



Credit Union *Workbook*

“Plan today to thrive tomorrow.”

INTRODUCTION

Why Succession Planning Matters for Every Credit Union

Leadership changes are part of every organization's story. People retire, transition, or take on new opportunities—but your credit union's mission continues. That's why proactive, thoughtful succession planning isn't just a leadership exercise—it's a long-term investment in your people, your members, and your future.

Credit unions are built on relationships and trust. Your members count on consistency, reliability, and service excellence. When a key leader leaves—whether it's a CEO, branch manager, or board chair—the organization can feel the ripple effects immediately. Knowledge walks out the door, decision-making slows, and people start to feel uncertain. But with a clear succession plan in place, that transition becomes seamless. The organization stays steady. The team stays confident. And your members continue to receive the exceptional service they expect.

Succession planning isn't about replacing people—it's about developing people. It's about identifying potential leaders early, giving them opportunities to grow, and ensuring they're ready when it's their time to lead. It's about preserving the culture you've worked so hard to create while encouraging fresh ideas and new perspectives.

This workbook is designed to guide you through that process step-by-step. Inside, you'll find practical tools, checklists, and templates to help you:

- Pinpoint critical roles and assess leadership risk,
- Evaluate readiness and development needs,
- Build internal talent pipelines, and
- Create a culture of ongoing leadership growth and accountability.

Succession planning is not a one-time task—it's a living, breathing strategy. It requires attention, communication, and commitment from every level of the organization. When done well, it strengthens your culture, builds confidence in your leadership, and safeguards your mission for generations to come. You're not just planning for who comes next—you're ensuring that your credit union continues to thrive, serve, and make a difference in the lives of your members and community. Let's get started. Your future leaders are already here—it's time to help them rise.

With respect and encouragement,

Mary C. Kelly, PhD, CSP, CPAE

Economist | Commander, US Navy (Ret) | Leadership Expert

PURPOSE

To ensure leadership continuity, safeguard institutional knowledge, and support the long-term strategic vision of the credit union by identifying, developing, and preparing internal talent for key positions.

I. GUIDING PRINCIPLES

- **Member-Centric Focus:** Every leadership transition must ensure uninterrupted service excellence and member trust.
- **Strategic Alignment:** Succession planning must align with the credit union's vision, mission, and long-range goals.
- **Leadership Bench Strength:** Develop a deep pipeline of ready leaders at every level.
- **Transparency & Accountability:** Maintain fairness, documentation, and measurable performance outcomes.
- **Continuous Development:** View succession as an ongoing, dynamic process—not a one-time event.

II. KEY ROLES FOR SUCCESSION PLANNING

Executive Level

- CEO / President
- Chief Financial Officer (CFO)
- Chief Operating Officer (COO)
- Chief Lending Officer (CLO)
- Chief Information Officer (CIO)
- Chief Human Resources Officer (CHRO)
- Operational & Strategic Roles
- Branch Managers / Regional Directors
- VP of Lending / Member Services
- Director of Risk & Compliance
- Marketing & Business Development Leaders
- IT & Cybersecurity Leaders

III. SUCCESSION PLANNING PROCESS

Step 1: Identify Critical Positions

Use a Position Risk Matrix to evaluate:

- Impact on operations if vacant
- Difficulty and time to replace
- Institutional knowledge required
→ Prioritize roles as **High**, **Medium**, or **Low** risk.

Step 2: Define Success Profiles

For each key role, document:

- Core competencies (technical, financial, and member-service skills)
- Leadership competencies (strategic thinking, team development, accountability)
- Required certifications or education
- Key performance indicators (KPIs)

Step 3: Assess Current Talent

Utilize:

- Performance reviews
- Leadership potential assessments (e.g., Leader’s Blind Spot Assessment)
- Readiness ratings (Ready Now, Ready in 1–2 Years, Ready in 3–5 Years)

Step 4: Develop Internal Talent

Create Individual Development Plans (IDPs) for emerging leaders:

- Rotational assignments (e.g., Operations ↔ Lending)
- Cross-functional projects (e.g., new branch openings)
- Mentoring from executive leadership or board directors
- Professional development (CUNA, NAFCU, or credit union leadership certifications)

Step 5: Implement Emergency & Long-Term Plans

Time Frame	Type	Description
0–90 Days	Emergency/Interim Plan	Identify interim leaders to fill unexpected vacancies. Ensure operational continuity.
6–24 Months	Development Plan	Prepare successors through targeted leadership growth and stretch assignments.
3–5 Years	Strategic Plan	Prepare successors through targeted leadership growth and stretch assignments.

Step 6: Evaluate & Update Annually

- Review talent pipeline quarterly at leadership or board meetings.
- Adjust for organizational growth, retirements, or new strategic priorities.
- Use metrics: retention, promotion readiness, leadership engagement, and succession coverage ratio.

