

Community Credit Union: How vendor contract negotiations helped keep focus on members



In the early 1950s, a group of 10 teachers in Titusville, Florida, united to form a member-owned financial cooperative for fellow community educators. The idea was to facilitate savings for teachers by offering better returns than other institutions, while simultaneously funding low-interest loans for members who may have been unable to finance their dreams elsewhere. With one share per founding partner – totaling \$40 – the Brevard County Teacher’s Credit Union was established.

The credit union since expanded its membership to all residents of Brevard, Orange, Osceola, Polk, Volusia and Indian River counties, aptly re-branding as Community Credit Union of Florida.

In 2010, CCU Florida recognized, in order to maintain its steadfast mission to provide the best possible financial opportunities for its members, it needed help managing vendor contracts and relationships. So, CCU Florida hired Maple Street.

Initially, Maple Street was commissioned to ease the burden that comes with managing vendors and contracts. CCU Florida had a vendor management program in place that consistently earned very high marks from examiners, but the credit union realized how much work went into running the program, by team members whose talents could be used elsewhere.

Knowing expense reduction is always a key element of any vendor management program, Maple Street reviewed the credit union’s contracts and found several opportunities to re-negotiate contracts to get better pricing and terms, and provided the credit union an overall expense reduction plan. Negotiations started and haven’t stopped.



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LAURIE CAPELLI
President and CEO

Laurie Capelli, a 20-year CCU Florida veteran and current President/CEO said, "I've been part of the [credit union] movement since 1981 and it requires a servant heart to fully invest in the needs of your members." She added, "When our team is bogged down trying to manage 140 contracts – and doesn't have the expertise needed to figure out what we're paying, keep track of when they expire, researching potential vendors – we are not making the best use of our individual skills to focus on our community."

In the decade since CCU Florida and Maple Street partnered to tackle vendor contracts, Maple Street saved the credit union \$5,473,310 – savings that are passed on to members and used to help the credit union expand its operations to an even wider community. "Membership, loans, and deposits all continue to increase at rates above national norms. This is gratifying because it means we are providing a perceivable value and we are trusted," said Laurie. She added, "We're also growing and improving our physical presence. Some branches were long overdue for renovations and relocations so, as of 2018, we undertook a complete remodeling of our Rockledge branch and started the move of our Port St. John branch from a storefront to a stand-alone building with a drive-thru. The growth event closest to my heart was our December groundbreaking for a new branch in Titusville."

CCU Florida has always been a very well-run credit union and over 10 years has grown from about \$200 million in assets to over \$800 million. While seeing strong market share and membership growth and adding new locations, the credit union has consistently carefully managed its expenses and maintained an efficiency ratio well below its peers. It also earns a "higher than peer" return on assets, year after year. CCU Florida's return on investment on its vendor management program is 832 percent.

When asked how Maple Street has had the greatest impact on CCU Florida, Laurie said, "Their negotiations team is the best. They have negotiated over 20 contracts for us – from smaller ones like janitorial and equipment maintenance to large vendors such as our debit and credit card processing providers (twice) and data processing systems."



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