



How The West (Texas) Was Won

How Estacado FCU Benefited From Having
An Outside Strategic Planner

- A Case Study -

How The West (Texas) Was Won

A Case Study

Interested in exploring the advantages an outside strategic planner can bring to your credit union? In this case study, we will dive into the relationship between thriving Estacado FCU and CU-centric strategic planner Kathy Darwin. We will learn about a *very* big decision Estacado had to make in 2018, and how having an outside planner as a trusted resource was invaluable to them in these uncertain waters. Areas of discussion in this study include:

1. Why a planner who knows credit unions inside and out is critical
2. The pitfalls of relying on internal resources for your strategic planning
3. The need for accountability partner throughout the year

Introduction

Estacado FCU is not an institution that passes up an opportunity. Their aggressive leader and CEO Mark Roddenberry has taken the credit union to new heights in recent years, even recent months. At the time of writing (January 2019), they are eagerly awaiting the opening of a new branch across state lines in Texas, as their charter to enter a new state was approved in 2018. At a time when small credit unions are cutting costs and merging, Estacado FCU is growing and taking risks. “I almost feel like we are survivors. There were four credit unions in our county, and now they are merged down to one - us.” What makes them so different from others?



“We had to change everything and go out on a limb,” says Estacado CEO Roddenberry. Aside from boundless optimism (he is known as the “Tigger” of the group) and tenacity from their progressive CEO, they have a trusted outside strategic planner they can rely on to navigate these new waters: Kathy Darwin. “Kathy has been integral to us. For the past 15 years, Darwin has made it her mission to help credit unions achieve their long-term goals and stick to their visions. Credit unions like Estacado FCU appreciate her unique methodology of a twelve-month accountability program, instead of an annual “one-and-done” planning session.

Estacado FCU’s Big Decision

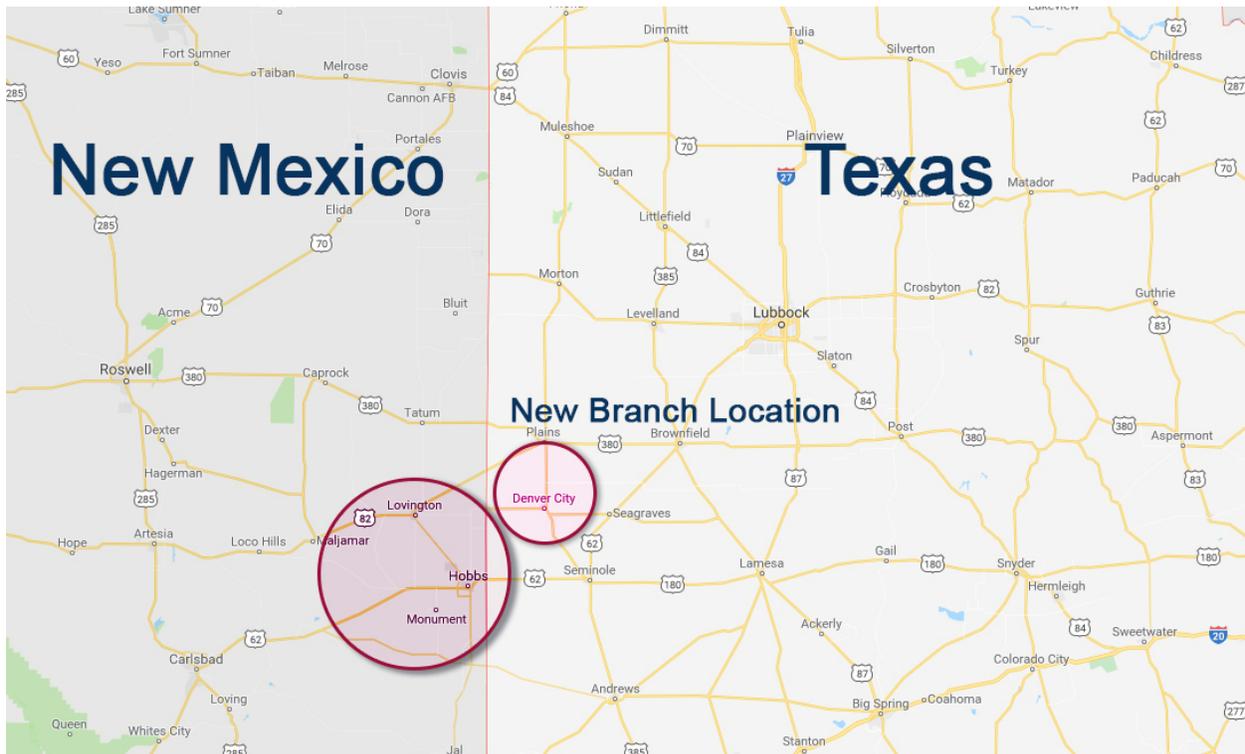
In Estacado’s case, having a trusted advisor on call was hugely critical in 2018. “I talked to Kathy quite a bit about it,” Roddenberry says of their decision to cross into Texas and open a branch where they had little membership. “The state line is only four miles from us. The NCUA has redistricted New Mexico and Texas for only a three year window, allowing us to report and apply to the same NCUA district to get an expansion. There are no full-service credit unions in the area, and we jumped at the opportunity.”

