STRATEGIC SCENARIO PLANNING

Preparing for Plausible Futures

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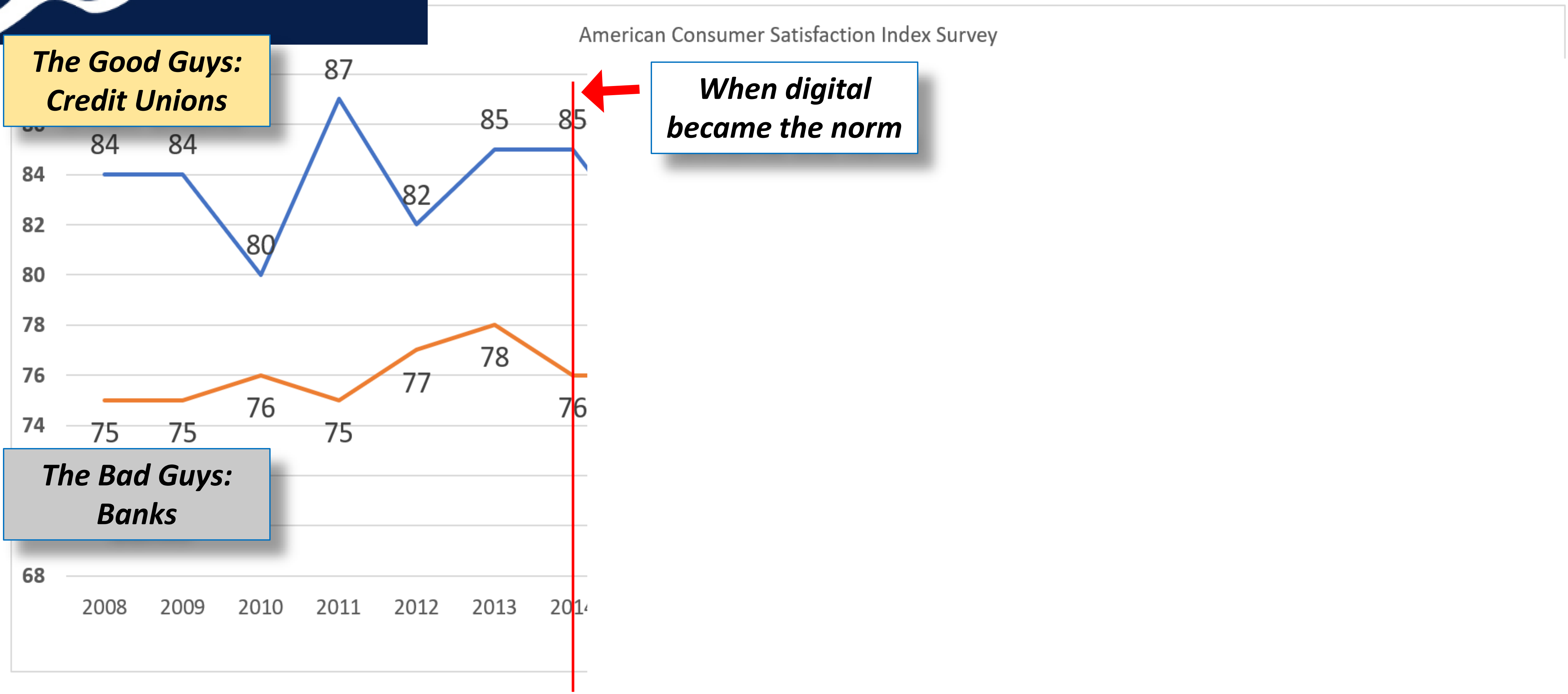
TEAMResources

National Council of Firefighter Credit Unions

NCOFCU

Even if you're on the right track
You'll get run over if you just sit there

CONSUMER SATISFACTION



Managing Uncertainty

The social, political and economic uncertainty is making planning difficult, but that could be said of just about any year since 2008.

Regardless of the uncertainty, we still must push ahead or we will fall behind.

Why Scenario Planning May Be Useful

We Don’t Know the Future

1. CUs often suffer when they plan for only one future
2. Uncertainty seems to be the norm, with wild swings

   Technological, Demographic, Consumer, Economic, Regulatory,

We can consider strategies that take into consideration multiple plausible futures

What Does Your Credit Union Need From You?

2027

Board: *Collaborate with Executives to help CU change fast enough to survive*

Executives: *Collaborate with Board to help CU change fast enough to survive*

Why? The World No Longer Needs Your Credit Union

venmo

acorns

robinhood

Cash App

chime®

SoFi

What is Scenario Planning?

