

COMMENCEMENT ADDRESS TO THE
WESTERN CUNA MANAGEMENT SCHOOL

By

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July 26, 2007

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Most of us probably thought we'd outgrown commencement speeches, caps and gowns....and yet another graduation.

But look around you....I state the obvious. Here we are, dressed in Medieval finery and looking both proud and.....let's be honest, just a bit foolish.

Did you know that graduation ceremonies first started in the mid-12th Century in Bologna, Oxford, Paris and Cambridge?

**Caps and gowns were an English tradition
...imported from the Druids....brought to America.
The Druids, as we know, spent a lot of time stacking
huge blocks together at Stonehengepresumably
NOT in caps and gowns.**

**And keep in mind that while you are wearing the
trappings of graduates, the proliferation of "honorary
degrees" at various universities has allowed
individuals as diverse as the Bee Gees, (University of
Manchester) the ear-chewing prize fighter Mike
Tyson (Central Ohio State University) and Kermit the
Frog (Southampton College) to also don these robes
and receive degrees.**

**So, today is probably NOT really about the caps
and gowns, is it? The truth is that all the trappings
of this event – all the pomp and circumstance -- are**

just symbols of a more important life experience – and that experience is life-long learning. And it is a deadly serious pursuit.

We don't stop learning. We can't stop learning. The world won't let us stop. The world won't ever tell us – "okay, you've learned enough. You've grown enough. You can stop now."

That is NOT the world we live in and it is not the world that our credit unions face, each and every day.

Learning, growing, changing.....that is reality. Each of you know this, or you would not be here today.

Like most of us, I get a lot of "stuff" from vendors, seeking our business. Much of it is either unimaginative or, sometimes even worse, totally over the top.

One vendor – actually a company run by an old client of mine – sent me something that is totally worthless in terms of a product. It doesn't have flashing lights or batteries. It isn't a whistle or a squeeze ball....in the shape of a banker..... It doesn't DO anything.

It's just a simple piece of paper – a sign – about 6 by 8 inches. It just sits on my credenza.

It's not the thing that keeps this item on my shelf – it's the message. In big block letters it simply says: "If you fear change, you're in the wrong business."

Does anyone doubt that simple statement? If so, I would submit to you that.....YOU are in the wrong business.

The world is changing every day for our credit unions.

- **Our membership is aging – the average credit union member is now 47 years old, up from 40 just a few years ago.**
- **Our marketplace is getting more crowded – bankers, WalMart, ING, payday lenders and a crowd of others are moving into our space, trying to pick off our members.**
- **Our loyalty factor with members is disappearing – “show me the money” is heard more than “I love my credit union.”**
- **Our financial picture is more challenging – ROAs are running 25-50 basis points below what they used to be just a few years ago and we all have to look for new products, new sources of income and new collaborations to make ends meet.**

- **Our growth is anemic and not getting a lot better – membership is growing but only very slowly, and younger people are not easily finding us.**

Perhaps the better slogan is NOT “If you fear change, you are in the wrong business” BUT rather “If you think change isn’t here, you must already be dead.”

Change is all around us.

**Scary.....challenging...tough.....nasty....
surprising change.**

There is every reason to conclude that our biggest challenges come from the outside, but I don’t think that is true.

That is NOT to dismiss the challenges of the Wall Marts or ING’s or the bankers. These are tough competitors and beating them will be no cakewalk.

But long before we might succumb to these fights, I would submit to you that the identity of our greatest challenger is easy to find – just look in the mirror. It is us. Our entire movement – our credit unions, our boards, our regulators.....the challenge is US.

We have to collectively have the foresight, the leadership, the innovative spirit and the determination to meet the challenges of this new century. Doing things the old way is not good enough. It will doom us.

We are going to have to find new ways to market and brand ourselves.

New ways to collaborate with each other and create partnerships.

New ways to connect to, and bring value to our members – both present and future.

New ways to go on the offensive in our advocacy programs to insure that we have a fair and level playing field in law, rules and regulations.

New ways to convince our regulators that protecting safety and soundness is not the same as the Reagan Era drug slogan – “just say no.”

Credit unions need to be free to try new things, to innovate and.....yes.....to make mistake.....without our regulators breathing down our neck every minute.

Our boards need to challenge themselves to grow and educate each other on the way the world works NOW.....not the way the world worked twenty years ago. And those same boards need to make way for new members – YOUNGER members – the future of our credit unions.

“Growth” has got to never be viewed as a dirty word in credit union land. We can be assured that our competitors will never pass up a chance to take a bite out of our hides and add to their growth.

And each of you – as current and future leaders of our movement – have to be smarter and quicker and better than the bank down the block..... or the internet investment service on your neighbor’s PC.

It CAN be done. I KNOW it can be done, because I have seen it.

I have seen a small credit union in Colorado that operates out of a bungalow with a staff of four grow like gangbusters because the CEO is smarter, quicker and better than his competition.

I’ve seen the bank lobby back down when we finally screw up the courage to bop them hard on the nose.

I've seen credit unions that never spent a dime on marketing decide maybe that doing so might make some sense.

The world is big enough for all of us – no matter what size – to succeed.....if we try.

I have been President of the Colorado and Wyoming credit union associations for a little over three years. I surely do not have all the answers to these tough questions and challenges, but one thing I have learned in my brief time working for you is that the power of cooperation is a mighty sword to wield against any challenge.

Ladies and gentlemen, it is our collective hands on the hilt of that steel.

Our collective energy that can swing that sword and cut through the red tape of regulation.....cut away the old thinking.....build something new.

If we don't pick up that sword together – if we don't rise to the occasion together.....our enemies will have an easy of time of beating us.

But working together, we can't be beat.

The future is in your hands, ladies and gentlemen.

Please don't drop it. Pick up the sword. Fight. Win.
