

CUNA  
**SMALL CREDIT UNION**  
SUCCESSION PLANNING GUIDE  
CHECKLIST & WORKBOOK

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# Full Guide Checklist

Print this checklist out and check items off as you follow the Guide. The checklist items below also note corresponding pages in the guide for easy reference.

## Steps 1 & 2: Starting this Process

**Read the Guide start to finish.** Understanding the time commitment and steps will help your thinking on who should be involved and how to properly set their expectations.

**Present the Guide to the Board and ask for support in starting this process.** At the next Board meeting, share this Guide and ensure the full Board is in agreement to begin this process.

**Determine who on the Board will participate in the search and write your choice below:**  
Participants (Full Board, Selection Committee?): \_\_\_\_\_ (Guide, Page 6)

**Solidify when the current CEO/manager is retiring. Document the date below.**  
Retirement date: \_\_\_\_\_ (Guide, Page 7)

## Steps 3 & 4: Who We Are, and Where We're Going

**Create the Master Credit Union Profile & Narrative by following the steps below.** This should be done outside of Board meeting time. Copies of printable worksheets are all found in this Workbook.

Make copies of the Credit Union Profile Worksheet, distribute to board and ask to return completed forms via email.

Create Master Credit Union Profile Worksheet in this Workbook that encompasses responses.

Create Final Credit Union Narrative based on example (Guide, Page 12).

## Steps 5 & 6: The Ideal Candidate Profile & Compensation Strategy

**Develop the Ideal Candidate Profile using the below steps.**

Have each Board member take time to read through the information in this section, Step 5, and fill out the corresponding worksheet (Guide, Pages 16-20).

Collect all worksheets, tabulate results, and create a Master Ideal Candidate Profile Worksheet (Checklist & Workbook, Page 10).

Make copies and distribute for discussion and agreement.

**Develop your compensation strategy using the worksheet (Checklist & Workbook, Page 11).**

## Step 7: The Candidate Search

**Draft a job description and application requirements.** Using the example job description in the template, the point person for this process should finalize the job description that will be posted to job boards (Guide, Pages 23-25).

**Clean up your online reputation** (Guide, Page 26).

**Post the job!**

**Select top 3-5 candidates using the following process** (Guide, Page 27):

Call the next meeting of the Board or Selection Committee.

Organize the applications and print for easy reading.

Have participants hand the point person their top 3 candidates.

Tabulate results, report out, discuss/debate and finalize.

## Step 8: The Interview & Selection Process

**Write phone interview questions** (Guide, Page 29).

**Schedule and execute the phone interviews** (Guide, Page 29).

**Have Board or Selection Committee listen to interviews at the next meeting.**

Eliminate anyone that raises red flags during call.

**Write in-person interview questions** (Guide, Pages 31-33).

**Schedule and conduct in-person (or video conference) interview with Board or Selection Committee.**

**Meet as Board/Selection Committee to narrow candidates to 1 or 2.**

**Schedule on-site shadow day with candidate(s).** Follow the itinerary detailed in the Guide (Pages 34-35).

**Ask for final recommendation from CEO.**

**Board/Selection Committee takes final vote.**

**Conduct background check and check references** (Guide, Page 35-36).

**Write up offer and be prepared to negotiate** (Guide, Page 36-37).

## Step 9: Transition & Integration

**Confirm start date with candidate** (Guide, Page 38).

**Create CEO handbook** (Guide, Pages 38-39).

## Credit Union Profile Worksheet Instructions *(Print or email)*

Read each question and examples and respond in the corresponding box in the worksheet below. To keep this process simple, please only provide one answer for each question: your strongest belief as it relates to the current state of the credit union.

Strong agreement in these areas will make the process of identifying the correct candidate much clearer.

### **Question 1: What is the mission of our credit union? In specific terms, what are we trying to accomplish for our members?**

Examples:

To provide our members the most affordable financial products and services possible.

To help members achieve financial stability and security.

To provide personal, meaningful service to our members for their financial services needs.