A way of exploring multiple plausible futures and identify unique strategies for each

It is NOT prediction
It IS preparation

What it Can Do?

Prepares you to pivot if a different future than the one planned for reveals itself

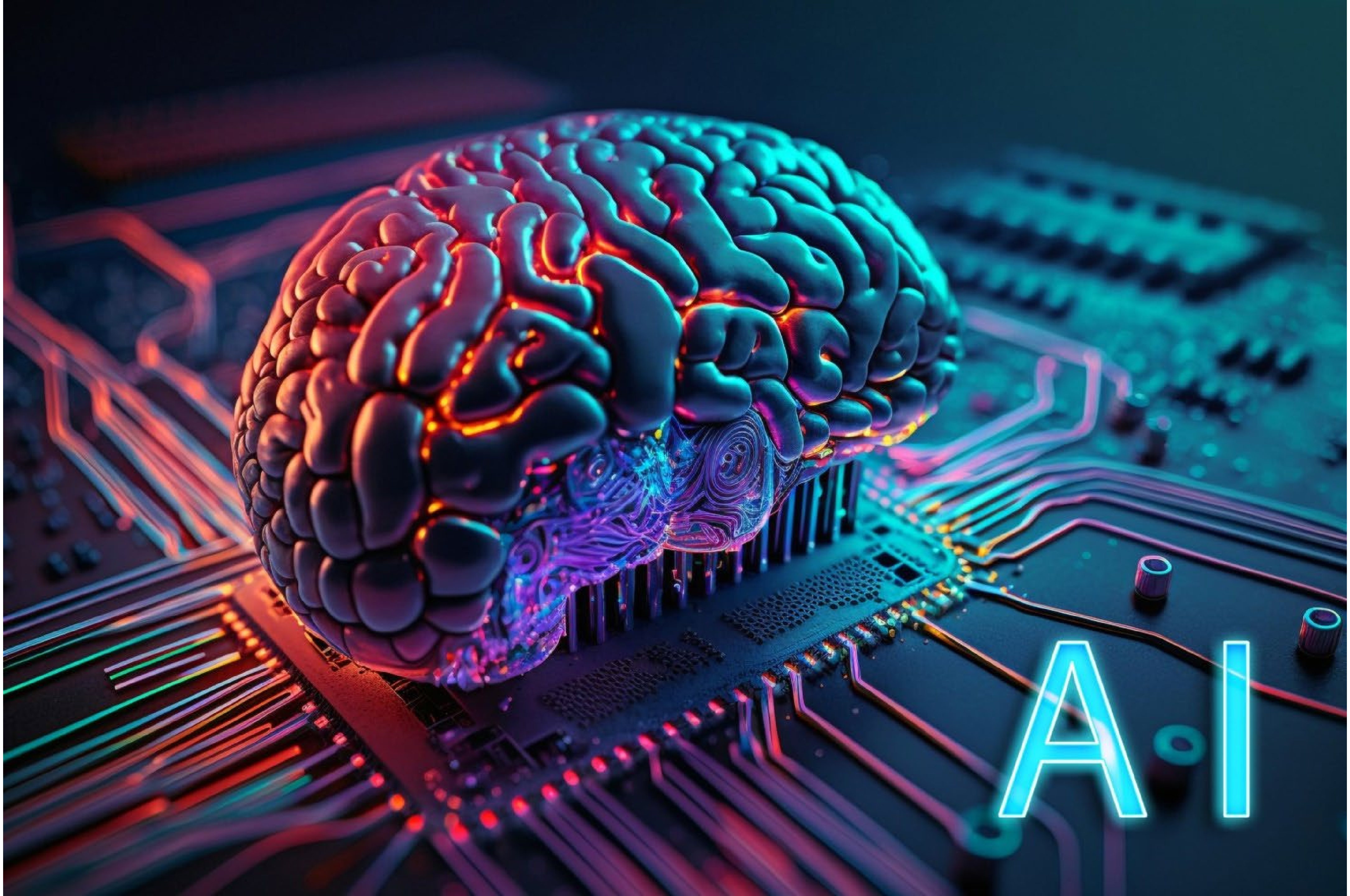
Possible Forces to Consider – "What Ifs"

1. ***Technology changes (EG. AI, Digital)***
2. ***Consumer Changes (EG. Evolving Shopping, Gen Z)***
3. ***Economic changes (EG. Recession, Boom, Interest Rate Changes)***
4. ***Regulatory changes (EG. California law reducing NSF fees)***
5. ***Climate Related Disruptions (Fire, Flood, Hurricane, Tornado)***

Possible Forces to Consider – "What Ifs"

Technology Changes

1. ***AI !!!***
2. ***Increased Digital Reliance***
3. ***StableCoin***


AI

AI Multiplies Your Human Capital

AI isn't replacing humans; it is multiplying their productivity.

