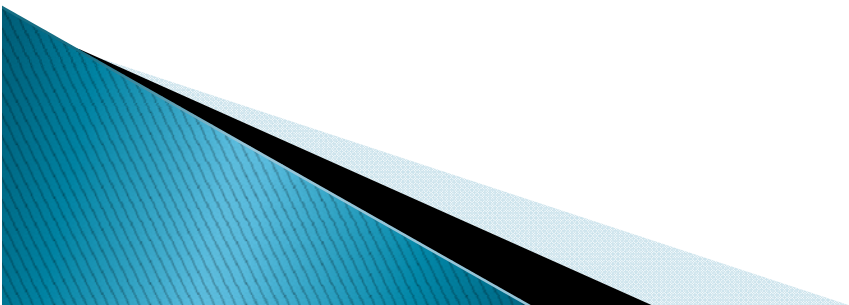


# **Strategic Plan 2004–2009**



# Road Map 2004-2009



## *Sustainable Credit Unions in Asia*

**FOSTERING COOPERATION AND INNOVATION FOR ASIAN  
CREDIT UNION GROWTH AND COMPETITIVENESS**



Association of Asian Confederation of Credit Unions

## **EXECUTIVE SUMMARY**

**C**redit unions are confronting market challenges at a pace that is unparalleled. The rapid change in the delivery of financial services was previously unimaginable and the Banks, seen as traditional competitors of credit unions, are becoming more aggressive in modernizing their financial services through the introduction of new technology. Since the early 1980's microfinance has been revolutionized around the world in an effort to alleviate poverty and this has led to hundreds of NGOs (both local and international) appearing in developing Asian countries delivering credit to poverty stricken areas. Nowadays, these organizations have realized the need for sustainability and are thus moving towards institutional transformation from NGO to formal banking institutions for the poor. Moreover, changing customer behavior and demographics are also posing a great challenge for credit unions and other financial institutions.

In brief, pressure on credit union operation will continue as globalization intensifies. Banks and Microfinance institutions will need to be more aggressive and innovative in increasing their market share, otherwise they will be undermined by alternative forms of financial services or just simply perish. It is alarming that credit unions throughout Asia (with the exception of Korea) are not sufficiently aggressive to keep pace with the changing environment. There is no question that most of the member organizations of ACCU are taking steps to cope with the market, but in the present environment there is an urgent need for a sweeping commitment to cooperation across Asia in order to bring far-reaching growth changes.

Certainly, credit unions have a number of strengths-the most important of which being the close relationship with their members who of course are the credit union's owners. Credit Unions are also the first microfinance institution and through their commitment to poverty alleviation occupy a highly respected position in the community.

On the other hand, credit unions have a number of weaknesses too. According to surveys, those who are not members of credit unions have little knowledge of the structure, operation, and benefits of membership. Credit unions are perceived as less sophisticated and a less desirable choice for financial services, we lack connectivity, which disadvantages us in the highly mobile society, which forms the middle-income level of our population. However, in the low-income level sector of the population, we are even more inflexible in our financial services. When considering the membership profile of an individual credit union, members with income below the poverty line averages 2-5% of the total membership and in fact, Asia is the home for more than 800 million poor people.

Fundamentally, credit unions are expected to observe a high level of "Cooperation", as embodied in the principles of cooperatives but ironically, as credit unions ascend to the next levels of structure, competition prevails that leads to undercut viability and integration.

ACCU is deeply rooted in the Asian Region, however it will not survive if the movement in Asia erodes for the reason that it failed to be relevant in the marketplace. Last year (2002),

ACCU sought inputs from members to reinforce the assessments made country to country while delivering services. This planning document examines how ACCU would provide services of value to its member organizations in order to capitalize on our strengths and overcome our weaknesses. It sets out our vision of what the credit union system can become in the next 5 years, and what is needed to get there.

The title “Fostering Cooperation and Innovation for Asian Credit Union Growth and Competitiveness” stands for the entire content of the planning document. The graphic support emphasizes the letter **I**, which is the Key Results Area of ACCU’s future operation, directed to creating “*Sustainable Credit Unions in Asia*” as its vision:

1. **I**mage in the Marketplace
2. **I**nnovation
3. **I**nstitutional Capacity Building
4. **I**ntity Preservation
5. **I**nteraction with Members
6. **I**ntervention to members (for member organizations)
7. **I**nstrument for Community Development



This planning document is also a commitment to our Values Statement to sharpen our focus in delivering value-added services to members:

1. *WE OWE OUR MEMBERS: A Dynamic Regional Organization* - this means expanding our human resources by mobilizing competent people who can deliver value-added services to our members in a timely manner.
2. *WE OWE OUR MEMBERS: A Leading Organization for Credit Union Innovation in Asia* - ACCU will not duplicate what our members are doing. Our services will always be of value to members that use them to help achieve their own goals.
3. *WE OWE OUR MEMBERS: A Learning Organization for Credit Unions in Asia* - this means ACCU will be the resource center or facilitator for credit union best practices, management tools, systems, guidelines and technology.
4. *WE OWE OUR MEMBERS AND PARTNERS: Highest Quality Service Possible At All Times* - characterized by responsiveness, accuracy, integrity and professionalism. We will always strive for quality improvement.
5. *WE OWE THE ASIAN CREDIT UNION MOVEMENT: Solidarity* - this means our mechanisms; our policies and our programs will translate this value.

## **EXTERNAL ENVIRONMENT OF CREDIT UNIONS**

**A**CCU takes advantage of the opportunities and analyzes the threats posed by the external environment to member-organizations so as to respond to any possible challenges. The challenges to ACCU's member organizations from the East to the South are very diverse due to varying economic, environmental and cultural differences. It is therefore essential that this plan should be strategically focused based on the most urgent needs of each movement.

The membership penetration of credit unions in Asia is still insignificant at 0.38% of the total working population. With the exception of Korea and Sri Lanka, all member organizations have less than 1% membership penetration and according to members' feedback on the questionnaire, the following are major threats to credit unions:

- Low public awareness of credit unions –this is true for the majority of ACCU's member organizations. The reality was revealed in the survey conducted by ACCU under the Project on Professionalization. “*Do not know credit union*” ranks the top answer and in second place “*No time for the pre-membership seminar.*” The question then arises. Do credit unions know the market pulse?
- Aggressive players in the financial market in Bangladesh are new players like Microfinance Institutions. However, in countries throughout East Asia it is the new financial services like pre-approved credit cards, charge cards, ATMs, % split payments offered to consumers who are also members of credit unions. For Southeast Asia it is a combination of both. While banks are introducing sweeping innovation to their financial services, Microfinance institutions are encroaching aggressively into credit union territory. People are increasingly mobile today because of their changing lifestyle, standards and choices in the market.
- Rising unemployment in the country as a result of the financial crisis that started in 1997 is still affecting the lives of many ordinary Asians and consequently since then employment opportunities have been very limited.
- Technology is turning out to be a double-edge sword. In earlier times, sending a telegram to another province would take two days, but in today's technology, it is only a matter of seconds. Technology is an advantage to credit unions if used appropriately but it has a cost. The question arises, can credit unions afford it or are they planning for it? Big credit unions attempted to computerize their operations by developing their own programs, with the resulting exposure to high costs producing limited results. Again, technological applications in credit unions are another test of how credit unions are willing to work with each other...i.e. Cooperation.

Credit unions in Asia lack an enabling regulatory environment. They are given registration to operate but without guidelines on how the operation should run according to market conditions. Credit Unions should not be seen as social organizations alone, because they are financial cooperative organizations and thus, should be viable and competitive. ACCU's member organizations have realized that the government should regulate credit unions. With the exception of Korea and Philippines, the Asian countries do not impose industry standards for credit unions. We recognize the value of self-regulation through the national federation; however, it is very difficult to impose because the national federation is still part of the structure. In imposing a standard, an independent institution should be responsible for supervision.

Further, members indicated in their feedback that they have established a relationship between the government and credit unions. The government has also a strong focus on poverty alleviation and therefore credit unions should strive to maintain close contact.