IV. Tools & Templates to Include

1. Succession Readiness Matrix
2. Position Profile Template
3. Individual Development Plan (IDP)
4. Emergency Succession Checklist
5. Leadership Competency Framework
6. Annual Board Succession Review

V. Communication Plan

- Communicate intent and the process transparently to staff.
- Reinforce that the goal is leadership development, not job replacement.
- Celebrate progress and promote leadership growth internally.

VI. Governance and Oversight

- Board of Directors: Owns and approves succession policy; reviews CEO succession.
- CEO & Executive Team: Implements the plan and tracks progress.
- HR Department: Facilitates assessments, development plans, and maintains documentation.

VII. Sample Readiness Matrix (Condensed Example)

Role:

Current Incumbent
Potential Successor(s)
Readiness Level
Development Actions
CEO

Jane Thompson
Mark Diaz (COO)
1–2 Years
Executive mentorship; external board experience
CFO

David Lee
Susan Patel (Controller)
Ready Now
Shadow budget committee; leadership training
CLO

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Leadership Competency Framework

This Leadership Competency Framework defines the essential competencies required for effective leadership at all levels of the credit union. It provides a consistent foundation for hiring, development, succession planning, and performance evaluation.

I. Purpose and Use

The framework serves as a guide for developing leaders who align with the credit union's mission, values, and strategic goals. It ensures consistent leadership expectations and strengthens the leadership pipeline across departments.

II. Core Leadership Competency Categories

1. Strategic Leadership

- Demonstrates a clear understanding of the credit union's mission, vision, and strategic goals.
- Translates long-term objectives into actionable plans.
- Anticipates external changes (economic, regulatory, member trends) and adapts proactively.

2. Member-Centric Focus

- Champions exceptional member service and engagement.
- Builds trust through transparency and accountability.
- Understands member needs and develops strategies to enhance loyalty and satisfaction.

3. Financial and Business Acumen

- Demonstrates a strong understanding of financial management, balance sheets, and key performance indicators.
- Ensures prudent decision-making that balances growth with risk management.
- Aligns financial stewardship with mission-driven growth.

4. People and Team Development

- Coaches and develops employees for future leadership roles.
- Builds high-performing, diverse teams that collaborate effectively.
- Provides consistent feedback and recognizes performance.

5. Communication and Influence

- Communicates clearly and persuasively with all stakeholders.
- Listens actively and promotes open dialogue across levels.
- Builds influence through credibility, consistency, and trust.

6. Accountability and Integrity

- Demonstrates honesty, ethical conduct, and respect for confidentiality.
- Accepts responsibility for decisions and outcomes.
- Encourages a culture of transparency and ownership.

7. Innovation and Change Leadership

- Fosters a culture of innovation and continuous improvement.
- Manages change effectively, supporting teams through transition.
- Identifies emerging trends and implements strategic initiatives for growth.

8. Operational and Regulatory Excellence

- Understands compliance, audit, and operational risk requirements.
- Maintains awareness of NCUA, CFPB, and state regulations.
- Integrates risk management into daily decision-making.

III. Leadership Level Expectations

Competencies are demonstrated differently at various levels of leadership within the credit union. The following table provides guidance on performance expectations by level:

Leadership Level	Focus Area	Primary Responsibilities	Example Behaviors
Emerging Leader (Supervisors/Managers)	Operational Execution	Leads teams to meet service and performance standards.	Models credit union values; manages day-today operations efficiently.
Mid-Level Leader (Directors/VPs)	Strategic Implementation	Translates strategy into departmental plans and initiatives.	Develops staff, fosters collaboration, and manages complex projects.
Executive Leader (C-Suite)	Vision and Strategy	Sets strategic direction and ensures alignment with mission and growth.	Represents the credit union externally; builds long-term sustainability.

IV. Application Across Talent Systems

- ****Recruitment:**** Align interview questions and evaluation criteria with leadership competencies.
- ****Performance Management:**** Integrate competencies into performance evaluations and goal setting.
- ****Training & Development:**** Design learning pathways focused on competency growth areas.
- ****Succession Planning:**** Use competencies as benchmarks for leadership readiness assessments.
- ****Culture Building:**** Reinforce competencies through recognition and organizational storytelling.

V. Continuous Review and Improvement

The Leadership Competency Framework should be reviewed annually to ensure it reflects organizational priorities, regulatory changes, and member expectations. Leadership development initiatives should be updated accordingly.

Leadership Readiness Matrix

This matrix helps track leadership succession readiness for the top ten roles at the credit union. Each position includes potential successors, readiness levels, and development actions. Use this tool as part of annual succession reviews and leadership planning.

