



Phi Beta Sigma Federal Credit Union Strategic Plan 2024

As a credit union, our commitment to you and the communities we serve is to continue to provide you exceptional value, convenience and the highest possible level of service each and every day.

<https://www.pbsfcu.org/>



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Message from Chairman of the Board Eric Gilliam

Introduction to the 2024-2029 Strategic Plan for the Phi Beta Sigma Federal Credit Union

Dear Members and Stakeholders,

It is with great enthusiasm and a clear vision for the future that I present to you the Phi Beta Sigma Federal Credit Union's Strategic Plan for 2024-2029. As your President, I am proud to lead our institution during this pivotal time of growth and transformation.

Over the past several years, we have navigated a rapidly changing financial landscape, leveraging our strong foundation to enhance member services, improve financial stability, and expand our community impact. Our successes have been built on the unwavering commitment of our members, dedicated staff, and the enduring principles of Phi Beta Sigma Fraternity Inc.

This strategic plan represents our collective aspirations and a roadmap to achieving our goals over the next five years. It is designed to ensure that we continue to meet the evolving needs of our members while adhering to our core values of brotherhood, scholarship, and service. Our plan focuses on five key pillars:

1. Innovation in Member Services: We will introduce new, cutting-edge financial products and services tailored to the unique needs of our members, ensuring accessibility, convenience, and personalized support. Ensuring that we create new members and retain our current members.

2. Financial Strength and Stability: By implementing robust risk management practices and optimizing our financial operations, we aim to enhance our stability and ensure long-term sustainability.

3. Community Engagement and Impact: Our commitment to social responsibility will drive us to deepen our community involvement, supporting local initiatives that promote economic development and financial education.

4. Technology and Digital Transformation: We will invest in advanced technologies to streamline our processes, improve member experience, and safeguard our digital assets, ensuring we remain at the forefront of the financial services industry.

5. Organizational Excellence: Fostering a culture of continuous improvement, we will enhance our operational efficiency, invest in professional development, and uphold the highest standards of governance and accountability.

This strategic plan is not just a document but a dynamic guide that will evolve as we adapt to new challenges and opportunities. It reflects our steadfast commitment to providing exceptional value to our members and our determination to build a brighter financial future for all.

I invite you to join us on this exciting journey. Together, we will continue to honor the legacy of Phi Beta Sigma Fraternity Inc. and pave the way for a prosperous future.

Thank you for your ongoing support and dedication.

Sincerely,

Eric Gilliam

President

Phi Beta Sigma Federal Credit Union

Strategic Plan Purpose

The purpose of this Strategic Plan is to develop the long-term objectives of the Phi Beta Sigma Federal Credit Union and plan strategies to achieve them. This plan is updated annually or more often if needed, to adapt and adjust to the rapid changes in the financial service industry.

The Board, staff and committees work diligently to ensure your credit union is a safe, secure place to keep your money, and to provide resources that help you meet your financial goals.

History

The Phi Beta Sigma Federal Credit Union was the brainchild of Bro. Attorney Peter Adams, who set forth the establishment of a credit union as an expressed objective in his platform as Eastern Regional Director of Phi Beta Sigma Fraternity, Inc. in the Spring of 1985.

The credit union was proposed as a clear benefit of membership. Certainly, an organization as Phi Beta Sigma Fraternity Inc. which has Bigger and Better Business as a key national program, concerned about economic empowerment of people of color, can by an example to create and demonstrate how to make financial security a reality.

The credit union was chartered in 1986. Bro. James Hines was elected as the initial PBSFCU Board President. Bro. Attorney Peter Adams served as the second PBSFCU Board President; Bro. Charles Moore, the third Board President; Bro. Robert Greaux as the fourth; and Bro. Eric Gilliam as the fifth and present Board President.

In addition to providing complimentary office space in the Fraternity's International Headquarters from the outset, Phi Beta Sigma Fraternity Inc. as the sponsor organization has in more recent years provided important and appreciated donations that have enabled improved automation and data processing by the credit union. The Fraternity's International Director of Bigger and Better Business has also been added as a Board member.

Vision Statement

Strengthen communities and protect consumers by ensuring equitable financial inclusion through a robust, safe, sound, and evolving credit union system.

Mission Statement

Protecting the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance.

Values

Integrity

Adhere to the highest ethical and professional standards.

Accountability

Accept responsibilities and meet commitments.

Transparency

Be open, direct, and frequent in communications.

Inclusion

Foster a workplace culture that values diverse backgrounds, experience, and perspectives.

Proficiency

Deploy a workforce with a high degree of skill, competence, and expertise to maximize performance.

