

Case Study

How Strategic Partnerships Fueled Journey Federal Credit Union's Growth



Introduction

The leadership team at Journey Federal Credit Union set out to do big things when they assumed their roles four years ago. Coming on board near the end of 2019, meant they would experience major disruptions during Covid lockdowns, but that didn't slow down CEO Jeff Kusler and COO Will McSweeney from moving forward with their big plans.

In the last few years, this dynamic duo has upgraded their core processor, changed their debit card processor, switched mobile and online banking providers and upgraded their fleet of ATMs. And they're not done yet.

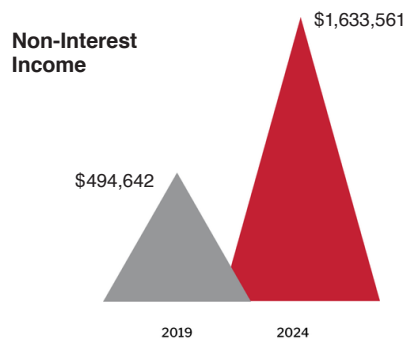
How do they tackle these large milestones while managing a fast-growing credit union with no employee turnover? We sat down with Jeff and Will to find out.

"For us to be successful, we needed to make changes fast and we needed to find partners we could count on."

**- Jeff Kusler, CEO
Journey Federal Credit Union**

Challenge

When Jeff started at Journey in early 2019, he was hired to serve as the Chief Lending and Member Experience Officer. As a long-time credit union veteran who has served in a number of roles throughout his 20-year career, he knew right away that things needed to be different. "Journey Federal Credit Union had a lot of catching up to do. When I



started, our Google rating for member service was 2.9 stars. We trained our members not to call us because we wouldn't answer the phone. They wouldn't use our online banking because it was abysmal. We had to rebuild their trust in our brand."

Outdated technology and the lack of vendors who served as true partners were just a couple of the hurdles he wanted to overcome right away. He sought out his former colleague and long-term credit union pro, William McSweeney, who was hired as their Chief Operations Officer. "Will is the best operator in the business. We had a lot to do, and we needed him on the team to get it done. He built our call center with his own hands. He ordered equipment from Amazon and physically assembled the furniture".

This was the start of their new vision, and once Jeff was named CEO in 2021, they rallied the employees for support. "We had a vision, we charted it out and started to take the risks needed to get there. We made a lot of changes for our employees.

We want them to be bought in to what we are doing, and we want them to want to work here." They were good at deferred maintenance for a long time. Real change had to be their future. Jeff said, "We took a leap forward when we decided we were just going to bite the bullet and do a hard conversion all the way across". He believes a banking relationship is measured by how much you like your debit card. Everything is in your card. "If you can't trust the plastics, you can't really trust your bank. Our previous cards were so bad we encouraged our members to go test them at our ATM outside to make sure they worked. This did not build confidence in our brand".

Solution

That's where TransFund comes in. When they started seeking out partners, Will said they changed their selection criteria and vetting process. "We want partners that have a track record of being able to meet our expectations and we try to make sure that we align our expectations with what somebody's bringing to the table. Attention to the details makes a big difference in the end-result, how it impacts the staff and, in our processes".

Journey created an extensive due diligence process for their vendors. Because they believe in long-term partnerships consisting of ten-year agreements, they want to make sure to ask the right questions. He said "It matters to our staff, and it matters to our members. We want a provider who's in it for the long haul and knows that our success is their success. It takes a little more work in the beginning, but we know we aren't going to be switching every couple of



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years. The idea is that we will grow together and find the right partner to help us get where we want to go".

When it came to selecting their debit card processor, they chose TransFund for that very reason. "TransFund really helped us understand the savings. They didn't just present a number, they showed us how we can save on our monthly expenses and what impacts our provider can have on costs and interchange. That was unique." "From the beginning TransFund was a true partner. They helped us understand the intricacies of how everything works. The message was consistent throughout the process, and they were willing to go out of their comfort zone if we needed them to."

Benefit

Partnerships like TransFund have boosted their member perception. They use Google reviews as their barometer of how people feel and since they started making changes a few short years ago, their rating has gone from 2.9 to 4.4. And they've

been able to invest back into the membership.

"We had to completely go back and retrain our members and regain their trust. TransFund helped us rebuild our brand with our members." In addition to happier members, the financial implications of switching to TransFund was noticeable right away too. Their interchange income increased almost \$.10 a transaction and spending per transaction was cut in half. Jeff says "We significantly cut costs and increased income. It immediately started to have a bottom-line impact and it was very easy for us to know it was the right move. The fact that we can make money and survive as an organization is a big deal to us when it comes to a partnership like this."

Because of the results, they decided to convert their credit card program to TransFund earlier than expected, saying the penalty for ending their previous agreement was worth the cost savings they would see in less than 12 months.

geographic footprint. We can't pull more from our members or increase fees. We need to leverage other things at our disposal and our vendor relations is one way to do that."

With the help of some long-term partners, like TransFund, they say they have been able to experience tremendous growth, reduce costs and serve their members better than ever before. "We've done more in 3 years than most wouldn't tackle in a decade. We knew we would go downhill if we didn't start taking some risks, signing contracts and making changes. The status quo was going to slowly kill us."

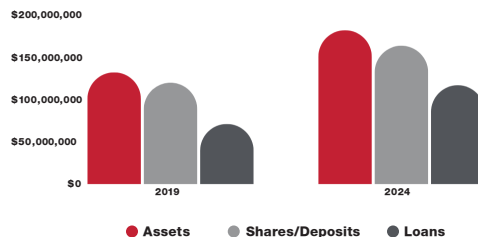
When asked what he would tell other credit union leaders who find themselves in the same position, he said "Recognize where you are in the market and take the steps to get you where you need to be. We had a strong vision from the very beginning. We are going to be a \$500 million institution even if we're \$185. Our cards will look like it. Our marketing will look like it. Our building will look like it and our staff and systems will function like it."



"With TransFund, everything from the training, to how it's used, how employees responded; it's gone exactly the way we hoped it would. It has bred excitement, energy and trust."

**-William McSweeney, COO
Journey Federal Credit Union**

Journey FCU Growth



Result

When it comes to growth, Jeff says they take a different approach. "We're a \$200 million shop surrounded by billion-dollar institutions. Our headquarters are in a town of 7,500 people. Our markets are saturated. To grow, we need to expand our services and our



"Have a vision, chart it out and be willing to take the risks."

**- Jeff Kusler, CEO
Journey Federal Credit Union**