



Case Study



G&F Financial Group: Negotiate to Innovate

As the mega banks of the world continue to expand their reach, smaller financial institutions must become increasingly creative in their efforts to compete. And a prime way they're doing so is by developing scale and innovation through both collaboration with their peers and thoughtful contract negotiation with existing vendors.

Such was the case with G&F Financial Group, a \$2.5 billion credit union serving members through 16 branches in and around Vancouver, British Columbia.

To face the competition, G&F decided to partner with another area institution, Sunshine Coast Credit Union, in negotiating a core contract renewal that would enable the two organizations to create economies of scale by enabling innovation via open architecture to elevate their digital platforms.

CHALLENGE

In an effort to be more competitive, G&F, collaborating with another area institution, was interested in renewing a core contract that would elevate their digital platforms via open architecture.

SOLUTION

Arriba Advisors collaborated with G&F's executive team to identify and outline the needed strategy to build a digital ecosystem that would sustain G&F for its digital transformation journey.

In fact, G&F was particularly interested in leveraging its core vendor's open API toolset, which is designed to allow institutions to more quickly implement digital technologies and member touch points. The credit union's leaders saw open systems architecture as a key factor for modernizing its digital banking platform.

"What's happening, when you look at digital transformation in general, the world is moving to open ecosystems," says Chris Goodman, G&F's chief information officer. "We're moving away from closed ecosystems where you don't have as much control and you don't have the same economies of scale. So the API was important to us because we want to plug into that new world."

more strategic value from the relationship. But the credit union's executives needed to remain focused on strategic planning as well as providing superior service to its members. So they turned to the partners at Arriba Advisors, with whom they'd worked with in the past.

"Whenever you engage in a big project like this, it tends to take over and inhibit your ability to work on other things," Goodman says. "And when you negotiate a banking system contract, it's something you only do, hopefully, once every 10 years or so. So it's not something that you're highly experienced with. Arriba really eased the process burden and freed us up to focus on other elements of our strategy."

A Win-Win Situation

G&F wanted to strike the right balance of renewing its existing core contract while also gaining

Goodman says the Arriba Advisors team provided expert insight throughout the negotiations process, creating a framework that helped G&F identify and outline exactly what it needed in its digital transformation journey.



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“They were highly detailed, maintained documentation of all of our requirements, and we knew the status of the initiative at every juncture, so we didn’t have to ask questions,” Goodman recalls. “They took the time to understand our strategies early in the process so they could champion them and bring us to a fair agreement with our provider.”

And, Goodman says, Arriba did so in a manner that actually strengthened the credit union’s core relationship.

“At G&F, we look at building partnerships with our vendors, so we like balanced, collaborative, win-win situations. This encourages innovation and creativity around the products,” Goodman says. “And their style was definitely aligned to that approach as well.”

Facing off with the Competition

As a result of the negotiations and the product innovations they initiated, Goodman says G&F is well positioned to compete in a fierce financial marketplace. And Arriba Advisors, he says, helped the credit union achieve the ideal outcome.

“We aren’t in this to reduce our spend ... we’re in this to optimize our spend,” Goodman says. “We didn’t want to take value off the table, but rather establish the best possible relationship between us and our core provider, given the amount of money that we spend with them.”

Indeed, Goodman says, the most important factor to come out of the new contract, and the

credit union’s Arriba Advisors partnership, is securing G&F’s long-term place in the financial arena.

“For us, this was about not only negotiating the banking system contract for our core banking system, but also enabling our digital future,” Goodman says. “We’ve been talking about change in our industry now for 20 years. And now we’re at the point where the ocean has receded, we know the tidal wave’s going to hit us ... the Amazons and the nontraditional competitors. And we need to enable ourselves to maintain our position in the market.”

“In building out a digital ecosystem to enable digital transformation, we can’t assume that we have any more than one shot to get it right. Financial institutions cannot afford to enter into contracts that limit future flexibility and impede access to economies of scale. Using experts to assist in building partnerships has been hugely beneficial to G&F as we navigate our changing world.”

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Chris Goodman
Chief Information Officer,
G&F Financial Group

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