No doubt, a major market is still waiting for credit unions.... this is an opportunity. The question is how do we enter this market? Credit unions do not even have market information regarding their existing members, so how do they measure the needs of potential members? Ask what is your potential market; it would then be a guessing game. If we only knew our market, we would be all winners. The young generation (18-25) is a large market, but they are the people fascinated with technology, fast and efficient service and tend to be mobile.

## **INTERNAL ENVIRONMENT OF CREDIT UNIONS**

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**C**redit unions have a number of weaknesses too. According to the survey, non-members of credit unions do not know us very well. We are perceived as less sophisticated and a less attractive choice for financial services. We lack connectivity, which disadvantages us in a highly mobile society, which is concentrated on the middle-income level population. However, in the low-income level sector of the population, we are even more inflexible with our financial services. Looking into the membership profile of an individual credit union, members with income below the poverty line is averaging to 2-5% of the total membership and in fact, Asia is the home for more than 800 million poor people.

Other important constraints are solely within the competence of the credit unions. Some examples are:

- **A troublesome age-gap among the membership:** The random survey results indicate the age demographics of membership in credit unions as less than 10% of membership aged 30 years and below. If we are not more successful in attracting and retaining younger members, our current membership base will erode over time and our growth prospects will diminish.

- **A misinterpretation of the practice of “democracy” is hampering the efficient business operations in many credit unions:** A practical example is the Board unknowingly interfering in the role of the General Manager of the credit union. This can be attributed to the absence of policies and guidelines for credit union operation.
- **A delayed and often fragmented decision-making process:** While the decision making process requires independent thinking and consideration of all points of view. The interest of the institution and its members must be the first consideration as opposed to any personal interest, which may arise.
- **A serious lack of information about members/owners:** Although credit unions know their members individually or even by name, they are still lacking detailed knowledge regarding the demographics of their members and consequently the ability to use it to meet emerging needs. This ability is fundamental to effective relations marketing, and the gap between our capacity in this area and that of our competitors is growing.
- **Traditional product offerings:** This could be associated with the lack of market information. Credit unions loan and savings products are very general i.e. regular, special, and emergency loans. Credit unions should have a range of products and services that allow members to choose from according to their financial needs. Serious gaps lie along this line especially with wealth creation, which should be the main factor in cementing the relationship between members and their credit union. As a result, the vast majority of credit union members also have financial relationships with other competitors. A dangerous factor is that members tend to have only a credit relationship with credit unions because our rates are lower and the loan evaluation system is based on the amount of share capital the member holds.
- **Inability to offer inter-credit union connectivity:** This is indeed an urgent need. Technology is just within our reach but it is not working until now because many credit unions are hesitant to cooperate with the credit union next door. A single credit union cannot do this and it should be a collaborative effort of the movement catering for the mobility of our members. Many credit union members definitely have savings with the Banks because the ATM network enables access to savings possible anywhere (even outside the country) at anytime.
- **An equally serious lack of knowledge about sales culture:** Sales culture could turn around the operation of a credit union and while some credit unions have pioneered in this area, sales culture should be incorporated in the whole system not only in part. Branding is a way forward that needs to be explored to upgrade the image of credit unions. Moreover, a sales culture is not only advertising and branding, but it is also about the role of every person in the credit union with their day-to-day dealings with the members.



- **Lack of systems, procedures and policy guidelines for the prudent management of credit unions:** This is the fundamental requirement of any organization. However, credit unions in Asia, except Korea have no such comprehensive system to follow. Thus, the credit union sometime has a dilemma regarding the succession of volunteers. The existence of such a system would put in place guidelines for the organization to follow and enable monitoring of policy implementation. There are many problems arising through this deficiency such as high delinquency ratio because of undisciplined credit management, a credit oriented membership, inefficiency, and many others.

It is very clear that drastic changes have to be made in the credit unions of Asia and that ACCU has a role to play.

## **ACCU's OWN SWOT**

**I**n the same way that members identified their SWOT, ACCU also spends time analyzing its own Strengths, Weaknesses, Opportunities and Threats. The summary is enclosed as part of this document (annex).

Among the strengths highlighted is the strong partnership relationship with the donors (CUFA, CCA, Cordaid, Agriterra, and Irish League of Credit Unions). Significant development relationships are also in the pipeline like the Japan Foundation Asia Office. However, the trend of financial support from the development partners is phasing out and ACCU can no longer rely on financial support to pay for the salaries of technical staff. Activities currently supported by our partners are the direct delivery of development services to member organizations. Further, ACCU has to deal with the credit union challenges across Asia, but development partners have a specific country of focus, with most interest at present focused on countries in transition like Cambodia, Laos, Vietnam and Mongolia.

ACCU has built its credibility as a regional networking body of credit unions in Asia over the 32 years of its existence. The recent collaboration with UN-ESCAP, APDC and APRACA has enhanced the status of ACCU as a regional organization. At present, we are listed among the top 10 networking organizations with an outreach of 2.2 million poor families at the Micro Credit Summit Campaign.

There are quite a number of opportunities in the Technological side of credit union operation. There are three software solutions initiating collaboration with ACCU. These IT companies want economy of scale in dealing with the credit union market.

Over the years, ACCU has worked hard to establish relationships with government regulators. It has been successful in establishing linkages with the Cooperative Departments in the Philippines, Bangladesh, Nepal and Sri Lanka. However, this may not have permanence



because of the political situation in each country. ACCU has to continually work on this line to advocate a level playing field for credit unions.

Recognizing the need for constant change and development, ACCU has to focus on quality documentation of training manuals, best practices, and management tools. Along with this need is a continuous strengthening of ACCU's human resource capacity. Our human resources should seek personal and professional growth at all times. This would mean ACCU staff should always be in quest of new knowledge and greater challenges, striving to remain on the leading edge of our respective professions.

ACCU staff is expected to always be open for change and continually self-renewing to meet the growing and diverse needs of members.

# THE WAY FORWARD ...OUR VISION & MISSION

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## Our Vision...

### “SUSTAINABLE CREDIT UNIONS IN ASIA”

We believe that ACCU’s prime purpose is to ensure that credit unions are thriving in our communities and continually providing affordable financial services to their members. We believe that a credit union is born out of human need, grows as it serves people, and endures as long as it is useful and wanted. To us credit unions are institutions through which relations between their members-savers and borrowers are based upon humane basis-service. It is a business with a special purpose, a business with a heart. Thus, we are referring to a credit union with the following characteristics:

- Financial viability
- Knowledgeable and Involved Board
- Member-customer orientation
- Technological Competence
- Price-competitive Products and Services
- Proficient Staff and Sales Culture
- Focus on Continual Growth

## Our Mission...

*On that basis,*

**ACCU works in partnership with its members to strengthen and promote credit unions as effective instruments for socio-economic development of the people.**

“ACCU's Mission is to assist member Credit Union Federations and their affiliates to be competitive and reach significant market penetration, as community based cooperative financial organizations, so as to enable them to fulfill their potential as effective instruments for the socio-economic development of the people in the market place”.

ACCU will provide value-added service to its members to address the challenges

described earlier and exploit every inch of opportunity for the benefit of the entire credit union movement.

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## *Adding Value to Members/Owners*

# **HOW DO WE GET THERE... 2009?**

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## **GOAL 1: Movement Growth**

The growth of the Asian Credit Union Movement can be achieved in four components:

- System growth (assets growth),
- A stretching growth target by market segment which supports the system growth (membership growth),
- Exploring untapped markets (developing economies in transition)

The following strategies will be introduced by ACCU to its member organizations:

### **Needs Based & Competitively Packaged Products Strategy**

The growth of Asian credit unions is very slow because it is operating on share capital. It is envisioned that credit unions should have a range of product offerings where members can shop. Innovating new products and services would be a hard task for a credit union considering the present challenges faced by them.

As a regional organization, ACCU sees its role in this Strategy as follows:

- Develop Market Opportunity Analysis Tools on different segments of the market for both members and non-members of credit unions. The member organization will collect market information randomly using the tools.
- Conduct study and research with the Member organization to establish needs and demands common to members.
- With member organizations, package the products and services along with marketing tools, materials and advertising slogans.

