

# Community Banking Partnership

## Practical Solutions to Financial Exclusion

### Business Viability and Diversifying Products Course: Level 1.4

1. **Course Purpose:** To provide credit union, community development finance institution staff and other local stakeholders with a practical understanding of Community Banking Partnership methods and practices in relation to business analysis and product diversification in order to achieve business viability.
2. **Target learning groups:** This course would be of interest to any credit union or community development finance organisation interested in using Community Banking Partnership methods and practices to improve the ability of their business to achieve both social and business goals simultaneously. The course is particularly relevant to managers and frontline staff of:-
  - Credit unions
  - Community development finance institutions
  - Local authorities, regeneration agencies and other funders
3. **Course Objectives:** To provide course participants with:-
  - (i) a good understanding of the practical fundamentals of the Community Banking Partnership (CBP) approach to business analysis and business planning;
  - (ii) an understanding of the full operational costs (both fixed and variable) and the diversity of risks for different products and services;
  - (iii) insights into ways and means for developing through product and service diversification a more balanced portfolio of incoming generating products in order to achieve business viability over a business planning cycle of five years;
  - (iv) guidance on pricing different products and service for both operational costs and market risks;
  - (v) lessons from the credit union and CDFI movement on good practice in respect to product and business development strategies;
  - (vi) knowledge on the ways and means to develop an improved organisational business plan to help CBPs, credit unions and CDFIs to move toward operational sustainability strategically and effectively.
4. **Learning Outcomes:** Course participants as a result should:-
  - (i) understand how to interpret credit union and CDFI accounts and balance sheets with a view to achieving measurable improvements to the bottom line whilst remaining committed to a mission of reducing financial exclusion;
  - (ii) gain knowledge of how to diversify the organisation's product range, develop cost centre budgets and make reasonable income projections against realistic costings – both fixed and variable;
  - (iii) gain insight from the Credit Path methodology on how develop a balanced portfolio of complementary products and services that both meet user needs and organisational needs simultaneously;
  - (iv) gain understanding of how to price products for costs, risk and for an additional margin within a full cost recovery programme oriented towards operational sustainability;
  - (v) gain knowledge on how costs and risks can be reduced, offset and covered by CBP methods and tools including fees for service, secured lending, loan guarantees and off balance sheet techniques;
  - (vi) gain lessons of good practice from other CBPs and exemplar organisations in the credit union and CDFI movement.

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## Business Viability and Diversifying Products - Course Programme: Level 1.4

- 10.30 Refreshments
- 10.45 Introductions and Clarifying Objectives for the day
- 11.00 Community Banking Partnership and the Credit Path
- Group Exercise 1: Social Business Skills
- 11.30 Developing a new product – Key steps and procedures
- Group Exercise 2: Working out a budget, pricing and setting projections
- 12.30 Fundamentals of Business Planning – Understanding Community Finance Accounts
- Case Study 1: Sheffield CBP Profile and Lessons from Growth Fund experience
- 13.00 Lunch Break
- 14.00 Business Viability and Selecting a Product Mix –
- Group exercise 3: Balancing your loan portfolio
  - Case Study 2: CDFI Profile of a fully developed business model
- 15.00 Diversifying Community Banking Partnership – Building a new delivery team
- Group Exercise 4: Introducing a core business product
- 15.55 Evaluation and Feedback Form completion
- 16.00 Refreshments and Networking
- 16.15 Close