



What to Do if You Encounter a Bear ^[1]

I grew up in Montana. Bears are a reality if you venture out into the woods. Don't be surprised if you happen upon a bear's kitchen or living room; the wilderness is their home.

When constructing strategy for a small credit union, be prepared for the day when they too encounter a "bear!" A menacing creature we should all fear: competition, and the unknown.

So, what to do when we encounter Mr. Unknown Competition Grizzly? Here are a few tips:

1. **If you encounter a grizzly, do not run.** Many small credit unions shy away from competition because they are "too small." Hogwash. Credit unions are the dominant financial institution in their members' lives. They are the place that members trust, not the big grizzly down the street. So, don't run away. Assume the attitude that you are number one in your market place and defend your territory!
2. **If the bear charges, stand your ground (you cannot outrun it).** So the competition bear (bank or credit union) offers a better rate or a new product. How can you meet this challenge? Can you lower your rate, or, even better, *offer more value and better service?* In any marketplace, there can only be one "best" rate. Rarely do credit unions have the cost structure to offer the lowest price on a loan. So why would anyone come to a credit union? Here are a few reasons I heard when I visited MariSol FCU in Phoenix:
 - We have a solid history in serving this field of membership.
 - We do not disrespect our FOM. We understand that paycheck-to-paycheck is the way most workers live.
 - We do not believe that because you only make \$14 an hour that you have poor credit.
 - We do not believe that poor credit defines you.

- We do not believe that have a score below 650 means that you are “subprime.” We believe that you should underwrite the whole financial worthiness of a borrower.
 - We do not believe that our loan should cause harm to our member.
3. **If you have pepper spray, prepare to use it.** Tout the credit union difference. It is a powerful weapon. More so, tap into the power of your membership. Ask for their help. If your membership truly believes in why you are in business, they will volunteer to help. For example, many credit unions get involved in community activities, say building a playground. The staff all get new t-shirts and go out and help. Then, the credit union sends out a press release to CUInsight (picture of staff in new t-shirts included). But what if the credit union organized a hundred members to go out and build several playgrounds? There is power in members who believe what you believe!
 4. **Be a big shot by association.** Make yourself appear larger than you are by surrounding yourself with bigger buddies. Who in your community shares your dream? Is there an organization that supports small business? How about community development or revitalization? Low-income housing? All these organizations have the same goal in mind: eliminate poverty and lend a hand up. Be part of the team, or even better, be one of the leaders in your community devoted to that cause. A credit union by itself cannot overcome the bear.
 5. **Get the best pepper spray (or shotgun) you can find.** Pepper spray works if you are upwind of the bear, but if the bear is upwind of you, spraying it can result in you spraying yourself! Technology is the best weapon to neutralize your bear. Make sure you partner with organizations that can provide the “best of the best” when it comes to your website, home banking, and mobile applications. From a consumer’s point of view, this is how big you are, not your balance sheet.
 6. **Get a bodyguard.** To overcome the bear, hire a guide to come along with you. They know the lay of the land, and where the bear hangs out. Consultants, accountants, lawyers, and trade associations can help when necessary, and allow you to build a scalable workforce. For example, say you need to develop a new logo, or rebuild a website. There is no need to hire full-time employees to do that task. A professional on retainer can help as needed. A marketing compliance consultant can make sure your materials don’t cross into bear country. Hire great team members. They can be located anywhere and are a phone call away.
 7. **Make your presence known.** The bear will stay away if it knows you mean business. Apply for grants and awards, publish your success, make sure everyone knows that you are to be reckoned with. It is hard to bring attention to yourself, but that is how you build your brand. Members want to associate with a successful credit union. Tell your story and scare away the bears!

The bears have survived for eons. Your credit union will too. Just relax, be prepared, and don't back down!

¹ Article based on help with a real Grizzly, see Nature "The Good, the Bad, and the Grizzly: What to Do if You Encounter a Bear," (<http://www.pbs.org/wnet/nature/the-good-the-bad-and-the-grizzly-what-to-do-if-you-encounter-a-bear/117/> : accessed 25 January 2018). Produced by Moore & Moore productions, Inc. and Thirteen/WNET New York, © 2004 Educational Broadcasting Corporation.