

Becoming the Number One Call Center for Credit Unions



Client: PSCU

Industries: Credit Union Service Organization, Credit Union, Credit Card Processing, Call Center

Location: St. Petersburg, FL

Executive Summary

Problem: PSCU needed to fill a capability gap in order to provide a high quality, full customer experience and become the number one provider in the marketplace.

Solution: Capstone identified the best acquisition candidate, Digital Dialogue (now called Total Member Care), and facilitated the acquisition by PSCU.

Results: PSCU is now the number one credit union call center and has grown revenue of the Total Member Care business 15 times.

Current Situation— Bridging a Capability Gap

At the time, PSCU, a credit union service organization, provided services for credit and debit card processing and bill payment for credit unions. PSCU delivered excellent service when a credit union member called with questions about credit and debit cards, however PSCU did not have the capability to answer questions about other topics such as mortgages or opening an account.

Although PSCU had a strong line of business, the organization recognized the need to offer a complete member experience and answer all member questions in order to grow and become the number one provider in the marketplace. To bridge this capability gap, PSCU would have to build the expertise and technology from scratch or acquire another company.

Finding a Trusted M&A Advisor

After weighing the options, PSCU decided to acquire. “In my experience, acquiring a company for technology is cheaper than building it from scratch and it shortens the time frame,” said Vel Davidov, SVP Finance and M&A at PSCU.

The organization had never executed an acquisition and therefore began searching for a trusted advisor to assist

with strategic direction and acquisition planning and execution. After attending a course on M&A led by Capstone CEO David Braun, PSCU decided to engage with Capstone given the firm’s expertise with not-for-sale transactions and focus on strategic, buy-side M&A.

The Process – The Roadmap to Acquisitions

Together Capstone and PSCU embarked on a strategic approach to M&A, following the Roadmap to Acquisitions. We reviewed PSCU’s current capabilities, challenges and strategic vision and together established criteria for the ideal acquisition.

The Roadmap to Acquisitions



Capstone then identified multiple companies that fit PSCU's criteria, including companies that were not listed as "for-sale." As experts in not-for-sale transactions, our goal was to find the companies that best-matched PSCU's needs, and then use our experience and PSCU's strategic vision to elicit interest from owners. We believe that any company is for sale for the right equation.

Using Capstone's prospect criteria matrix tool, the joint PSCU – Capstone acquisition team objectively evaluated each company until we had a short-list of the best-fit acquisition candidates. After careful consideration, PSCU decided to acquire Digital Dialogue.

Capstone assisted with negotiations, due diligence and executing the acquisition and in 2003 PSCU acquired Digital Dialogue.

Vel Davidov describes working with Capstone: "In line with PSCU's culture, Capstone provides a high level of service and customized experience. We would not get the same type of connection and intimacy from a large consultancy. We appreciate our close working relationship, Capstone's understanding of the marketplace and professionalism."

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Results – The Number One Credit Union Call Center

As a result of the acquisition, PSCU has been able to execute on its strategic vision to be the number one credit union call center empowering credit unions to deliver the best service.

Digital Dialogue was renamed PSCU's Total Member Care, and the business now serves as a significant contribution to PSCU's eco-system. The acquisition gave PSCU access to established capabilities and a call center to begin immediately serving their clients.

As a result of the deal PSCU now has a deeper relationship with their credit union clients and is able to fulfill all services a credit union may need. To this day, very few companies are able to provide PSCU's depth of member service and experience.

"Capstone was the first name that came to mind when we started discussing reviving our proactive acquisition strategy."

In the 9 years since the acquisition, PSCU continues to invest in Total Member Care, growing the number of clients 6.5 times and revenue 15 times. PSCU has also expanded the Total Member Care call center in Michigan and added a second location in Arizona.

PSCU works with their credit union clients during implementation to ensure a tailored, unique experience from how the member is greeted, to when calls are referred back to the credit union. The process is so smooth that any member calling their credit union would never even know their call was being handled by an outside call center.

PSCU continually raises the bar for service level by training and investing in technology and resources to improve the business. They have an average of a 4.7 member satisfaction rating on a scale from 1 to 5. PSCU consistently answers 80% of the calls with a live agent in 30 seconds or less, surpassing the industry standard by a full 10%.

In 2014 PSCU received a prestigious Stevie Award for outstanding call center service.

Future Growth

Over the years PSCU and Capstone continue working together on various proactive, external growth initiatives.

"Capstone was the first name that came to mind when we started discussing reviving our proactive acquisition strategy. The fact that Capstone is a known name in the credit union industry, coupled with our positive experience working with Capstone on previous projects, made it a no-brainer that it would be the first company to consider when it comes to proactive M&A," said Vel Davidov.

For more information on Capstone's proactive growth and strategic mergers and acquisitions solutions call 703 854 1910 or visit www.CapstoneStrategic.com.