, maintaining a hyper-focus on innovation, and having a deep understanding of online member experience, analytics, and technology capabilities will be important characteristics of future leaders at successful credit unions.

In this competitive era, many credit unions will be challenged by the need to attract new talent to reshape their business models. They also will need to refocus their efforts to attract new members. Based on CEO Advisory Group's analysis of credit

union 5300 reports, we found that half of all credit unions have experienced a net loss of membership since 2010. Among credit unions under \$50 million, the smallest half of all credit unions, over two-thirds had a net membership loss. Although a number of these smaller credit unions are thriving, others are struggling to find a sustainable business model.

Mergers As an Option

As credit unions contemplate how best to position their credit union for future success, having a succession plan for selection of a strong leader will play an important role. For many credit unions, a thorough decision-making process should consider the advantages of a merger. Smaller-sized credit unions, and even some mid-sized institutions, may find they can't compete in an era of rising executive compensation and consequently will solve their succession issue by seeking out an appropriate merger partner. Larger credit unions, meanwhile, may discover that mergers are a way to bring more talent into their organization as a pipeline for future leadership roles that include CEOs as well as other C-suite positions.

For this white paper, we invited leaders within the credit union community to share their thoughts so that we can provide credit union directors and CEOs with perspectives of the succession planning process from different points of view. The participants in the white paper include current and former credit union CEOs, a recruiter, an attorney, and several consultants.

Ultimately credit unions wish to positively impact the membership, employees, and communities they serve. The succession planning process is an ideal time to take a fresh look at the mission of the credit union and evaluate the best pathway forward.



Section I: The Importance of Succession Planning

At credit unions, directors not only have a fiduciary duty to act in the best interest of the membership, but in our experience, they also must be passionate about improving the financial lives of their members. Their most important role is finding or developing a leader that will build a thriving credit union in the midst of an ever-increasing competitive landscape and increasing complexity of operations. Just as the manager of a football or basketball team has a large influence of whether a team wins or loses, so, too, does the CEO impact the relative success of the credit union.

Succession planning is the mechanism by which boards and senior management identify and develop new leaders. It's a crucial process to ensure that there are no gaps in leadership that would be detrimental to the healthy continuing operation of the institution.

“There’s an old adage that you should start succession planning on the CEO’s very first day,” says Robert Voth, who leads the North America consumer financial services business, encompassing credit unions, for Russell Reynolds Associates, a leadership advisory firm with worldwide offices. “That may seem antithetical to push forward with succession planning when your new CEO is just getting settled in, but one of the most important things that a CEO can do is ensure they have a strong bench and that this bench is being built and trained on a regular basis.”

Greater Urgency for Succession Planning

Over the past several years, succession planning has taken on even greater urgency. There are several reasons for this, but two factors stand out above all others:

- **Rising CEO retirements.** CEOs and other C-suite executives from the baby-boom generation are retiring at an unprecedented clip in the credit union sector and elsewhere. Pew Research Center reported that nearly 30 million baby boomers had retired from the workforce by the third quarter of 2020. Even with these retirements, baby boomers still comprised nearly 20 percent of the workforce as of 2020, but that percentage will rapidly dwindle as they continue to retire from the workforce at a pace of nearly 10,000 per day.
- **Heightened competition for top talent.** A phenomenon known as the Great Resignation reached its peak in 2022, when more than 50 million employees left their jobs for better wages and work conditions. In 2023, employees continue to leave for better job opportunities. Top-quality executives are especially in high demand, making the leap for an opportunity to become a CEO or other C-level executive elsewhere with a commensurate hike in salary.

These workforce conditions highlight the need to put succession planning on the front burner. Obviously, credit unions want their top executives to stay for the long term, but the reality is they will eventually leave. While there are numerous instances

of credit unions retaining their CEO for 20, 30, or even 40 years, most CEOs today are unlikely to make such a long-term commitment to one organization. OM Financial Group, a Boston-based financial consultancy firm specializing in credit unions and nonprofit organizations, reports that half of credit union CEOs plan to transition—whether by retiring or changing positions—in the next six years.

“You certainly have to build a succession plan, and within the depths of that plan, it’s the rigor that matters,” says Kirk Kordeleski, executive benefit consultant for OM Financial. “Boards have to be diligent in choosing a new leader. It can’t just automatically be the person currently in the CFO or COO role. One of those people may very well be the perfect fit, but they have to have the requisite skills, including the ability to communicate, the ability to motivate, and the ability to lead.”

The National Credit Union Association has identified succession planning as a critical component of a credit union’s overall strategic plan, noting that it must be an ongoing and iterative process to be successful. With that in mind, the NCUA approved a proposed rule that would require federal credit unions to establish a formalized process for filling key positions, including officers of the board and key management officials. Though announced on Jan. 27, 2022, the rule has yet to take effect. However, even without a regulation in place, experts in the credit union space agree that it’s wise to prioritize succession planning.

“For credit unions that are reasonably well-run, succession planning is part and parcel of what they do as a normal part of their strategic outlook and overview.”

—John Moreno, managing partner for Newcleus, a leader in compensation, retirement, and financial advisory services based in Newtown, Pennsylvania

Moreno adds that there are two types of leadership successions that happen in organizations: planned and unplanned. “Every credit union should have an emergency succession plan in case of an unexpected departure,” he says. “Someone gets hit by a bus, or putting a more positive spin on it, they win the lottery. Whatever the case, you need an emergency successor to keep the lights on. They may not be the long-term choice to run the organization, but they know how to keep things going in the right direction, at least for the interim.”

Planned succession is the more desirable alternative. “We’re seeing more attention being focused on planned successions for a number of reasons,” Moreno says. “One, NCUA is calling attention to it, but two is because of CEO retirements.”

Many CEOs postponed their retirements in 2020 and 2021 to help guide their credit unions through the pandemic. Another critical time for leadership may be imminent, given the World Bank’s recent warning of a looming global recession.

“A lot of these CEOs are tired of dealing with one crisis after another and are ready to retire,” Moreno says. “We’re seeing a lot of turnover in the C-suite, especially at the CEO position, and we now have credit unions focusing on ‘Our CEO may leave due to retirement,’ and they’re asking themselves, ‘How do we plan for such an occurrence so that we are in position to do what’s best for our members with the next chapter of the credit union?’”

Pathways for Determining Succession

There are two pathways for credit unions to consider when building their succession plan. One pathway would be to stay independent and hire a successor CEO. The alternative pathway would be to pursue a merger. A credit union may wish to consider both options simultaneously and can include both options in the succession plan.

Ideally a credit union would begin the process of activating these options at least three years in advance of the CEO's expected retirement. Often, we find directors have delayed the decision until months before the CEO's retirement and are then scrambling to find a replacement.

When exploring the options, credit unions should take a realistic view of how the financial services market is evolving and the leadership characteristics required to succeed in the future. They also should complete a realistic assessment of whether they can pay for the required talent and if their organization is considered an attractive place to build a career. In our experience, many credit unions have found it difficult to recruit CEOs due to their location, poor financials, or limited growth opportunity.