### **Question 2: What is the most important strategy and tactic our credit union employs to ensure we fulfill that mission?**

Examples:

**Strategy:** Offering a loan portfolio of products that meets the specific needs of our members.

**Tactic:** Constantly examining the credit/financial needs of our members.

**Strategy:** Being a financial resource/support system for our members.

**Tactic:** Employing character-based, but quality and sound underwriting.

**Strategy:** Being as accessible and convenient to our members as possible.

**Tactic:** Offering a leading-edge digital/mobile banking experience.

### **Question 3: What is a new strategy and tactic this credit union should deploy in order to better fulfill its mission?**

Examples:

**Strategy:** Build a growing loan portfolio of products.

**Tactic:** Finding a niche market.

**Strategy:** Become a stronger financial resource/support system for our members.

**Tactic:** Offering credit builder loans or payday alternative loans.

**Strategy:** Being as accessible and convenient to our members as possible.

**Tactic:** Invest in a solid digital/mobile banking experience.

### **Question 4: What aspect of the credit union's culture most contributes to the credit union's success?**

Examples:

A familial, collegial atmosphere, which promotes empathy and compassion when serving members.

An ambitious Board and team, which pushes the credit union to think outside the box, innovate, and find new ways to grow.

A strong or even dominant CEO with an unmatched dedication that ensures the credit union meets its present and future goals.

**Question 5: What is the most important thing the CEO does to ensure the credit union is successful?**

Examples:

Prioritizes member service and member needs over everything else, making sure members know they're special and cared for.

Is a strong leader and judge of talent, allowing her/him to put the right people in the right positions to improve the credit union.

Is a staunch defender of our financial position, ensuring members are served without compromising the health of the credit union.

Is bold and has introduced new products, programs, or ideas to broaden the credit union's business and relevance.

The first half of this worksheet allows you to develop a clear picture of where the credit union currently stands. You know your mission, you know why you're most successful, you've identified a strategy to strengthen that service, you understand what part of your organization's culture contributes most to your success, and perhaps most importantly, what aspect of your current CEO/manager's leadership has been most beneficial and impactful for the credit union. It's now time to look to the future.

The second half of this worksheet will allow the Board or Selection Committee to begin the process of identifying where it wants to see the credit union go, and what type of leader would best get them to that future of success.

**Question 6: What does a future state of success look like for our credit union (5-10 years from now)?**

Examples:

We have maintained a strong relationship with our SEG, allowing us to grow in members as the SEG has grown.

We've found a new niche that differentiates us, providing innovative loans/services that meet very specific unmet needs.

We are now a digital/mobile first – or at least mobile-equal – financial institution that allows our members to access their money easily, serving as a fantastic enticement for new members to join.

We have added new products and services that are highly tailored to our members' and potential members' needs, bolstering both our relevance and our bottom line as a financial institution.

**Question 7: Aside from hiring a CEO, what's the most important thing the credit union must do (in 3-5 years) to remain viable?**

Examples:

Bring to market new products or services that increase our relevance to members and provide additional sources of income.

Invest in technology that aligns with the ways current and future members will prefer to conduct business with the credit union.

Expand our field of membership so that we can increase the potential new membership opportunities that are available to us.

Identify a new or secondary niche that differentiates the credit union in the marketplace.

**Question 8: Based on your response to Q7, what area within the credit union needs improvement?**

Examples:

Our resources dedicated to market research or understanding our members or community better through surveys/polling.

Stronger sales or business development to maximize a transition to a change in membership.

Our dedication, commitment, and knowledge of technology options in the industry.

**Question 9: What aspect of the credit union’s culture needs to improve for the organization to be successful into the future?**

Examples:

Our approach to our relationship with our SEG or community.

Our employees’ understanding of and belief in our mission.

Our willingness to do more, perhaps sell more, in service to the idea that if we can grow, we can serve and help more people.

Our commitment to improving the way we do things, rather than doing them the way we’ve always done them.

**Question 10: If you could train your current CEO/manager in one area, what would it be?**

Examples:

Business development/sales

Lending

Marketing

Technology/IT/cybersecurity



## Credit Union Profile Worksheet

Please fill in your answers to these questions from the previous pages.

Question 1: What is the mission of our credit union?

Question 2: What is the most important strategy that our credit union employs to ensure our credit union fulfills our mission?

And what is the **single** most effective tactic for executing that strategy?

Question 3: What is a strategy that this credit union should add in order to better fulfill its mission?

And what is a tactic that the credit union could deploy to support that strategy?

