



# Case Study



## AgFirst Farm Credit Bank: A Friend to Farming

**Farmers, and the rural communities they live in and support, are the lifeblood of this country. Behind the scenes, there is a network of Farm Credit associations who ensure farmers have the resources and access to capital they need to succeed. These associations are fixtures in their farming communities. More than just lenders, they advocate for their members and provide crucial support.**

### CHALLENGE

AgFirst Farm Credit Bank, a wholesale lender and trusted partner to Farm Credit Associations across the Eastern US, needed help finding a modern, robust loan servicing platform to replace its 30-year-old systems.

### SOLUTION

Arriba Advisors worked side-by-side with AgFirst, providing knowledge, advice and insight built on over 100 years of combined experience in executive roles with the financial technology providers. Following an in-depth strategy, requirements and process analysis, Arriba helped AgFirst execute a targeted evaluation of available loan servicing systems and guided the team to a data-driven decision that will enable them to execute on their long term market and service strategies.

Supporting the Farm Credit system are institutions like \$36B AgFirst Farm Credit Bank, in Columbia, South Carolina, whose primary function is to work closely with and support the associations. Since Farm Credit Associations cannot accept deposits, AgFirst provides loan funding for 19 associations and centralized systems and services, including various back-office services, for 20 associations primarily along the East Coast. In total, the AgFirst District provides loans to about 102,000 individual farmers, agribusinesses and family trusts.

Powerful, intuitive and reliable loan systems are required to support a lending operation of that magnitude. AgFirst's current systems, which were implemented in the late 1980's would require substantial reengineering to support the modern, competitive loan products and services the Farm Credit associations need to compete and thrive.

Kelly Mattox, director of association loan operations for AgFirst, says AgFirst's middle-market loan systems are over 30 years old, written for a different time and no longer supported by the vendors.

"The world has changed a lot since those systems were implemented," Mattox says. "And while they are tried and true, our systems need to be more current in terms of the kinds of loan processes we have, and how our people expect modern systems to operate."

It was time for the team at AgFirst to search for a new loan system. In order to make the most informed decision possible, the bank felt it needed the help of an experienced and knowledgeable third party that could remain objective while providing knowledge and advice on what to look for.

So it made perfect sense for AgFirst to call on the professionals at Arriba Advisors to guide them through the journey to select a new loan system. With over 100-years of combined experience, the team was exactly what AgFirst needed for this mission-critical engagement.



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## All the Right Criteria

Between the complexities of providing funding and services for 20 different associations, coupled with the importance of their relationships with the associations and the farmers they serve, AgFirst had specific criteria it was looking for in an advisor.

Ronald Hollins, AgFirst's director of application support and shared services, says the bank wanted an advisor who had actual experience helping other institutions make decisions similar to the magnitude of what was in front of AgFirst.

"We wanted a partner whose culture would combine with ours in terms of the people that they will engage and knowledge of the actual sector that we're in," Hollins says. "But not just general knowledge on how to pick a system; it had to be specific to the domain that we were looking for, which is loan accounting."

Cindy Herring, a product manager at AgFirst who works with loan systems and cash services, says one of the things that separated Arriba Advisors from the other firms they spoke to was how eager they were to learn about AgFirst's specific needs.

"One of the first things they said, even before we engaged them, was that they thought it would be important to meet some of our Farm Credit association partners and learn what their needs were," Herring says. "They understood that the associations would actually be the ones using the system, while we administer it and provide support."

The effort that Arriba put in to learn the business at the beginning of the project paid off, especially when it came to sharing knowledge and presenting findings to AgFirst executives.

*"There were a number of times when a related topic would come up. We would say, 'let's ask Arriba because they have a wider view,'"*

*– Kelly Mattox, director of association loan operations*

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*– Kelly Mattox, director of association loan operations*

## **"Let's Ask Arriba"**

Mattox says Arriba was more than willing to share knowledge and expertise, even on subjects that didn't exactly pertain to loan accounting.

"There were a number of times when a semi-related topic came up, and we would say, 'Let's ask Arriba because they have a wider view,'" Mattox says. "Having a consultant of their caliber with the knowledge, experience and background they had. That added some gravitas."

That gravitas played well, as Arriba and AgFirst would often team up for presentations to the bank's executive management.

"The joint presentations with the Arriba team speaking to the areas that they were experts in carried a lot of weight with our executive committee," Mattox says.

## **The X's and O's of Negotiations**

In addition to sharing knowledge and expertise, Arriba also coached AgFirst on remaining impartial during vendor meetings and not getting pulled into the sales pitch—which was valuable when it came time to negotiate contracts.

"It's easy to get swayed during the selection process, because salespeople are good at what they do," says Hollins. "Arriba helped take the emotion out of it and reminded us that we can be friendly, while remaining focused on what the objectives are."

## **Prepared for the Future**

AgFirst has not yet set an official launch date for their new loan system, but because of the positive experience they had, AgFirst's relationship with Arriba isn't ending after the new system is deployed.

"AgFirst really enjoyed working with Arriba on the core system loan search," Herring says. "These consultants impressed us enough that we are now using them for two additional initiatives."

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