

Fusion 2010

Mergers, Acquisitions and Vendor Consolidations

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Discussion Topics

- Velocity of M&A activity
- Adapting to the “new normal”
- Key takeaways
- Open dialogue

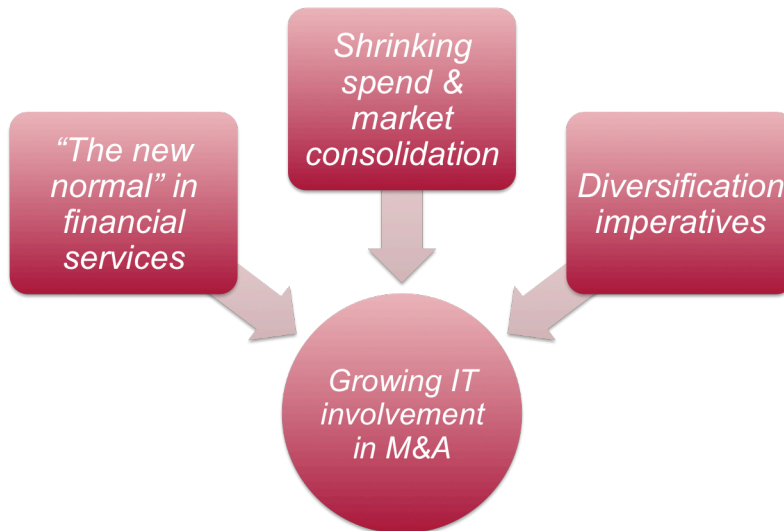
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CUNA Mutual Group

- Founded in 1935 by Credit Union pioneers
 - World leader in credit insurance since 1937
 - Still a credit insurance leader today
- Grown with credit union industry; today CUNA Mutual is a Fortune 750 company with 2009 revenue of \$3B
- Market share leadership in credit union market
 - 60-95% on nearly all core products
- Strategic imperative to diversify due to core market consolidation
- Diversification focus drives unprecedented M&A activity

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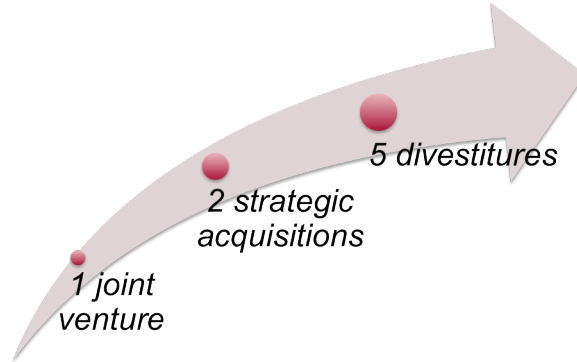
Times have changed yet again



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Times have changed for us too!

In 2009, CUNA Mutual closed 8 transactions:



Our previous annual average = 2 transactions

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Our IT response

- “No thanks” was not an option
- Instead, we created a virtual cross-functional IT SWAT team: **“The Minute Men & Women”**

Playbook	Validation	Engagement
<ul style="list-style-type: none"> • Leverage past transaction artifacts 	<ul style="list-style-type: none"> • Use external parties • Refine quality 	<ul style="list-style-type: none"> • Focus on early involvement • Executive relationships

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Transactions are all about people

- How do you get involved in the deals early enough?
- Relationships are **key**:
 - CEO
 - CFO
 - Head of corporate development
 - Business line leaders
 - Counterparts in acquiring/acquired entity
- Being part of the solution is earned – *not an entitlement*
- Cross functional alignment expected and required
- Don't forget about vendors and partners...

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Vendor M&A trend: Impacts everyone

“Arranged marriages” cause serious relationship and contractual friction

Focus on your contract exit strategies now

Demand strategic product roadmaps

Tread carefully with win/lose negotiations

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Key Takeaways



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Open Dialogue

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Common Purpose. Uncommon Commitment.