The Challenges We Face

Limited Resources

Though nearly 40 years old, the Phi Beta Sigma Federal Credit Union is still in its infancy. Only now are we approaching \$1,000,000 in assets. And due to minimal assets, we've been limited to minimal expansion efforts and minimal administrative resources.

This new era of digital resources provides an opportunity with rapid expansion of cyber resources. We must make investments to take advantage of technology to help us grow our credit union.

The Economic Environment

There are other banks and credit unions that provide many of the services we offer, so we must make ourselves stand out amongst the other banks and credit unions that our membership currently uses.

We must enhance the following services to ensure that we provide a value-added banking option to our members.

Extended Customer Service Hours – we need to offer virtual office hours outside of the normal 2-hour window that we are currently servicing members with.

Faster Account creation – we need to be able to create new customer accounts in minutes, hours, days vs days, weeks and months.

SWOT Analysis

- **Strengths** - A core membership base
Average age of members
Average length of membership
Robust membership body

- **Weaknesses** - Lack of capital
Minimal service hours
No paid staff
No virtual customer service options
- **Opportunities** - 16,00 members and new members each intake period
Zeta Phi Beta Membership
Internship Program
- **Threats** - Other financial institutions used by membership.
Fintech - Computer programs and other technology used to support or enable banking and financial services.
Not meeting compliance standards
Membership not wanting to be a part of the CU.
Dormant Accounts
Closing the CU

\$131 billion was poured into fintech globally in 2021. More Gen Z and Millennials call a digital bank their PFI than those that consider a community banks or credit union to be their PFI.

Five Year Growth Expectations



Membership (3% Annually)



Assets (3%+Annually)



Net Worth / Total Assets / $\geq 15\%$



Loan to Share Ratio $\geq 40\%$

Automation Systems Expansion

The Action We'll Take to Achieve Our Strategic Objectives

We organize our Strategic Activities to align with our organizational values. Our priorities include a focus on member satisfaction, community engagement, technological advancement, talent development, and financial stability and growth.

Strategic Objectives:

1. Member-Centric Financial Services:

- Enhance and diversify our product offerings to better meet the evolving needs of our members.
- Utilize member feedback and market research to continuously improve service delivery and satisfaction.
- Increase loan portfolio balances
- Maintain a net worth over 10%
- Diversify our investments to increase our income streams

2. Community Engagement and Partnerships:

- Establish strategic partnerships with community organizations, educational institutions, and local businesses to expand our reach and impact.
- Develop financial literacy programs and workshops to empower members and the community at large - implemented through Sigma Beta Clubs and with our Sisters of Zeta Phi Beta Sorority Inc.
- Participate actively in BBB Quarterly Investment Program strengthen our ties and enhance our brand visibility.

3. Technological Advancement and Innovation:

- Invest in cutting-edge technology to improve operational efficiency and streamline processes.
- Consider upgrading to another Core System that will provide end-to-end banking. Application process to loan process.
- Instituting CRM software to track and respond to written communication and enter notes on member accounts would be ideal to replace the current email system. A CRM would be secure for uploading personal identifying information.

4. Talent Development:

- Foster a culture of continuous learning and professional development to equip our workforce with the skills and knowledge required for excellence.
- Create mentorship and leadership programs to nurture talent from within the fraternity and promote career advancement opportunities.
- Develop an Intern program to provide valuable experience to fraternity and sorority members to obtain job experience.

5. Financial Stability and Growth:

- Strengthen risk management practices to mitigate potential threats and safeguard the financial stability of the credit union.
- Expand our membership base through targeted marketing campaigns and referral programs.

Implementation Plan

Year 1 (2024-2025):

- Conduct a comprehensive review of current products and services to identify areas for improvement.
- Launch financial literacy initiatives and community engagement programs in conjunction with Phi Beta Sigma Fraternity, Inc.
- Invest in upgrading technology infrastructure and implementing necessary security measures.
- Use an online platform to test virtual office hours or by appointment only hours to ensure new accounts can be created
- Design a 100% contact free application process that will allow new members to apply and get accounts without having to wait 4 weeks for approval.
- Research Debit/Credit Card option for membership

- Research changing name of Credit Union to make it more inclusive to the Zeta's (Blue and White Family Credit Union) (Zeta Phi Beta Sigma Federal Credit Union)
- Research paying dividends to shareholders
- Enhance our digital presence through innovative marketing strategies and social media engagement.