The products are not intended to be limiting nor are the credit unions restricted to the core products. If variations make more sense in the local marketplace, they should be pursued as additional offerings. Further, the product price could be changed based on costs, however, the characteristics and marketing graphical support and tag line should be maintained.

## **Repositioning Strategy as Trusted Wealth Management Advisor**

Having the right product at the right time is still not sufficient to attract members to use it. Each core product is a solution to the financial problem of each member. The value of the products is designed to be as flexible as possible to fit the capacity and needs of every single member of the credit union. The credit union staff and front liners should have a skill in financial counseling to advise members on wealth creation and this is the only way in which credit unions can help members to help themselves.

ACCU sees its role in this area as:

- Developing Wealth Advisory Tools that can be used by credit unions
- Developing Training Modules on Financial Counseling or Wealth Management
- Training Trainers of Member organizations on Wealth Management

## **Customer Relationship Management (CRM) Strategy**

The most valuable asset a credit union has is its relationship with its members/owners. The key growth strategy is to deepen our relationship with existing members and broaden them to embrace new members. When a member uses the services of the credit union, he/she is a customer. Thus, we are expecting that credit unions would maintain their customers for intimacy, for life, and loyalty.

ACCU considers itself to be:

- Conducting research to establish member service expectations
- Designing tools for CRM
- Providing technical assistance for members to launch programs for the establishment of business relationships and membership loyalty i.e. Membership Reward Program
- Providing training opportunities on CRM (Trainers Training for member organizations)

## **Market Segment Targeting Strategy**

The initial survey made of selected credit unions disclosed an imbalance of membership distribution by market segment. The most highly penetrated segment of the market is between ages 30-50 years. This is attributed to the fact that credit unions are credit driven and this age group includes people who are more productive. If credit unions were more effective in their competence as trusted wealth advisors, then there would be greater potential to increase membership in this segment that is not tapped at present. Senior citizens for example are a potential market for savings, especially if they are pensioners. Credit Unions should be both savings and credit institutions.

ACCU considers itself to be:

- Developing tools on market segmentation
- Introducing innovative strategy for recruiting new members like High Profile “Member Get Member” campaign
- Providing Technical Assistance for members to develop their own strategies

## **Reaching Out Strategy**

ACCU will continue its work in reaching out to countries where a National Credit Union Federation is not in existence. Credit unions existing in economies in transition like Cambodia, Vietnam, Mongolia and Lao PDR are thriving and have a great potential for growth. However, ACCU will focus its resources on these countries in strengthening and consolidating the credit union movement.

The services that would be made available are:

- Technical assistance aimed at putting in place systems, procedures and policies for the prudent management of credit unions
- Technical assistance on planning for growth
- Technical assistance in establishing their own national federations

## **GOAL 2: Competitiveness of Credit Unions in Asia**

Goal 2 is the translation of the vision defined earlier as:

1. **Financial viability**
2. **Knowledgeable and Involved Board**
3. **Member-customer orientation (addressed as a Strategy in Goal 1)**
4. **Technological Competence**
5. **Price-competitive Products and Services (addressed as a Strategy in Goal 1)**
6. **Proficient Staff and Sales Culture (addressed as a Strategy in Goal 1)**
7. **Focus on Continual Growth (addressed as a Strategy in Goal 1)**

To sum it up, items 1, 2 and 4 have not been addressed as a Strategy. All the other strategies in Goal 1 also support the attainment of this goal.

## **Credit Union Monitoring Standardization Strategy**

Adopting a benchmark to assess the performance of credit unions is a very important aspect of prudent management. The credit union industry has a standard but it has to be strictly followed and achieved, it should be the basis for planning, if the goals of each credit union are to reach the standards in a reasonable time. Being an autonomous organization, self-regulation is extremely difficult and an institution independent of the credit union should enforce the industry standards. In the Asian context, the Cooperative Department has the role to do so and a good case is the Philippines where it has developed its own standards COOP-PESOS of which most of the ratios are derived from PEARLS. The standards are adopted without changing the Cooperative Law.

Thus, ACCU considers itself to be playing the following role:

- Advocating International Credit Union Standards with the respective country regulators
- Providing technical assistance in conducting Training on International Standards for Financial Reporting and Benchmarking
- Providing technical assistance to the Cooperative Department to Develop the Standards for Credit Unions

## **Changing Leadership Competencies Strategy**

The Relationship between Board and Management is crucial for the efficient operation of a credit union and failure to establish an effective understanding can be attributed to a stagnating credit union. Board and Committees are volunteers elected from the general membership. Unlike management and staff, Boards and Committees are elected not in accordance with their competencies to run a financial institution, but according to how people trust and respect them. However, the credit union system in Asia does not have compulsory training to ensure that board and committees are able to perform their duties with full competence. In the present environment, the following are critical competencies for effective leadership expected of Credit Union Directors:

- Articulate a tangible vision, values and strategy
- Empower other to do their best
- Be a catalyst/manager of strategic change
- Get results/manage strategy to action
- Exhibit a strong customer orientation
- Communicate effectively on a day-to-day basis
- Be a catalyst/manager of cultural change
- Think integratively about the total business
- Be flexible and adaptive
- Have a “global mindset”



In this area, ACCU will be supporting its member organizations to:

- Develop the Curriculum for a Directors Achievement Program
- Develop the mechanisms and Policies for Certification of Volunteers (Certified Volunteer)
- Develop the Curriculum for Continuing Directors Competence Educational Program

The above program will be adopted by member organizations and this would be the new training program that will be offered to affiliate credit unions on a fee basis.

## **Connectivity/Convenience Strategy**

The ability to provide connectivity and member portability is the key to an integral relationship management strategy for our system. At present, big credit unions hire software developers to develop the accounting package for them, resulting in a very expensive outcome. An alternative and cheaper solution would be for the National Federation to acquire the system and distribute it to their members.

ACCU has sought advice and conducted research in other developed credit union movements with effective connectivity with their members. We came up with the conclusion that the National Federation should provide this as a service to their members. Adopting only one system in the country would reduce the cost, risk and develop new financial products using latest technology. Thus, the national federation should have the capacity and resources to run an IT company or within the existing structure as a support service.

In this strategy ACCU will focus on:

- Developing strategic partnership with the best Software Solutions company
- Negotiating the terms and conditions with the service providers and member organizations

## **Branding Strategy**

Branding is critical to successful growth strategies. The brand is not simply the logo for the national entity it is much broader. It is the reputation of the credit union movement in the marketplace. What is truly being branded is the vision, offering and reputation of the credit unions themselves, with the brand acting as both the collective expression of credit union values at a national level, and the local expression of national capabilities.

In doing so, ACCU will work along:

- Developing branding strategies for credit unions, capitalizing the competitive advantage of credit unions such as: Friendly Financial Institutions; Humane Financial Institutions; Dream Financial Institutions; World Financial Institutions; Nearest Financial Institution.
- Providing technical assistance for members to implement the branding strategies

- Developing advertising materials that will serve as model for member organizations.

The branding strategies will define the role of the Credit Union Movement as a new leader in the Financial Service Sector. In so doing, it will promote those characteristics that differentiate credit unions from other financial institutions in the marketplace. Further, branding will also communicate our capabilities to a broad national audience that does not realize how closely attuned their values are with those of credit unions. Most importantly, credit union operation will turn around into a dynamic and creative cooperative financial institution.