Building potential successors within your existing teams is ideal. Unfortunately, many smaller credit unions struggle with the ability to find and pay for the talent that could be potential successors. Complicating the issue for smaller credit unions is the required breadth of responsibilities for small credit unions under \$50 million or even \$100 million.

It's best to build a framework for succession planning even if you anticipate your CEO will be with the credit union for an extended period. Below is a brief overview of the factors that credit unions should consider when building their succession plan.

Addressing Regulatory Considerations

The NCUA has yet to put its proposed rule in place that would mandate succession planning. However, in January, the agency sent out notification that examiners will request information this year from federal credit unions about their approach to succession planning, including any written plan they may have established. No Examiner's Ruling or Document of Resolution will be issued for inadequate or lack of

succession planning (unless it violates the credit union's own policy). Nonetheless, the NCUA is sending a clear signal to credit unions that succession planning is becoming an expectation and something they should address in the near rather than distant future.

"The NCUA has been forthcoming that they are going to look for succession planning this year, regardless of whether there is a rule or not," says Brian Waldron, president/CEO of \$1.5 billion Dort Financial Credit Union, Grand Blanc, Michigan, serving over 100,000 members throughout the state of Michigan.

Dort Financial already has developed a succession plan that will pass muster with the NCUA. "We have a plan in place, but we are working to enhance our current plan which focuses on the board and CEO to encompass all the C-suite and several layers below and any individual contributor considered vital to the organization," Waldron says.

The succession planning at Dort Financial extends to the director and managerial level because, as Waldron explains, "Should somebody move at any given time, there can be a ripple effect within that department. So, we want to identify, even at the branch level or in the department, 'Is there someone who can take that manager's spot?'"

The NCUA's attention to the matter may serve as a wakeup call for those credit unions that have not made succession planning a priority. "For credit unions that are not proactively thinking about who the next wave of management is going to be, it will force boards from a governance standpoint to make this a priority," says Jeff Cardone, attorney/partner with Luse Gorman, Washington, D.C., the most prolific mergers and acquisitions law firm for banks and credit unions. "So, I do think that's a positive for institutions that are not proactively planning in that regard."

In years past, smaller credit unions may have ignored the necessity of succession planning. “For lack of a better phrase, they put their head in the sand with the hope that any negative impact would bypass them,” Moreno says. “But now that the NCUA has brought the issue to the front burner, they have to pull their head out of the sand and look at the question fully.”

During a 60-day comment period for the proposed rule last year, several trade organizations voiced opposition to making succession planning a regulatory requirement. Contending that credit unions already carry a large regulatory burden, the opposition noted that the language in the proposed rule would serve better as guidance rather than as a mandated activity.

Teresa Freeborn, who served as a long-term credit union CEO and is now an author, speaker and consultant, concurs with this contention under her assertion that “less is more” when it comes to regulatory matters.

“While I’m a big proponent of succession planning, I prefer the route of persuasion and education over regulation which—almost by definition—doesn’t allow for individualization”

—Teresa Freeborn, author of the book *Suits and Skirts: Game On! The Battle for Corporate Power*, published in 2023.

“The NCUA means well, and I applaud their stated goal of preserving credit unions, but I’m not convinced this is a place where regulation serves a sufficiently useful purpose that outweighs the costs and burdens involved.”

The high costs associated with existing regulatory burdens is already a major driver of credit union mergers, Freeborn adds. “So, it’s ironic the NCUA appears to view

yet another regulation as a net positive for the institutions it wants to preserve. Beyond costs to members as a whole, imposing yet more requirements on volunteers places another obstacle in the way of small credit unions' ability to attract and retain qualified board members."

Voth observes that boards of smaller credit unions are typically not experienced at developing executive succession plans. "It's just not in their bailiwick, in which case they should find an outside firm to help them with the process," he says. "They need a strong succession plan for the health of the credit union and especially their members, so the NCUA is not incorrect in what they are proposing. It's put organizations on notice that they must organize and execute succession planning the right way."

Adapting to Industry Change

For succession planning to be successful, it's important to start with an understanding of how credit union leadership—and credit unions themselves—have changed. Over the past century, credit unions have invented themselves, reinvented themselves, and then reinvented themselves again to stay apace with an ever-evolving financial services market and the consumer expectations that go along with it.

"I think we're in a fifth generation of the business model and a fifth generation of leadership," Kordeleski says. "While previous generations had limited competition, often because they were tied to a few companies or to a smaller community, this new generation has to compete against multiple financial institutions, including big banks, community banks, fintechs, and retail financial institutions." (See chart: [Five Generations of Credit Union Leadership](#))

The fifth-generation business model entailed a transition into a digital and data-driven business model, which represents what Kordeleski calls "an industrial revolution level of change" for credit unions.

“Leadership styles as well as business plan strategies and charters have evolved with the industry, as they should, hand in hand,” says Kordeleski. “So, the skills are much different. They’ve become more about strategy, more about brand, more about technology and finance, more about discipline around interest rates, discipline around product pricing, being able to develop a broad-based strategy and vision, and being able to communicate that vision and creating an environment for executing it.”

Five Generations of Credit Union Leadership

Generation	Core Business	Leadership Characteristics
1 st Generation 1930s-1950s	Providing simple consumer loans and savings, often devoted to one SEG or industry. Expenses were minimal.	Small leadership team, often consisting of volunteers.
2 nd Generation 1950s-1960s	Expanded beyond savings accounts and unsecured loans to car loans and remodeling loans.	Greater need for administration management. Minimal marketing or technology expertise.
3 rd Generation 1970s	Many credit unions growing by serving larger companies and multiple SEGs. Product offering expands to include credit cards, CDs, mortgages, and other financial services.	More leaders with finance/accounting backgrounds, skills in operational management. Leadership starting to strategize.
4 th Generation 1980-2010	Increasing number of credit unions transitioning from SEG-based to community charters. Convenience models built around branches and ATMs.	Leadership focusing on growth strategies and project management. Skills required to manage more complex, multidisciplinary organization encompassing risk, marketing, and technology.
5 th Generation 2010-present	Credit unions becoming larger, multi-state, regional and national markets with more diversified business operations, particularly those over \$1 billion in assets. Models are shifting toward digital and data focus.	Leaders are managing within a corporate and divisional structure where they are accountable for their business lines’ performance. More highly educated with broad-based knowledge in finance and technology as well as an understanding of digital and data, AI and machine learning.

Source: Kirk Kordeleski

Freeborn notes that leadership requirements have evolved to include soft skills that have been shown to be valuable in building successful teams. “The effective credit union CEO of the future isn’t going to just be a super high-performing lender or finance guru, when we know that the CEO role is already heavily tilting toward less traditional skills like communication and collaboration, empathy, critical thinking, transparency and ethics, and managing for performance,” she says.

Focusing on Financial Performance and Growth

Succession planning requires the selection of leaders who understand the importance of financial performance, specifically how to achieve growth. Potential CEOs should be able to assess various pathways that will lead the credit union to greater growth.

