



## ACCESS: Building Winning Quality Credit Unions

In the absence of enabling regulatory environment for financial cooperatives in Asia (except for Korea), ACCU has been exerting efforts to develop tools to self-regulate credit unions side by side with lobbying with the cooperative regulators.

ACCU develops quality assurance standards called ACCESS (**A1 Competitive Choice for Excellence in Service and Soundness**) - Credit Union Solution No. 3. Branding is about getting the members see their credit union as the only one that provides a solution to their problems. ACCESS confirms the credit union credibility, solidifies member loyalty, connects to members emotionally, and ensures quality of people in management and leadership. Adopted from the Balanced Scorecard, ACCESS comprises of 86 measurable indicators on Financial, Customer/Member, Internal Business Processes and Learning & Growth Perspectives.



ACCESS intends to certify credit unions achieving standards on ranking of Bronze, Silver, Gold and Platinum. Besides certification, ACCESS aims to provide road map to build credit union excellence. ACCESS can present an opportunity for improvement to credit unions in the absence of external regulatory environment on prudential norms and operational standards.

<b>Branding</b>	<b>SCORE</b>	<b>EQUIVALENT %</b> <i>provided that there is no percentage lower than 50% in any perspective</i>
Bronze	207-241	60-70%
Silver	242-275	71-80%
Gold	276-310	81-90%
Platinum	Above 311	above 90%

A strong brand is invaluable and so the CEOs of member organizations defined two pre-requisite standards for accreditation: Delinquency ratio is equal or less than 5% of loan portfolio and Net Institutional Capital is minimum 10% of total assets. ACCESS brand has uncompromised value and that the latter two standards are tests of institutional strength.

The ACCESS Diagnostic Tool (Credit Union Solution 3) and the ACCESS Auditors Systems and Procedures Manual (Credit Union Solution 12) are resources available for members. The Audit Manual establishes guidelines on general standards, ethical considerations, reporting and documentation by ACCESS Brand Auditors.

## ACCESS Brand Persistence

Branding strategy is part of ACCU's Road Map to ensure quality assurance program. Obviously, the gaps between the current performance of credit unions as against ACCESS standards are opportunities for improvement. ACCU focuses its efforts to assist its member organizations to fill the gap through the development of solutions that could be in ranges of management technologies, tools and training.

The branding strategies will define the role of the Credit Union Movement as a new leader in the Financial Service Sector. It will promote those characteristics that differentiate credit unions from other financial institutions in the marketplace. Branding will also communicate our capabilities to a broad national audience that does not realize how closely attuned their values are with those of credit unions. Most importantly, credit union operation will turn around into a dynamic and creative cooperative financial institution.

ACCU trusts that ACCESS will serve as management system that can channel the energies, abilities, and specific knowledge held by people in credit unions toward achieving long-term strategic goals. Achieving every indicator will build long-range competitive capabilities, value and differentiation of credit unions in the marketplace.

Based on the Balanced Scorecard, the following four perspectives are adopted by ACCESS:

1. Financial perspective – aimed at the safety and soundness of the credit union, the financial measures are valuable in summarizing the readily measurable economic consequences of actions already taken. Financial performance measures indicate whether a credit union's strategy, implementation, and execution are contributing to safety and soundness of credit union. Financial objectives typically relate to the goals of the PEARLS Monitoring Tool i.e. Protection, Effective Financial Structure, Assets Quality, Rates of Return and Costs, Liquidity and Signs of Growth.

### Financial Perspective = PEARLS=13

Protection 2	<ul style="list-style-type: none"> <li>Provisioning of loans</li> <li>Charging off should be practiced</li> </ul>
Effective Financial Structure 4	<ul style="list-style-type: none"> <li>Need to prepare strategies to increase IC from other sources</li> </ul>
Assets Quality 2	<ul style="list-style-type: none"> <li>Delinquency control</li> </ul>
Rates of Return and Costs 2	<ul style="list-style-type: none"> <li>Review of the expenses to cover provisioning</li> </ul>
Liquidity 1	<ul style="list-style-type: none"> <li>Maintenance</li> </ul>
Signs of Growth 2	<ul style="list-style-type: none"> <li>Membership</li> </ul>

2. Customer perspective – the core outcome measures in this perspective are: customer satisfaction and quality products and services. The standards under customer perspective also include specific measures of the value proposition that the credit union will

### Internal Business Processes - Perspective 23

Operational Efficiency 6	<ul style="list-style-type: none"> <li>Policy Manual</li> <li>Procedure Manual</li> <li>Organizational chart</li> <li>Performance standards in the office</li> </ul>
Competitive Position 7	<ul style="list-style-type: none"> <li>Product differentiation</li> <li>Cost advantage</li> <li>Value-added Program Manual</li> </ul>

deliver to member-customers in target market segments. As a credit union, this criterion also measures the value of the product as it translates to the mission of credit union: enabling people to grow. Thus, products and services are gauged on how well it helped members improve their financial capacities and reach their financial goals.

3. Internal business perspective – ACCESS measures the credit union’s internal-business-processes in which the organization must excel. These processes enable the business unit to deliver the value propositions that will attract and retain members and will have the greatest impact on customer satisfaction and achieving the credit union’s financial objectives. ACCESS has identified two key performance measures: operational efficiency and competitive position.

**Customer – Member - Perspective = 27**



4. Learning and growth perspective – the fourth perspective is the learning and growth that identifies the infrastructure that the credit union built to create a long-term growth improvement. The two key performance measures are: knowledgeable and involved board of directors and employee satisfaction. ACCESS will measure the capacity of the credit union in providing appropriate skills for directors and employees, aligning HRM policies and procedures to ensure that directors and employees acquire the required skills for the new competitive environment.

**Learning and Growth - Perspective 20**



Perspectives	No. of Indicators	Equivalent Score (x 4)	%
Financial	13	52	40
Customer/member	27	108	20
Internal Business	26	104	20
Learning & Growth	20	80	20
Total	86	344	100

The ACCESS tool has Bangla, Thai, Indonesian, Nepali and Russian versions. As of September 2019, ACCU has accredited a **Gold, 1 Silvers, 10 Bronze 16** credit unions.

ACCU is happy to provide a platform for our members to carry ACCESS self-assessment online. Please follow the instructions and register to enable the features of our online assessment. ACCU will make the necessary configuration for you to log in.

If you have any question, please inquire ACCU Member Services Officer Mr. Kamon Kiattisirikumpon at [kamon@aaccu.coop](mailto:kamon@aaccu.coop)