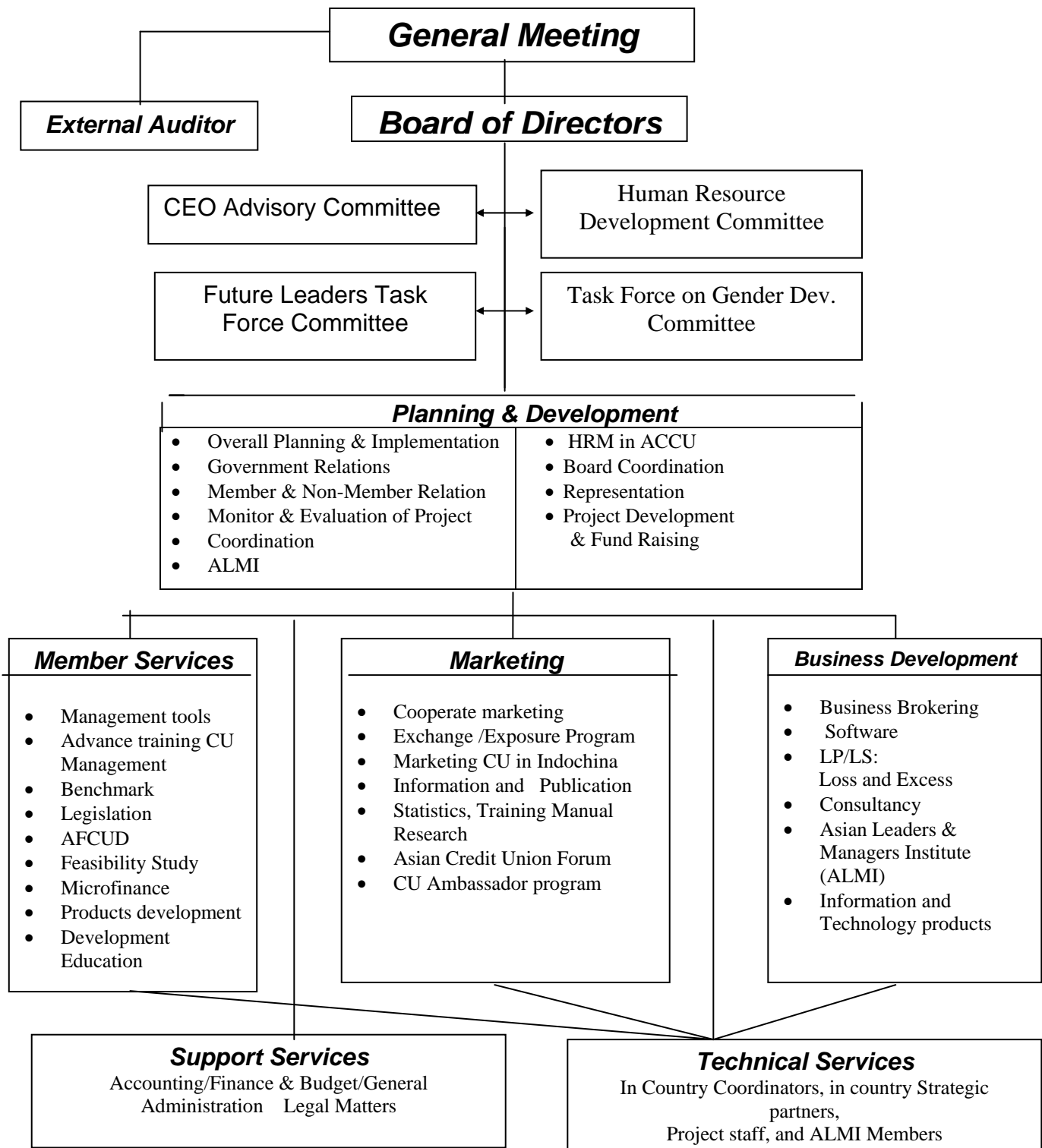
### **GOAL 3: Sustainability of ACCU as a Regional Credit Union Organization**

Goals number 1 and 2 support this goal. The viability of ACCU relies mainly on the viability of the primary credit unions. Thus, the focus of ACCU's services to its members is to ensure that value is added to their efforts to strengthen credit unions. All the strategies described in this document support this goal of creating a sustainable regional organization of credit unions in Asia.

The following table shows how ACCU can fulfill this role:

	<b>Core Trade Association</b>	<b>Development and Marketing</b>	<b>Business Support Services</b>
Functions	<ul style="list-style-type: none"> <li>• Advocacy with Government</li> <li>• International Linkage with bilateral organizations</li> <li>• International Cooperative Relations</li> <li>• Research and Economic Analysis</li> <li>• Planning/Democratic Support</li> <li>• Net work and communication</li> <li>• Representation in country and Global</li> <li>• Promotion of Membership</li> </ul>	<ul style="list-style-type: none"> <li>• Operations and Service Support</li> <li>• Standards – Management Tools</li> <li>• Core Product Development &amp; Marketing (Modeling)</li> <li>• Business Development</li> <li>• Strategic Alliances and Joint Ventures</li> <li>• Advanced Level Training Support</li> <li>• Marketing CU in transitional economy</li> </ul>	<ul style="list-style-type: none"> <li>• Planning consulting</li> <li>• Human Resource Consulting</li> <li>• Operations/ Service Consulting</li> <li>• Training Consulting</li> <li>• Market Consulting</li> <li>• Market Consulting</li> <li>• Project Management Consulting</li> <li>• New Services support like technology</li> <li>• Fair trade services</li> </ul>
Funding	Membership Dues	Fee-for-Service and Development Partners	Fee-for-Service
Management	Core Staff and Country coordinators	Core Staff/ Technical Staff/ Hired Professionals on assignment basis as need arises	Core Staff/ Technical Staff/ Hired Professionals on assignment basis as need arises
Delivery Channels	Nationally through Member Organizations and Regional program	Nationally through Member Organizations and Regional Program	Nationally through Member Organizations and Locally with Member Organizations
Beneficiaries	All Member Organizations	All Member Organizations and potential members	Those Member Organizations or Primary Credit Unions require services

## Functional Organizational Structure



## Summary of Members Recommendation on the Key Results Area Proposed by ACCU

*(Response of Members on the Questionnaires also included recommendations)*

Proposed Key Results Area that would Address the Challenges of Members <sup>1</sup>	Recommendation	Members
<b>SETTING PRUDENTIAL STANDARDS</b>	<ul style="list-style-type: none"> <li>Provide technical support to introduce standards</li> <li>Establish unified standard account package with different languages to adopted by all CUs in Asia</li> </ul>	FSCT CULHK
<b>ENABLING POLICY ENVIRONMENT FOR CREDIT UNIONS IN ASIA</b> (Lobbying with legislators, regulators, central banks)	<ul style="list-style-type: none"> <li>Provide platform for to discuss the needs of credit unions to have enabling regulatory environment to grow and be competitive in the present marketplace</li> <li>Assist members to dialogue with regulators in their respective countries.</li> </ul>	All members  CCULB
<b>GAINING MARKET SHARE</b> <i>(marketing the credit union difference: promotion of credit unions to untapped Asian countries and market segment like countries in transition, youth, have less)</i>	<ul style="list-style-type: none"> <li>Launching campaigns to expand membership of credit unions to reach at least 5%</li> <li>To supply marketing resources for each member country</li> <li>Assist members to increase their market share</li> </ul>	FSCT  CULHK
<b>PROFESSIONALIZATION OF CREDIT UNION OPERATION</b> <i>(International/Leadership Training and management Tools)</i>	<ul style="list-style-type: none"> <li>Providing management tools</li> <li>Supporting on training programs in order to develop professional capacity of leaders and staff of credit unions</li> <li>Establishment of ACCU International Training Center</li> </ul>	FSCT  JCU
<b>BRANDING CREDIT UNION PRODUCTS</b> <i>(Quality Control, Strategic Marketing)</i>	<ul style="list-style-type: none"> <li>Introduce high quality products and services</li> <li>Innovating and diversifying products and services to cope up with members' needs.</li> <li>Realization of a splendid Brand Image of credit unions in Asia</li> <li>Develop a Marketing Strategy</li> </ul>	FSCT  FSCT JCU  FESALOS

<sup>1</sup> The Key Results Areas are the priority areas credit unions should achieve in order for them to grow, becomes viable and competitive in the marketplace. Members should be supported to achieve the KRAs to ensure that they will also become viable as Credit Union Service Organization.