“There are several growth considerations, such as investing in technology, expanding your field of membership footprint, and possibly undertaking strategic mergers that may make sense from a scale standpoint,” Cardone says. “There are also outside-the-box strategies, such as forming a CUSO partnership, which would allow a credit union to offer new lines of business, such as insurance, wealth management, to create a one-stop-shop model to attract members. With more scale and continued membership growth, a credit union is more likely to remain independent.”

Increasing liquidity and building member deposits also are key to maintaining a strong financial position. “Credit unions can compete as long as they’re attracting new members and attracting deposits,” Cardone says. “In a higher interest rate environment, I think that’s going to be the big competitive challenge going forward.”

One area that is adding a greater burden for credit unions, especially smaller ones, is the continuous need to grow earnings. “In the past, we saw fewer issues at smaller credit unions as long as capital ratios were strong,” says Mark Weber CEO/chairman

of Strum Agency, a Seattle-based financial branding and marketing agency working extensively with credit unions. “But today, it’s not enough to hold onto capital; you have to use it to invest in the future—expand and enhance services, be more competitive, focus on building products, being innovative with marketing and growing relationships—so that you can build earnings on an ongoing basis.”

All of this causes mounting pressure on the CEO, Weber observes. “It requires a higher level of learning and adaptation to drive growth.”

Compensation/Affordability

In building their succession plans, credit unions need to gauge how much they can afford to pay for future leaders. The affordability factor has become increasingly challenging, especially for smaller credit unions that may be hard-pressed to compete for CEO candidates in today’s tight labor market.

The CUES Executive Compensation Survey reports that CEOs’ average total compensation rose at an annual rate of 9.2% in 2022, up substantially from 6.8% in 2021. In an October 2022 article for *Credit Union Management* that detailed the results of the survey, experts reported that this “hyperactive compensation growth in the credit union space” shows no signs of easing in 2023. Credit unions hoping to retain their high-performing employees for future leadership positions may be thwarted in their efforts, since these employees can boost their earnings immediately by accepting an open leadership slot at another organization.

When boards are ready to hire a CEO, Kordeleski recommends that they work with a firm that is an expert at developing compensation packages for credit unions.

“Many credit unions make a fundamental mistake of working with compensation firms that are outside of the credit union space,” he says, noting that the absence of stock options makes compensation packages significantly different for credit union

executives than they are for executives at other types of financial institutions. “If you don’t deeply understand how to construct compensation in the credit union space, which is much more similar to the university and healthcare space than it is to a bank, then you’re going to create a model that mimics for-profit institutions but without the stock options and the increase in value.”

OM Financial pioneered the concept of Supplemental Employee Retirement Plans (SERPs) as an important component in compensation packages for credit union executives. Kordeleski explains that SERPs are one of four components of compensation packages that also include the base salary; annual incentives, which are connected to growth and performance; and long-term incentives, given potentially at the five- or seven-year anniversary to retain leaders.

“SERPs, whether they’re a 457(f) or split-dollar plan, essentially mimic stock options,” he says. “So, if you’re acquiring talent from a major for-profit institution and you’re significant in size, you can offer SERPs that provide long-term value for someone joining the credit union. This is a way to compensation those people who would have gotten stock options at C-level positions or senior VP positions at a for-profit company.”

Understanding Technology

Choosing the right leader for your credit union means selecting someone who understands how the industry is evolving. In today’s world, that means having an appreciation for technology and understanding the rising risk of cyberattacks.

“The complexity of regulatory compliance has always been there, but the sophistication of needs around compliance issues have expanded in cybersecurity, in HMDA regulations, in lending, online and mobile, and in growth planning,” Weber says. “The smaller the credit union, the greater the burden it places on the CEO to know more.”

Factors to Consider When Building the Succession Planning Framework

Regulatory Considerations:

Are you knowledgeable of current and pending regulations of the NCUA and your state regulatory body?

Adapting to Industry Changes:

Do leadership skills align with the current credit union business model?

Focusing on Financial Performance and Growth:

Do your succession candidates have a strong financial background and understand the various pathways for achieving growth?

Compensation/Affordability:

Are you knowledgeable of current compensation levels for credit union executives?
Can you afford the leadership skills you need?

Understanding Technology:

Do your succession candidates understand technology and the latest defenses related to cybersecurity?

Achieving the Organization's Vision:

Do your succession candidates have a strong vision of where and how to lead the credit union in the future?

The transformation to online and mobile channels has further increased the burden for CEOs, who must meet ever-evolving consumer expectations in the digital space. “CEOs have to be incredibly sophisticated in understanding how the business has shifted and building the skills it takes to stay competitive,” Weber says. “There’s no question this digital focus has changed the game.”

Cardone observes that the digital transformation of financial services represents both a challenge and an opportunity for credit unions. “Institutions and other competitors such as fintechs can reach more customers without actually having to have a physical presence in the marketplace,” he says.

At the same time, the cost of technology has intensified the need for scale. “If I were running a smaller CU, that’s where I would be hyper-focused,” Cardone says. “Technology enhances the member experience and is vital for credit unions to reach a broader customer base and ultimately to attract new members.”

Achieving the Organization’s Vision

Succession planning corresponds with having a strong vision for the future. “You’ve got to think about how the retail banking market is going to change, what strategy is going to drive your success, what is the unique member value proposition that’s going to win out in this competitive environment, and then build your future executive team around that,” Kordeleski says.

As credit unions think about the future, Cardone stresses the importance of thinking about members as well. “Beyond the next wave of management talent, it is important for credit unions to think about who’s going to be their future membership base. If the goal is to remain independent, it is important to analyze succession from three vantage points—the management team, the board, and your membership base.”

When looking for a leader, credit unions need to ensure that they select someone who will embody the culture of the organization. “Credit unions are unique in that they are more culturally sensitive to leadership changes than other financial institutions,” Voth says. “The organizations on average have much longer-tenured teams, and they tend to be truly involved in their communities.”

That’s not to say that regional banks aren’t tied into their communities, Voth concedes. However, he can readily cite examples of credit unions whose identities are woven into the fabric of their community. “When you’re a credit union that’s woven into the fabric of your community—day in and day out—the change at the top greatly affects people and their communities,” he observes.



Section II: Recruitment of Leaders

Successful succession planning is tied to the credit union's effectiveness at recruiting top talent for leadership roles. It's especially important to be spot-on when recruiting for the CEO role. As Voth's firm, Russell Reynolds Associates, observes: "CEO succession planning is more than a changing of the guard. Done right, it becomes a powerful catalyst for business transformation and growth."

Future leaders can come from either within or outside the organization. Even if successful candidates for leadership posts eventually come from within, Voth stresses that there are advantages to conducting a search that expands beyond a credit union's own walls—and even beyond the organization's local or regional market.

"Due to the parochial nature of credit unions, executive searches on average follow the same theme: homegrown or regional," he says. "While that is admirable in theory,

it is dangerous in practice as it pertains to growth and innovation. The adage of the ‘same old, same old’ too often rings true. Boards must be able to measure their internal talent with external talent.”

“They should separate in their minds the thought that doing a search or market mapping exercise is directly correlated to replacing an executive—because it is not,” Voth adds. “The exercise is meant to educate and benchmark. It is difficult to do that if the only benchmark you have is yourself and similar credit unions of similar size in your region.”