Year 2 (2025-2026):

- Roll out new and enhanced financial products and services based on member feedback and market analysis.
- Continue to invest in technological upgrades, with a focus on enhancing digital banking capabilities.
- Develop talent development programs (internships) to nurture leadership skills and promote career progression.
- Continue to enhance our digital presence through innovative marketing strategies and social media engagement.
- Implement Debit/Credit card option for members

Year 3 (2026-2027):

- Evaluate the effectiveness of implemented initiatives and make necessary adjustments based on feedback and performance metrics.
- Expand financial literacy programs to reach a broader audience within the community.
- Explore opportunities for strategic alliances or joint ventures to drive growth and innovation.
- Evaluate Debit/Credit Card option for membership
- Maintain our digital presence through innovative marketing strategies and social media engagement.

Year 4 (2027-2028):

- Consolidate gains made in previous years and reinforce our position as a leader in member-centric financial services.
- Conduct a comprehensive strategic review to assess progress against objectives and identify areas for further refinement.
- Celebrate successes and milestones achieved over the four-year period, while charting a course for continued growth and excellence in the years ahead.
- Maintain our digital presence through innovative marketing strategies and social media engagement.

Year 5 (2028-2029):

- Enhance our digital presence through innovative marketing strategies and social media engagement.
- Continuously monitor and adapt to changes in the regulatory environment and market conditions.

- Foster a culture of innovation and adaptability to ensure our continued relevance and success in the dynamic financial landscape.
- Maintain and evaluate our digital presence through innovative marketing strategies and social media engagement.

Plan Monitoring and Evaluation:

Regular monitoring and evaluation of key performance indicators, such as member satisfaction, financial performance, market share, and employee engagement, will be conducted throughout the strategic planning period. Quarterly reviews and annual assessments will provide insights into the effectiveness of implemented strategies and allow for adjustments as needed to ensure alignment with organizational goals and objectives. Additionally, an annual report will be published to communicate progress to stakeholders and solicit feedback for continuous improvement.

2024 Action Steps

- ❖ Maintain Loan-to-Share Ratio at 25%
- ❖ Improve New member account creation and Loan Approval Process,
- ❖ Enhance Marketing (Brand) Awareness and Content on Website, Social Media and other Digital Delivery Methods
- ❖ Implement Artificial Intelligence Automation (Virtual Assistant - Website & Online/Mobile Banking
- ❖ Develop a Strategic Scorecard
- ❖ Defend against cyber security threats
- ❖ Management Succession Plan
- ❖ Highlight our Online/Mobile App

Enhance Marketing Brand Awareness

- ❖ To include direct mail postcards, email communications, landing page (lead capture with application), PURL (personalized URL), and text messaging
- ❖ Create a marketing slogan
- ❖ Email blasts to the membership based on a timeline and expected outcome
- ❖ Scheduled Social media postings

Develop a Succession Plan

When Commerce Secretary Ron Brown's plane crashed April 3, 1996, with a dozen CEOs aboard, the issue of succession planning suddenly loomed in the collective mind of America's senior management.

Small organizations like ours, because of considerable institutional knowledge and administrators wearing multiple hats, are in peril. We risk experiencing a leadership void during times of leadership change and transition, whether planned or under tragic circumstances.

And when planning for succession, it is important for top executives of nonprofit organizations not to seek carbon copies of themselves as replacements. "Carbon copies are weak" (Drucker 1990). Instead, executives must examine what are going to be the biggest challenges to the organization over the next few years, and then look at the people and their performance as it relates to those future challenges. The ultimate success of a nonprofit organization is its ability to attract and hold onto committed people. But they should only ascend to the top jobs if they possess the requisite skill to meet the challenges of leadership and be successful.

From the foundational leadership of Brothers James Hines and Peter Adams, Esq. to our current President, Brother Eric Gilliam, the Phi Beta Sigma Federal Credit Union has been blessed with dedicated and transformational leadership, displaced under not also so advantageous circumstances. However, leadership of a small, resource poor organization is difficult to put it mildly; and for no pay makes it undesirable for many.

Hon. Bro. Eric Gilliam has been doing a stellar job as PBSFCU President. We should not wait until he is ready to retire to find a successor. Potential replacements need to be identified now, to work hand in hand with Hon Bro. Gilliam to ensure a smooth transition to new leadership. Administration needs to identify interest from existing Board members, staff and auxiliary volunteers.

The organization needs to analyze organizational needs and define what our future leader looks like today versus waiting until the last minute. This potential candidate should be identified within the 2024 year and work with Hon. Bro. Gilliam to ensure effective handover of duties.