Proposed Key Results Area that would Address the Challenges of Members	Recommendation	Members
<b>TECHNOLOGICAL COMPETENCE OF CREDIT UNIONS (Computerization and information technology application)</b>	<ul style="list-style-type: none"> <li>▪ Provide technical support to introduce standards</li> <li>▪ Establish unified standard account package with different languages to adopted by all CUs in Asia</li> </ul>	<p>FSCT CULHK</p>
<b>TECHNICAL COMPETENCE AND CAPABILITY OF MEMBERS' ON SERVICE DELIVERY TO MEMBERS???</b>	<ul style="list-style-type: none"> <li>▪ Self-regulation for credit unions in the absence of government regulations. This includes standard monitoring system, standard chart of accounts and Management Tools.</li> <li>▪ Management Tools adopted and the focus of the national training programs</li> <li>▪ National Marketing packages for CU Brand, Products and Services;</li> <li>▪ Directors Achievement Program in place and implemented part of national policy</li> <li>▪ Standard accounting package for credit unions made available to credit unions (computer software)</li> <li>▪ Marketing plan for Membership Increase developed, implemented and monitored</li> </ul>	

## ACCU's Strategic Framework 2004-2009

Stages	Factors to Consider
<b>DEFINE PURPOSE</b> Creating a definite statement of future goals agreed by the Team Members, Board and Members. This is answering these questions: What is our business and what it will be? What needs of members would be served? <b>Present Mission Statement:</b> <i>ACCU works in partnership with its members to strengthen and promote credit unions as effective instruments for socioeconomic development of the people.</i>	<ul style="list-style-type: none"> <li>▪ The purpose must fit in with the strategic aims of member organizations</li> <li>▪ The statement should be kept brief and clear, concentrating on simple definition of intent.</li> </ul> <p><i>Proposed: ACCU provides value-added services to members to enable them develop viable and competitive credit unions.</i></p>
<b>DETERMINE ADVANTAGE</b> Compose a brief statement identifying why members and potential members of credit unions will use its services rather than other financial institutions.	<ul style="list-style-type: none"> <li>▪ The advantages must be enduring, since strategy focuses on the long-term. The competitive advantages of credit unions must be used in all marketing materials, product innovation etc. This may include powerful statement such as: Building people, building communities; Dream financial institution, people's financial institution, nearest, friendly, global, safe financial institution and many others.</li> <li>▪ What is important is that all these competitive advantage should be lived by the credit unions. These powerful advantages must be incorporated in the plan.</li> </ul>
<b>SET BOUNDARIES</b> List the services and movement that will be served and those that are not.	<ul style="list-style-type: none"> <li>▪ For the growth prospects, the plan shall focus on the untapped market segment. For example: credit unions would find it difficult to be relevant to rich people but easier to from the middle class and down. The 'have less' is a big market that has not been penetrated by the credit unions.</li> </ul>
<b>CHOOSE: AREAS OF EMPHASIS</b> Identify services and areas that are considered worthwhile areas for more time and resources.	In the market that will be focused, the plan should help members in putting in place appropriate products and services. It should be competitive, appealing, and not traditional.
<b>ESTIMATE A BUDGET</b> Examine the cost of allocating resources and forecast expected profits.	Funding will be secured for development activities. However, activities related to the core function shall be covered by the core income.



## Assessment of Credit Unions' SWOT

(That has to be addressed by ACCU)

"ACCU draws its strength from the members, thus, ACCU should address members' needs"

INTERNAL			
Strengths	Member	Weaknesses	Member
<ul style="list-style-type: none"> <li>People are open to the idea of standardization and new management trends because of irregularities surfacing large corporations</li> <li>There are software for standard accounting for members' database and general ledger</li> <li>Benchmark system for evaluation of performance of the Board and Committee</li> <li>Most Asian countries have policy for the promotion of SCCs</li> <li>Good number of cooperatives are gaining good public support as shown by their increase in assets and deposits</li> <li>Support received from ACCU, wide variety of trainings provided by ACCU</li> <li>Member credit unions are ready to pay for quality</li> <li>Availability of success stories of the practice of international standards for credit unions</li> <li>Evolving prudential standards</li> <li>Uniqueness of members as shareholders instead of customers</li> </ul>	NATCCO	<ul style="list-style-type: none"> <li>Member organization's competence and capacity to strengthen the operation of credit unions</li> <li>Low participation of the members of credit unions-decreasing sense of cooperation (developed movements)</li> <li>Not Market orientated operation of credit unions - not market oriented pricing practices, no innovation on products, share base lending not Capacity based lending, no market promotion, less interest and ability to apply modern management tools.</li> <li>Lack of financial disciplines such as lack of proper recovery policy, assessment of loans, credit driven resulting to high delinquency</li> <li>Governance and Management-lack of entrepreneurial leadership and professionalism in operation</li> <li>Lack of Strategic Management and strategic marketing &amp; management</li> <li>Aging leadership and lack of successors to replace them</li> <li>Increasing number of members declared bankrupt causing large amount of delinquent loans to be written off from reserve fund</li> </ul>	JCU
	CULHK		JCU
	CULHK FSCT		CCULB
	NATCCO		
	CCULB, PFCCO		CCULB
	CCULB		CCULB, PFCCO, FSCT
	PFCCO		PFCCO
	PFCCO CULHK		CULHK
			CULHK

<b>INTERNAL</b>			
<b>Strengths</b>	<b>Member</b>	<b>Weaknesses</b>	<b>Member</b>
		<ul style="list-style-type: none"> <li>▪ Lack of education on credit union philosophy</li> <li>▪ Creating strategic alliance with government and international organizations for supporting SCC</li> <li>▪ Enabling the SCC to fulfill their potential as effective tools for socioeconomic development</li> <li>▪ Lack of information and research about cooperatives</li> <li>▪ National federations are not more reliable and strong</li> <li>▪ Low penetration of rate in Asia (.38%) and large potential differences on target groups</li> <li>▪ Viability of credit unions</li> </ul>	CULHK FSCT  FSCT  NATCCO  NATCCO  FSCT, JCU  CCULB, NATCCO  CULHK  CULHK  CULHK  NATCCO

<b>EXTERNAL</b>			
<b>Opportunities</b>	<b>Member</b>	<b>Threats</b>	<b>Member</b>
<ul style="list-style-type: none"> <li>Various government agencies are willing to help and have similar initiatives-this could be exploited</li> <li>Basic prudential standards (CCOP-PESOS), framework with legal support, Standard Chart of Accounts approved for credit unions on March 20, 2002</li> <li>Friendly relationship with the Cooperative department, they also have interest in cooperative sector, good image of the credit union movement in the Coop Ministry and new coop law in the country</li> <li>Work is on-going; legislators and government agencies are receptive</li> <li>A coop Technical Working Group started the drafting of the proposed bills to support coops</li> <li>Standard ordinance and by laws for different countries</li> <li>A big market that could be penetrated to gain market share (Youth, women, and poor)</li> <li>Social responsibility and accountability gaining support by both civil society and government</li> <li>A strong focus of government to penetrate the “have Less”</li> <li>Educated young generation</li> </ul>	NATCCO	<ul style="list-style-type: none"> <li>For developed countries -New financial services available in the market like pre-approved credit cards, charge cards, ATMs, 0% interest split payments offered to consumers</li> <li>For developing countries-aggressive new players in the financial market such as the MFIs, the government supported programs on microfinance, NGOs, bank for the poor.</li> <li>Rising unemployment in the country</li> <li>Lack of public confidence on credit unions</li> <li>Legislations not favorable for credit unions such as abolition of share capital, reduction in the interest rates</li> <li>Low public awareness on credit unions</li> <li>Attention of the regulators to credit unions is low, and priority is low as well</li> <li>Banks has more to offer in terms of use of new technology and they are entering the credit union’s market.</li> <li>Fast pace of technological breakthroughs</li> </ul>	CULHK
	NATCCO		CCULB, FESALOS
	CCULB		CCULB FESALOS FESALOS, NATCCO, PFCCO
	NATCCO		CULHK FESALOS
	NATCCO		NATCCO
	CULHK		CULHK
	CCULB, FESALOS NATCCO		
	PFCCO		
	CCULB		