Question 4: What aspect of the credit union's culture, between staff and the Board, most contributes to the credit union's success?

Question 5: What is the most important thing the CEO/manager currently does to ensure the credit union is successful?

Question 6: What does a future state of success look like for our credit union?

Question 7: Aside from hiring a CEO, what is the most important thing that the credit union must do in the short-term (3-5 years) to transition or evolve to that future state of success?

Question 8: Based on your response to Question 7, what is an area within the credit union that would need to be enhanced or improved?

Question 9: What aspect of the credit union's culture needs to improve in order for the organization to be successful into the future?

Question 10: If you could train your current CEO/manager in one area to improve the credit union's chances of success, what area would you train them in?

## Credit Union Narrative Template

Feel free to use this template as is, or open a Word document and copy into a blank sheet.

### Why We're Successful Now:

Our mission is to (1) \_\_\_\_\_  
\_\_\_\_\_

We achieve this by (2) \_\_\_\_\_  
\_\_\_\_\_

Still, we believe we can grow and be more successful by \_\_\_\_\_  
\_\_\_\_\_

New strategies and tactics like these are driven by (4) \_\_\_\_\_  
\_\_\_\_\_

Our organization is led by our current president/CEO, whose strength lies in (5) \_\_\_\_\_  
\_\_\_\_\_

### Why We'll be Successful in the Future:

We are now striving to be (6) \_\_\_\_\_  
\_\_\_\_\_

To achieve that goal, we plan to (7) \_\_\_\_\_  
\_\_\_\_\_

From an expertise standpoint, success will depend on (8) \_\_\_\_\_  
\_\_\_\_\_

From a culture standpoint, success will depend on (9) \_\_\_\_\_  
\_\_\_\_\_

Therefore, it is critical that the next leader of our credit union is proficient in the areas where we're already strong now, (2 & 5) \_\_\_\_\_  
\_\_\_\_\_

and where we'll need to be strong in the future (10) \_\_\_\_\_  
\_\_\_\_\_

## Ideal Candidate Profile Worksheet

Read through each section in the Guide to learn about the different types of expertise, experience, and leadership styles that candidates may possess when applying for the CEO position of your credit union.

Rank your preferences with 1 being your top choice for what you'd like to see in the next leader of the credit union. Then submit to the person in charge of the Succession Planning process.

If filling out the Master Worksheet, tabulate results and use parentheses to note how many votes each option received.

Candidate Characteristic	Ranking Preference
Expertise/Specialization	1. 2. 3. 4. 5.
Experience Type	1. 2. 3. 4. 5.
Leadership Type	1. 2. 3. 4. 5.

## Strategic Compensation Plan Worksheet

1. **Current CEO Salary:** Document the current salary for the CEO/manager position.

\$ \_\_\_\_\_

2. **Current market rate for CEO/manager salary** of a small credit union in your region based on CUNA Staff Salary Report\* or outside service\*.

**CUNA Staff Salary Report:** For credit unions under \$50 million in assets, there is a special report. However, you may be competing with larger credit unions for the same talent, so consider purchasing the full report. A few hundred dollars now could lead to incredible financial success if the right candidate joins the credit union.

**Outside service:** There are several services that will help you determine appropriate salary ranges for not only the CEO, but all staff based on your locality. These services will tell you how far away from median the compensation currently stands and recommend an annual step-up plan to bring your compensation for that position to market rate. Services recommended by credit unions include BalancedComp and Compease (these are not endorsements from Credit Union National Association).

\$ \_\_\_\_\_

3. **The maximum salary the credit union is willing to pay the new CEO.**

Based on the credit union's financials, the credit union should determine what number it's not willing to go above when negotiating with potential candidates. Later we will discuss how to structure a first offer and other expectations for negotiations.

\$ \_\_\_\_\_

4. **The credit union's desired starting salary for the incoming CEO.**

While it's important to identify a cap on compensation, ultimately the Board should aim to find a balance between providing competitive compensation to the CEO without putting too much financial stress on the organization. Determine this number based on the numbers above, i.e. somewhere between what you currently pay your CEO and market rate, and you will use this number as your target during negotiations.

\$ \_\_\_\_\_

## Job Description Template

Copy this job description template and replace the information specific to the Credit Union and Ideal Candidate profiles you created in bold. We strongly encourage you to retain the language in yellow, unless it's truly inaccurate in describing your credit union.