Position	Current Incumbent	Potential Successor(s)	Readiness Level	Critical Competencies	Development Actions
CEO / President					
CFO					
COO					
CLO					
CIO					
CHRO					
VP of Marketing					
Director of Risk & Compliance					
Branch Manager					
VP of Member Services					

Position Profile Template

This Position Profile Template is designed to document the essential information for each key leadership or operational role within the credit union. Use this template to ensure clarity around position responsibilities, success criteria, and development pathways.

I. Basic Information

Position Title: _____
Department: _____
Reports To: _____
Supervises: _____
Date of Last Update: _____

II. Position Purpose

Summarize the primary mission of this role and how it contributes to the overall success of the credit union.

III. Key Responsibilities

List the major areas of responsibility, including measurable outcomes or goals (usually 5–8 bullets).

- Example: Lead the development and execution of annual strategic plans aligned with credit union goals.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

IV. Competencies and Skills

Identify the leadership, technical, and interpersonal skills required for success in this position.

- Example: Financial analysis, regulatory compliance, decision-making, collaboration.

V. Education and Experience Requirements

Detail required and preferred education, certifications, and prior experience.

- Required: Bachelor's degree in Business, Finance, or related field.
- Preferred: Master's degree, CPA, or CUNA certification.

VI. Key Performance Indicators (KPIs)

List the measurable outcomes used to evaluate performance.

- Example: Member growth %, loan portfolio quality, employee engagement scores.

VII. Leadership Competencies

Define the key leadership attributes expected for this role.

- Strategic thinking
- Communication and influence
- Accountability
- People development

VIII. Succession and Development

Identify potential successors, readiness level, and recommended development actions.

Potential Successor(s): _____

Readiness Level: Ready Now Ready in 1–2 Years Ready in 3–5 Years

Development Actions: _____

IX. Approvals

Prepared By: _____ Date: _____
Approved By: _____ Date: _____

Individual Development Plan (IDP)

This Individual Development Plan (IDP) provides a structured approach to developing current and future credit union leaders. It helps identify growth goals, learning objectives, and actionable steps that align with both the employee's career path and the organization's strategic priorities.

I. Employee Information

Employee Name: _____
Current Position: _____
Department: _____
Manager/Supervisor: _____
Date of Plan: _____
Review Date: _____

II. Career Goals

Describe the employee's short-term (1–2 years) and long-term (3–5 years) career aspirations.

Short-Term Goal(s): _____
Long-Term Goal(s): _____

III. Strengths and Development Needs

Summarize the employee's key strengths, leadership traits, and areas for improvement based on assessments or performance reviews.

Strengths: _____
Development Needs: _____

IV. Competency Focus Areas

Identify 3–5 key competencies to strengthen (select from leadership, operational, or technical categories).
Example: Communication, Decision-Making, Financial Acumen, Team Leadership, Compliance Knowledge.

1. _____
2. _____
3. _____
4. _____
5. _____

V. Development Activities and Actions

List the actions, training, and experiences that will support competency growth.

Example:

Development Activity	Learning Method (Training, Coaching, On-the-Job, etc.)	Target Completion Date	Expected Outcome
Participate in CUNA Leadership Training Program	Formal Course	Q4 2025	Improved strategic thinking and leadership readiness

Complete list here:

VI. Support and Resources

Identify the resources, coaching, or mentorship required to achieve development goals.

- Example: Mentor pairing with VP of Lending
- Shadow executive meetings
- Enroll in internal leadership academy

VII. Success Measures

Define how progress and success will be measured (e.g., performance metrics, feedback, promotion readiness).
Example: Demonstrated leadership in cross-departmental project; improved engagement scores.

VIII. Approvals

Employee Signature: _____ Date: _____
Supervisor Signature: _____ Date: _____
HR Representative Signature: _____ Date: _____

Emergency Succession Checklist

This Emergency Succession Checklist ensures continuity of leadership and operations in the event of an unplanned departure, illness, or incapacity of a key leader. It provides a structured response plan to minimize disruption and maintain member confidence.

I. Immediate Actions (First 24–72 Hours)

- Notify Board Chair and Executive Committee immediately.
- Convene Emergency Leadership Team (ELT).
- Appoint Acting or Interim Leader per the established succession policy.
- Inform internal stakeholders (department heads, management, HR).
- Communicate with staff using approved messaging to maintain confidence and continuity.
- Assess operational stability, critical projects, and compliance deadlines.

II. Communication Plan

- Draft internal and external communication statements for employees, members, and regulators.
- Designate an authorized spokesperson for media inquiries.
- Notify regulatory bodies (e.g., NCUA, state credit union division) as appropriate.
- Ensure consistent messaging across all channels (email, website, social media).

III. Interim Leadership and Delegation

- Confirm interim leader's authority and decision-making scope.
- Provide acting leader with necessary passwords, access credentials, and signing authority.
- Review key operational and financial reports with interim leader.
- Reassign or delegate immediate critical responsibilities.

