

Creating a Strategic Partnership

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MMA[®]

Stewardship Solutions

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F E D E R A L C R E D I T U N I O N

Reasons for Creating the Alliance

- MMA desires to provide members with banking services
- Mennonite Financial desires to provide members with insurance and investment services
- Both organizations desire to strengthen brand as Anabaptist faith/financial differentiated organizations



Stewardship Solutions

Mission:

MMA helps people integrate Anabaptist values with financial stewardship decisions.

Vision:

MMA will be a unique financial services organization dedicated to helping people integrate their faith and finances from an Anabaptist perspective.



Mission:

Provide full financial services... with commitment to Anabaptist values, mutual aid, integrity, efficiency, and innovation.

Vision:

The trusted financial institution members seek first...services will reflect our faith values.

Complementary Products and Services

MMA	Mennonite Financial
Life and Health Insurance	Savings, Checking, and Money Market Accounts
Mutual Funds	Transactional Services
Annuities	Credit and Debit Cards
Investment Management	Consumer, Auto, Home Equity & Mortgage Loans
Charitable Giving	Business Services Loans/Lines of Credit

Now working side by side to *serve* you better.

Mennonite Financial Federal Credit Union and MMA have formed a partnership to better serve Mennonites/Anabaptists nationwide with stewardship-oriented financial services. Visit www.mennonitefinancial.com or www.mma-online.org for more information.



Stewardship Solutions

"We're excited about offering basic financial services to our members."

-Larry Miller,
president and CEO, MMA



"We share with MMA a passion to serve people and organizations in our church community with services that complement their faith values."

-Kent Hartzler,
president and CEO,
Mennonite Financial



Key Events and Conversations

Collaborative History

- **1999** – Belleville, Pa. office
- **2001** – Charter expansion, MMA Trust, pizza model breakfasts, loan sales to MMA, and joint educational seminars
- **2003** – Ephrata, Pa. office, formal discussions
- **2005/06** – Joint management/board meetings, consultant engagement, draft documents
- **2007** – Leadership transition, Terms of Affiliation

What it Takes to Build a Successful Alliance

- Mutual trust
- Common vision
- Compatible cultures and systems
- Equitable investments by each party
- Effective conflict resolution mechanisms

*Source: The Filene Institute: Connecting the Dots on Credit Union Collaboration:
A Colloquium at the Wharton School of the University of Pennsylvania*

What it Takes to Build a Successful Alliance

- Stakeholder support (both internal and external)
- Clear boundaries
- Precise objectives and terms of relationship
- Periodic assessment of success

*Source: The Filene Institute: Connecting the Dots on Credit Union Collaboration:
A Colloquium at the Wharton School of the University of Pennsylvania*

Formation of the Alliance

Initial Phase Process

External Forces – Stakeholder Support

- Impact on our members (owners and customers)
- Impact on board and staff
- Impact on other vendors
- Support of regulators

Source: Alliance Building as a Competence, Harbir Singh, Aresty Institute of Executive Education, The Wharton School of the University of Pennsylvania

Formation of the Alliance

Initial Phase Process

Strategic Match

- Assess that assets are complementary
- Ensure alignment in strategies
- Address hidden agendas

Source: Alliance Building as a Competence, Harbir Singh, Aresty Institute of Executive Education, The Wharton School of the University of Pennsylvania

Formation of the Alliance

Intensive Phase Process

Internal Support

- Buy-in from key internal constituents
- Assess how internal groups are impacted by alliance

Source: Alliance Building as a Competence, Harbir Singh, Aresty Institute of Executive Education, The Wharton School of the University of Pennsylvania

Formation of the Alliance

Intensive Phase Process

Strategic plan

- Link plans to strategic intent
- Define resources needed for implementation
- Determine nature and magnitude of resources
- Build strategic budgets and business plans.

Source: Alliance Building as a Competence, Harbir Singh, Aresty Institute of Executive Education, The Wharton School of the University of Pennsylvania

Guiding Principle #1

We recognize that Mennonite Financial and MMA are owned by their members, with MMA having direct accountability to Mennonite Church USA.

The leaders involved will not profit personally because the resulting model for delivering financial services will continue to be owned and controlled by the members.

Guiding Principle #2

The present time seems to be an opportune time for MMA and Mennonite Financial to form a strategic alliance for delivering joint financial services for the benefit of the Anabaptist church community.

We do not want to look back on this moment a decade or more from now and say that we missed an opportunity for building the right financial services model for serving the church.

Objectives of our Alliance

- A concept of holistic stewardship
- Increased financial capacity
- Member focus
- Growth
- Mitigation of risk

Objectives of our Alliance

- Commitment to anti-racism
- Reflection of faith values
- Sensitivity
- Demonstrated commitment to Anabaptist values

Relationship Goals and Understandings

- Exclusive relationship
- Ends and policies
- Separate entities
- CEO selection
- CEO affirmation
- Financial soundness
- Corporate nimbleness

Relationship Goals and Understandings

- Realistic growth plans
- Employees
- Sponsor
- Distribution
- Stewardship Ministries Fund
- Management Team
- Marketing
- Subsidy reimbursement

Accomplishments

- Joint office locations
- New Web sites
- Alignment of membership field
- Development of joint health savings account product
- Development of a joint mortgage loan platform
- Shared employees
- Shared Annual Report

Issues to Address

- Affiliate relationship without joint ownership
- Creating a relationship that cannot be arbitrarily dissolved
- Branding
- Joint distribution and delivery

What We Are Learning

- The importance of shared trust
- Dealing with control issues
- Alignment of culture
- Bureaucracy can get in the way
- Regulatory and legal requirements need to be managed

Managing the Relationship

- Build relationship at governance level
- New distribution models
- Local advisory boards
- Executive leadership team

Thank You for Attending



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