



Executive Summary for Director Discussion 3 - June 30, 2020 'Strategic Planning for Credit Union Boards in a Virtual Environment'

1. WELCOME, INTRODUCTIONS & OVERVIEW

Anthony Piscitelli welcomed the participants for the third and final discussion in the series, and introduced co-facilitator Tanya Gracie.

Tanya then set the context for today's session:

- Past session at the Directors' Forum conference on "Risk Management: Director Liability and Audits," highlighted hindsight, oversight and foresight as part of strategic planning sessions.
- While last week's Director Discussion focused more on oversight, today's session will focus on *foresight*. **ASK:** Where do we want to be? How do we get there?
- Even before the pandemic, polls show that only about 20% of time is spent on strategy. Hindsight and oversight tend to dominate board agendas. We need to flip our focus and shift our governance to foresight mode.
- We also need to minimize the time we spend on routine items and have more strategic discussions.
- **ASK:** How can we be more thoughtful around encouraging and practicing more strategic thinking? What opportunities has COVID presented for this? (i.e., especially in a virtual environment/context).
- Need to create a cohesive, physical and digital hybrid experience for our members is key. Check out the article: "[Phygital: a new banking strategy for the post-COVID world.](#)"
- An honest evaluation of your business continuity plans may be required. They may need to be revisited and revised in relation to your overall strategy.

- Anthony then reviewed the various Recovery scenarios, including: Z-shape (the most unlikely), V-shape, U-shape/Nike swoosh, W-shape (the most likely), and L-shape (the most frightening).
- Several factors can influence and determine recovery: a household's ability and willingness to spend (Consumer Demand), the government's ability and willingness to spend (Gov't Demand) and business recovery/bankruptcy and investment ability (Business Demand). All of these are intertwined.

- On the supply side, shock is creating side challenges for demand.
- It is important to keep all these scenarios in mind when doing our strategic planning.

2. POLL QUESTION #1: Thinking about your board and committee meetings since March 12, 2020, what percentage of your board and committee time has been spent on foresight?

- 45% responded they spend about half their board/committee meeting time on foresight
- 36% responded they spend about a quarter of their time on foresight
- 9% responded they spend about three quarters of their time on foresight
- 9% responded they spend no time on foresight
- 0% responded they spend almost all their time on foresight

3. POLL QUESTION #2: What type of recovery do you think is most-likely?

- 82% responded that the W-shape recovery was most-likely
- 18% responded that the L-shape recovery was most-likely

4. OPEN QUESTION #1: Has anyone gone through a virtual strategic planning session that could share their experience?

- Consider doing their strategic planning meetings in multiple online sessions, with focused topics for each session.
- There is always the option to postpone the strategic planning sessions.
- Consider using multiple platforms/technology (e.g., Zoom with Google Drive) – have someone act as a facilitator, someone to provide tech support, and a note-taker – use breakout rooms for smaller discussions.
- Can share a document via Google Drive and have individuals pick different sections of the document to tackle and discuss – the note taker can then take points and add them to the correct section of the document.

5. Tanya then reviewed the Act of strategic planning and the process:

- Strategy is a process, not a result - need to build in more opportunities for strategic planning.

- Go back to your credit union’s purpose/DNA – consider how you hold onto that but evolve it at the same time.
- Four strategic questions to **ASK**: Eliminate? Reduce? Reuse? Recreate?
- Aligning your key strategies and risks is a key role of the Board - consider the culture, talent, risk, technology, etc. – are these regular agenda items?
- Are you listening? What are your mediums and sources of information?
- Consider shorter sessions – simulations, scenarios, playbooks, etc.

6. OPEN QUESTION #2: Without in-person meetings until the end of the year, how will your board be running your next strategic planning session?

- One participant shared that they have begun to hold virtual planning sessions and that active discussions are taking place – the challenge is the unknown. What will the recovery curve be? What will the Year-End look like? It would be helpful to see Y/E results before planning the strategy. They are also going aggressively digital with their banking.

7. BREAKOUT ROOMS

Participants broke out into small groups to discuss two topics and then regrouped to share the key points.

TOPIC 1: What do we need to change with respect to our strategy as a result of COVID-19? (e.g., what services do we no longer need to provide? What should we NOT bring back post pandemic? What do we want to ramp up/give extra attention to?)

- This is a whole new day/era – need to rethink our strategic plans and consider something new – the fundamental parts of our original plans need to be rethought, but our old plans may still have some value. **ASK**: How fundamentally do you change your plan?
- Having a strong digital presence is an advantage. Consider how to keep our credit union values in place in this digital space! We need to educate our members on online banking and its convenience, so they see it as an opportunity.
- There is a shift in banking right now – closing some of the branches has not resulted in a major impact. Reduced hours may make sense and having less branches is more likely moving forward. **ASK**: Do you have the right “branch network”?
- Turn the crisis into an opportunity –i.e., “Never waste a crisis!”
- The board and management need to consider how the strategy takes into account the new normal, e.g. how credit unions interact with their members in particular the future of retail branches and call centres.

- Reassessing the annual operating/business plan and financial health in light of COVID-19, and adjusting the strategy accordingly.
- Finding a balance between operations and strategic impacts (e.g., staffing, office use, etc.)
- Shifting our success indicators depending on the economic impacts – a shift of mindset is required here.

TOPIC 2: We are planning our virtual AGM for the DF with one panel session post AGM. What should this session explore?

- Reflection on what we have learned to date
- Maintaining a local presence despite going more digital
- Understanding the response of regulators (FSRA/OSFI) to the economic challenges as a result of COVID-19, specifically on risk profiles of credit unions
- General governance sessions that would be held during the in-person Forum
- Projections from economists
- Strategic timelines

8. WRAP UP

Anthony thanked the participants. He thanked and recognized all the [sponsors](#) who have confirmed their support of the 2020 year. He noted that the Virtual AGM and Governance Session will take place on Friday, October 16 and asked people to save the date, as more information will be shared soon!