

The CEO's Roadmap for Elevating Conversion Success

With a core system change, it's the CEO who can have remarkable influence on the results.

By Peter A. Jeye

Riding along in the back seat is not the best strategy for the CEO during a core system initiative. Yes, delegation is crucial during these major change projects, but CEO engagement is key to reaching the highest level of success, versus just crossing the finish line.

The CEO becomes a role model when times are uncertain—and nothing is more unsettling for your management and staff than an enterprise-wide system conversion. No matter the size or complexity of your credit union, your influence and demeanor as CEO can set the course for achieving amazing results. Simply, your role is to bring *clarity*, freeing management and staff from ambiguity and insecurity. How does one perform such a feat? It takes down to earth leadership—and it all starts before you even begin evaluating systems.

What to Do Prior to Launching Your Core System Evaluation

The first step is to understand how much time you have to make a decision. Verify the expiration date of your incumbent vendor's contracts now and start your evaluation sooner rather than later to avoid extending your existing agreements. The core vendor industry is busy and you may miss the opportunity to select your preferred conversion date if you wait too long to start.

As you prepare for this project, take a look in the proverbial mirror and admit to any personal predispositions you may have about any particular vendors/brands—then do your best to check them at the door. From the onset, you have an obligation to permeate through the credit union the sense that all

options are truly on the table, barring any serious performance or legal issues you may have experienced. This type of atmosphere will energize your team to dig deep and conduct vigorous due diligence of the vendor options.



Now it is time to bring your full executive team together and have a spirited discussion of what you want to achieve as a result of the core system evaluations and potential conversion. In other words, you and your executives should visualize the changes and improvements this project and its new technology will bring to your credit union. During these discussions, be an agent for change, sending the message, “Now’s the time to think big.” Many credit unions find it beneficial to involve an outside party in this step to provoke thought and to ensure unbiased results.

Categorize the results of this discussion by member experience, operational efficiency, and increased sales/growth opportunities to clearly outline the objectives for your project. Concepts such as “increased automation” and “paperless processes” should be included as methods for achieving the results versus being objectives unto themselves. With your objectives in hand, you will be well on your way to

expressing a clear vision for the initiative and establishing a strong direction.

What To Do During The System Evaluations

The vendor landscape provides interesting core system options—each with its own set of strengths and drawbacks. It’s your job to keep your stated objectives “alive” as you navigate the numerous alternatives presented during the evaluation process—ensuring the team is always thinking in terms of how the proposed solutions will help the credit union meet its goals. It’s key to keep everyone’s “mental arrows” pointed in the same direction.

You must also be the quintessential *patient* leader: Don’t rush to make a decision without proper deliberation. Embrace the process and let your and the team’s knowledge grow with each meeting, system demonstration, reference call, etc. This time spent learning

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// will ensure the best decision is made; you don’t want your credit union deciding to marry a vendor after just a few dates.

It is also important to detect any hidden agendas held by your executives and team members. Help promote the “macro view” and encourage everyone to remember

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that the initiative is not about them personally; it is about the credit union as a whole and the members it serves. Nothing will be more fulfilling and rewarding for all involved than reaching a decision in unison.

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At all times, whether in the hallway, break room or branches, you should be ready to sum things up in a practical way for management, supervisors, and staff. Two likely questions on their minds are: "What's in it for me?" and "Why are we doing this, especially now?" Have those answers top of mind and you'll be ready for the toughest of elevator rides, while spreading clarity with every conversation.

During this time, you may also find yourself conducting your own evaluation activities, such as touching base with other CEOs running the platforms under evaluation, networking at conferences, exchanging thoughts via email and blogs, etc. Nothing is wrong with these actions, but you must make sure to treat them as supplemental information rather than tipping points. You should share the results with your team and let everyone chew on them.

From the CEO's perch, you should accept nothing less than an exhaustive, deep-dive comparison of the leading solutions against your credit union's specific needs and objectives. This starts with a detailed, customized requirements document developed just for your credit union. Stay away from the "no RFP required" gimmicks. Allow the time, expense, and energy to do things right up front and your leadership will never be questioned.

