



THE CORE VENDOR EVALUATION PLAYBOOK

A NO-NONSENSE GUIDE FOR BANKING EXECUTIVES

CSP BANKING SOLUTIONS

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You're not buying software. You're placing a bet.

Introduction

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Introduction

GRATITUDE

To the rock star team at what use to be Barnett Technologies,
(Barnett Bank), that took in that young kid from New York and
taught him what good looks like in banking and that putting Nestle
Quick on Grits is sacrilege:

Tom Fry
Wynne Anderjack
Terri Kennel
Bob Holland
And so many more...

And special thanks to:
Mike De La Paz

For helping from research to keeping me on track and making each
day easier

Introduction

You're not buying software. You're placing a bet.

A bet on your bank's operational future. A bet on your customers' experience. A bet on your **competitive position for the next decade or more. The stakes couldn't be higher, yet most banks approach** core vendor selection with the same rigor they'd apply to choosing office furniture.

This playbook is different. It's not another consultant's framework filled with generic best practices. It's a field-tested guide born from real battles in real boardrooms, where million-dollar decisions hang in the balance and vendor salespeople deploy every psychological trick in the book to tilt the odds in their favor.

The uncomfortable truth: Your vendors know more about this process than you do. They've done this hundreds of times. You've done it once, maybe twice in your career. They have playbooks. You wing it.

That changes now.

Over the next ten chapters, we'll level the playing field. You'll learn to see through the theater of vendor demos, ask the questions that make sales teams squirm and negotiate from a position of strength rather than desperation. Most importantly, you'll understand that the real work begins after you sign the contract and how to structure your selection process to set yourself up for long-term success

This isn't about finding the perfect system. Perfect doesn't exist. It's about making the right trade-offs with eyes wide open, then managing those choices brilliantly.

Your leverage is now. Use it.

The Vendor Partnership Advantage™

Negotiate from strength. Build for the long haul.

Every bank knows the stakes when choosing a core vendor. The wrong choice — or the wrong deal — can lock you into a decade of frustration, escalating costs and missed opportunities.

The Vendor Partnership Advantage™ changes that equation.

It's a proven framework that puts you in control without creating an adversarial standoff. You'll enter every conversation knowing the vendor's playbook — their strengths, their weaknesses and their real limits. You'll use that insight not to "beat" them but to build a partnership that works for both sides.

Because the truth is, once the ink is dry, you'll be working with these people for years. The Vendor Partnership Advantage™ ensures that you and your vendor start that relationship on the right foot — with mutual respect, clear expectations and terms that deliver real value for your institution and sustainable success for theirs.

When both sides win, the relationship lasts. And in core banking, longevity is everything.

Introduction

Core Vendor Playbook Stages



Chapter 1

Vendor selection isn't a sourcing exercise — it's the single moment where you control the entire future of your core relationship.

The High Stakes of Vendor Selection

Chapter 1 : The High Stakes of Vendor Selection

What most banks underestimate—and why it costs them millions

The Vendor Partnership Advantage™

In every vendor relationship, the goal is simple: negotiate from a place of truth, create a fair deal and build a partnership that lasts. The Vendor Partnership Advantage™ keeps you in the driver's seat — informed, confident and ready to create a win-win that stands the test of time.

Let's get one thing straight: vendor selection is not procurement—it's power transfer.

Every choice you make in this process shifts leverage. Who controls the roadmap. Who gets to say "no." Who bears the cost when things go sideways. And once the ink dries on that contract, reversing course isn't just expensive—it's politically radioactive.

So when banks treat **core vendor selection** like a sourcing exercise—price comparisons, RFP templates, polished **emos—they're not just missing the point. They're setting themselves** up to lose the only moment in the entire relationship where they have real leverage.

We've watched this movie before. Bank wants to modernize. Team gets spun up. RFPs fly. Vendors march in, all smiles and scripted walkthroughs. A shortlist gets made. A decision is rushed. Fast-forward two years—bloated budgets, delayed timelines and a system that "mostly works."

And when the board asks what went wrong, it all traces back to the beginning: badselection logic, weak evaluation and no real interrogation of what's under the hood.

Why This Moment Matters

Here's the dirty little secret: your ability to control the future hinges on how you buy—not just what you buy.