### Assessment of ACCU's own SWOT

INTERNAL	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Should development partners stopped support, has accumulated resources sufficient to continue development work with member organizations for at least 5 years</li> <li>▪ Developed credibility in the Asia region as a networking body for credit unions</li> <li>▪ Developed partnerships with bilateral and parallel organizations like UN-ESCAP, APDC, and APRACA</li> <li>▪ Have developed pool of technical expertise that could be tapped for member services</li> <li>▪ Has started the focus on addressing issues on professionalism, market penetration and marketing</li> <li>▪ Have established contacts with government regulators in Bangladesh, Philippines, Nepal and a good potential for other countries too.</li> <li>▪ Established Team spirit among the Team Members in Bangkok.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of quality documentation of training programs into training manuals, best practices, and management tools</li> <li>▪ Lack of human resource that can be tapped within the credit union that could deliver services to the members</li> <li>▪ The increasing and complicated problems of credit unions enumerated by the members such as: bankruptcy, high delinquency, low growth, and viability. This will definitely affect members' capacity to meet the dues to ACCU and WOCCU.</li> <li>▪ Vulnerability of some members (PFCCO, NACUFOK, CCULB, and NEFSCUN)</li> <li>▪ Lack of tools in monitoring impact of services delivered to members</li> </ul>

<i>EXTERNAL</i>	
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Should development partners stopped support, has accumulated resources to continue development work with member organizations for at least ___ years</li> <li>▪ Developed high profile credibility in the Asia region as a networking body for credit unions</li> <li>▪ The present trend in microfinance emphasizing on “poor’s ownership” of the financial institution, which is a cooperative model.</li> <li>▪ CCA’s increasing confidence to ACCU as indicated by its Project Manager for Asian and Eastern Europe. He proposed that the upcoming projects of CCA would have ACCU’s involvement.</li> <li>▪ Strong partnership with existing development partners such as Agriterra, Cordaid and CUFA</li> <li>▪ Software companies are paying respect to ACCU and would like to deal with ACCU instead of going from country to country. (I-Flex, Microfinance Manager)</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ The continuation of the WOCCU’s Asian Technical Congress that will hamper the members’ patronage of the Asian Credit Union Forum. ACCU’s forum serves as platform in preserving Asian solidarity.</li> <li>▪ WOCCU’s “Open Up” policy where national federation could be a direct member of WOCCU.</li> <li>▪ Unresolved issue on WOCCU dues</li> <li>▪ WOCCU’s indication that they will continue their strategy of implementing their projects directly to ACCU’s member organization</li> <li>▪ WOCCU’s presence in Asia is a threat to Asian Credit Union solidarity</li> <li>▪ Possibility of not attracting supporter members to join ACCU</li> <li>▪ Possibility of losing the contribution from NACUFOK because of its financial problem</li> <li>▪ Most likely stopping of CUNA Mutual’s annual management subsidy because of they have pulled out their operation in Asia</li> </ul>

### Summary of Members' Response to the Strategic Plan of ACCU 2002-2005

Member Organization	A. Please list the "Top 5" Challenges / Issues in your Movement
FSCT - Thailand	<ul style="list-style-type: none"> <li>• To be full financial center for member cooperatives</li> <li>• To strengthen and promote savings and credit cooperative movement</li> <li>• To closely cooperate with cooperative movement and the other community organizations</li> <li>• To collaborate with international cooperative organizations</li> </ul>
JCU - Japan	<ul style="list-style-type: none"> <li>• Establishment of organization to accomplish mission and role of Credit Unions</li> <li>• Realization of improvement of CU members' lives</li> <li>• Strengthening the management basis of Credit Unions</li> <li>• Scale enlargement and solidarity of Credit Unions</li> <li>• Revival of Credit Unions into the "Member Participative Organization"</li> </ul>
CCULB - Bangladesh	<p>Strong competition in the financial market :</p> <ul style="list-style-type: none"> <li>• Easy and cheap loans</li> <li>• Non-cost fund in lending business</li> <li>• Government collect funds for development purposes at high cost &amp;</li> <li>• Aggressive new player in the financial market</li> </ul> <p>Products &amp; services are not market driven</p> <ul style="list-style-type: none"> <li>• Non diversification of savings products</li> <li>• Share based lending system</li> <li>• Pricing not competitive</li> <li>• Lack of market promotion</li> <li>• Less interest / ability to occupy modern tools</li> </ul> <p>High delinquency</p> <ul style="list-style-type: none"> <li>• Lack of proper recovery policy</li> <li>• Lack of proper assessment of loans/borrowers</li> <li>• Generally members are borrowers not savers</li> <li>• Lack of financial discipline &amp; internal control</li> <li>• Leaders not entrepreneurial</li> </ul> <p>Traditional operation</p> <ul style="list-style-type: none"> <li>• Lack of professionalism</li> <li>• Voluntary based management</li> </ul>

	<ul style="list-style-type: none"> <li>• Philosophical stagnancy of leaders &amp; members</li> <li>• Lack of prudent standard in operations</li> <li>• Absence of effective skills &amp; tools</li> </ul> <p>Insufficient capitalization  Member emphasis on Credit rather than Savings  High percentage of unemployment  Ignorance of savings benefit  Lack of diversified savings products based on market segments</p>
FESALOS – Papua New Guinea	<ul style="list-style-type: none"> <li>• Establishment of other Microfinance program</li> <li>• Lack of public confidence of Savings and Loans Society system</li> <li>• Reducing interest rate for Savings / regulation – legislation</li> <li>• Abolition of share capital – capitalization</li> </ul>
NATCCO - Philippines	<ul style="list-style-type: none"> <li>• Strong regulation and self-regulation of the Philippine coop federations on their coop affiliates</li> <li>• Sectoral integration for specialization, focus and “industry” thinking</li> <li>• Institutionalization of standards for Philippine coop sector based on industry to ensure competitiveness and public confidence</li> <li>• Enabling legal and policy environment for the savings and credit cooperative sector; and</li> <li>• Coop Banking Technology Development and Marketing creatively the coop advantage</li> </ul>
PFCCO – Philippines	<ul style="list-style-type: none"> <li>• Difficulty of market penetration</li> <li>• No technology development or research for products and services</li> <li>• Reconceptualization of the exercise of coop leadership in terms of strategic marketing and strategic management</li> <li>• Entrepreneurial perspective of the senior management versus the residue of the social concept of the early years of the movement; and</li> <li>• Volatility of the legal framework with respect to cooperatives</li> </ul>
CULHK – Hong Kong	<ul style="list-style-type: none"> <li>• Limit of human resources due to aging of committee members and volunteers and lack of successors and limited number of devoted leaders</li> <li>• Low public awareness of the credit union movement</li> <li>• Competition with other financial institutions</li> <li>• Increasing number of members declared bankrupt causing large amount of delinquent loans to be written off reserve fund.</li> <li>• Lack of education on credit union philosophy</li> </ul>



