The Most Common Merger Fears Put in Perspective

The fear of the unknown sometimes keeps people and businesses from reaching their true potential.

If you have concerns about merging your credit union, you're not alone. Here are some of the most common fears held by stakeholders in your credit union—and why they shouldn't fear them at all.

THE CHIEF EXECUTIVE OFFICER

THE CEO'S TOP FEARS:	WHY THE CEO SHOULDN'T WORRY:
Losing their job	Most CEOs go on to play an executive or C-level role in the new credit union.
Losing their status in the credit union community	Most CEOs get a say in what their new role in the credit union—and therefore in the community—will be.
Decreased salary	Most CEOs maintain their current salary or earn as much as 7x more.

MERGER BENEFITS FOR THE CEO TO FOCUS ON:

- An opportunity for retirement if the CEO thinks the timing is right.
- An opportunity to relaunch their career because the new credit union will have several positions to fill.
- An opportunity to advance their career because larger credit unions have more high-level positions to fill.

THE BOARD OF DIRECTORS

THE BOD'S TOP FEARS:	WHY THE BOD SHOULDN'T WORRY:
Losing the professional and personal collaboration	Most board members can work together to help plan the future of the new credit union and potentially be a part of the new board.
Losing the ability to make a difference in their community	Board members can take part in an Advisory Board whose responsibilities include dispensing money to the most needed areas in the community.

MERGER BENEFITS FOR BOARD MEMBERS TO FOCUS ON:

- An opportunity to expand their professional network by working with more financial community leaders.
- An opportunity to shift their focus from the day-to-day operations of one credit union to an advisory role in the new credit union.
- An opportunity to do more good for the members of the credit union and the community by working with a larger credit union that has more resources.

THE EXECUTIVE TEAM

THE TEAM'S TOP FEARS:	WHY THE TEAM SHOULDN'T WORRY:
Losing their salary and income potential	Most credit unions do their best to find a home for their executive team in the new organization.
Deflating office morale	A third-party facilitator can help keep morale up during the merger—it's all about communication.
Losing their position and status within the credit union	A lower-level position in a larger credit union can still have more status than a higher-level position in a smaller credit union.

MERGER BENEFITS FOR THE TEAM TO FOCUS ON:

- Most mergers create the ability for the credit union to offer lucrative retention bonuses, severance packages, and robust retirement packages for their executive team members.
- In many instances, the executive team of a credit union finds themselves making more money after the merger, because larger credit unions can afford larger salaries.
- Mergers create more professional opportunities for career advancement and improved status.

THE STAFF

THE STAFF'S TOP FEARS:	WHY THE STAFF SHOULDN'T WORRY:
Losing their income and benefits	Larger credit unions can afford higher salaries and better benefits packages.
Losing co-workers, office morale, and a general fear of change	A third-party facilitator can help keep morale up during the merger—it's all about communication.

MERGER BENEFITS THE STAFF SHOULD FOCUS ON:

- Mergers crate career advancement opportunities that did not exist before. Larger credit unions experience higher growth rates and an expanding need to fill more high-level positions.
- Many credit unions recognize these fears and a merger allows them to put severance options in place—even for staff who choose to leave on their own accord.

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