IV. Operational Continuity

- Verify all essential systems, financial accounts, and regulatory functions are operational.
- Review ongoing strategic initiatives and compliance obligations.
- Ensure vendor and partner communications continue without interruption.
- Identify gaps in team coverage or knowledge transfer.

V. Documentation and Knowledge Transfer

- Secure access to key files, documents, and digital systems.
- Update position-specific manuals and critical procedure documentation.
- Review pending contracts, loans, and projects.

VI. Long-Term Stabilization (Weeks 2–6)

- Review interim leadership performance and identify gaps.
- Initiate formal search for permanent replacement if needed.
- Provide coaching or consulting support to interim leader.

- Communicate leadership transition plan to staff and members.
- Evaluate organizational morale and provide stability communications.

VII. After-Action Review

- Conduct debrief with Board and Executive Team on lessons learned.
- Update Emergency Succession Plan and related documents.
- Document best practices and update the Leader's Resource Vault.
- Schedule annual review and drills for succession readiness.

VIII. Approvals and Acknowledgment

Board Chair Signature: _____ Date: _____
CEO/President Signature: _____ Date: _____
HR Director Signature: _____ Date: _____

Annual Board Succession Review Process

The Annual Board Succession Review Process ensures that the credit union maintains a highly qualified, diverse, and strategically aligned Board of Directors. This process supports long-term governance stability, leadership continuity, and effective oversight for members and management.

I. Objectives

Ensure strong, capable governance leadership aligned with the credit union's mission and strategy. Identify current and future board needs based on term expirations, skill gaps, and diversity goals. Promote smooth transitions for board and committee leadership positions. Strengthen board engagement and accountability through structured evaluation and planning.

II. Annual Review Timeline

- January – March:** Conduct individual board member self-assessments and peer evaluations.
- April – May:** Governance Committee reviews board composition, skills inventory, and tenure analysis.
- June:** Present findings to the full Board and identify succession priorities for the coming year.
- July – September:** Identify, recruit, and vet potential new board candidates.
- October – November:** Conduct interviews and evaluate fit with strategic priorities.
- December:** Finalize nominations and update the Board Succession Plan for the next calendar year.

III. Key Review Components:

1. Board Composition Analysis

- Review mix of skills, experience, and demographics against strategic goals.
- Identify critical areas where expertise is lacking (e.g., cybersecurity, finance, member growth).

2. Term and Tenure Review

- Monitor director terms, eligibility for re-election, and potential retirements.
- Establish clear rotation and succession timelines to avoid gaps in leadership.

3. Leadership and Committee Roles

- Review succession plans for Board Chair, Vice Chair, Secretary, and Treasurer.
- Evaluate committee chair rotations to ensure engagement and knowledge transfer.

4. Performance and Engagement Review

- Use structured evaluations to assess attendance, preparation, participation, and strategic contribution.
- Address development needs through governance training or mentorship.

5. Candidate Identification and Recruitment

- Maintain an active pipeline of potential board candidates aligned with organizational needs.
- Engage in targeted outreach through member networks and professional associations.

IV. Evaluation Tools and Templates

- Board Member Self-Assessment Form
- Peer Evaluation Questionnaire
- Board Competency and Skills Matrix
- Board Succession Planning Template
- Board Candidate Evaluation Form

V. Governance Committee Responsibilities

- Facilitate the annual board succession review process and ensure documentation is complete.
- Recommend updates to the Board Succession Policy as needed.
- Oversee board recruitment, onboarding, and orientation processes.
- Provide quarterly updates to the Board on succession progress and upcoming vacancies.

VI. Board Approval and Documentation

Following the Governance Committee’s recommendations, the full Board will review, discuss, and approve updates to the succession plan. Documentation should include: updated skills matrix, leadership rotation schedule, and recruitment priorities for the upcoming year.

VII. Continuous Improvement

The Board Succession Review Process should evolve with the organization’s needs, incorporating best practices from credit union governance, NCUA guidance, and industry leadership trends. Annual feedback from board members should be used to refine the process for the next cycle.

VIII. Annual Review Confirmation

Governance Committee Chair Signature: _____ Date: _____
Board Chair Signature: _____ Date: _____
CEO/President Signature: _____ Date: _____

Analysis Notes

Use the completed matrix to identify:

- Competency areas that are well covered across the Board.
- Skill gaps that may affect strategic or compliance oversight.
- Opportunities for targeted board education, mentoring, or recruitment.
- Diversity of thought, background, and experience to enhance governance performance.

Summary and Recommendations

Summarize findings and proposed actions to strengthen board composition and succession readiness:

- Strengths Identified: _____
- Gaps / Development Needs: _____
- Recruitment Priorities: _____

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