As a hypothetical example, the board of a Boston credit union may decide to limit their search for a CEO successor to candidates within the Boston geography. “You can understand the rationale,” Voth concedes, “but if a credit union in Florida or in Texas has better digital platforms, has developed an innovative CUSO, has an HR system that’s more efficient, or is lending in a more innovative and automated way, one of two things happen. You land an exceptional candidate or learn what new horizons your credit union should set as strategic goals.”

Voth cites recent CEO placements at Digital Federal Credit Union (\$10B, Boston, MA HQ) and Travis Credit Union (\$4.8B, Vacaville, CA HQ). DCU successfully recruited Shruti Miyashiro from Orange County Credit Union, a relocation that literally took her from one corner of the country to the other. TCU successfully recruited Kevin Miller from TCF Bank and Briviant (a fintech); Miller relocated from Chicago to Northern California. “Both are exceptional CEOs who bring fresh perspectives and new energy while possessing the soft skills to respect the rich history of their respective new companies,” Voth says.

While attending national conferences and speaking with peer credit union executives is valuable in gaining market insights, Voth recommends doing so in conjunction with a regular mapping exercise. “This doesn’t have to be done annually, but it should be

done at least every three years. And it shouldn't be for the same position. Companies should map and target the CEO first, then order their needs, such as marketing, operations, distribution, technology, or risk. You can cycle through all of these areas."

Developing Internal Candidates

There are several advantages to developing internal candidates for higher leadership positions. One key advantage is that the credit union can target its high-potential employees and customize their education, experience, and career trajectory to mold them into the type of leader that best fits the vision and strategic direction of the organization. Another advantage is that the board can get to know the organization's top leaders over time.

"They observe them during boardroom presentations, talk with them over cocktails and dinner, and sometimes make site visits, where they see the leaders working with their team," writes corporate governance expert Ram Charan in an article on leadership transitions in *Harvard Business Review*. "But along the way, directors often develop favorites, especially if they've coached someone in the succession pool. Those psychological bonds can be hard to break."

Internal candidates are typically able to adapt to their new roles more quickly than those brought in from the outside.

"If you were to look at the best-case scenario, a majority of credit union CEOs would be internally promoted because they understand the organization and are already members of the community."

—Robert Voth

“If the succession plan is designed properly, they will have gained the appropriate skillsets to do the job. This takes long-term planning with initiatives that span years, not months, and thus the need for an in-depth succession plan the board monitors on a regular basis.”

Voth adds that providing employees with cross-functional training and experiences in a variety of roles—i.e., financial, operations, line of business experience, etc.—will prepare them for leadership roles. “You can have somebody in a seven-year period be on both sides of the balance sheet, be internal- and external-facing, that absolutely build their skill sets,” he says. “You can do this with two or three people, not just one. Credit unions have the ability to look at their internal people and put them on a well-designed succession plan, carefully built piece by piece.”

Cardone recommends that credit unions take steps to develop their people internally as potential successor candidates. “Even doing rudimentary things like bringing your younger population to conferences, including them in strategic planning sessions, and allowing them to attend board meetings will help foster a culture of continuity and planning,” he says. “That’s important, because it’s much more cost-effective to find talent internally than to try to do so externally.”

Considering External Candidates

While promoting an internal candidate is typically faster and less expensive than making an external hire, *HR Magazine* reports that “external hiring delivers advantages, too, including injecting fresh ideas and new skillsets into a company. It also allows the hiring manager to draw from a larger supply of candidates.”

At Dort Financial, Waldron came on board as president/CEO in March 2022, succeeding long-time CEO Vicki Hawkins who had been with the credit union for 36 years. Waldron came to Dort Financial from \$6.5 billion Hudson Valley Credit

Union in New York State, where he was the SVP/chief lending officer. His selection was preceded by a process, overseen by an executive search firm, that considered both internal and external candidates. In his new role, he leads a staff of 300-plus employees.

One of the internal candidates was a finalist for the CEO spot, but that person remains on Waldron's executive team and is a key contributor. In fact, Waldron reports, "The internal candidate is a fantastic individual who understands that 'business is business.' There is no ill will whatsoever."

Going forward, Waldron says there has been no difference in how he has treated this internal candidate versus the way he treats the rest of the executive team. "It was important for me to communicate that everyone is a welcome member of the team," he says. "So, I think it takes both. It takes the new CEO to create an environment where everyone works together and the internal candidates to be prepared for that as well."

Conducting a Thorough Search

When a credit union has an opening for an executive position, Voth recommends the board do a market search to interview a handful of external candidates even if there is a qualified internal candidate who is ready to step up. "Even if you're 80% sure you'll be hiring your internal candidate, meeting other peer executives at that level allows you to widen how you measure the future success of the incumbent," he says. "It will provide boards and CEOs ideas on how to benchmark and measure a higher level of success, and it will always keep you on your front foot."

Kordeleski similarly advises that credit unions consider both external and internal candidates for key leadership roles. "On the one hand, the internal hand-off is smoother," he says. "However, I believe it has become essential to look at outside talent so that you understand the entire marketplace."

Reasons for Considering Internal and External Candidates

Internal Candidates	External Candidates
They are already familiar with the organization and the community.	They bring in a fresh perspective and fresh ideas.
They have built relationships and trust with the board of directors.	They may have experience as a CEO (or C-suite executive) elsewhere.
They know and can build on the culture of the organization.	There's a large pool of candidates to draw from, some of whom might have specialized skills that internal candidates do not.
The credit union's leadership development program likely has built the employee's skills to match the organization's needs.	Regardless of whether you hire an external or internal candidate, the executive search process allows you to benchmark how your candidates and executives measure up against other organizations.
The onboarding process is typically shorter and less expensive.	You may be able to enhance your diversity (though an internal promotion can do the same thing on a higher level).
The organization may be able improve morale and enhance retention by showing there are pathways to greater career opportunities.	It may be easier to accept their authority than that of a co-worker who has been promoted.

Especially in the case of a CEO selection process, Kordeleski contends that hiring an executive search firm is critical. "They have the rigor. They know the good candidates, and they will guide you through the process that includes the strategic, the financial, and helping you select someone who understands the philosophy of the membership ownership cooperative model."

Challenges for Small/Mid-Sized Credit Unions

Small to medium-sized credit unions face challenges in recruiting and retaining future leaders. Because of competitive salaries, it can be difficult to attract new talent for key C-suite positions or even to keep the talent they have, since they may

be recruited away by a financial institution that can offer attractive compensation packages.

The smaller the asset size, the more difficulty credit unions are likely to have. The 2022 CUES Compensation Survey clearly showed a correlation between asset size and CEO compensation levels. For all asset sizes, the median total compensation for CEOs was \$451,227. However, there was an extreme difference in total CEO compensation for credit unions under \$50 million in assets (\$134,0238) and those over \$1 billion (\$742,466). Even CEOs at credit unions between \$200 million and \$400 million in assets had a total median compensation package of just over \$280,000—not even half of what those who are leading \$1 billion-plus credit unions commanded. Thus, there certainly does seem to be an incentive for talented executives to target larger-size credit unions for their next career move.