**OUR FCU** is looking for **an experienced lender** to become the next CEO of this highly impactful financial institution. As CEO, you will not only have the opportunity to make a meaningful and lasting difference in the lives of your members, you will also assume a role that provides the rare opportunity to energize your career path, as you will have the autonomy to innovate and strategize the future state of success for this credit union.

In the financial services industry today, credit unions are truly pushing boundaries in terms of products, services, and banking technologies. They also continue to be service-oriented, high-impact beacons for good by safeguarding their members' financial-wellbeing and working to unite and strengthen their communities.

In some ways OUR FCU is no exception to these aspects of the credit union movement, in others we believe we can do more. And as CEO of this organization, uniquely, you will have the ability to shape the credit union so that it can achieve that future state of success.

Quite simply, you will be in a position to design a plan for the credit union's growth, for its evolution to adapt to a changing and dynamic financial services landscape, and for its strategy to help people in very personal and intimate ways. This is rare opportunity.

The Board of OUR FCU, to which the CEO reports, **feels strongly that the credit union must grow its loan portfolio and begin investing in technology solutions to continue achieving our mission of helping our members achieve financial stability and security.**

Therefore, applying candidates should possess the following experience:

- **Demonstrated lending background, mortgages are a plus (at least five years);**
- **Strong finance or accounting background;**
- **Some experience integrating or managing new technology solutions in financial services;**
- **Some experience running or managing teams;**
- **Strong experience with or demonstrated aptitude for regulatory compliance tasks;**

Additional proficiencies that are preferred:

- **Experience developing and executing an IT/cybersecurity program or strong general aptitude for IT, computers;**
- **Marketing experience: traditional, online, social media marketing is all a plus;**
- **Vendor contracting and management;**

Ideal candidate summary:

With a small but efficient staff of **XX**, no doubt you already understand that the leader of this organization must wear multiple hats, be willing to take on any task no matter how large or small, have a fiery entrepreneurial spirit, be capable of juggling multiple projects and responsibilities, be a confident and thoughtful leader, and have the drive to develop business and get things done.

The rewards for the work you put in, both personally and professionally, can be vast.

We will be accepting applications for the position until **(hard date, typically a 6-week window from the time of posting on job sites)**.

We ask you to send the following materials to **(designated email address)** by that date:

- Statement of interest that focuses on two areas:
  - A detailed description of your experience and the reasoning behind your desire for this position (1-2 pages maximum)
- Resume
- Salary requirements
- One letter of recommendation
- Two references\*\* (only accept references who the candidate has worked with in the past three years, cannot be related to the candidate) and their contact information

\*extremely important

We look forward to hearing from you.

Sincerely,

The Board of OUR FCU

## Sample Interview Questions

### Interview questions:

#### Proving the resume

1. Describe yourself. Who would you say you are both professionally and personally?
2. What's your background? Where'd you go to school and what did you study?
3. How did you get into credit unions, and what's your favorite thing about them?
4. Tell us a bit about the role you're leaving, what is the credit union like and what were your responsibilities there?
5. What were some of your greatest successes in your previous role?
6. What would you say is your strongest area of expertise? What's the biggest asset you bring to this position? And how did that play a role in your previous successes?
7. What are other areas where you have strong experience or aptitude that will also bring value to this organization? And in what ways did you leverage those strengths to success in previous roles?
8. Based on the job description or what you know about running a credit union, are there any areas of experience or expertise that you feel you would need to improve on to better accomplish your goals or lead this organization?
9. Do you know our current capital position? In your opinion is it where it needs to be to optimize success for the credit union? If not, what steps would you take to optimize it?
10. What's your experience with regulatory examinations? Are you confident in interactions with those agencies, and what gives you that confidence?
11. How comfortable are you with compliance tasks or how confident are you in your aptitude for compliance?

Based on the resume and what skills you know the candidate will need to be successful in this position, add additional questions to ensure they prove they have the experience needed.

