

NIHFCU: It's Never Too Early to Re-Negotiate Vendor Contracts



Near the end of the Great Depression in 1940, nine federal employees in Washington, D.C., decided their families and co-workers needed an alternative to traditional banks. This passion for community access to affordable banking options inspired those nine individuals to pool \$75 and create what is now the National Institutes of Health Federal Credit Union (NIHFCU).

In the following 80 years NIHFCU has grown to include biomedical/healthcare organizations beyond the National Institutes of Health, expanding membership beyond Washington, D.C., to additional industry employees' groups in Maryland, Virginia, and West Virginia.

With the rapid and expansive growth of its membership, the credit union's board of directors appointed Rick Wieczorek – then the President and CEO of another Maryland credit union – to fill the same role for NIHFCU in 2014. In a statement announcing their new CEO, the credit union said, "Rick brings extensive operations and financial management experience to the credit union and is just the individual to lead us on our continuing journey of growth and development..."

Rick's successes in his previous position involved enlisting Maple Street to manage NIH's vendor contracts.

When asked about his decision, Rick said, "I was asked by regulators to improve organizational efficiency, so I started researching different ways to make it happen. While speaking with personnel from another credit union, they insisted working with Maple Street would be the best solution."

After his transition to NIHFCU, Rick, along with Executive Vice President/COO, Jesse Boyer and other members of the executive team, were tasked with solving numerous serious issues affecting their success. Jesse explained, "We weren't in a great financial position and a lot of the systems were very out-of-date. We invested a great deal of time the first few years pointing the ship in the right direction and ensuring we were able to position NIHFCU for long-term success."

When asked about the credit union's vendor contracts, Rick said, "We were locked into so many contracts and didn't even know where to start in terms of figuring out who was doing what and if we were getting everything we needed from our



**"While speaking with
personnel from
another credit union,
they insisted
working with Maple
Street would be the
best solution."**

RICK WIECZOREK
President and CEO

vendors.” He described some of the difficulties further, “We even had multiple contracts from the same vendors – all with different terms, start and end dates; it was extremely disjointed.”

Despite being locked into those contracts, NIH and Maple Street developed a vendor plan and began negotiations more than two years before expiration dates. This proactive approach allowed them to restructure agreements and gain flexibility to change systems and consolidate contracts. Not only did the renegotiations save money, they empowered the credit union to better manage its internal resources and maximized future negotiation potential

Maple Street implemented the vendor plan, negotiating one major vendor contract at a time, while negotiating one-year automatic renewals on other contracts to allow the credit union to proceed with changes at its own pace.

One of the biggest hurdles arose when NIH’s team determined that their digital banking platform was badly in need of advancement; the overall goal being to create services and features members would be as comfortable using as any other app on their devices.

“We had been using our existing provider for a long time, and they were good, but our contract was ending and we wanted to see if there was an option that could be a better fit for our organization,” said Jesse. He added, “The first thing we did was call Maple Street and say, ‘Do your thing’.”

According to Rick and Jesse, Maple Street’s involvement was crucial from the beginning, providing forms and guides that were easy to complete, asking some tough questions that may not have occurred to them, identifying which vendors and vendor products might meet the credit union’s requirements, and providing industry insight about vendors before finishing and distributing requests for proposals.

“Maple Street homogenized a lot of disparate data and gave us a great template for putting our RFP out to market. They made it easy to assess proposals, even sat in on the demos we scheduled with vendors. When it came time to choose, Maple Street was there with us to help negotiate a great deal with favorable terms and ensure the contract matched the provisions we were promised,” said Jesse. He added, “Where we were at the start and where we are now...it’s such a huge difference. We have an industry-leading system that is much better for our organization at a much lower cost, and the entire undertaking was a great experience.”

NIHFCU also uses Maple Street’s compliance expertise to make sure the credit union passes its exams every year. Jesse said, “Having someone on your side who knows the industry, the pros and cons of almost every vendor, who makes it easy to prepare for exams – it’s invaluable.” He added, “Credit unions don’t have the funding for legal departments and other staff for these specific functions. Maple Street makes it so we don’t need them and we’ve really bonded with the company as a whole.”

Maple Street helped save NIHFCU over \$200,000 on the first major contract negotiated and has continued to provide negotiation services that total \$5,333,000 in savings to date – and the credit union passed every exam.



JESSE BOYER

Executive Vice President/COO

Maple Street’s renegotiations saved money, empowered the credit union to better manage its internal resources and maximized future negotiation potential.

**SAVED
OVER
\$5.3M
TO DATE**



Empowering credit unions and
community banks to thrive™

maplestreetinc.com

info@maplestreetinc.com | 800-513-6839