With the clock ticking to pull the trigger on the expansion before the NCUA lines were redrawn in 2019, Roddenberry turned to Darwin to provide unbiased advice and expertise. “One of the challenges was the ‘chicken or an egg?’ mused Roddenberry. “We don’t have many members in the area. Usually, credit unions build a branch to reach their members. We are doing the opposite. Kathy and I talked about the details of such a big decision: leasing vs buying a building, time frames, etc. She always says, ‘let’s think

How The West (Texas) Was Won

A Case Study

this through. What will this lead to? How will this make your future better? She ties everything back to goals? Ultimately, Estacado FCU decided to take the leap of faith, and they plan to open their Texas branch in the coming weeks.



Why Consider an Outside Strategic Planner?

Not every year will bring as big of decisions as 2018 brought for Estacado, but there will always be critical decisions none the less. “Having someone to listen to your needs and isn’t just a “yes” person - that is critical. There has to be someone that says, ‘that’s great, but...’.” Roddenberry has been a part of credit unions his whole career, and he has been involved in dozens of strategic planning sessions throughout the decades. He commented on a common pitfall of relying solely on an internal planning session: “The internal team may not speak up for a variety of reasons. You need someone that is absolutely going to speak up. As our outside planner, Kathy comes in and says, ‘I can tell by your body language, you don’t like this – tell me why.’ Outside planners see things you don’t.”

Darwin’s clients speak highly of the aggregate knowledge she brings to the table. Dozens of credit union clients over decades give Darwin a wealth of perspective. There isn’t much she hasn’t seen. “You must have somebody that allows you the wonderful input of, ‘I saw this with another credit union,’ or ‘Have you ever thought about doing this?’ That insight is fantastic,” says Roddenberry.

Still, many credit unions are not open to the idea of hiring an outside planner to facilitate their session. Roddenberry had strong feelings in this area. “It is a no brainer – why not? Many credit unions,

How The West (Texas) Was Won

A Case Study

especially small, are concerned with whether they are going to get their bang for their buck. My argument is how much do you waste by not hiring an outside facilitator? Where would someone turn if they don't have an outside the bubble expert?"

The Benefit of An Accountability Partner

Darwin provides a service that is unheard of in the credit union marketplace: A monthly check-in system where she works closely with her clients to make sure they are staying true to their annual goals, plan and vision. Roddenberry attests to her service: "Kathy calls me every month and we go over my questionnaire and make sure it is still relevant. We whittle down our wish list and go over it with the management team, which she then converts to final, measurable strategic goals. That process has really helped me." And in regards the decision to expand into Texas, "Kathy keeps me in check because I have big dreams."

For many credit unions, it isn't always about the plan, it is about how flexible the plan can be. "I came from a system where the strategic planner shows up for one day and you make these goals. Then something changes halfway through the year and the whole plan is ignored," says Roddenberry. For many credit unions, it simply isn't practical to set aside just one or two days to plan a whole year. "Kathy gives us quarterly financial updates for our 5300 report, we regularly talk about what is going on, and why we are doing it."

Conclusion

With one hectic year behind him and another just beginning, Roddenberry is hopeful about what 2019 will bring. "I am extremely positive," he says without missing a beat. And why wouldn't he be? What was once a tiny credit union in southeast New Mexico now has three branches and a record year for growth under their belt. The credit union's ability to see the benefits of hiring an outside planner has proved fruitful. Darwin was able to serve as a neutral party for decision making, assist with goals and ensuring concepts were well executed, and offer a wealth of advice that comes with working from dozens of clients.

As a new year unfolds, consider your options for strategic planning for your credit union by visiting kathydarwin.com.