Name of Member Organization	<b>B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its OPPORTUNITIES and CHALLENGES in the next five years :</b>	
FSCT - Thailand	1. Setting Standards ( Prudential Standards, etc. )	
	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	<ul style="list-style-type: none"> <li>No standards or benchmarks setting for SCC in Asia</li> </ul>	<ul style="list-style-type: none"> <li>Setting the prudential standards or benchmarks of SCC in Asia</li> <li>Providing the technical support to introduce the above standards in order to upgrade standard quality of SCC.</li> </ul>
JCU – Japan	<ul style="list-style-type: none"> <li>Establishment of more effective standards</li> </ul>	<ul style="list-style-type: none"> <li>Acquirement of competitive and advanced standards</li> </ul>
CCULB – Bangladesh	<ul style="list-style-type: none"> <li>Growth of capital</li> <li>Increased membership</li> <li>Delinquency controlled</li> <li>Increased savings</li> <li>Up-dated monitoring/evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Traditional operation of Cus</li> <li>NGO easy lending</li> <li>High cost of up-dated instruments</li> <li>Lack of capital management &amp; financial know how</li> <li>Lack of skilled Human Resource</li> </ul>
FESALOS – Papua New Guinea	<ul style="list-style-type: none"> <li>Establishment for implementation</li> <li>Have legal authority</li> <li>Provide basis for supervisory authority to monitor</li> </ul>	<ul style="list-style-type: none"> <li>PS priority to supervisory authority</li> <li>Effective use by CUs</li> <li>Lack of human resource to supervise</li> </ul>
NATCCO – Philippines	<ul style="list-style-type: none"> <li>Various government agencies are willing to help or have similar initiatives</li> <li>People are open to the idea because of irregularities surfacing in large corporations</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clear implementing guidelines on the dissolution and merger of cooperatives</li> <li>Weak government implementing agency</li> <li>Multi-purpose business operation of cooperatives</li> </ul>
PFCCO – Philippines	<ul style="list-style-type: none"> <li>Basic standards, framework with legal support from Cooperative Development Authority, Standard Chart of Accounts which was approved last March 20,2002</li> <li>Final draft of Coop Pesos as enhanced prudential standard</li> </ul>	<ul style="list-style-type: none"> <li>National dissemination and application</li> <li>Raw data making available on the application of Coop Pesos and Microfinance in the Philippines</li> <li>Continuing regional hearing on the regulatory framework to have a fully polished</li> </ul>

	<ul style="list-style-type: none"> <li>For Microfinance working guidelines are similar to the Coop Pesos</li> </ul>	Microfinance
CULHK – Hong Kong	<ul style="list-style-type: none"> <li>Standard accounting software for members' database and general ledger</li> <li>Benchmark system for evaluation of performance of the Board and Committee</li> </ul>	<ul style="list-style-type: none"> <li>To establish a unified standard accounting package with different languages to be adopted by all CUs in Asia.</li> </ul>

Member Organization	B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its OPPORTUNITIES and CHALLENGES in the next five years :	
FSCT - Thailand	2. Enabling Policy Environment for Credit Unions (Lobbying with national legislators, regulators, central banks )	
	OPPORTUNITIES	CHALLENGES
	<ul style="list-style-type: none"> <li>Most Asian countries have policy for promotion SCC movement</li> </ul>	<ul style="list-style-type: none"> <li>Creating the strategic alliance with government and international organization for supporting SCC development</li> <li>Enabling the SCC movement to fulfill their potential as effective tools for the socio-economic development</li> </ul>
JCU – Japan	<ul style="list-style-type: none"> <li>Developing strategies suitable for individual Nations</li> </ul>	<ul style="list-style-type: none"> <li>To bring about the better Policy Environment for credit unions through out Asia</li> </ul>
CCULB – Bangladesh	<ul style="list-style-type: none"> <li>Friendly relationship with Coop Dept</li> <li>Gov't interest in Coop sector</li> <li>Good image of CU movement in Coop Ministry</li> <li>New Coop Laws of the country</li> </ul>	<ul style="list-style-type: none"> <li>Frequent change of Coop Dept officials</li> <li>Commitment of state power is not fulfilled</li> <li>No special Law for Coop Credit union</li> </ul>
FESALOS – Papua New Guinea	<ul style="list-style-type: none"> <li>Financial reforms by development</li> <li>Corporate governance advocacy</li> </ul>	<ul style="list-style-type: none"> <li>Attention by Supervisor (BPNG) is lacking</li> <li>Priority is low</li> <li>Industry participation lacking</li> </ul>
NATCCO – Philippines	<ul style="list-style-type: none"> <li>Work is on-going; legislators and government agencies are receptive</li> <li>A coop Technical Working Group (TWG) started</li> </ul>	<ul style="list-style-type: none"> <li>Lack of information and research about cooperatives</li> <li>Too much politics and election issues</li> </ul>

	the drafting of the proposed bills to support coops (through the coop NATCCO Party initiatives)	<p>overwhelm legislators' time</p> <ul style="list-style-type: none"> <li>Stronger and more reliable cooperative federations</li> </ul>
PFCCO – Philippines	<ul style="list-style-type: none"> <li>The National Federation already initiated for lobbying in the National Congress, e.g. G.A., ICUW</li> </ul>	<ul style="list-style-type: none"> <li>Consistency on the strategic issue on partnering an established party list or have our own</li> </ul>
CULHK – Hong Kong	<ul style="list-style-type: none"> <li>Standard ordinance and Bylaws for different countries</li> </ul>	<ul style="list-style-type: none"> <li>To cope with different regulatory bodies in different countries taking into account the cultural difference.</li> </ul>

<b>Member Organization</b>	<b>B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its OPPORTUNITIES and CHALLENGES in the next five years :</b>	
FSCT - Thailand	3. Gained Market Share ( Marketing the Credit union Deference : promotion of Credit Unions to untapped Asian Countries and market segment like economies in transition, youth and have less market segment.) etc. )	
	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	<ul style="list-style-type: none"> <li>▪ Low penetration rate in Asia (less than 5% )</li> <li>▪ Large potential differences target groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Launching campaigns to expand SCC memberships reached penetration rate at least 5%</li> <li>▪ Encouraging the integration of the have less, women and youth groups into SCC</li> </ul>
JCU – Japan	Remarkable expansion of Market Share of CUs	More than two fold increase of Market Share of ACCU
CCULB – Bangladesh	A big market of 40 million have less A big market of 10 million Youth Potential market of 1 million teacher CUs image attractive to the neighbours	NGO activities Non employment lead the Youth to abuse drugs Local moneylenders usury Lack of intra-structural facility of mass circulation
FESALOS – Papua New Guinea	Community involvement Delivering services to areas whose formal financial institutions are not catering/cooperative values based	Weak commitment to cooperative principles management of small savers
NATCCO – Philippines	<ul style="list-style-type: none"> <li>▪ Social responsibility and accountability gaining support by both civil society and government</li> <li>▪ Good number of cooperatives regaining good public support as shown by their increase in assets and deposits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Greater number of coops (small coops) are unreliable and unviable business organizations</li> <li>▪ Banks have more to offer in terms of use of new technology</li> <li>▪ Banks and non government organizations entering cooperatives' markets</li> </ul>
PFCCO – Philippines	A very strong focus of national Government to penetrate the 'Have Less' segment or entrepreneurial poor.	How to integrate existing Microfinance in member coop to the cooperative framework
CULHK – Hong Kong	Concentration on existing member countries as there is still room for expansion within each member country use of project funding to go to untapped Asian countries	To supply marketing resources for each member country

Name of Member Organization	B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its OPPORTUNITIES and CHALLENGES in the next five years :	
FSCT - Thailand	4. Professionalization of Credit union Operation ( International training/Leadership training/ Management tools)	
	<b>OPPORTUNITIES</b>	
	Lack of professional SCC operations	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>▪ Providing the international trainings for professional SCC operations or services</li> <li>▪ Supporting the training programs in order to develop professional capacity of the leaders of SCC</li> <li>▪ Providing the technical assistance as management tools for professional SCC</li> </ul>
JCU – Japan	To support every possible action to broaden Trainings in each Nation	Foundation of ACCU International Training Center
CCULB – Bangladesh	851 CUs Educated young generation Development concept of CU members & leaders External expertise support from ACCU	Market driven skill is absent Traditional way of operation Lack of proper tools for management Lack of professionalism Lack of financial expertise
FESALOS – Papua New Guinea	Possible through not work of products Focus on sustainability Career protection	High cost for distant based training Balancing financial and social benefits relation of professional staff
NATCCO – Philippines	<ul style="list-style-type: none"> <li>▪ Changes brought by globalization and information technology highlight the need for upgrading knowledge and skills</li> <li>▪ Increase interest of coops to accept benchmarking as approach to ensure competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>▪ Understanding and accepting the importance of operational changes</li> <li>▪ Short-term office of elected officers</li> </ul>
PFCCO – Philippines	Wide variety of trainings provided by ACE and how to expand greater leadership involvement	To convert creatively into a continuing succession Creation of 1 <sup>st</sup> liners and 2 <sup>nd</sup> liners

	Wide experienced based of coop leaders	
CULHK – Hong Kong	Traditional management cannot cope with the changes in the market environment	To convince all leaders in recognize the changes in the market environment and prepare themselves to adopt new management tools.