“Most current or aspiring CEOs who leave an organization are looking to move up or at least laterally in asset size,” Moreno says. “It’s difficult to find someone who is CEO-capable and qualified, who is willing to step into a smaller credit union to run it.”

With the pending NCUA rule and the difficulty of finding suitable candidates for succession, this may make small to mid-sized credit unions more inclined to look at mergers as a more viable pathway. “I would say, almost unequivocally, a number of them will have to go that path,” Moreno says. “The biggest headwind facing smaller credit unions is the inability to achieve the scale that will allow them to compete on price with many others in the marketplace.”



Section III: When to Consider Mergers

A strategic merger may be the preferred route to succession planning for many credit unions, particularly for smaller credit unions that may find the burden of succession planning is more than they can handle.

Mergers have been an ongoing activity in the credit union industry for decades. In 1970, the number of credit unions peaked at nearly 24,000. Since then, consolidation has been proceeding at a fairly consistent rate of about 3% per year. At the end of 2022, there were just under 4,900 credit unions.

Depending upon the circumstances of the individual credit union, it may be best to merge into a larger credit union, merge with a like-size credit union, or merge with a smaller credit union. There are numerous highly talented CEOs in smaller credit unions looking for career advancement and would find an opportunity to combine

their smaller credit union into a larger credit union an ideal situation. In many cases, a merger is the best strategic option to elevate a credit union's competitiveness. It will provide them with a greater competitive edge and the ability to enhance service to members.

Cardone observes that a lack of CEO successors is a factor that is driving mergers for many smaller credit unions, especially those in less metropolitan communities where it is harder to attract talent.

"Many of the credit union mergers we see involve credit unions below \$200 million in assets that are looking at their future," Cardone says. "How are they going to grow? How are they going to gain scale? They feel it's more efficient to do so by merging than trying to grow organically."

Factors That Are Driving Mergers

As previously mentioned, the retirement of CEOs is having an impact on the succession planning process. The growing number of retirements also is fueling discussions about mergers, especially among smaller credit unions and those that are facing multiple retirements on the C-suite level.

"There's been a massive bubble of the Greatest Generation and boomers aging as CEOs of organizations over the last 10 years," Weber says. "We've seen some organizations with as many as two-thirds of their senior leadership team readying for retirement. That presents a huge succession challenge and has been a trigger for some organizations to consider looking at mergers as market-rate compensation has grown."

More credit unions, both small and large, are finding the ideal time to consider a merger is when their CEO is nearing retirement age. When their CEO departs, they will already be factoring a period of transition and cultural change, so it's a good time

to consider a merger option and whether it might be best for members, employees, and the community. Many conclude this is the right time to significantly enhance the efficiency and market power that a merger can provide. Mergers also could be considered a good way to recruit a CEO from a smaller or equal-size credit union. The merging credit unions can gain resources that otherwise might take years to develop through organic growth.

As a veteran credit union executive, Freeborn can affirm that the impending retirement of a credit union's CEO is frequently the impetus behind merger discussions for smaller credit unions, but it's usually not the only reason. "A merger is often the perfect solution when a retirement is in the offing, but there are so many more good reasons to merge that I can attest to, having been on both sides—as acquirer of multiple other credit unions, and later being acquired," she observes.

In her career, Freeborn spent four decades in the international credit union movement, most recently as president/CEO of the federally chartered Xceed Financial Credit Union (formerly Xerox Federal Credit Union) before orchestrating Xceed's 2021 merger with Kinecta Federal Credit Union and serving as the continuing credit union's president.

"With every acquisition, our credit union was able to expand our footprint, bolster our balance sheet, and cost-effectively grow our membership," she reports. "That always delivered a huge win for both existing members and the new members, who were able to continue their credit union relationships but enjoy more and more affordable products and services as a result of merger economies of scale."

In a merger, Freeborn notes that it's not only scale that matters but also finding a cultural fit. "Cultural fit is vital and should comprise a significant chunk of both credit unions' due diligence," she says.

Freeborn concedes that continuing to operate as an independent may be the ideal, but mergers will continue because many smaller credit unions do not have the resources to keep up with the ever-increasing cost and complexity required to stay in operation.

“The key point is that we all have to take very seriously our stewardship role,” she says. “We have an obligation to members, which requires us to not simply keep the credit union functioning but to ensure it can continue to be a positive difference-maker in our members’ lives. We have to do what’s necessary to be in a position to go toe-to-toe with the big banks and a multitude of new competitors. In many cases, those realities make merging the only responsible choice.”

The rising cost of talent acquisition is another compelling reason for a merger. Merging with another credit union can facilitate future succession planning by filling the talent pipeline.

“We’re seeing a lot of mergers these days, where a smaller credit union with a younger CEO is merging with a larger credit union.”

—Kirk Kordeleski

“That younger CEO could be the leader of the sustaining credit union after a few years. The sustaining organization could build the skill sets of that young leader and offer better compensation that the smaller credit union could not.”

The merger also may provide talent for the CFO, COO, CMO and other roles, Kordeleski adds. “As you grow in assets, all of these roles become critical. You can look externally to fill these roles, but you may want the option to hand them off to someone internally.”

Considering a Merger of Equals

A potential pathway for credit unions to grow scale is to consider a merger of equals—i.e., a merger between two credit unions of nearly equivalent asset size. According to industry consultants, this is a scenario that appears to be happening more frequently today.

“I’ve been involved in a lot of these myself over the last 20 years,” says Weber.

“Depending how close the asset sizes are, we tend to not call them mergers of equals, or MOEs. Instead, we use the term ‘mergers of peers.’ It sets the tone for a partnership better than larger or smaller.”

Weber reports there are various questions that come up in a merger of this type, such as:

- ➔ Who is the surviving leadership team, and who is transitioning?
- ➔ Where does the headquarters stay, or split regionally?
- ➔ Which one has a greater market for expansion and growth in?
- ➔ What should the name and brand of the combined credit union be?

That last point can be a particularly sticky issue, according to Weber, whose firm has been involved in more than 80 financial name changes. “Being a firm that specializes in financial rebranding and name changes, we’ve done more name changes than any agency in the United States, probably more than all of them combined,” he says. “The decision of whether you change names, or keep one of the existing credit union’s names, is part of a strategic evaluation that is best led, managed, and facilitated by those who know what criteria should ultimately drive that decision and not leave it to the emotions around names.”

The merger of peer organizations also entails negotiations related to filling the various leadership positions—not just who is going to be CEO but also COO, CFO, or

even newer titles like CXO. Weber reports that sometimes the solution is to create short-term roles as a transitional solution. “For instance, you have older leaders who don’t have a long-time horizon—perhaps three to five years. Their title/role can be mentor, advisor, or leader to ensure a smooth transition internally and externally in the communities.”

Another effective strategy is rethink how you staff the organization, taking into account that it has become larger and more complex than it was before. “You might need to think in terms of regional divisions, which is what often occurs in larger, multi-state financial institutions,” Weber says. “There’s value in having a wider range of expertise with more people who can oversee and manage regions rather than relying on fewer leaders trying to manage the complexity of huge, distinct markets they’re unfamiliar with.”

