

Peter Challis  
Chief Executive  
WAW Credit Union

## STRATEGIES THAT CAPTURE VALUE AND SUSTAINED COMPETITIVE ADVANTAGE

27 September 2008  
14:00 – 15:30



27 September 2008

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### JUST CHASING GROWTH

Representative Quality Versus Quantity Frontier



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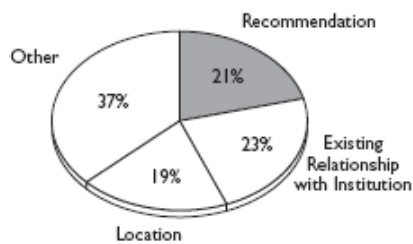
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### MY PRESENTATION WILL BE ABOUT BUSINESS ONGOING SUSTAINABILITY



FACTORS INFLUENCING THE CHOICE OF A FINANCIAL INSTITUTION



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### BANK SEGMENTATION CIRCA 1980



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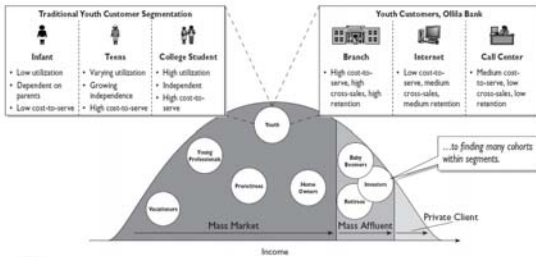
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### BANK SEGMENTATION CIRCA 2006



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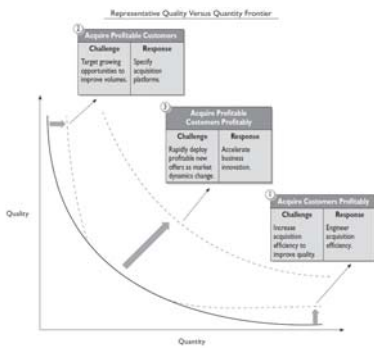
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### STAYING FOCUSED



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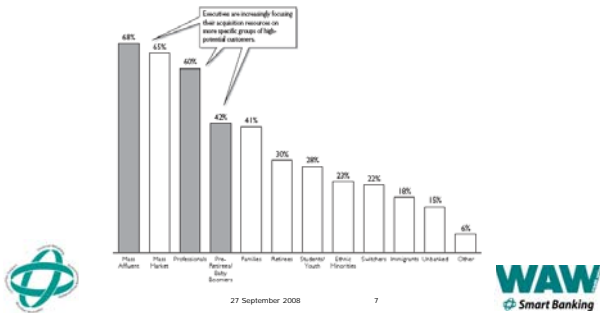
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## WHICH GROUPS PROVIDE THE BEST GROWTH OPPORTUNITIES?




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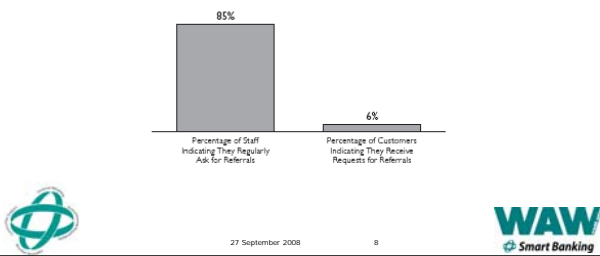
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## OPPORTUNITIES ...

...most firms do not effectively leverage the opportunity  
 Effectiveness of Customer Referral Initiatives, Brennis Bank<sup>®</sup>  
 United States




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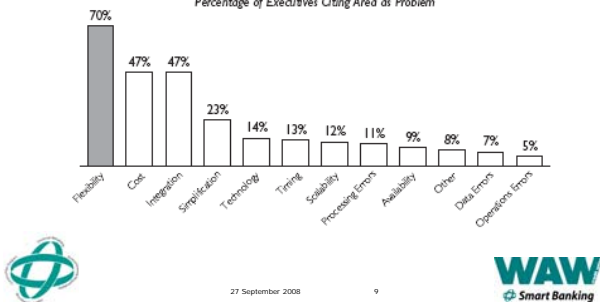
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## TO CAPTURE A NEW SEGMENT YOU NEED ... FLEXIBILITY

Current Problems with Core Banking Systems  
 Percentage of Executives Citing Area as Problem




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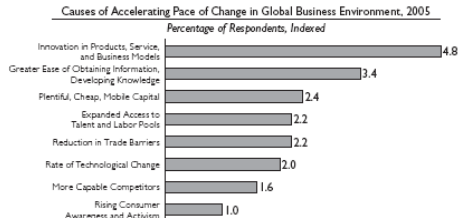
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## IMPORTANCE OF INNOVATION

Executives worldwide recognize the importance of innovation as a key to success...



