GoToWebinar

CDFI Fund’s Capacity Building Initiative

- The Capacity Building Initiative will greatly expand technical assistance and training opportunities for Community Development Financial Institutions (CDFIs) nationwide and significantly boost the ability of CDFIs to deliver financial products and services to underserved communities.

- Industry-wide training will target key issues currently affecting CDFIs and the communities they serve.
What is the *Expanding CDFI Coverage in Underserved Areas* Initiative?

- The series will provide specialized training and technical assistance to certified and emerging Community Development Financial Institutions (CDFIs) seeking to expand their reach into underserved communities that currently lack a CDFI presence.

- The workshops include content that is applicable to all CDFI organizational structures, including loan funds, credit unions, banks, and venture capital funds.
Training Partners

Community Development Bankers Association (CDBA) is a national trade association of the community development bank sector. CDBA is the voice and champion of banks and thrifts with a mission of serving low and moderate income communities.

Community Development Venture Capital Alliance (CDVCA) is a network of community development venture capital funds, which provide equity capital to growth businesses in low-income communities to create good jobs, productive wealth, and entrepreneurial capacity.

National Federation of Community Development Credit Unions (NFCDCU) is a national association for community development credit unions providing capital, advocacy, technical assistance, training to support innovative services for low-income consumers.

Opportunity Finance Network (OFN) is a leading national network of community development financial institutions (CDFIs) investing in opportunities that benefit low-income, low-wealth, and other disadvantaged communities across America.

About the Training Partners
Presenters

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Agenda

• Part One (October 6, 2:00 pm EDT)
  – Planning for Expansion: Business Model Canvas
  – Operations: Lending Life Cycle

• Part Two (November 17, 2:00 pm EDT)
  – Technology
  – People and Culture
  – Leading Organizational Change
Planning for Expansion: Business Model Canvas

• A key strategic tool for expansion: Business Model Canvas

• A business model describes the rationale of how an organization creates, delivers, and captures value.

• The business model canvas is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent, and pivot your business model.

A Business Model Handbook

From Business Model Generation
By Alexander Osterwalder and Yves Pigneur (2010)
What is Technology?

“The science of the application of knowledge to practical purposes: applied science.”

– Merriam Webster

“The purposeful application of information in the design, production, and utilization of goods and services, and in the organization of human activities.”

– Businessdictionary.com

Read more: http://www.businessdictionary.com/definition/technology.html#ixzz26Gx5KkmB

Technology: Supporting Expansion

Technology
– What problem(s) could be solved using technology?

– How can current capacity to use technology be improved?

– What investments are needed for future growth of the organization?
Technology as Enabler

Technology is an ENABLER of expansion goals:

**Stage One:** Extend presence and brand

**Stage Two:** Reengineer/optimize processes

**Stage Three:** Transform offerings with technology partners

Technologies to Improve the Lending Process

- Audit website for customer experience
- Use not-for-profit discounts for social media
- Social media: Presence + Engagement
- Align eNewsletter, email blasts, and website for greatest value
- Search engine optimization
Technologies to Improve the Lending Process

- On-line loan applications
- Using tablets, mobile phones, cameras, scanners, etc. to gather loan application info/documentation
- Update privacy and security policies and procedures

Technologies to Improve the Lending Process

- Credit evaluation grids
- Loan committees vs. staff approvals
- Pull credit reports online
- Approval to access IRS and bank records
- Statistical scoring
Technologies to Improve the Lending Process

- Outsource document preparation
- Prepaid cards
- Electronic signatures
- Partnerships for loan closing meetings

Technologies to Improve the Lending Process

- Outsourcing
- Mobile (payment reminders)
- Reporting to credit bureaus – (Credit Builders Alliance)
- Payment processing - (prepaid cards)
- Loan servicing software
Technology: Supporting Expansion

Stage One: Extend presence and brand
- Website: features and ease of use
- Social media: tools and engagement
- Search engine optimization

Stage Two: Reengineer/optimize processes
- Use of existing technologies
- Integrate systems
- Map processes to cut out or combine steps

Stage Three: Transform offerings with technology partners
- Referral platforms
- On-line and on-demand support resources
- Offer new products via technology

People and Culture
People: Aligning Organizational Culture, Leadership, and Performance

• Organizational Culture

• Talent Management

• Leading Successful Change

Culture. Help or Hinder?

• The shared VALUES, BELIEFS, and PRACTICES that guide the actions of its members.

• Culture can either support or hinder growth, innovation, and performance.
What Does Organizational Culture Do?

• Tells new hires who you are, what you value.

• Guides behaviors and interactions of employees.

• Determines how we treat customers and prospective customers.

• Profoundly affects “performance” – financial and impact.

Linking Organizational Culture with Expansion Goals

• What is your culture today?

• What culture is needed in the FUTURE to achieve your expansion goals?

• What can be done to shift the culture to this new vision?
Talent Management

- Do we have the right people, with the right skills, in the right jobs, at the right time?
- Are they engaged in the mission, values, and culture of our organization?

Employee Life Cycle
## Employee Life Cycle

<table>
<thead>
<tr>
<th>Life Cycle Stage</th>
<th>How effective are we now?</th>
<th>How important is this to our mission and expansion strategy?</th>
<th>How might expansion affect what we do?</th>
<th>What actions should we take to advance our approach?</th>
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<tbody>
<tr>
<td>Attract &amp; Recruit</td>
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<td>OnBoard &amp; Train</td>
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<td>Retain &amp; Develop</td>
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<td>Motivate &amp; Challenge</td>
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<td>Succession &amp; Transition</td>
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## Leading Organizational Change
In your experience, what percentage of change initiatives fail to achieve their intended goal?

a) 25-50%
b) 50-75%
c) 75% or more

Type of Change

- **Transitional Change**
  - Recalibrating a familiar practice
  - **GROUNDED**

- **Transformational Change**
  - Introducing a new industry approach and practice
  - **BLUE SKY**

- **Low**
  - Degree of complexity, cost, and uncertainty
  - Potential for confusion, distraction and fear

- **High**
Capacity to Handle Change

Too Little

Right balance

Too Much

Managing Complex Change

Vision + Skills + Incentives + Resources + Action Plan = Change

Vision + Skills + Incentives + Resources + Action Plan = Confusion

Vision + Skills + Incentives + Resources + Action Plan = Anxiety

Vision + Skills + Incentives + Resources + Action Plan = Resistance

Vision + Skills + Incentives + Resources + Action Plan = Frustration

Vision + Skills + Incentives + Resources + Action Plan = False Starts

Resources

• Leading Successful Change  
  by Greg Shea and Cassie Solomon

• The Practice of Adaptive Leadership and  
  Leadership on the Line 
  By Ronald Heifetz and Marty Linsky

• Leading Change  
  By John P. Kotter

Questions?
Expanding CDFI Coverage in Underserved Areas Webinar Series

• Upcoming topics include:

  – Marketing Strategy, Tactics, and Storytelling
    • Tuesday, December 8th at 2pm ET

  – Understanding CDFI Impact
    • Tuesday, January 12th at 2pm ET

An additional ten webinars will be offered starting in January 2016.

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