Persuading key employees to stay in the newly merged organization is important for succession planning, especially when these people do not immediately ascend into leadership or the C-suite. “You may need to bring in professionals to ensure that retention and career opportunities become a critical part of the plan,” Weber says. “The leadership team should strive to develop the same kind of camaraderie, collaboration, and fresh thinking they had at the different, smaller organization before.”

Adding Scale with Bank Acquisitions

For credit unions looking to achieve scale that will aid them in their succession planning, a viable and growing area for consideration is to acquire a bank. It’s an unmistakable trend in the industry. According to S&P Global, credit unions struck a record number of bank acquisitions in 2022.

The total assets acquired through bank acquisitions in 2022 is **\$5.49 billion**, well above the previous figure of **\$3.92 billion** in 2019.

One of the 2022 acquisitions is Dort Financial's agreement to acquire Flagler Bank in southeastern Florida, which will put the credit union over the \$2 billion asset mark. The acquisition is the credit union's first expansion outside the state of Michigan. Once the deal is complete, Dort Financial will have four branch locations that will provide a presence from West Palm Beach to Boca Raton, Florida. Because Flagler is a well-known name in the area, the institution will operate as Flagler Credit Union, a division of Dort Financial.

"We're excited to keep all of their staff members on board with us," Waldron says. "We thought it was really important to serve their current customers and their new customers with staff that know the area and are familiar with the current operations."

Cardone observes that there are a variety of reasons that a bank acquisition can be attractive for credit unions, including factors related to succession planning and building out a team. "As credit unions look to offer more diversified lines of business beyond consumer lending—for example, commercial lending—they're looking at bank acquisitions not only to increase scale and to enhance geographic footprint, but also to attract the next wave of executive talent."

Unlike credit unions, community banks typically don't have a robust retail franchise outside of mortgage lending, Cardone adds. "They're light on consumer lending, so it ends up being a good fit for credit unions that find the right bank partner. You can augment or align the businesses, bringing them together under one roof."

Bank acquisitions, in many ways, are easier for credit unions than acquiring other credit unions, primarily because social issues—such as what institution's name is

going to continue, how are board seats going to be allocated, who is going to continue in management—typically don't come into play.

"It's not that the social issues aren't important, but they're clearly secondary to price from a bank seller's perspective," Cardone says. "A key element in the acquisition is ensuring that credit union has a viable team for running the bank in the short term—making sure the talent is there so that the business can continue efficiently."

Reasons to Consider Mergers

- ➔ To coincide with CEO and other C-suite retirements
- ➔ Due to the high cost of talent acquisition
- ➔ To build scale in the face of rising operational and technology costs
- ➔ To expand into new geographic markets
- ➔ To expand new product offerings
- ➔ To enhance service to members
- ➔ To build the talent pipeline for future succession planning
- ➔ It may be the best strategic option for building the credit union's competitiveness.

Other Ways to Create Scale

Mergers are an efficient way to create scale, but they're not the only way. Credit unions can work in partnership with one another to build technology platforms or combine backroom operations covering such functions as ACH, card operations,

accounting, servicing of loans, and more. Sharing a contact center also can be a cost-effective collaboration.

“Credit unions’ super-power is collaboration, sharing information and working together,” Kordeleski says. “If you can collaborate on the necessary backroom activities of the credit union to lower costs, then I think you’ve created a very similar aspect to a merger.”

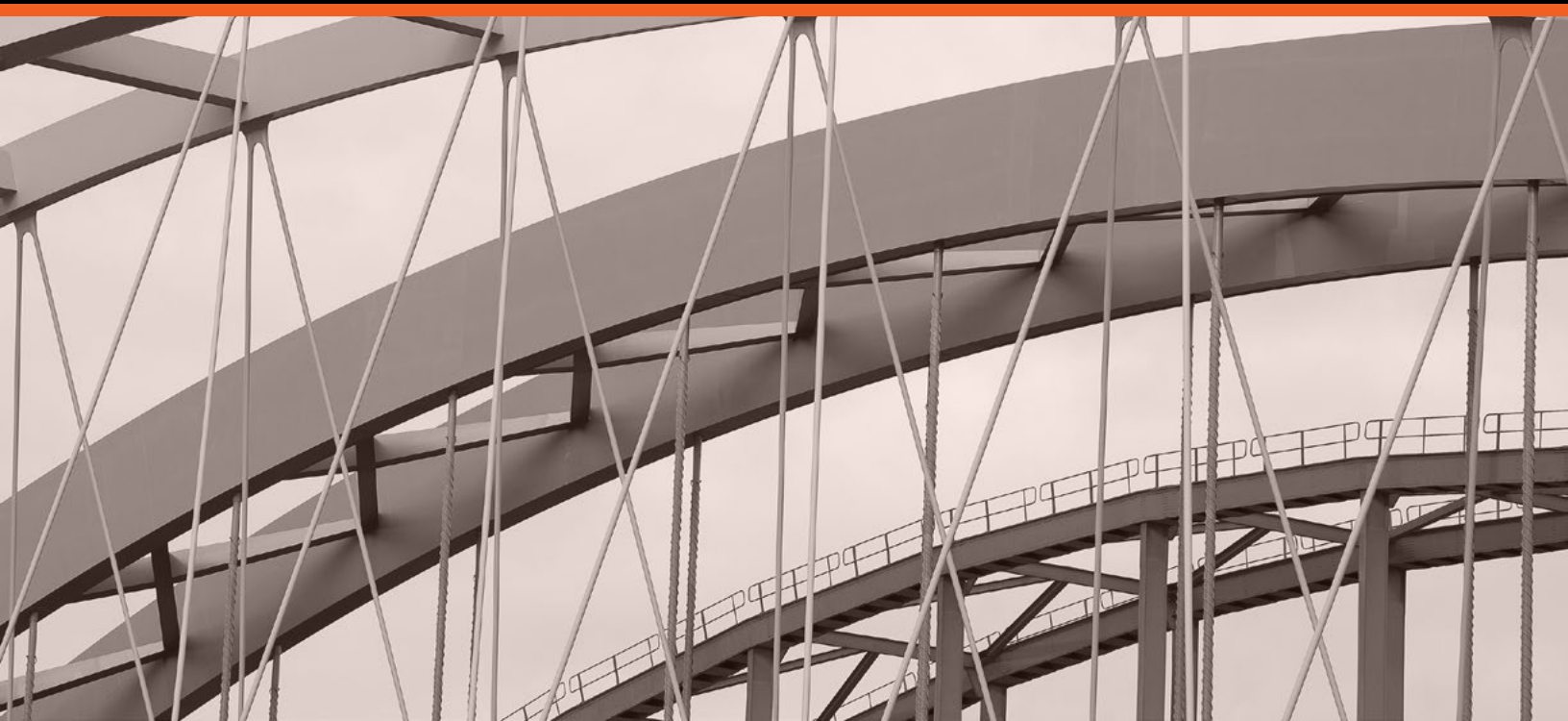
Moreno likewise sees value in building scale through partnerships. “We’re seeing a lot of credit unions cultivating partnerships with fintechs and outside organizations. These new partners are designed to enhance parts of the business cycle that credit unions either don’t have the money or the knowledge to streamline.”