#### Vision for the credit union:

12. Have you thought about the state of our credit union within the context of the financial services industry? Where do you think it currently stands?
13. How should our credit union evolve?
14. Can you provide examples of actions you've taken in previous roles that demonstrate how you would be successful evolving the credit union to a future state of success?
15. If you were given this opportunity, how would the credit union look in 5 years?
16. In 10 years?
17. One of the areas the Board has said the credit union needs to improve upon is \_\_\_\_\_, how would you strengthen that area of the credit union?
18. Another area the Board believes needs to be improved is \_\_\_\_\_, how would you address that area?
19. Should the credit union continue to serve the same field of membership, or do we need to expand in order to bring new members into the organization?
20. What are the risks facing both this credit union and the industry at large, and what steps would you take to mitigate those risks?
21. Do you have experience operating or implementing new technologies at previous organizations? Where do you believe this credit union stands in regard to technology and what's your recommendation for how to proceed?

## Personality/board fit and culture

22. What does an ideal Board of directors look like to you? Do you have strong feelings about governance and structure that you would hope to see the credit union adopt?
23. If given this opportunity, what would your expectations of the Board be?
24. What are your expectations for staff?
25. How would you describe your leadership style, and can you provide an example of a time when that leadership style has strengthened a team or an organization?
26. How would you describe your management style, and why do you think that style is effective?
27. How do you typically make decisions, based on your own personal expertise, by consulting your team, some combination of the two?
28. What's the most difficult professional decision you've had to make, how did you make it, and what was the outcome?
29. You're likely drawn to this job for several reasons, including for the opportunity to (1) make an impact on an organization, members, or the community, and (2) because it could be a strong career move. Rate the importance of each aspect as you consider your reasons for applying for this job, (1) impact and (2) career advancement, on a scale from 1-10, 10 being very important, and provide a justification for the rating.
30. What are your interests outside of work? Do you have any hobbies, other efforts you volunteer your time to?

## Commitment to this position

31. Why do you want this job?
32. Why are you looking to leave your current position?
33. How do you see your life changing if you were to take it?
34. Would you have to move you, or your family, to take this position?
35. Do you know the mission of our credit union? What does that mean to you?
36. Often the CEO of a small credit union is asked to stay late, to do just about every job, to continually learn, often on the job, and to make tough decisions often because there aren't many others in the organization who can make those decisions, does any part of that concern you as you consider this role? Does it encourage or excite you?
37. Where do you see yourself in 5 years? 10 years?
38. What questions do you have for us? What else do you need to know to fully understand what the job entails?



## CEO Handbook

- I. **Daily Life** – From the moment you walk into the branch to the moment you leave at night, document everything that you do and why you do it.
- II. **Daily Responsibilities** – Separate from a day in the life as the CEO, this is the section where you document every task that you, as the CEO, *must* complete by the end of the day. This will vary depending on the size of your staff of course.
- III. **Weekly/Monthly Responsibilities** – Board meetings, Supervisory Committee meetings, payroll, month-end, think about every task or that must be completed each week and month to keep the lights on. They should be well-documented.
- IV. **Annual Responsibilities** – Where do you traditionally host the annual meeting and how has that event come together? When was your last state or federal examination and what were the results? What does getting ready for and executing year-end look like?
- V. **Filling Out the Call Report** – What is your process? How long does it take you?
- VI. **Organizational Chart** – Document who reports to the CEO, what their job titles are, and detail their responsibilities at the credit union. Also create a profile of Board members and volunteers.
- VII. **Policy Book** – If you don't have this already, organize your policies in alphabetical order and organize them in a way that will be easy for the incoming CEO to look through.
- VIII. **Essential CEO Files** – Identify all the files on your computer that are essential to running the credit union, spend time organizing them so that someone else will be able to easily navigate them and ensure the incoming CEO has access.
- IX. **Vendor List and Contact Information** – One of the most important documents you can create is a list of all vendors and your contact at those organizations. Make sure to include detailed descriptions of the work or services they provide the organization as well.
- X. **List of External Resources** – Make sure the incoming CEO is aware of the League, CUNA and the CUNA Small Credit Union Community, chapter activities, names and contact information of other CEOs with whom you have a good relationship, or any other resources you took advantage of for outside support.
- XI. **Miscellaneous** – You've just created an enormously valuable tool that will set up the next leader of the credit union for success. Is there anything else you can think of that would be helpful as they get started? Any challenging members to look out for? Trends in fraud that the credit union has seen of late? Assessments or forecasts of the field of membership? Make sure to document whatever you can think of here.