Name of Member Organization	<b>B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its OPPORTUNITIES and CHALLENGES in the next five years :</b>	
FSCT - Thailand	5. Branding Credit Union and Products (Quality control, strategic marketing)	
	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	Low quality of products and services of SCC Low discriminate of products and services	Introducing the high quality products and services to SCC Innovating and diversifying the products and services in order to catch up with member needs.
JCU – Japan	To develop Manuals for Q.C. and S.M.	Realization of a splendid Brand Image of CU in Asia
CCULB – Bangladesh	A big market of branding CU products Member of CUs are ready to pay cost of quality Strategic market of non/half educated have less A big financial services needy market	People interested for short-cut development Ready market with competitive quality & price People are not market oriented IGP orientation is not being provided
FESALOS – Papua New Guinea	CU increasing awareness to stay ahead in the delivery of quality service Marketing strategy Common approach Cost benefit	Completion within the financial markets To establish quality control Cooperative values
NATCCO – Philippines	Growing competition makes branding a necessary strategy	Poor monitoring of cooperatives Poor image and capability of implementing organizations Competing brands are global brands Parochial mentality
PFCCO – Philippines	There are success stories of international Standards for CU	How this success stories can be converted into industry level e.g. century coop

	Evolving Prudential Standards Philippine Course or a program INDECUA	More data on industry analysis and exercise of leadership
CULHK – Hong Kong	Uniqueness of members as shareholders instead of customers	Lack of marketing skills Lack of flexibilities when compared to other financial institutions Less products available than other financial institutions

Member Organization	<b>B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its OPPORTUNITIES and CHALLENGES in the next five years :</b>	
	6. Technological Competence of Credit Unions (Computerization and Information technology application for the operation)	
	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
FSCT - Thailand	Less technological competence of SCC	Providing the technical assistance to institutional development, professional training, computerization and information technology application for the operation
JCU – Japan	To encourage Cus in accomplishing through computerization in their operations	Development of ACCU customized integrated softwares for operations
CCULB – Bangladesh	Some CUs are interested to introduce computerization in operation ACE is ready to support with expertise to develop appropriate software	High cost of IT instruments Lack of skilled IT instrument operator Only few CUs got instruments Only few CUs have capacity to implant IT facilities
FESALOS – Papua New Guinea	Access to information technology Appropriate HR Credit Unions are new markets	Expansion IT resources fast involving technology Standardization
NATCCO – Philippines	<ul style="list-style-type: none"> <li>▪ Computerization is now perceived as a necessary</li> <li>▪ growing availability of good quality, open</li> </ul>	<ul style="list-style-type: none"> <li>▪ Many areas have no telephone lines or internet service providers</li> </ul>



	standard software	<ul style="list-style-type: none"> <li>▪ resistance to invest in technological changes in the operation</li> <li>▪ High rate of obsolescence of computer hardware and software</li> </ul>
PFCCO – Philippines	Existing international software e.g. CUBIS Available hardware to CU's	Software have strength and limitations, e.g. Accounting System
CULHK – Hong Kong	<ul style="list-style-type: none"> <li>▪ Application of IT not common</li> <li>▪ Not many software available for CUs</li> <li>▪ Growth of the size of CUs demands for computerization</li> </ul>	<ul style="list-style-type: none"> <li>▪ To manage resistance from senior CU leaders (in terms of age) from adopting computerization and use of IT</li> <li>▪ To educate the CU leaders to use computers</li> <li>▪ Cannot cope with the speed of technological changes in computer industry</li> </ul>

<b>Member Organization</b>	<b>C. Additional comments / suggestion / views, if any;</b>
CCLUB - Bangladesh	Continuous technical & expertise support from ACE in professionalization IT. Branding CU product Strong and effective support in Microfinance innovation and organizing International donors to support CLUB Microfinance Program
NATCCO - Philippines	<ul style="list-style-type: none"> <li>▪ A dialogue and consensus building among coop federations on the focus and priority programs of ACE that will complement and/or support the federations' plans and activities</li> <li>▪ The strategic planning sessions will strengthen the solidarity and understanding of the members as an Asian-Pacific network</li> </ul>
PFCCO - Philippines	<ul style="list-style-type: none"> <li>▪ Should have a commitment focus on the training for professionalizing management in terms of strategic management and strategic leadership</li> <li>▪ Discussed at the Board Meeting on August 17, 2002, per BOD RES//__</li> <li>▪ Affirming adopting the deliberated responses of the BOD of the RE : Strategic Plan of ACCU</li> <li>▪</li> </ul>
CULHK – Hong Kong	<ul style="list-style-type: none"> <li>▪ As all member countries pay dues to ACCU, ACCU should pay more attention to member countries</li> </ul>

	<p>rather than going to too many untapped Asian countries. ACCU should lead the Credit Union Movement in Asia. ACCU may get market shares by expanding the credit union movement in member countries as the penetration is rather small and there is a lot of room for expansion. ACCU should consolidate the demands from all member countries. The CEO Workshop should be extended to cover the Strategic Planning of ACCU so that the CEOs of all member countries can take part in the planning process and decide the best solution of each country. Then the strategies would be implemented by the CEOs with the assistance supplied by ACCU, either financially or technically. The whole process would be reviewed semi-annually. New projects in untapped Asian countries should be handled by recruitment of extra person paid by project funding.</p>
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## Association of Asian Confederation of Credit Unions

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### Strategic Plan of ACCU

*Please return by August 31, 2002*

*Planning Questionnaire for the Board Members of ACCU*

Name of Director: \_\_\_\_\_

Credit Union represented at the League/Federation:

\_\_\_\_\_

Position to the Primary Credit Union: \_\_\_\_\_

Number of years:      Credit Union experience: \_\_\_\_\_

Board Member: \_\_\_\_\_

Professional Management Staff: \_\_\_\_\_

No. of years of involvement in ACCU: \_\_\_\_\_

What are the major challenges for CUs development in Asia?

- 1.
- 2.
- 3.
- 4.
- 5.

What are the major roles of ACCU in next five years for CUs development in Asia considering the present challenges?

- 1.
- 2.
- 3.
- 4.
- 5.



## Association of Asian Confederation of Credit Unions

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### Strategic Plan of ACCU *please return by August 31, 2002*

#### Planning Questionnaire for Member Organization of ACCU

Name of Member Organization: \_\_\_\_\_

**(Please feel free to consult your Member organization's Board of Directors, Staff Members, to answer these questionnaires).**

**A. Please list the "TOP 5" Challenges/Issues in your movement:**

*Please provide specific feedback based on market (Minimum 3, maximum 5!)*

1.

2.

3.

4.

5.

***B. If ACCU would be focusing on the following Key Results Area on Credit Union Development, what do you think would be its Opportunities and Challenges in the next five years:***

***1. Setting Standards (Prudential Standards, etc.)***

<u>Opportunities</u>	<u>Challenges</u>

***2. Enabling Policy Environment for Credit Unions (Lobbying with national legislators, regulators, central banks,)***

<u>Opportunities</u>	<u>Challenges</u>

3. **Gained Market Share** (*Marketing the Credit Union Difference: Promotion of credit unions to untapped Asian countries and market segment like economies in transition, youth and have less market segment.*)

<u>Opportunities</u>	<u>Challenges</u>

4. **Professionalization of Credit Union Operation** (*International training/ Leadership training /Management tools*)

<u>Opportunities</u>	<u>Challenges</u>

5. **Branding Credit Union and Products** (*Quality control, strategic marketing*)

<u>Opportunities</u>	<u>Challenges</u>

6. **Technological Competence of Credit Unions** (*Computerization and Information technology application for the operation*)

<u>Opportunities</u>	<u>Challenges</u>

**C. Additional comments/suggestions/views, if any.:**

*For example, what you expect from the Strategic Planning of ACCU.*

[illegible]

Discussed at the Board Meeting on:

Signed:

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Chairperson

Chief Executive Officer/General Manager