Keeping an Open Mind

With the exception of the pending acquisition of Flagler Bank in Florida, Dort Financial has achieved almost all of its growth organically. However, Waldron contends that it’s important for credit unions to maintain an open mind about mergers.

“I believe there’s always a place for M&A in your growth strategy,” he says. “It’s important to have that strategy written and talked about at the board level and by the senior executive team because a merger can happen at any moment.”

His advice to other credit unions? “You should always be prepared for a merger, even if you’re not necessarily out there seeking one.”



Section IV: Building Future Leaders

Going hand in hand with succession planning is development of future leaders to ensure they are ready to step into the shoes of the leaders who have come before them.

Kordeleski stresses that it's important to identify what you are looking for in a new leader. "Determine what's important—strategy, finance, competitive analysis, member value propositions, communication, and so on—and then rank those according to how your inside folks are performing," he advises, noting that once these traits are identified, credit unions can build their leadership development plans accordingly.

The best leadership development plans take a multifaceted approach to leadership development, which includes education about all aspects of credit union

management as well as exposure to non-credit union experiences in relevant areas, such as digital and data, AI, finance, brands, and strategizing. “Your potential future leaders, in my opinion, should have outside mentors and coaches,” Kordeleski says. “They should be put on boards of community organizations, so they understand how board members interact, and they should be given stage time with the board.”

All of that should be coupled with a plan for outside education, Kordeleski adds, which could include attending continuing education courses such as CUES CEO Institute.

Weber concurs that ongoing industry learning and education is an important component of developing new leaders. “Certainly, we see organizations like CUES with its CEO Institute series continuing to ramp up and grow their partnerships with major universities, professors, and experts. CUNA has stepped up its educational efforts in developing new leaders as well.”

At Dort Financial, the leadership development approach ranges from internal skill development and cross-functional training to external leadership conferences and outside education. “We’re building a cross-functional team, so those employees who have been identified as successors have a chance to work together on projects and learn skills outside their discipline,” Waldron explains. “It’s giving them a chance to expand their expertise, because as you continue up the ladder toward the C-suite, you need to develop some cross-functional experience.”

Dort Financial not only identifies successor candidates for future leadership positions but also puts together development plans to prepare them for those roles. “We’re trying to take a global approach to it and not just say, ‘We have a person identified. That’s all we need to do.’ We make development plans for each individual,” Waldron explains.

When he first came on board, Waldron made it a priority to have one-on-one “listen and learn” lunches with team members to get a good handle on their strengths and capabilities. Now that he has been with the credit union more than a year, he feels equipped to move forward in earnest with the credit union’s multi-level succession plan.

“I had to get to know all the players and understand their upward mobility, what their intentions are, and what they want from their careers,” he says. “Once the new CEO is in place and a new strategy begins to develop, you can start to develop your bench strength and who you would like to take the succession role, even on an interim basis, should such an occasion arise.”

Developing the Next Generation of Leaders

As credit unions move forward with succession planning, many of their designated future leaders are likely to come from the millennial and Gen Z demographics, who make up nearly half of today’s workforce. A 2021 Gallup survey found that these generations are looking for employers who care, first and foremost, about their employees’ wellbeing and who also promote a culture that is diverse and inclusive of all people.

“There are younger generations of leaders who have different value sets regarding what they want to accomplish in their careers and what impact they want to have in growing a merging organization,” Weber says. “That innovation and passion should be prized.”

Weber notes that it’s important to cultivate young leaders who have a growth mindset. What does it mean to lead with a growth mindset? *Forbes* describes it as the ability to recognize opportunities, even during times of crisis, noting that such leaders “look for ways to help their team grow, break down silos, and create opportunities for collaboration so that they can overcome challenges together.”

Affirming the importance of these skills, Weber remarks, “I’ve seen a cadre of organizations that are bringing in leaders who have a growth mindset and are thinking about the strategic implications of regional, multi-generational, and brand growth.

“Boards want someone who is looking ahead, realizing that they are preparing themselves now for the next 20-year run.”

— Mark Weber

Kordeleski observes that young leaders have some key attributes that set them apart from their predecessors. “Many of them are more broadly educated, with a deeper business education, mostly master’s degrees. They are more digitally and data-comfortable, either because they’ve grown up with digital and data or they’ve become well acclimated towards it.”

Younger leaders also are more comfortable in a complex market. “They understand brand position in a market and are constantly looking at new opportunities, whether it’s mergers, new markets, new products, fintech partnerships, or CUSOs,” Kordeleski says. “They are also good communicators. They have a vision for the future and are able to define it to the team so that everyone is aligned around that strategy and able to compete with a winning member value proposition.”

The Challenge of Retention

The difficulty in retaining high-quality employees may make credit unions question whether leadership development is worth the substantial cost. “It’s become a real issue for a CEO who has built a tremendous leadership team, and now those leaders are the CEOs of five or six other credit unions,” Moreno affirms.

Nonetheless, Moreno contends that developing future leaders is worth the cost, even if some of them do go elsewhere. “What we need to do, while they’re with our credit union, is make sure they’re driving our standards forward even as we acknowledge the fact that they may not stay with us until the board is ready to name the successor to the CEO,” he says. “If we operate under that assumption, we can prepare for it and plan around it. We can make sure we have a development plan so that there’s always someone waiting in the wings for every role in the organization.”

Moreno adds that credit unions may need to broaden their assessment of who has the best potential for leading the organization. “Typically credit unions have found their CEOs from the finance side of the business,” he notes. “It was often assumed that if you were the CFO or VP of finance, you were in the best position to be chosen to lead the organization. What I’ve seen more recently is a push to bring people from different parts of the organization into the C-suite or the CEO role, such as the person leading HR or retail operations or member experience. We’re seeing a lot more diversity of background being chosen for the CEO role.”

In Moreno’s view, the best CEO candidates have a broad-based combination of skills that they can use to marshal a team and motivate them to perform. “I’ve seen a number of executives or CEOs who have a diverse background in finance, banking, retail operations, and leadership management,” he says. “It’s almost a foregone conclusion that they’re going to be successful because they know how all the puzzle pieces fit together.”

Diversity in Succession Planning

Building in provisions for diversity in recruiting, hiring, and retaining new leaders can be done within the succession plan. However, diversity is not just a box to be ticked off in a to-do list. There needs to be a real commitment to it.

Voth stresses that best practices in diversity, equity, and inclusion should focus on sustainability. “Simply hiring diverse and inclusive executives is not dedication to DE&I,” he says. “It’s building an inclusive culture, ensuring those new hires feel at home. It’s ensuring that the middle of the pyramid is built out so that when people look around the company, they see people like themselves. This is an area where I believe credit unions have made great strides in the last decade.”

Moreno sees gender equality as a strength of credit unions. “By and large, we are way ahead of banks in terms of gender equality in the C-suite. However, in larger credit unions, gender disparity in the number of female CEOs skews closer to bank averages.”

