



# 2006

## MISSOURI QUALITY AWARD RECIPIENT

### Missouri Corporate Credit Union

Missouri Corporate Credit Union (MCCU) is a financial cooperative created and owned by its member credit unions. MCCU's members are both owners and customers, giving them ultimate control over meeting their own needs.

MCCU is one of 29 other "corporate" credit unions in the U.S., and was originally formed as a part of the Missouri Credit Union Association (MCUA). Subsequently, MCCU was organized as a state-chartered credit union in December 1976. Both MCCU and MCUA are active participants in the Credit Union Movement, a world-wide effort. The Movement is a broad based, comprehensive system of cooperatives focused on providing consumers affordable access to financial services. Since its inception, the Movement has prided itself on serving and benefiting its members.

This foundation has provided MCCU with a service-based culture and a leverage point from which to assist in efforts to improve. Many of the underlying concepts in the Missouri Quality Award are embedded in the Movement and MCCU's culture. MCCU's mission is *to help its members succeed* – not necessarily to be the biggest corporate, the only corporate, or the most profitable corporate. MCCU's success is not measured by its achievements but rather by its members.

MCCU exists to ensure a competitive financial structure and to provide products and services tailored to the unique needs of credit unions. MCCU was created to enhance the mechanisms to **move money and to hold money** on a large scale. These are MCCU's two overlying processes. The mechanism delivery of the products and services attached to these processes are mostly electronic, with MCCU supporting that delivery with a high level of individual attention.

MCCU serves all but two of the 174 credit unions in Missouri, as well as 120 other credit unions stretching to both coasts and Hawaii. MCCU is one of the smaller corporates, with some being 42 times the size of MCCU. Despite its size, over the last three years, MCCU has shown a growth rate unmatched by most other corporate credit unions in both quantity and percentage of new members served.

Based on feedback received during formal listening ses-

sions with member credit unions, four major expectations of MCCU were identified:

- Invisibility
- Simplicity
- Competitiveness
- Sustainability

*Invisibility* is the desire of members to be unaware of MCCU as a part of the process of daily operations. They not only want the process to be seamless; they want it to be invisible. They do not want to have to monitor the process or even consider whether or not it is functioning properly. Members desire *simplicity* in their use of the products and services provided in order to reduce the need for training and to make processes more manageable and easier to complete. Members seek *competitiveness* in pricing, but do not require that all products be the cheapest or provide the greatest value. Finally, members are seeking a source for products and services that has *sustainability*. That way they do not have to continuously seek new sources for products and services, but know MCCU will be there for a long time.



Its culture demands that MCCU's primary focus be identifying and meeting member needs. Improving performance **to help members succeed** is central to all MCCU employees' understanding of the very existence of the organization.

Over the past five years, MCCU has guided the Strategic Plan by way of three long-term strategies: (1) continue productive growth, (2) maintain a strong relationship

with service oriented credit unions, and (3) operate MCCU based on a Quality Business Model. MCCU developed Focus Points and Performance Gates for each strategy. A three-tiered ladder of performance (base, goal, and superior) is established for each Focus Point and carries with it budgeted resources, assignment of responsibility, and date for accomplishment.

Focus Points provide a way for MCCU's Board of Directors to identify the performance it wishes to maximize. On the other hand, the Performance Gates provide the Board a way to balance the Focus Points by creating a minimum level of performance that draws attention to unacceptable sacrifices in certain areas.

To illustrate the unique balance that this creates is to consider the interaction of the Focus Point "Increase Membership" and the Performance Gates of "Member Satisfaction" and "Employee Satisfaction." MCCU's Board selected Increase Membership as one of the performance areas that it wished to maximize. However, the Board also realized that too much growth might have a negative effect on Member Satisfaction or Employee Satisfaction. For example, with a large number of new members, member service levels might drop or employees might become overloaded. To balance the effect that too many new members might create, the Board set minimum levels of performance for Member Satisfaction and Employee Satisfaction. MCCU could now grow as much as possible, as long as these minimum levels were maintained or exceeded. It is a self-correcting system, balancing the needs of the Members and the Employees with the needs of the organization.



MCCU has also aligned itself with other corporate credit unions of like size, culture and philosophy across the U.S. to share information regarding operational efficiencies. This is a unique feature of the Credit Union Movement. Competitors oftentimes are also collaborators. MCCU has actively sought out other corporates in an effort to enhance the overall system. For example, a group of 10 corporate credit unions recently collaborated

to host a conference geared toward finding ways for credit unions to become more competitive and to be successful in competing against larger institutions.

As a long-time leader in Missouri's Credit Union Movement, MCCU's President/CEO Dennis DeGroot started MCCU's quality journey seven years ago. It was a natural outgrowth of the culture within which MCCU existed, as well as his exposure and experience as a credit union member, credit union president, credit union consultant, and MCCU's CEO. In seven years, that vision has manifested itself in MCCU's Board, employees, members and partners. It is typified by such milestones as:

- on-going focus groups with member credit unions;
- development of an error/complaint tracking system; and
- cultivation of a leadership system that creates choice amongst the employees, focuses on group rather than individual results, and where formal processes support culture rather than create culture.

All this with an organization of 13 employees. And as a small organization, MCCU recognizes the need to closely align itself to key business partners in order to leverage alliances and relationships to gain the proper linkages to MCCU's Strategic Plan, such as those with Missouri Credit Union Association and U.S. Central Federal Credit Union.

MCCU hopes to play a key role in spreading the quality "bug" amongst its member credit unions. Just think of the possibilities.

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