



# CME Federal Credit Union CEO Needed To Close A Significant Expense Gap And Timing Was Everything

### Overview

Within four days of assuming his new post, Jeff Carpenter, President and CEO of CME Federal Credit Union in Ohio discovered a problem: a seven-million-dollar bad loan problem. One of the first things Jeff and his team did to address this challenge was to look at options that would allow them to find cost savings and enhance revenue opportunities at the credit union. Around the same time, Jeff was on a call with his friend Dean Archer – who had previously worked for CUNA. Jeff mentioned his focus on cost savings and new revenue sources and Dean recommended Jeff talk with Strategic Resource Management (SRM).

### Skeptical at First

In only one previous instance during his career had Jeff been involved in talking with third parties who provided cost savings and revenue enhancement services. "I was skeptical at first," said Jeff. "Naturally, your first thought is how much better can they do than us? But we did not have the resources to look at our existing vendor contracts to determine if we could leverage more value out of those relationships, so we decided to engage with SRM. I am still very pleased with the decision."

After speaking with SRM for 30 minutes during the CUNA GAC, Jeff decided to engage their services. "Our vendor relationships are very important to us," Jeff stated. "I wondered how our vendors would feel about such an arrangement. I discovered that SRM's reputation was such that our vendors considered them an asset. I suspect many vendors were just relieved not to have to answer our less informed questions. I've never had any blowback from vendors concerning our use of SRM."

### Did The Heavy Lifting

Jeff and his team were already stretched trying to handle a variety of important issues at the credit union due to the decision not to replace three vacant Vice President level roles



In exchange for revising the term of the contracts held with vendors in the payment and core processing areas, CME Federal received millions in value.

and were concerned about how much additional effort would be required to work with SRM on the projects that had been identified. "My team works hard but typically, even from my vantage point, I know if something is less or more difficult to do in terms of the time it takes. My impression as regards working with SRM is that their process is designed to not be invasive to their clients. We provided the info and they did the heavy lifting handling the RFPs, analytics, and reporting," said Jeff.

"SRM looked at five different areas to determine what potential value could be uncovered," Jeff added. "In the end, we ended up doing two of those five. On the other three, they let us know that any upside to be gained was not worth the time and effort it



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**Jeff Carpenter, President and CEO of CME Federal Credit Union**

would take for them or us. Kudos to SRM for not claiming, ‘We can do everything.’ That’s the value of their performance-based fee model. The amount of money they make is based on the value they bring us. That keeps everybody focused.”

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#### **The Importance of Cultural Fit**

How easily the various people assigned to a project work together to achieve the desired goal determines the quality of the results achieved. If the team has good rapport and yet can push each other to do what needs to be done without creating conflict, the outcome is optimal. According to Jeff, the SRM team’s competence and professionalism lined up well with the motivations and values of his CME Federal team. This was the difference in getting done what needed to be done as efficiently as possible to the greatest possible gain.

Jeff comments, “Integrity is important to any credit union since it is the underlying principle that drives the value we bring to our members. SRM’s people – from advisors to sales representatives to project managers exhibited this quality. Their competence in the subject matter and the professional way they handled themselves were critical to helping us get to where we needed to be in the least amount of time.”

#### **The Bottom Line**

SRM’s analysis determined that CME Federal could find significant savings and revenue opportunities by considering some different approaches to the vendors that provided them with payment and card processing services. For example, by offering some extended contract terms in return for incentives of value to the credit union, CME Federal could receive significant benefits. Jeff added, “I have over a million reasons to be happy today!” The approach was not something Jeff would have considered if SRM had not brought it to the table.

“In one case, we made a change in vendors because of the quality of the offer we received from the new provider. In the other case, we did not change our vendor since the incumbent made it attractive to stay. In both cases, the manner in which SRM went about their business of helping us get what we needed was key to the outcome. No vendor likes to lose but, when handled properly, no bridges have to be burned and that leaves more choices for the future.”

#### **About CME Federal Credit Union**

CME Federal Credit Union was established in 1935 by the firefighters employed by the city of Columbus, Ohio. A few years later, CME began serving employees of the city’s law enforcement agencies. CME then expanded to serve city, county and municipal employees within Franklin County, Ohio. Today, the credit union serves members and their families across several counties in Ohio and across the United States under the motto “Life is good. Make it great.”