

Maximizing Value—How CoAFCU Transformed Its Core Contract for Growth

Securing better terms and \$1.65 million in savings while enhancing member services through strategic negotiations.

Communities of Abilene Federal Credit Union (CoAFCU), a local financial institution celebrating 70+ years of service, provides competitive loan rates and personalized service to Abilene and 10 surrounding counties in West Texas. With total assets exceeding \$165 million, CoAFCU is committed to serving its members in a friendly, community-focused atmosphere.

MAXIMIZING EFFICIENCY AND MEMBER BENEFITS

Focused on making upgrades to offer more convenience for members and gain more efficiencies, the credit union needed a trusted partner to help optimize its core contract, which included card processing and digital banking.

For CEO Clinton Wilson, he knew it was an opportunity to maximize the value of the contract—securing better terms and meaningful cost savings. After an initial successful project, they connected again with the experts at ADVANTAGE for its core contract negotiation.



TACKLING COMPLEX VENDOR AGREEMENTS

Wilson identified two key factors in evaluating and renegotiating the credit union's core processing contract:

- **Time and Resource Considerations** – As a smaller financial institution, CoAFCU recognized that navigating complex core contract negotiations requires specialized expertise. Partnering with industry experts would ensure the best possible outcome while allowing its team to remain focused on serving members.
- **Increasing Contract Complexity** – Over time, core agreements have become more intricate, with large vendors leveraging extensive legal teams to structure terms in their favor. Without experienced negotiators, securing optimal terms could have proven challenging.

Initially, the credit union explored the possibility of a core conversion. However, after a thorough evaluation, optimizing contract terms with their existing provider emerged as the best strategic decision.

EXPERT CONTRACT NEGOTIATIONS FOR BETTER OUTCOMES

With a major contract renewal approaching, CoAFCU turned to industry experts for guidance in renegotiating its core contract. Based on working with the ADVANTAGE team for a successful check printing agreement, Wilson knew the value of experienced negotiators in navigating complex vendor agreements.

Confident in their ability to secure meaningful savings and enhanced contract terms, the credit union moved forward with a focused renegotiation strategy.

“Working with ADVANTAGE was a no-brainer. The experience negotiating with these vendors saved us a tremendous amount of time and money. Any credit union looking at a major vendor contract should strongly consider engaging their services.”

KEY ASPECTS OF ADVANTAGE'S APPROACH

- 1 Conducting a **comprehensive review of CoAFCU's existing contract** to identify cost-saving opportunities and areas for improvement.
- 2 Utilizing **deep industry expertise and benchmarking data** to negotiate competitive pricing and enhanced contract terms.
- 3 Ensuring **greater billing transparency** and eliminating unnecessary costs hidden within vendor invoices.
- 4 Structuring the contract so that **savings were realized immediately upon signing**, despite vendor delays in implementation.

SIGNIFICANT SAVINGS AND SERVICE ENHANCEMENTS

Through the collaboration, the credit union achieved significant financial and operational improvements:

- **Expert guidance in evaluating options** to help the credit union fully evaluate new products and service options to ensure strategic decision-making and an optimized contract structure.
- **\$1.65 million in total savings** over the contract term, exceeding initial expectations by more than double.
- **Time and resource savings** by eliminating the burden of complex contract negotiations and avoiding a disruptive core conversion.
- **Implementation of multiple new products**, including a new online banking platform, an enhanced online lending solution, and a predictive lending tool that offers members pre-approved loan options based on their credit profile.

CEO of CoAFCU, Clinton Wilson noted, "The savings exceeded my expectations. I was hoping for around \$500,000 to \$750,000 in savings, and **we ended up saving over \$1.65 million**. That was a huge win for us."

DRIVING INNOVATION AND GROWTH

CoAFCU has taken significant steps to modernize its offerings, improve internal efficiencies, and enhance member experience. The new agreement has paved the way for critical digital advancements, including:

- **Instant online loan decisioning** to provide members with faster access to funds.
- **Expanded mobile banking capabilities**, including mobile check deposit and enhanced security features, to offer greater convenience.
- **Enhanced digital communication tools**, such as two-way texting and secure messaging, enabling more seamless member interactions.
- **Predictive lending technology**, offering members personalized loan options based on real-time credit analysis.
- **Personal finance management tools**, empowering members to save, manage spending, and improve financial health—an increasingly sought-after feature.
- **AI-powered staff support tools**, integrating data analytics and micro-interview technology to personalize member interactions and support cross-selling opportunities.

According to Wilson, "**these new digital offerings are positioning us for long-term success**. When I first arrived at CoAFCU, it felt like we were operating in the 1990s. With the improvements we've made, we are now much better aligned with modern member expectations."

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WHY ADVANTAGE + ADVICE FOR OTHER CREDIT UNIONS

CoAFCU's partnership with ADVANTAGE was built on trust and results. Wilson shared that the credit union valued the team's expertise, professionalism, and hands-on approach, which made complex contract negotiations both manageable and successful. Looking ahead, the credit union plans to continue leveraging ADVANTAGE's services for future vendor agreements.

When asked what advice he would offer to other credit unions, he shared these tips:

- **Start early.** Begin core contract negotiations well in advance to allow time for thorough analysis and strategic planning.
- **Bring in the experts.** Hire experienced professionals who understand vendor contracts and can negotiate optimal terms.
- **Think long term.** Consider the broader impact of contract decisions, not just immediate cost savings.

Reflecting on the results, Wilson summed it up simply, "Working with ADVANTAGE was a no-brainer. The experience negotiating with these vendors saved us a tremendous amount of time and money. Any credit union looking at a major vendor contract should strongly consider engaging their services."

A STRONGER FUTURE WITH SMARTER CONTRACTS

Through strategic negotiations, CoAFCU successfully navigated a complex core contract renegotiation—achieving significant cost savings while enhancing member services. This approach allowed the credit union to modernize operations without disrupting internal processes, positioning it for long-term growth and success.

Ready to optimize your institution's contracts and drive growth? We can help your credit union achieve significant savings and operational efficiencies.

LET'S TALK ABOUT MAXIMIZING CONTRACT VALUE!

Discover how ADVANTAGE can help your financial institution secure more savings and the right contract terms to transform your future. **Contact us to schedule a free consultation** to learn more and start saving today.