During the evaluation process, vendors' promises will flow freely. Establishing executive relationships with your new potential core vendors during this initial phase will give you productive escalation paths to leverage in the future. In this case, leverage is a positive word. Spend time investing into relationships early so these important individuals can help you later (when and if needed). If done right, you won't have ask to anyone for the phone number to call—you will have it already.

What to Do (and Not to Do) During Vendor Contract Negotiations

First, as CEO, you should not be the lead negotiator for your credit union. Let that be your attorney, CIO, or an external resource—you need to be held in reserve for standing strong on the sticking points and difficult business-related decisions. You should lend your

your team; this will help ensure a macro view of all issues and prevent unknowing sacrifice and increased risk.

At the appropriate time, have the vendor come onsite for a day or two with its counsel to hammer out the details in face to face meetings. Compromise and balance can be reached with vendors much quicker in person than in endless emails and depersonalized phone calls.

Above all, don't succumb to contract fatigue; don't give in and decide to sign the vendor's contracts just to get it over with. Vendors are involved in negotiations every week of every year. They can wear you thin and capitalize on your impatience. Stay the course, remain available, and keep the discussions moving. When finalizing a contract, you must celebrate the marriage, but prepare for a possible divorce—so don't rush past important details that can haunt your credit union later.

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presence to the contracts sessions and reviews, but shouldn't be the one doing all the talking. Your consistent involvement will prevent negotiations from stalling, or falling to individuals who really don't have the appropriate decision-making power.

Second, don't fall into the trap of the "old school" way of doing business. Save the vendor dinners for reveling the contract signing; during the negotiations phase, keep it all business.

Perhaps most important of all: Do not go rogue on your contracts team and engage in side deals with the vendor. These types of agreements rarely produce a holistic benefit. Instead, stay united with

Finally, give your credit union the time necessary to implement significant process change during the core conversion. If you "left justify" the Gantt chart, you will end up with a system installation and the same old ways of doing business. Negotiate a conversion date that enables the beginning of a transformation for your credit union.

Mastering Your Role During The Conversion Project

Now you're heading towards one of the biggest (and most expensive) events in your credit union's history. It feels like shifting into high gear. So it will be critical for you to transfer the momentum from the evaluation phase into the conversion phase.

Bring the troops together and reinforce those clear objectives that got you this far. Your key team members will be hanging on your every word, hungry for leadership.

Your focus and role during the conversion is quite simple: sponsor improvements and monitor risks. Change was fun to talk about during the evaluation phase, but making it happen takes a relentless top-down approach. All too often, executive teams abandon a formal approach to process improvement once the conversion project kicks off.

On the other hand, there are great examples of credit unions taking the bull by its horns and driving a great “first wave” change simultaneous with the conversion. These successful institutions focused their energy on a very specific set of important processes and rethought them end to end utilizing the enhanced capabilities now afforded by the new core system and associated ancillary systems. Plus, no element of the processes, no matter who owned it, was left unaddressed.

Monitoring and managing risks will be the responsibility of your entire team. However, as CEO, you can help everyone think proactively and raise the red flags early while there is still ample time to address the risk. Your project manager and team will have various weekly meetings to ensure effective communication and forward planning. You will also need regular briefings with your executive team and vendor senior management. Touching base monthly works well, with a focus on major achievements, risks, concerns, and the health of the vendor partnership to date.

Vendor performance is always a risk to be managed. Vendors experience staff turnover, assign newly hired analysts, over commit, etc. Your role is to be ready to effectively escalate major vendor

issues when necessary, while keeping the relationship intact. A partnership can grow stronger through the resolution of problems. Most of the time, it just takes the right connections and getting the right people (and enough of them) assigned to the issues.

facing your team. Ninety-nine percent of the time, quelling these flames will require your perspective. With conversion projects, challenges don't just recede on their own, they require tenacious attention and solid decision making. Bring the right level of focus to the

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You must also be careful not to cause risk to the project, which sneaks in under the guise of “competing initiatives.” Trying to get your management and staff to complete too many other projects in addition to the conversion may cause reduced quality, serious stress, and declining morale. Create a path free of obstacles and you'll go home happy every day. Be sure to take this strategy early as most conversion projects that fall behind do so in the first few months.

