

# Credit Union Nets \$44,000/Year, Invaluable Time Savings with Help from JMFA

## FRANKLIN FIRST FEDERAL CREDIT UNION

*With back-to-back audits taking place and limited resources, Franklin First Federal Credit Union knew that negotiating its core processing and Internet banking contract in-house would be nearly impossible. So, the credit union turned to the experts at JMFA to successfully negotiate this important, looming contract.*

Established in 1958, Franklin First Federal Credit Union currently serves more than 7,000 members in and around Greenfield, MA. After a strong 2018—the financially strongest year in the credit union’s history—its assets currently stand at \$63 million.



One factor contributing to recent success is Michelle Dwyer, who began her journey at Franklin First as a temp-to-hire teller in 2007 and rose to CEO just nine years later. During her ascent up the ranks, Dwyer learned every aspect of the institution, from the front office to the back. It was this in-depth operational knowledge that led her to call JMFA to negotiate the credit union’s core data processing and Internet banking contract—she knew she had limited resources and nobody on staff with direct experience negotiating such a large and important contract. Having worked with JMFA in the past, she knew she would be in good hands with their contract negotiations experts.

A check-in email reminded Dwyer of the negotiation service at just the right time. “When Contract Optimizer was brought up to us,” she recalled, “it was just the perfect timing, because I knew our core processing contract was looming. And that was actually one of the biggest anxiety points I’ve had since I started this position.”

The anxiety would quickly subside, though. After receiving the initial analysis, Dwyer had no reservations about moving forward. “The comparisons JMFA did for us—we wouldn’t have even known where to begin with that. That alone was a huge positive for us.”

### FIRST THINGS FIRST: A SHORTER TERM LENGTH

One thing both JMFA and Franklin First both strongly felt needed to change? The length of the current term. “When I took the position over,” Dwyer said, “I pulled out the contract and saw that it was for 10 years...I couldn’t decipher what the positives were for creating a 10-year contract. It was definitely surprising!”

The disadvantages of long-term core contracts are numerous, and Dwyer knew it. “Because of the length of the contract, with its per-year bump-ups, we weren’t afforded the opportunity to negotiate any of that. We knew for sure that it wasn’t sustainable for us to continue to pay that rate.” JMFA made sure Franklin First wouldn’t be at the same disadvantage again.

Despite limited experience with this particular vendor, JMFA National Sales Director Kelly Flynn and her team knew precisely what to look for in the contract and what concessions to ask for. That started with negotiating a seven-year contract, with an out-clause at five years. This gives the credit union a long enough contract to secure significant savings, but not so long that they’ll miss out on the benefits of renegotiating a few years down the line.

### NEXT UP: FIVE-DIGIT ANNUAL SAVINGS & MORE

Along with a more advantageous term length, JMFA negotiated the best deal line item by line item, locking in \$44,000 in annual savings for Franklin First FCU as well as a full year of retroactive savings.



**\$44,000**  
IN ANNUAL SAVINGS

“I was super happy,” Dwyer said of the savings achieved. “To have that extra money going forward is great, because we can add products and services to expand the credit union.”

*“I would not have had enough time to properly give to this contract had I done it on my own. Having the ability to delegate this to someone else has been amazing.”*

While the negotiations were underway, Dwyer and an associate attended the vendor's annual conference. There, they heard about all the new product offerings that were being introduced, and were able to let JMFA know what they were interested in. JMFA then negotiated competitive terms for those products into the contract, along with \$25,000 in credits, should the credit union want to add any of them in the future. (Note: As part of its service, JMFA always negotiates the terms of new products and services at no extra cost to the financial institution.)

With the additional annual savings obtained by JMFA, Dwyer plans to add mobile app and online banking enhancements that will put the credit union a step ahead of area institutions and better serve tech-savvy Millennials.

#### **LAST BUT NOT LEAST: INVALUABLE TIME SAVINGS**

Because of JMFA, Dwyer said she's been able to focus on everything else that needed her attention, including back-to-back NCUA and ALM audits. "I would not have had enough time to properly give to this contract had I done it on my own. Having the ability to delegate this to someone else has been amazing," she said.

The process itself proved stress-free for Dwyer. "It was so hands-off for me, which was such a relief. I was kept in the loop, but I didn't have

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to constantly go back and forth with things I don't really know about. JMFA has done the research, they know what they're doing, and I didn't have to hold any hands."

Would Dwyer recommend JMFA to other credit unions for vendor contract negotiations? "Absolutely!" she said. "The comparisons are not something anybody else has access to or the time to gather—that alone is a reason to absolutely do this. I will definitely use the service again for other contracts."

To get a free analysis of your own and see how much your bank or credit union could save by negotiating your next contract with JMFA, simply complete our analysis request form at **[JMFA.com/contractoptimizer](http://JMFA.com/contractoptimizer)**.

#### **About John M. Floyd & Associates**

*JMFA is one of the most trusted names in the industry. Whether it's recovering lost revenue, uncovering new savings with vendor contract negotiations, creating more value, serving account holders better or delivering a 100% compliant overdraft service—JMFA can help you deliver measurable results with proven solutions. To learn more, please contact your local representative or call us at (800) 809-2307.*