You are competing against organizations that are using AI where you are using humans. Your efficiency must improve or your ability to retain members and profit will be challenged.

This isn't an either/or game, it is an both/and.

AI Multiplies Your Human Capital

AI doesn't remove Human Touch, that People to People ethic that is so important to credit unions.

It allows processes to be faster and better so that your "humans" can spend more time taking care of your "members".

Find Ways to Harness AI

Task staff with finding ways to use AI in their areas.

Also, coach staff on how to manage data (AI) more and perform traditional functions less.

Ensure proper policies and data controls are in place so that the CU and its members remain safe.

AI Can Keep You in the Lending Game

"AI is allowing us to approve auto loans in 2.3 seconds. We can let a dealer know of an approval faster than almost anyone. That's why we get more car loans."

TEAM Resources client using ZestAI

AI Can Keep You in the Game

AI can help in:

- Lending
- Marketing
- Data Analysis
- Member Communications
- Accounting Functions

AI Can Keep You in the Lending Game

AI in Lending is allowing credit unions to serve members faster and obtain new members more often.

ZEST AI

SCIENAPTIC

Experian℠

CU Lending COLLECTIVE

Zest AI for small credit unions

Is StableCoin a “Thing”?

Yes, but it is unclear when it will become a thing that matters to your credit union.

Stablecoin is poised to become a key payment or money transfer system for consumers.

It could knock nearly all other money transfer systems out of the market. Keep abreast of what’s happening.

Possible Forces to Consider – "What Ifs"

Consider Changes

1. *Evolving Consumer Shopping and Buying Habits*
2. *Gen Z and their needs, desires and financial issues*

Meet Members Where They Shop

39% of Gen Z are open to buying a car on-line
90% of car shoppers start the process on-line

Fewer members are looking at their credit union’s website, CU advertising or lobby advertising to select a loan.

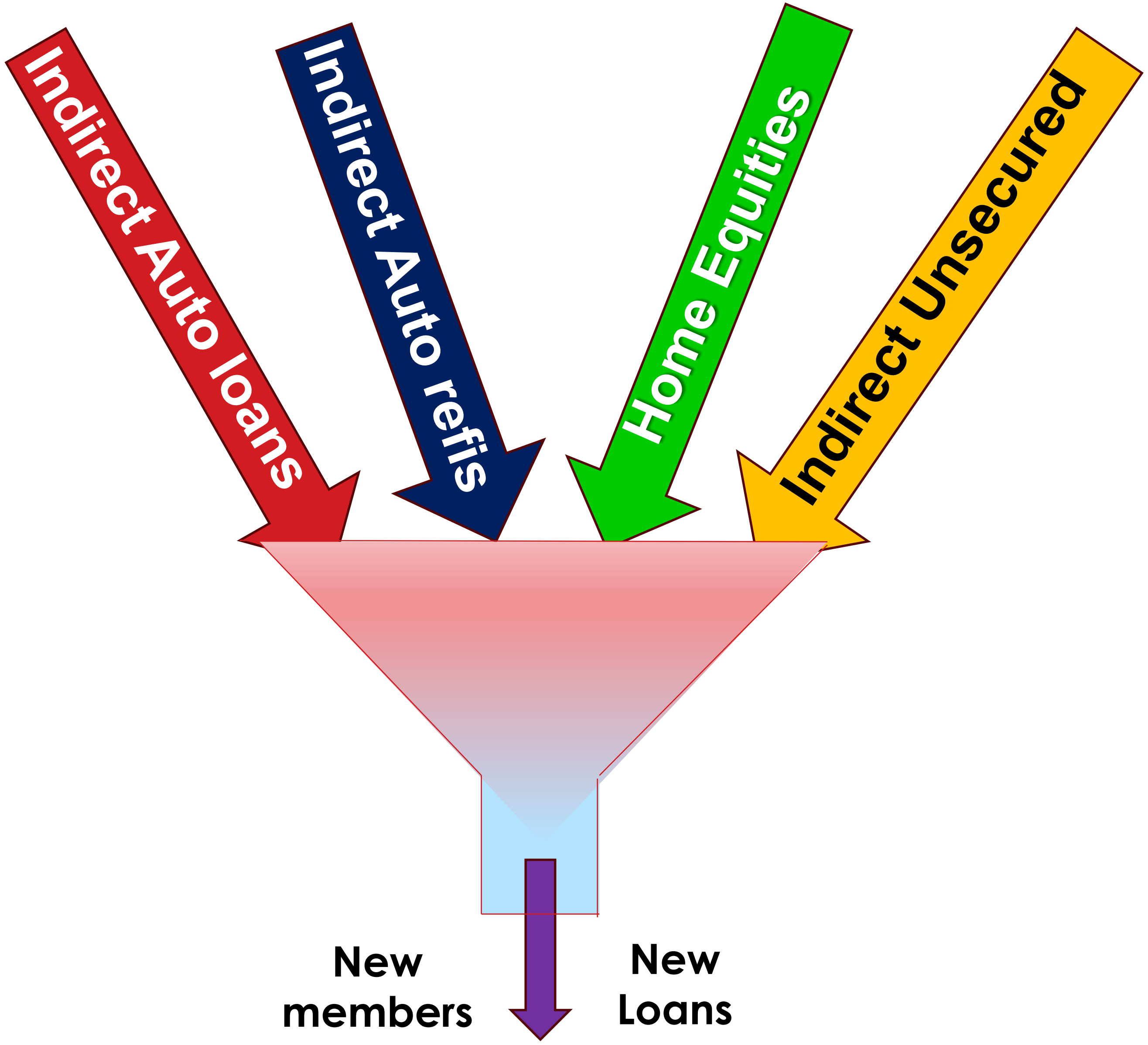
Origence Report: “Smart CU Lending for Inclusive Growth
February 2026

