

Vision, business model and 2013 strategy

Vision and business model

Our vision is to redefine wealth in a way that enhances the well-being of our members and builds healthy communities. We're guided by the co-operative principles and our Statement of Values and Commitments. We're carbon neutral, a living wage employer, and a member of the Global Alliance for Banking on Values—an independent network of banks using finance to deliver sustainable development for underserved people, communities and the environment.

The following three guiding principles were developed by our Board to focus our efforts:

Co-operative principles and practices: Co-operatives can meet community and individual needs that aren't always met by markets and government. They bring people together freely and democratically, and can enable individuals to achieve goals they couldn't achieve alone. We want to be advocates for the co-operative principles and build legitimacy for co-operative models and behaviour, while supporting our co-operative members and the growth and development of co-operatives in our communities.

Environmental sustainability: We're committed to being environmentally conscious in our operations. And we realize we can have a greater positive impact through the products and advice we provide our members and the financial support we provide to organizations that benefit the environment.

Social justice and financial inclusion: People who have difficulty accessing and using financial services are at a financial disadvantage and often feel excluded from mainstream society. In 1961, we were the first Canadian financial institution to offer loans to women without needing a male co-signer. And we supported the gay, lesbian, bisexual and transgendered community in visible ways when society generally did not. We want to continue to identify opportunities to serve all our existing and future members.

We support our members and their communities because we believe one cannot prosper without the other. This requires significant change on our part so that our members are able to get what they want—products, service, financial advice—and what they need—healthy communities in which to live and work. By focusing on member and community needs, we believe we'll create the kind of growth that has positive impact and that's built on trust. And we believe we'll help ensure a vibrant future for all.

We see the following as critical to our transformation:

- **Employees**—our people are the ones doing the work, and who interact with members to deliver financial products, service and advice. We are creating a culture where our employees feel comfortable using judgement and discretion to meet members' needs and build healthy communities.
- **Insights**—we must acquire a deep understanding of the needs and expectations of our members and their communities and use what we learn to inform our work. This differentiates us and is our competitive advantage.
- **Management systems and technology**—we need the right technology, systems, processes and discipline in place to serve our members and communities, manage risk and innovate.



Future plans and targets

Our Three Year Plan

The following targets and strategic initiatives speak to how we will grow our membership and build the confidence of our members, community partners and stakeholders that values-based banking is a viable alternative to conventional banking. Values-based banking puts the needs of people and communities first.

The renewal of our core banking system will use a significant amount of resources and will remain a key priority as we help build the technology capability we need. We're making investments to understand and meet the needs of underserved people and we're implementing a plan that focuses on what's needed for our employees to lead our transformation. Other key goals include pursuing opportunities to uncover new, underserved markets; emphasizing our co-operative roots as a source of future strength and resilience; and seeking partners primarily for a values fit. We will continue to research and monitor the evolution of the federal credit union legislation and its implications for our members and Vancity, as well as for the health of the larger credit union system. And we will continue with our [living wage employer](#) and [carbon neutral](#) commitments.

Organizational scorecard: 2014 key targets

Progress made on these targets will directly influence senior management's incentive plans and the amount of profit we share with employees.

- At least 50 per cent of members surveyed strongly agree that Vancity's contribution to the community has a positive effect on their well-being (2013 result—51.3 per cent).
- The percentage of community impact loans approved as a percentage of total commercial and business loans approved is at least 41 per cent (2013 result—50.7 per cent).
- We attract 27,000 new members (2013 result—28,312).
- Return on average members' equity is 5.0 per cent (2013 result—6.7 per cent); if we were to exclude our distribution to community and members, our target would be 6.1 per cent.
- Employees who self-declare they have a disability represent at least 4.5 per cent of the workforce (2013 result—3.1 per cent).

Strategic initiatives 2014-2016

Accelerate impact already under way— what we need to continue doing to build healthy communities

- Deliver a differentiated member experience that is accessible and inclusive, community-based, transparent about values and commitments, trust-building and credible, empowering and convenient.
- Meet underserved needs by increasing access to funds and enabling members to build their credit histories in a way that is inclusive and sustainable.
- Extend reach into community and engage members through community advisory committees.
- Activate community investment by developing a branch focused community investment plan.
- Leverage our networks of influence and use the co-operative principles to help build a more resilient local economy.

Build our capacity to innovate for impact and get ready to do more— how we need to change the way we work so that we can fully activate our business model in service of achieving our vision

- Implement a people plan to leverage the knowledge, skills and passion of our people.
- Further integrate our financial plan and business strategy by measuring the impact we're creating and incorporating it into decision making and reporting.
- Define risk by reviewing risk capacity, appetite, tolerance and limits and refining credit practices, processes and policies.
- Accelerate innovation with a new decision making structure, resource reallocation initiative and analytic system.
- Renew our core banking system to deliver a differentiated member experience.

For more information on why we set these targets and goals, please read our [2014-2016 Three Year Plan](#). It is the outcome of our annual planning process, and we've made available to members and the public online for the first time. It includes the economic outlook, the outcomes we expect, the key risks we need to understand, what we plan to do to achieve these outcomes, and a resource allocation plan.