That assessment is borne out by a recent survey conducted by the Credit Union National Association, which found that 51% of credit union CEOs are women, compared to 3% at banks; yet for asset sizes between \$1 billion and \$5 billion, women represent 13% of CEOs at credit unions versus 2% at banks. These numbers clearly show that while credit unions are outperforming banks in terms of gender equality at all asset levels, there is room for improvement in higher asset-sized credit unions. Moreno says this improvement is already underway, noting, “We are actually seeing a pretty dramatic shift at present.”

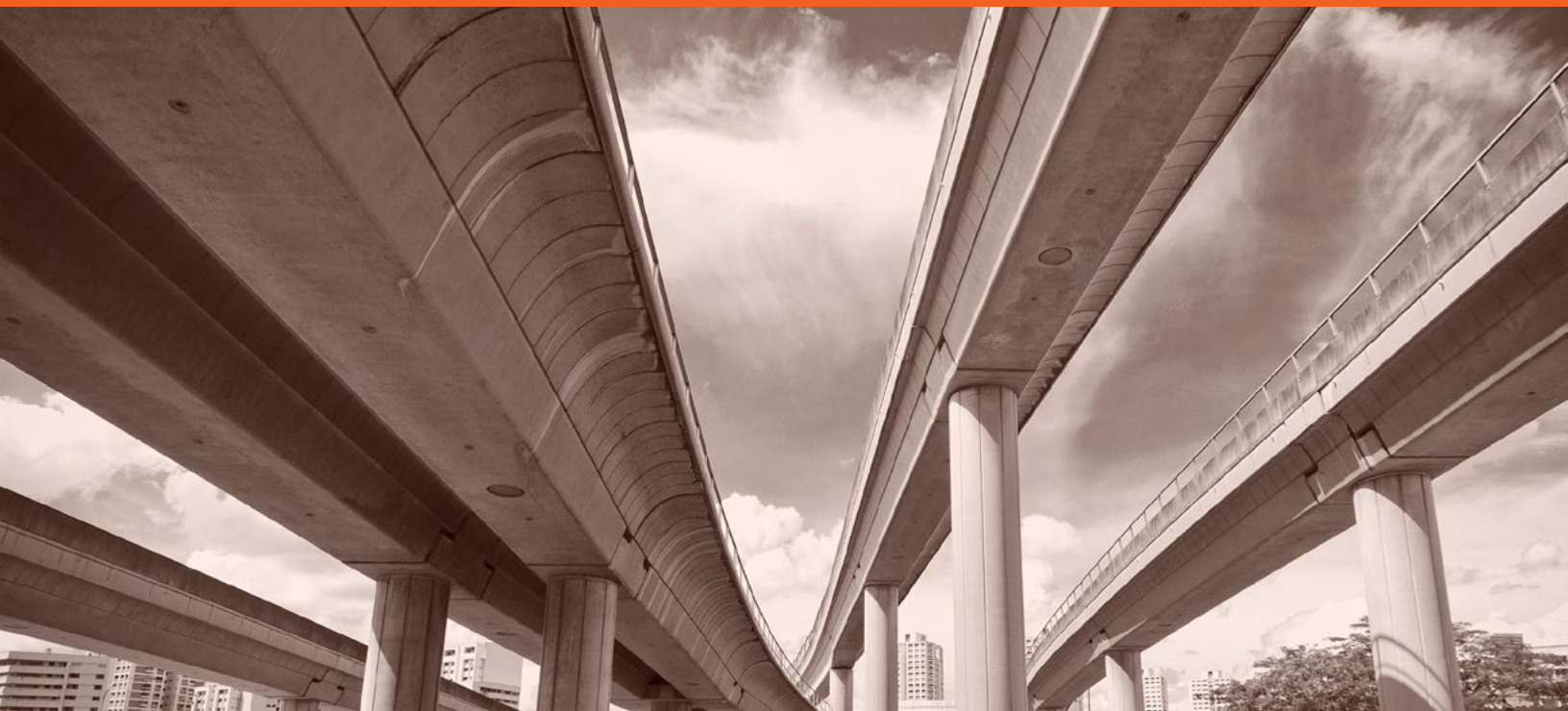
Diverse teams at the leadership level will likely yield better business results, Freeborn says, but diversity doesn’t happen without effort. “You can’t just keep pulling from the same sources. In fact, I think credit unions should require their HR people and recruitment committees seek out and offer opportunities to qualified candidates who will bring balance to their teams.”

Freeborn adds that diversity isn’t just about race and gender. “It’s also about bringing in a wider range of perspectives and ways of thinking about how to solve problems

and meet future challenges,” she says. “Boards need to face the fact that we don’t just need to promote the next guy in line for the job (it’s almost always a guy!) or bring in another person who looks like the last CEO. We also need to be open to those—such as marketers and even pros from other industries—who bring different experiences as well as different and perhaps more creative ways of tackling business challenges and cultivating team performance.”

Making an effort to increase diversity on the board is also important, though Freeborn acknowledges this change won’t come easily. “An effective diversity strategy recognizes that you’re probably going to have to change your volunteer recruitment techniques,” she says. “And some board members will have to step aside to make room for others in an effort to improve gender parity and diversity in the overall composition of a board.”

Freeborn observes that the greatest benefit that a credit union derives from a diverse workforce and diverse leadership is that it helps the organization stay better connected to its members and broader trends in the consumer environment. “The most basic requirement for any consumer business to compete is relevance. Everything—from the products we offer, to the technologies we pioneer—springs from that business imperative, and a diverse workforce is a huge competitive advantage in keeping you relevant. The world has changed, and your members want to see you are keeping pace with the way *they* experience the world—not necessarily the way you might wish it were.”



Conclusion

Succession planning is an important component that can lead credit unions into having broader strategic growth conversations about their future. “Boards should be constantly evaluating: How do they remain competitively positioned and distinct? How do they drive growth strategies to compete in challenging markets and against dynamic new fintechs? How do they continue to position themselves as strong and relevant value propositions for improving their members lives?” Weber says.

Going into the succession planning process, it is beneficial for the board to keep an open mind about the alternatives. Credit unions have enjoyed tremendous success and built a pool of great talent. Our credit union movement has become a very attractive industry in which to work, inspiring ever greater talent to enter our industry, which will accelerate innovation and competitiveness. In turn, this will lead

to more complex and larger organizations. There will be demand for leaders at all levels of these ever-expanding credit unions.

The explosive growth in members and employment will be among the largest credit unions. These credit unions will have immense opportunity to serve consumers across the income spectrum in accordance with the mission of credit unions.

Many credit unions will choose to partner in order to have the greatest impact on the communities they serve. Others will develop talent from within or hire inside or external to our industry to create the winning team that will propel them to great success in the future.

While the challenges in the credit union industry are many, so, too, are the skills, talents, and drive of the people who lead it.

With strong, passionate leadership continuing at the helm, we can say with unreserved certainty: Our future is bright.

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*Teresa Freeborn's latest book, *Suits and Skirts: Game On! The Battle for Corporate Power*, is available at Amazon.com and Barnes & Noble. To inquire about her availability for speaking engagements; contact her at teresa@teresafreeborn.com.

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