In Conclusion

Dear Members and Stakeholders,

As we conclude the presentation of the Phi Beta Sigma Federal Credit Union's Strategic Plan for 2024-2029, we, the members of the Strategic Planning Committee, wish to express our heartfelt gratitude for your trust, support, and active participation in shaping this comprehensive roadmap for our future.

This strategic plan is the result of extensive research, thoughtful deliberation, and valuable input from our members, staff, and community partners. It reflects our collective vision and shared commitment to enhancing the financial well-being of our members while staying true to the core values of Phi Beta Sigma Fraternity Inc.

Over the next five years, we will focus on implementing the strategies outlined in this plan, ensuring that every initiative aligns with our mission of providing exceptional financial services and making a positive impact in our communities. The five key pillars of our plan—Innovation in Member Services, Financial Strength and Stability, Community Engagement and Impact, Technology and Digital Transformation, and Organizational Excellence—will guide our efforts and measure our success.

We are confident that, with your continued engagement and support, we will achieve the ambitious goals we have set forth. Together, we will foster a credit union that not only meets but exceeds the expectations of our members, creating lasting value and promoting financial empowerment.

As we embark on this journey, we remain committed to transparency, accountability, and ongoing communication with you. We will regularly review our progress, celebrate our achievements, and address any challenges with resilience and adaptability.

Thank you for your dedication to the Phi Beta Sigma Federal Credit Union. We look forward to working hand in hand with you to realize our shared vision and build a prosperous future for all our members.

Sincerely,

The Strategic Planning Committee

Phi Beta Sigma Federal Credit Union

Board of Directors and Staff

Eric Gilliam - President

Omari Swinton - Vice President

Sydney Moshette - Treasurer

T. Harding Lacy - Director

Savannah Winston - Director

Peter Adams - Director

Bernard Hamilton - Director

Charles Moore - Director

Martin Currie - Director

Terrance Gibson - Director

Reginald Sluch - Director

Jasper L. James – General Manager

Alex Martinez - Assistant Treasurer

Zina Jemison – Operations Manager

Garrick Stafford - IT Administrator

Merrick Green – Strategic Planner

Attachment 1 - A plan to grow the Phi Beta Sigma Federal Credit Union to 8K members by conclave 2025

1. Target each regional conference with a registration table for credit union
2. Waive the \$5.00 application fee for all in person memberships, to encourage signing up online.
3. Offer an incentive for referring brothers.
4. Offer an incentive to an undergraduate or graduate chapter that has 100 percent of its blueprint members signed up for the CU
5. Look at each region to determine the number of CU brother's vs the number of financial brothers. Target a percentage of the membership to establish a growth goal. Then attend each regional conference with a table for the conference manned by ambassadors.
6. Purchase swag in the form of stickers or pins or event shirts for the CU to advertise and excite the body about growing and give it away at the conferences.
7. Set a target membership number or dollar amount that we are trying to raise to have the goal published.
8. Waive the \$5.00 application fee if you open the account with \$100 dollars.
9. Encourage applicants to fill out the automatic withdrawal for monthly transfer as part of the 2025 Conclave Savings plan.
10. Have a table at the Zeta Boule in 2024 that could increase our Zeta population. How many Zetas are in the Credit Union?
11. Create posters or online flyers to post in the barbershop or the Fraternity webpage to announce dates for credit union information meetings in 2023.
12. Regional Conference Dates/locations/ambassador attending.

Results

Growing by 9,000 members will create \$45,000 in application Fees.

With an opening deposit of \$100.00, you would create \$900,000.00 in assets

Encouraging a \$100.00 monthly recurring investment would create \$10,800,000.00 in 12 months or \$900,000.00 a month.

Attachment 2- PBSFCU Virtual Banking Customer Service

- **Objective:** This request is to consider implementing virtual option for bank customer service hours using Zoom for Phi Beta Sigma Federal Credit Union
- **Purpose:** With the advancements in technology and changing customer preferences, offering virtual banking solutions can provide a convenient and efficient way for members to conduct create an establish their accounts, and expand the credit union office hours without increasing costs. This type of consistent practice behavior can create a positive experience for all our customers, both internal and external.
- This proposal outlines the benefits, implementation plan, and expected outcomes of incorporating virtual bank teller services into the credit union's operations, while ensuring the credit union's mission and vision is amplified.
 - **Proposed Customer Service Mission:** Ensure that interacting and doing business with the credit union stakeholders and potential members a pleasant, professional, and productive experience.
 - **Proposed Customer Service Vision:** Have a reputation for having excellent customer service and with our stakeholders and potential members.