A weak evaluation leads to:

- Locked-in tech that doesn't flex with your business model
- Contracts that renew before you realize what's missing
- Roadmaps that veer off course while your team is too tired to fight

Chapter 1 : The High Stakes of Vendor Selection

But a strong, grounded evaluation process:

- Surfaces the hidden trade-offs and technical constraints early
- Forces vendors to prove—not promise—their capabilities
- Gives your execs and board real clarity on what they're signing up for

The Hidden Cost of Getting It Wrong

It's not just the millions sunk cost. It's the cultural damage

When a bad core decision goes sideways:

- Leadership confidence gets rattled
- Tech teams lose faith in "transformation"
- The board gets gun-shy about future investments
- And the vendor? They're just fine. Because they're getting paid regardless

We've seen banks spend years recovering from a poor vendor choice—either stuck maintaining a half-baked implementation or scrambling to unwind a deal they never fully understood in the first place.

Real Story, Real Stakes

A mid-sized regional bank came to us after signing with a Tier 1 core provider. Six months in, the reality set in: customizations were off-scope, integration timelines were slipping and the vendor's "API-first" claims were mostly vapor.

By the time they called us, their only options were:

- A. Burn more money to bridge the gaps**
- B. Live with the limitations**
- C. Start over**

None of those are good outcomes. But the damage wasn't done at go-live. It was done the day they believed the sales deck instead of asking the hard questions.

Chapter 1 : The High Stakes of Vendor Selection

What Smart Banks Do Differently

Smart banks take vendor selection personally. They don't just evaluate systems—they test intent, track record and technical posture.

- Does the vendor squirm when challenged?
- Do their references tell the same story the sales team does?
- Do they bring engineers to the table—or just client success people with talking points?

And most importantly, they understand that this decision locks in more than software—it locks in their future operating model.

This chapter isn't about fear. It's about clarity.

The stakes are high. But so is the opportunity—to set the tone, define the game and pick a partner you can actually win with.

Next, we'll explore how most vendors stack the deck before you even sit down at the table— and what to do about it.



Key Takeaway: Vendor selection is power transfer, not procurement. Your leverage exists only during the selection process—use it to surface hidden constraints, force proof over promises and make informed trade-offs rather than discovering limitations after contract signature.



Objection Crusher: You might think your RFP is airtight — so did the last three banks we worked with before they called us in to clean up the mess. The problem isn't whether your RFP covers enough boxes — it's that boxes don't reveal the trade-offs, limitations and hidden constraints you'll be living with for the next decade. A strong vendor evaluation process surfaces what the RFP never touches.

Now that we've established that vendor selection is really a transfer of power, we need to talk about how vendors tilt the table before you've even had a chance to roll the dice.

Chapter 2

Vendors don't just sell software — they sell the frame you'll use to compare them and that frame is rarely built for your advantage.

Power Dynamics and the False Choice Illusion

Chapter 2 : Power Dynamics and the False Choice Illusion

How core vendors tilt the table and what to do about it

Walk into most core vendor evaluations and it looks like you're the one in control.

You've got a list of requirements, a team of reviewers, maybe even a third-party advisor keeping things "objective." The vendor shows up on time, smiles, answers questions, runs the demo, follows the rules. All good, right?

Not exactly.

Because what's really happening is this: the vendor is shaping your perception from the minute the conversation starts. And if you don't catch it early, you'll find yourself evaluating options inside a frame they designed where all paths lead to their solution.

The Framing Game

Most vendors don't compete on raw capability. They compete on narrative control.

Here's how they do it:

- Pre-loaded "industry standard" requirements that just so happen to align with their platform
- Reference calls curated from only their happiest clients often those with simpler use cases
- Feature matrices that check every box but don't tell you anything about performance at scale
- Buzzword compliance (cloud-native, API-first, real-time) with little substance behind it
- The result? You feel like making an informed decision. But you're not comparing real- world ability — you're comparing brand polish and PowerPoint choreography.

Chapter 2 : Power Dynamics and the False Choice Illusion

The Illusion of Choice

The market feels like it has options. Dozens of core platforms, new players entering the scene, big names offering “next-gen” solutions. But most of these boil down to one of three categories:

- Legacy cores in new wrappers
- Modern cores with real limitations (usually around scale or configurability)
- Custom-ish builds that sound flexible, until the first change order hits

And the deeper truth is: many mid-sized banks narrow their options too early, based on surface-level alignment or peer endorsements, without understanding the real trade-offs.

That’s not evaluation. That’s a controlled demo loop with slightly different colors.

How They Maintain Control

Once vendors sense you’re leaning their way, they’ll move quickly to lock in “next steps”:

- “We’d like to schedule a deep dive workshop with our implementation team
- “Can we get a draft MSA in motion to speed up procurement later?”
- “Let’s align our execs to discuss strategic fit.”

It sounds collaborative. But what they’re really doing is collapsing the window for you to do proper due diligence on their competitors.