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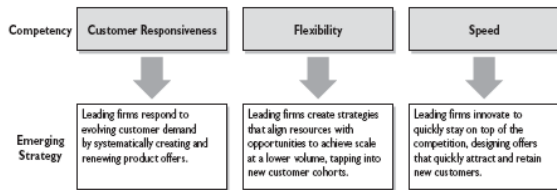
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## NEW COMPETENCIES FOR ORGANIC GROWTH



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## IT IS ABOUT ... STRATEGY

- > PLANNING
  - KNOWING WHAT YOU WANT
  - HAVING THE CAPABILITIES
  - EXECUTION!
  - MEASURE THE OUTCOMES
- > RE-VISIT THE PLAN AND RESHAPE
  - RE-VISIT CAPABILITIES
  - EXECUTION!



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## MARKETING RESEARCH

- > WORK WITH THE FACTS
- > BE OPEN TO THE RESEARCH FINDINGS
- > ENSURE OBJECTIVES ARE S.M.A.R.T.
  - **S**pecific **M**easurable **A**chievable **R**ealistic **T**imely
- > BUILD ON KNOWN INFORMATION
- > ASSESS AND DEVELOP NEW PATHWAYS
- > REDEVELOP EXISTING PATHWAYS
- > MEASURE YOUR RESULTS



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## ... FACTORS TO CONSIDER

- > KNOW THE COMPETITIVE ENVIRONMENT
- > IDENTIFYING THE TARGET MARKET
- > DEVELOP AN EXCLUSIVE MARKETING MESSAGE FOR MEMBERS ONLY – BELONGING!
- > DISTRIBUTION PATH
- > SPREADING THE MARKETING MESSAGE – AWARENESS
- > PICKING THE RIGHT COMMUNICATION
- > IT IS ALWAYS ABOUT TOMORROW!
- > ORGANISATIONAL DEVELOPMENT - CPD
- > PLAN – EXECUTE - MEASURE – REFINE- EXECUTE



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## SOME WAW CREDIT UNION STRATEGIES ...

- ❑ SPECIFIC PRODUCT REDESIGN
  - ❑ THROUGH ONE SPECIFIC LOAN PRODUCT DESIGN CHANGE: TOTAL LOAN PORTFOLIO THREE YEAR AVERAGE GROWTH ACHIEVED OF 15% PER ANNUM AND THIS YEAR IS RUNNING AT 20%
  - ❑ REFINANCE MARKET
- ❑ SPECIFIC PRODUCT DEVELOPMENT
  - ❑ DEVELOPED A SPECIFIC SUPERANNUATION DEPOSIT FACILITY FOR AN EMERGING MARKET: THREE YEAR AVERAGE PRODUCT GROWTH ACHIEVED OF 111% PER ANNUM AND THIS YEAR IS RUNNING AT 150% (TOTAL DEPOSIT PORTFOLIO GROWTH OF 14% PER ANNUM IN THE SAME PERIOD)
  - ❑ RETIREES MARKET



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WAW CREDIT UNION ... **KEY OUTCOME**

**TO BE THE BEST PROVIDER OF SMART BANKING SERVICES TO THE COMMUNITIES WE SERVE.**

WAW CREDIT UNION ... **OUR PURPOSE**

**TO OPERATE A RESPONSIVE VALUES DRIVEN, CO-OPERATIVE FINANCIAL INSTITUTION THAT PROVIDES FINANCIAL AND COMMUNITY BENEFITS TO MEMBERS AND THE REGION IN A SUSTAINABLE MANNER.**



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WAW CREDIT UNION ... **4BL APPROACH**

**FINANCIAL RELIABILITY**

- > Long term sustainability
- > Financial results that respect co-operative principles
- > Controlled growth
- > Value for members

**COMMUNITY SUPPORT**

- > Community engagement
- > Stakeholder involvement
- > Employee wellbeing
- > Buy local approach
- > Regional Employer
- > Corporate Governance approach

**ENVIRONMENTAL RESPONSIBILITY**

- > Waste wise accreditation (reduce, recycle, reuse & refuse)
- > Green team process
- > Community engagement
- > Stakeholder involvement

**MEMBER MUTUALITY**

- > Owned by members
- > People helping people
- > Engaging members on financial, community and environmental issues
- > Making decisions that balance member interests
- > Member participation in key issues
- > Building stronger affinity networks



... **TRUSTED ADVISOR**

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WAW CREDIT UNION ... **STRATEGIC GOALS**

- TO INCREASE AWARENESS AMONGST OUR MEMBERS AND THE COMMUNITY
- TO BE OUR MEMBERS' PREFERRED FINANCIAL INSTITUTION
- TO BALANCE MEMBER NEEDS AND WAW CREDIT UNION'S LONG-TERM SUSTAINABILITY
- TO BUILD COMMUNITY LINKAGES THAT DELIVER ON OUR PURPOSE AND KEY OUTCOME



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WAW CREDIT UNION ... WHO DO WE TARGET?

> **PRIME TARGET MARKETS**

- YOUTH
- GREY SET ... DEPOSITS
- 35 YEAR PLUS HOME BUYERS

> **SAFETY NET FOR ALL THE OTHER MARKET SEGMENTS**

- KEEPING THEM ENGAGED WHILST THEY JOURNEY THROUGH THE LIFECYCLE



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THANK YOU FOR YOUR ATTENTION TODAY AND BEST WISHES FOR THE FUTURE



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