We have comments regarding your team later in this article—you will need to take these suggestions to heart during the conversion phase. Expect your folks to hit the wall about midway through the project. Whining will increase and bargaining for shortcuts may become frequent. This is a moment of truth where you must commit to the level of success you want to achieve. Yes, you want creative ideas for working smarter and faster, just be careful of the associated risks. It's always best to require a pros and cons analysis and, when appropriate, run it by your new vendor. With conversions, many times the longest distance between two points is a shortcut—due to the unforeseen collateral damage of cutting corners.

This next tip typically comes naturally to CEOs—be sure to get very involved in what seems to be the biggest “fire” or impediment

issue early on and the resolution will arrive in a timely manner, with much less stress.

There'll be a time in the final stretch of your conversion project that your new vendor(s) will undoubtedly ask your team to prioritize the outstanding items (related to custom development, member/account data conversion, third-party system integration, etc.). Unpleasant phrases may surface such as “work-around” or “the system is working as designed” (the all-time favorite). Many of these discussions will sound painstakingly technical in nature; your role is to ask, “What is the impact to our stated objectives and our credit union's reputation, members, and fiscal integrity?” With that information, you will be surprised at the contributions you can make during a pivotal phase of the project. Keep in mind, whatever you agree to let slip past the go-live date could take much longer than anticipated to receive from the vendor. Make sure you get very specific delivery dates and commitments for the items deferred to post go-live.

One smart tactic to sponsor is over-preparation of the member facing channels for conversion. Some of the bloodiest conversions have been caused by underestimating the onslaught of member contact during the first few weeks live on the system. This is especially

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true if your credit union is changing its digital banking systems at the same time. Invest the dollars to ensure acceptable service levels through the call center and branches and begin your planning in this area at least nine months in advance of the conversion.

Fortunately, the leading vendors now understand that the client (your credit union) needs to be sufficiently ready for the actual

**“Get ready, STARS
will rise!”**

system conversion several weeks before the event. As the CEO, you must hold strong and insist on a full “dress rehearsal” of the conversion, occurring five to six weeks in advance. Otherwise, you will be testing the success of the conversion on your members, in public view.

Insight on Important Team Dynamics

Get ready, stars will rise! With a new core system, the playing field is suddenly leveled and everyone starts with virtually equal knowledge. The best and brightest individuals will rise during the conversion project—as CEO, you must encourage these “discoveries” to actually occur. Important assignments should be handed out to more than the typical few. Don't be surprised if you encounter resistance from those with the knowledge power today; you must keep in mind that the project is too large and critical to permit stagnation. Embrace creativity and don't allow new ideas and perspectives to be boxed in by the same handful of individuals.

To ensure timely progress, you will also need to provide a notable level of autonomy and authority to the main project team. This en-

trustment will propel the initiative through the hundreds of configuration decisions, which need to reflect the essence of your defined objectives. In this way, the objectives serve as the team's virtual chaperone.

As the saying goes, one bad apple can spoil the bunch; one recalcitrant can greatly inhibit a team's performance. This shows up in the form of a negative attitude, an intentional lack of communication, a resistance to change, tardy work, an unwillingness to collaborate, etc. If this happens, the best policy is to address it immediately with the individual and for it to be made clear that the situation will be monitored at the executive level. If no correction occurs, you may need to make the tough decision before it becomes a consequential detriment. This initiative will be one of your credit union's most expensive and most important ever—you can't risk success because of a weak link.

The team will also need continuing guidance from you and your executive team, especially in the form of assistance with handling their regular job responsibilities. Each person will need a different amount of help; certain positions may even require a dollar investment to bridge the capacity gap, such as by utilizing temporary staff. You should also take the time to walk around and thank the teams working those extra hours while balancing their day job. This extra support will buy you remarkable dedication from the team. Speaking of which, don't be frugal with your gestures of appreciation—opting for the good “eats” can buy a lot of goodwill. The occasional splurge or unexpected perk can work wonders on morale.

Bonuses should be contemplated from the start; paying them out across the initiative in installments can help incentivize the weary and

ensure retention of key individuals. Make sure you pay bonuses based on employees' actual contributions, not just for their attendance. Don't be afraid to reward at different levels. Keep an eye out for those selfless acts; with this type of project, pressure can make diamonds.



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