Growing or Flat-Lining?

Credit unions that depend on members coming to them to open an account or apply for a loan are often seeing flat or declining membership.

Member behavior has been changing for years. Credit unions that grew in 2025 generally relied on lobbies, contact centers, on-line openings ***AND 3RD PARTY FUNNELS.***

Offer your products where members shop



New Funnels for Loans/Members

Use Funnels for Loans and Members

Attracting new loans today *often depends* on 3rd parties

Indirect Auto:

Traditional dealers
On-line auto buying: Carvana/Auto Trader/Lending Club
On-line auto refinancing: Caribou/Rate Genius/Open Road
Indirect to financing: Boat/RV/Motorcycle

Indirect Home Equity/HELOC

FIGURE/Rhyze

Indirect Personal Loans

UpStart/Upgrade

Use Funnels for Loans and Members

Following this strategy…you will start with a lot of single product “members”.

Learn to:

on-board extremely well

cross-sell extremely well

When Available, SELL Your Products

Stop being a “best kept secret”

Be a Product Evangelist. Get out there and tell the world about how great your products are.

You will be shocked how many consumers will buy something simply because you ASKED.

Fees: Very Unpopular with Gen Z.
Many Credit Unions Survive on *Non-Interest Income.*
Can This Change?

Build Lending Income

To be less dependent on Fees and Service Charges
focus on building more lending revenue

The best way to provide what members need is to have the profit to afford what you need.

- Focus on making more loans
- Expand your Risk Appetite to generate more Net Yield (after losses)
- Rebuild your unsecured loan portfolios
  - Credit card
  - Personal or Life Event loans

if you can't make the loans, buy Participations

Upstart

upgrade

Possible Forces to Consider – "What Ifs"

Regulatory Changes

1. Possible Deregulation offering new opportunities
2. Possible reduction in NSF and Courtesy Pay fees causing a reduction in Non-Interest Income

We can't really innovate, we're too small. We don't have the resources.

Most organizations stall,
not because of lack of Resources

But because of lack of
RESOURCEFULNESS

Innovation is rarely invention

Innovation is usually making new connections with old ideas

Options to Be Nimble

1. We must accept “Change or Die”
2. Balance **Growers** and **Preservers** on Board
3. Innovation isn’t just invention. It can be rapid adaptation

Options to Be Nimble

Accept FAILURE

Praiseworthy
versus
Blameworthy Failure

Options to Be Nimble

- Fear of Failure is natural…but not helpful.
- Fear prevents us from making uncomfortable changes
- Courage is not absence of fear, it is acting even with fear
- Most innovations FAIL

"I know worrying works, because none of the stuff I worried about ever happened."

Will Rogers

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TEAMResources

Opening Doorways to Your Future

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