

SRM Provides Full Suite of Performance Enhancing Services to People First Federal Credit Union

People First Federal Credit Union, headquartered in Allentown, PA, serves the Lehigh Valley area, which includes cities like Allentown and Bethlehem. The business development and project management teams at SRM have enjoyed a long-standing relationship with the credit union's CEO. That relationship afforded SRM the opportunity to deliver results for People First in what has become a fruitful relationship realized over a series of projects.

The working relationship began with SRM's core expertise in vendor contract negotiation. SRM was able to review People First's contract data and quickly deliver cost savings. This first series of contract negotiations achieved mutual success, but more importantly mutual trust as it was clear through working together that the companies' values were aligned.

This success ultimately led to an expansion of services provided by SRM. As People First was building out its transformation plan and investing in an improved overall member experience, SRM was an easy choice of partner for the journey ahead.

Below, you'll learn more about two important initiatives started over the last year. First, People First's loan origination and targeted marketing programs activated by SRM's Account Boost offering. And second, our active cryptocurrency go-to-market strategy project, where SRM is helping the \$844 million-asset People First meet the changing needs of its member base and deliver on its promise to provide the latest technology and ultimate convenience.

Improving Member Engagement

The Account Boost program was agreed to and kicked off in April 2021, starting with onboarding and cross-sell. The Account Boost

SRM's Work in Summary:

- Vendor Contract Optimization Projects, Including Debit and Credit Card Contracts, ATM Servicing, Core Processing, and Checks
- Targeted Marketing and New Member Acquisition Programs Powered by SRM's Account Boost Solution
- Custom Cryptocurrency Strategy and Vendor Assessment

cross-sell program is on track to generate over \$40 million in new loan originations at an attractive fixed cost per acquisition.

Based on the results thus far, People First has expanded the relationship to address new member acquisition. The sophisticated Account Boost program uses a full range of digital media, including advanced over-the-top (OTT) addressable television to support expansion of the People First brand.

"2022 is a year of growth for us. So, we're really focused on membership expansion," said Howie Meller, CEO of People First. "SRM's leadership team has been intuitive and considerate of our needs as we've embarked upon this important program. They've been good partners and, truly, friends to us."



SRM Solutions Making an Impact

People First is adding over 500 new loans averaging at least \$9 million in balances each quarter through the SRM Account Boost program and over 50 new checking accounts all at an attractive fixed per account fee.

For the cross-sell program, the objective is to add loans and checking accounts while expanding and retaining key member relationships. Loan marketing is about mining the checking account base while systematically expanding existing borrower relationships. Borrowers bring varying degrees of credit capacity and predispositions to the table, so the best loan for their individual needs will vary.

SRM helped People First mine their member base and identify members with high levels of capacity and propensity to borrow and/or add a checking account. These members are then contacted through a thoughtful mix of channels including email, first party targeted paid social media, IP targeted display, and even direct mail. The digital first approach allows People First to reach members with targeted messages relevant to their needs and then see detailed tracking to understand the impact of those messages on key result metrics including account purchase, balance origination, and balance growth.

Successful Outcomes

People First is pleased that the cross-sell program is helping to accelerate growth by contributing over \$9 million in new loan balances each quarter as well as boosting the adoption of checking by the membership by at least 50 checking accounts. Results are running ahead of pro-forma.

Response rates are three times better for households with more than four services compared to households with single services, demonstrating one of the key benefits to a sustainable cross-selling program. Response rates are lower for high deposit households, but average loan balances generated by those households are about \$6,000 higher, underscoring greater capacity.

Households accessed by four channels had the highest response rates, which are higher than those reached by three channels. Overall, the campaign is on track to exceed historical program averages.

Adopting Cryptocurrency

One of the hallmarks of SRM's work over its 30 years in business is uncovering cost savings while providing advisory services that help financial institutions invest their savings in a strategic, future-proofing maneuver. In the case of People First, the next big thing is providing meaningful and smart cryptocurrency solutions for its members.

SRM's team is developing a cryptocurrency go-to-market strategy. The effort kicked off in earnest in December 2021, by identifying the volume of deposits exiting the credit union and being converted to crypto transactions. A member survey was designed and is underway to gauge their crypto knowledge and usage. In addition, a scan of the marketplace was conducted and included crypto exchanges, fintechs, neo banks, and other credit unions. SRM is also providing a detailed comparison of crypto solution providers with follow up presentations to allow People First to understand the full range of options and make the right choice – not just the easy choice – for their needs.

People First's Chief Revenue Officer Steven Mertz, a key project sponsor for the cryptocurrency initiative, shared, "This is an exciting, new frontier for financial services in general and People First in particular. We feel very comfortable working with SRM on our cryptocurrency approach, as they've proven to be a partner who understands both our operational goals and the needs of our members."

SRM is energized to support People First Credit Union across a wide variety of vendor contract optimization projects, including Debit and Credit Card contracts, ATM Servicing, Core Processing, and Checks.

“Collaborating with the executive team has been so rewarding for the entire SRM team,” noted Brent Lapp, SVP of Business Development at SRM. “What started as a conversation around helping our business partners save money in key areas has blossomed into a relationship where we’re truly adding value across many strategic frontiers. We couldn’t be more excited about what’s to come with People First.”

About SRM

SRM (Strategic Resource Management) has helped 1,000+ financial institutions add more than \$5 billion of value to their bottom line in areas such as payments, digital transformation, core processing, artificial intelligence, cryptocurrency, and overall operating efficiency. SRM – now in its 30th year in business – has lowered costs, created revenue opportunities, increased productivity, and provided a competitive edge for clients in an environment of constant and accelerating change.

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