

CREDIT UNION EXECUTIVE MANAGEMENT COURSE (CUEMC)

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Preface

REASONS AND GOALS FOR THIS SOLUTION



ACCU recognizes the important role of the Chief Executive Officers or General Managers of credit unions. The CEO is the singular organizational position that is primarily responsible to carry out the strategic plans and policies as established by the board of directors.

The CEO is responsible for the success or failure of the credit union. Operations, marketing, strategy, financing, creation of organizational culture, human resources, hiring, firing, compliance with regulations, sales, PR, etc.—it all falls on the CEO's shoulders. Much more the CEOs have to be well rounded in the credit union because the Board of Directors changes at least every two or three years. Unable to understand each role creates issues on Board and CEO relationship that weaken the ability of the credit unions to provide services to members and meet its sustainability goal.

The Credit Union CEO Competency Course (CUCCC) recognizes the competencies needed by CEOs to move the credit union performance from “ordinary” to “exceptional” by exploring change from an organizational, personal and strategic perspective. Equivalent to the Credit Union Directors Competency Course (CUDCC), CUCCC is also directly linked to the Changing Leadership Competency Strategy in the Strategic Plan of ACCU. CUDCC has been successfully implemented by ACCU through the development of the Trainers Manual and training the trainers of member organizations that in turn adopted and run the program on fee basis. It has been proven that CUDCC can significantly change a director. Similarly, CUCCC is a course that represents an invitation and challenge to open the CEO's mind to the wide ranging responsibilities involved in operating credit unions in the changing landscape.

ACCU has developed CUCCC as *Credit Union Solution No. 6* bearing in mind the diversity of experience and culture in Asia. This course combines elements of pre and post-course projects, presentation, group discussion, case study examination and syndicate/team exercises. This toolkit would enable the trainers of ACCU's member organizations to deliver the course with minimum supervision. The manual is a complete guide, which includes Lesson Plans, PowerPoint and Handouts with pre-course and post-course project work. We anticipate that our member organizations will adopt the program as a new service offering to their affiliate credit unions on a fee for service basis.

ACKNOWLEDGMENTS

We thank Cordaid, the Netherlands for supporting ACCU in its effort to promote and strengthen credit unions. This manual is an output of our partnership with Cordaid. We are grateful to Cordaid for understanding the value of credit unions and helping ACCU fosters the competitiveness of credit unions enabling them fulfill their mission of providing affordable financial services to people particularly those living in poverty.

ACCU appreciates the contribution of Mr. Bill Field, Chairman of WAW Credit Union, a Development Educator and an active member of the Asian Leaders and Managers' Institute (ALMI) for providing valuable inputs in developing this manual. His personal commitment in supporting the initiatives of ACCU and development of credit unions in Asia is commendable.

We want to thank all ACCU's member organizations for their support and cooperation. They provided us with valuable learning experience and continually challenged us to develop innovative programs that delivered results.

INTRODUCTION

CREDIT UNION CEOs' COMPETENCY COURSE (CUCCC)

The chief executive officer is the overall, primary management and leadership role in any organization. Therefore, it is critical that chief executive officers have strong knowledge and skills in a wide variety of areas. However, there are certain basic areas of knowledge and skills which provide the foundation from which chief executive officers can add knowledge and skills customized to the particular nature of the credit union and the current environment (political, social, economic and technological).

The CEO is the singular organizational position that is primarily responsible to carry out the strategic plans and policies as established by the board of directors. The chief executive officer reports to the board of directors. The Dictionary of Business Terms defines it as follows: "The Chief Executive Officer (CEO) is the officer who has ultimate management responsibility for an organization. The CEO reports directly to the Board of Directors and appoints other managers...to assist in carrying out the responsibilities of the organization. In this manual, the CEO title is used to point the person responsible for the credit union operation. The rationale: Whether the CEO is called General Manager, Managing Director or Manager or other titles, we are, however, concerned how the role is defined. Thus, the term "CEO" is used throughout the manual to reflect the role definition recommended.

We recommend that the board use a single point of delegation and hold this position accountable for meeting all the board's expectations for organizational performance. Using a CEO, the board can express its expectations for the entire organization without having to work out any of the internal, often complex, divisions of labor. Therefore, all the authority granted by the board to the organization is actually granted personally to the CEO. All the accountability of the organization to meet board expectations is charged personally to the CEO. The board, in effect, has one employee – the CEO. It is important that boards maintain a sense of cause and effect with respect to their CEOs. The board creates the CEO; the CEO does not create the board. As the board contemplates its accountability to the ownership, it decides that creating a CEO role will be a key method in fulfilling that accountability. As the experience demonstrates, this role is not made very clear between Boards and CEOs.

Further, the experience of a first-time CEO is often one of the most trying in their career. They rarely have adequate training for the new management role -- they were promoted because of their technical expertise, not because of their managerial expertise. They suddenly have a wide range of policies and other regulations to apply to their subordinates. Work is never "done". They must represent the Board to their subordinates, and their subordinates to the Board. They are stuck in the middle.

The above are reasons why ACCU has placed serious attention in developing this credit union solution number 6. Completion of this module will ensure that your credit union has the necessary components, policies and practices in place from which to develop a sustainable credit union.

The CUCCC is very useful tool for CEOs. An experienced CEO, who certainly can use improvement in some areas, can accurately pinpoint weaknesses to address. Whether the CEO is new or a veteran, they will find something in this course to enrich their contributions to the credit union. That, in turn, will increase the satisfaction they will gain from the service to the credit union. This module helps the learner to round out the CEOs and ensure they are fully functioning for the credit union.

The course focuses on the overall changes in the market environment that somehow puts pressure to the operation of the credit unions. Attending this module would enhance the understanding of the CEO on the challenges that conceivably apparent. The course would also examine in detail the general responsibilities of CEOs and their relationship with their directors. This exercise would validate whether the CEOs are translating their responsibilities for the growth and viability of their credit unions. Certainly, the goal of the credit union is the same: *helping people help themselves*.

The CUCCC can greatly enhance the development of the credit union CEOs by continuing to involve board members in discussions about topics and questions posed before and after this program. The participants are required to complete the pre and post course assignments which require the participation Board, committees and senior level staff. The post assignment (Credit Union) projects are to be submitted for assessment to the Registrar of the Credit Union CEO Competency Program.

PROGRAM OBJECTIVES:

1. To strengthen the credit union system by offering effective CEO development
2. To enhance the knowledge, skills and abilities of credit union CEOs
3. To assist credit union CEO to manage the affairs of credit unions
4. To assist credit union CEO to develop effective board/management terms.

PROGRAM DESIGN

Modules	Course Program and Electives	Duration (hours)
1.	Credit Unions in the Marketplace	4
2.	CEO Roles and Core Competencies	4
3.	Strategic Thinking, the Art of Creating Value	4
4.	Role of Credit Union as Trusted Wealth Creation Advisor for Members	4
5.	Customer Relationship Management	4
6.	Human Resource Management	4
7.	Risk Management	4
8.	Financial Management and Analysis 1	5
9.	Good Cooperative Governance	4
10.	Legislative Compliance and CEO Responsibilities	3
	Total Required Hours	40

