

When the person who knows retires

Community banks and credit unions run on deep local knowledge held by a few long-tenured people. Capturing it is a succession question before it is a technology question.

01

Small institutions, concentrated knowledge

In a community bank or credit union, a handful of people often hold the institution's most important knowledge: the senior lender who knows every agricultural borrower in the county, the operations lead who knows why a reconciliation is done a certain way, the compliance officer who remembers what the examiner focused on last time.

That concentration works well until one of them retires, and many are approaching retirement at the same time. Policies and procedures survive the transition. The reasoning that made them work locally often does not.

02

What gets lost

The losses are rarely dramatic. They show up as slower decisions, more escalations and inconsistent treatment of similar members or borrowers.

Local credit judgment: seasonal cash flows, collateral values and borrower history outside the file.

Exceptions the board approved and the conditions attached.

Operational workarounds that exist for reasons nobody wrote down.

Examination history and the commitments made in response.

Member and community relationships that shape service decisions.

03

Why AI raises the stakes

Core providers and fintech partners are adding AI features to lending, member service and compliance. Those features are trained on general patterns. Without the institution's own context they push decisions toward the average, which is exactly what a community institution's value proposition is meant to avoid.

Captured local knowledge gives those tools the context to support the institution's way of serving its community rather than replace it.

04

A practical approach for a small team

Smaller institutions cannot run large knowledge programs. They can start with the one or two people whose departure would hurt most, and the decisions those people make most often. Short structured sessions, anchored in real recent cases, capture the reasoning behind those decisions. The output is reviewed by the person's successor, which makes the exercise part of succession planning rather than an IT project.

Bring us one consequential decision.

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