

Long-Term Partnership with JMFA Continues to Pay Off

CONTRACT NEGOTIATIONS FIND HALF A MILLION DOLLARS IN YEARLY SAVINGS

Having nearly 15 years of success as a JMFA OVERDRAFT PRIVILEGE® client, Cornerstone Community Federal Credit Union turned to JMFA for assistance in negotiating its soon-to-renew card processing and bill pay agreement. With more than \$500,000 in annual savings found, the only thing the credit union regretted was not reaching out sooner.

With \$445 million in assets and 47,000 members, Cornerstone Community Federal Credit Union



has made taking care of people its primary mission since its beginnings in 1957. It also has a long history with JMFA: Cornerstone CFCU has used JMFA's overdraft privilege consulting services with great success since 2004. That strong partnership led the credit union to seek JMFA's assistance with contract negotiations.



\$524,338
ANNUAL SAVINGS

INCLUDING:

\$150,000 SIGN-ON BONUS

\$40,000 PIN NETWORK UPGRADE BONUS

\$14,000 MONTHLY INTERCHANGE REVENUE

SERENDIPITOUS EMAIL CATCHES CREDIT UNION'S ATTENTION

In the past, some vendor contracts at Cornerstone had renewed automatically; but knowing that this could result in ever-increasing rates, the credit union recently committed to reviewing every contract that comes up for renewal.

An email from JMFA promoting JMFA Contract Optimizer arrived in Cornerstone CFCU President and Chief Operating Officer Mary Scheib's inbox one day.

"It was almost perfect timing," Scheib said. "Our credit and debit card processing and bill pay contract was coming up for renewal and it really needed to be reviewed. I had already looked at the agreement myself—it was a monster."

Scheib got in touch with JMFA National Sales Director Kelly Flynn, who could tell immediately that the credit union was overpaying. Flynn and negotiation specialist Mary Soergel reviewed the contract line item by line item and conservatively estimated \$198,913 in annual savings. Thrilled, Scheib gave JMFA the green light to proceed.

NEGOTIATIONS MORE THAN DOUBLE INITIAL SAVINGS PROJECTIONS

JMFA began negotiations with the vendor. Knowing the savings that could be achieved on each service and line-item rate, JMFA made a detailed and aggressive counteroffer with a push for additional concessions that would benefit the credit union.

By negotiating every line item of the contract, JMFA found the credit union \$524,338 in annual savings. This included a \$150,000 sign-on bonus, a PIN network upgrade with a \$40,000 sign-on bonus and projected increase in interchange revenue of \$14,000 a month.

The outcome left Scheib with a number of emotions. "How could you not be pleased when you look at the bottom line? That number is striking," she said. "Yet, all these years of overpaying, I also felt a bit angry at myself. I should have had JMFA review the contract five years ago. The savings we achieved is a testament to how you really have to take care of yourself—the vendor isn't going to do it for you."

For a credit union looking to increase its net worth, Scheib notes, "This is probably one of the easiest things we've done to boost our bottom line."

"I should have had JMFA review the contract five years ago."

EXPERT NEGOTIATIONS COME WITH EXPERT ADVICE

Early in the process, Scheib considered switching Cornerstone's bill pay vendor. However, after negotiations, the credit union ended up saving \$100,000 per year on that portion of the contract. JMFA advised Scheib to keep it bundled with the current vendor for the time being to get the best pricing, and because changing vendors would be an undertaking that Scheib was not looking to tackle at the moment.

With the new contract in place, she now has several years to consider switching and can better prepare for the change if she decides to go that route. “JMFA was a great sounding board as I made decisions,” Scheib said.

FOUND MONEY GETS PUT TO WORK

With more than half a million dollars in savings each year recouped, Cornerstone CFUCU could finally pursue several services it had put on the backburner due to a lack of funds. The credit union added three services for its members:

1. Tokenization for Apple Pay, Google Pay and Samsung Pay
2. Texting notifications for debit cards
3. Identity verification and fraud detection for credit cards, and member access to their credit scores

“We want to give members what they want, and keep up with those wants,” Scheib said. “The enhanced fraud detection is especially important. If not for the savings from JMFA Contract Optimizer, these services may have been pushed to the side.”

NEW SUCCESSES ENHANCE LONG-LASTING PARTNERSHIP

“We have had a great relationship with JMFA over the years—they’re not just a vendor, it’s definitely a partnership,” Scheib relates. “I feel like Kelly and Mary are my partners now, too. They’re easy to talk to and just so open. And like anything else with JMFA, the process has been very professional.”

After bringing JMFA on board, Scheib—like many other JMFA Contract Optimizer clients—learned just how intricate the negotiation process is and how beneficial it was to hand it off confidently to an expert.

“With how much I had on my plate, I just sit back and think, ‘How the devil could I have done this without JMFA?’”

“With how much I had on my plate, I just sit back now and think, ‘How the devil could I have done this without JMFA?’” she said. “Honestly, the time it would have taken to do this myself would have been impossible. I could have gotten some savings, but nowhere near what JMFA did. They have knowledge that I don’t have—the market rate for services—because they’ve done this for so many other institutions. That gives them incredible bargaining power.”

Having found an ally for contract negotiations, Cornerstone can count on JMFA to proactively ensure they’re always getting the best deal. Not only will JMFA conduct annual billing audits to make sure the new rates are correct—Flynn will also reach out to Cornerstone 18 to 24 months before the contract expires to begin the negotiation process again.

With such a beneficial experience, Scheib urges other credit unions and banks to have a conversation with JMFA and get a free analysis. “It’s no skin off your nose to talk to JMFA,” she explained. “They’re very forthright and you’ll know before you sign anything what they’re going to get for you. If you reach out, you won’t be disappointed.”

She concludes, “Thank goodness we walked down this path!”

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.