Benefits of Virtual Banking Customer Services:

- **Enhanced Convenience:** Virtual Banking Customer Services enable members to conduct the initiation of the credit union application from the comfort of their homes or any location with an internet connection. This flexibility eliminates the need to visit the physical branch (IHQ, Conferences, and Board Meetings), awaiting a call back, which will saving time and effort for busy board members and ambassadors.
- **Expanded Access:** Virtual Banking Customer Services can reach a broader member base, including those who are unable to visit physical branches due to distance, mobility constraints, or other factors. This inclusivity promotes financial inclusion and strengthens the credit union's relationship with its members.
- **Cost Savings:** By integrating Virtual Banking Customer Services, the credit union can potentially reduce operational costs associated with maintaining physical branches. These cost savings can be redirected towards enhancing member services or other strategic initiatives.
- **Personalized Member Experience:** Through Zoom, Virtual Banking Customer Services can provide personalized and interactive assistance to new and existing members, addressing their queries, and guiding them through various banking procedures. This human touch in virtual interactions can enhance the member experience and foster stronger relationships.

Proposed Virtual Banking Customer Service Possibilities via Zoom:

- **Account Inquiries:** Members can use the Zoom Platform to connect with virtual bank tellers (Board Members and Ambassadors) who can provide real-time updates on accounts, including reviewing balances, transaction history, and other account-related information.

- **Transaction Assistance:** Virtual bank tellers can guide members through various transactions, such as fund transfers, bill payments, check deposits, and loan applications, ensuring a smooth and secure experience.
- **Troubleshooting and Support:** Members facing technical issues or needing assistance with online banking platforms can connect with virtual bank tellers who can troubleshoot problems, answer questions, and provide step-by-step guidance.
- **New Account Creation:** New members can complete the third and final step for membership via ZOOM, while ensuring the added security of seeing the person establishing the account once the required documentation is received and reviewed.
- **Appointments:** Having the ability for members to schedule appointments may be another feature that we can offer along with the virtual option. This will allow us to see how many people are scheduled for appointments ahead of time, so we know what customer service needs we have to fill.

Implementation Plan:

- **Infrastructure Setup:** The credit union will need to acquire a Zoom account capable of Breakout Rooms and Recording (for quality Customer Service Experience). Recommendation: Utilizing a Pro, Business, or Business Plus account.(A Business Zoom account is \$199.00 see pricing <https://www.zoom.us/pricing>)
- **Staff Training:** PBSFCU Board of Directors, Ambassadors and support staff will require comprehensive training via Zoom and other virtual banking tools to effectively assist members. Training must cover customer service best practices, virtual etiquette, and zoom usage.
- **Security Measures During Calls:** The credit union must ensure that credit union members' data is always protected. Having access to a zoom meeting with new customers to verify their identity is much more secure than doing it over the phone and email.
- **Communication and Marketing:** Launching Virtual Banking Customer Services should be accompanied by a communication and marketing campaign to inform members about the new service. This will include email newsletters, website announcements, social media promotions, and personalized outreach to key stakeholders.

Expected Measurable Outcomes:

- **Improved Member Satisfaction:** By offering Virtual Banking Customer Services, Phi Beta Sigma Federal Credit Union can enhance member satisfaction by providing a convenient and personalized banking experience.
- **Increased Efficiency:** Virtual Banking Customer Services Representatives can handle multiple transactions simultaneously, reducing the amount of time customers are waiting to speak to a credit union representative for 8-10 hours a week and improving overall operational efficiency.

- **Revenue Increase:** The credit union can achieve a revenue increase by onboarding new members using this method. Currently members are unable to join the credit union because of the lack of staff able to process new member payments over the phone.
- **Example of Revenue Increase:** Spring intake of Phi Beta Sigma Fraternity Inc. is 661 members. If every half of the new members become members of the credit union, $330 \times \$30.00 = \$9,990$ could be attained in new membership fees.
- **Improved Customer Service Experience:** Implementing Virtual Banking Customer Services positions Phi Beta Sigma Federal Credit Union as an innovative financial institution, differentiating it from competitors and attracting new stakeholders and providing better service experience to current members that are unable to reach a credit union representative during the 8 – 10 hours a week the credit union currently receiving phone calls.

Proposed Operation

- Virtual Zoom hours would be the same as current credit union hours of Monday -Thursday 5:30 PM EST – 7:30 EST, in 2 hours we can service 4 customers with one phone line. If we kept the same 2-hour period and used 10 breakout rooms, we could service 40 customers. If we increased the hours and the number of people working in the Zoom, you could service even more.
- Customers could verify that their application was submitted, check proof of ID and remit deposit to open account all within one zoom session.
- New accounts could be created within hours instead of weeks which is the current procedures.