They’re using forward momentum as a substitute for real scrutiny.

Chapter 2 : Power Dynamics and the False Choice Illusion

How to Flip the Frame

You win this game by refusing to play inside their script.

That means:

- **Delaying commitment language** until the end of your process —not halfway through
- **Running red-team interviews** where a neutral team member plays devil's advocate against each vendor
- **Refusing boilerplate demos** — ask to see real-life scenarios from your bank's operations
- **Pulling your own references** — ask your network, not theirs

You're not being difficult. You're being responsible.

The best vendors will respect it. The slick ones will squirm.

One Bank's Move That Changed Everything

A forward-thinking community bank we advised sent each vendor a surprise task: replicate one of their existing processes using the vendor's toolset—live.

No screen recording. No pre-canned demo. Just a real-world use case and an hour to show what their system could do.

Two vendors backed out. One flat-out failed. The last one nailed it and won the deal.

That task saved them 18 months of potential regret.

Bottom line: Core vendors will do everything they can to shape how you see the game. Your job is to break the frame and bring the evaluation back on your terms.

Next up: how vendor demos really work, why most of them are pure theater, and how to turn them into something that actually reveals truth.

Chapter 2 : Power Dynamics and the False Choice Illusion



Key Takeaway: Vendors control evaluation narratives through framing, momentum and curated information. Break their script by demanding real-world demonstrations, independent references, red-team challenges and delaying commitment until you've completed your full process on your terms.



Objection Crusher: Knowing your “top two” before you’ve broken the vendor’s frame isn’t strategy — it’s walking into their endgame. Vendors are experts at steering you toward them long before the real evaluation begins. If you skip the full process, you’re not choosing between the best — you’re choosing between the ones who controlled the narrative.

You’ve just seen how vendors set the stage in their favor. Next, we’re going to step right into their main performance — the demo.

Chapter 3

A core demo is less a window into the truth and more a carefully staged performance designed to keep you believing.

Vendor Demos, Magic Shows and the Theater of Innovation

Chapter 3 : Vendor Demos, Magic Shows and the Theater of Innovation

Why what you're shown isn't what you'll get

Let's be blunt: vendor demos are rarely about education, they're about illusion.

By the time you're watching a live walkthrough of "future state workflows" or a slick UI tour with smiling avatars, you're deep into their show. What you're seeing isn't the product you'll get. It's the best-case version, carefully curated to hit all the right dopamine buttons.

And it works. We've seen seasoned CIOs and skeptical COOs walk out of demo day nodding like they just watched a Vegas mentalist read minds. They want to believe. And that's the danger.

The Demo Is Designed to Disarm

A well-run core vendor demo has more choreography than a Broadway show:

- Flows are rehearsed down to the click.
- Edge cases are avoided entirely.
- Data is clean, aligned and conveniently pre-populated.
- The most complex parts of your business? Omitted or waved off as "customizable."

Everything looks seamless because they've removed everything that isn't.

These aren't lies. They're omissions. And they're built into the format itself.

The Risk of Getting Hypnotized

Demos are emotionally sticky. They compress years of development into 45-minute narratives that make the impossible look easy.

Chapter 3 : Vendor Demos, Magic Shows and the Theater of Innovation

What gets lost:

- Latency and load performance
- Error handling in messy real-world conditions
- Integration pain when connecting to your 27 legacy systems
- Data migration complexity, especially around core account structures
- Post-go-live usability when your users aren't vendor trainers

You don't see the gaps. You see the magic. And by the time the questions come, the energy in the room is all momentum and optimism.

That's when you should worry.

You Need to Stress the System

Here's how smart banks break the illusion and force reality into the room:

1. **Require unscripted workflows.** Pick two real-world processes from your bank and ask vendors to execute them live, with no prior prep. Don't make them solve every edge case but do test whether the system bends or breaks.
2. **Inject noise into the demo.** Ask: What happens when a user enters bad data? What if two systems give conflicting instructions? What's the recovery time? These questions separate the platforms from the prototypes.
3. **Ask for role-based switching in real-time.** Have them flip from a branch teller to a back-office ops user in one session. See how the system handles real permissions, real latency, real-world transitions.
4. **Bring the skeptics.** Don't just pack the room with sponsors and project leads. Bring in your most experienced ops people, risk managers and frontline staff. They'll see what leadership misses.
5. **Look at the meta.** Watch who the vendor sends. Are they senior architects who know the system? Or just "demo specialists" who'll disappear once you sign?

Chapter 3 : Vendor Demos, Magic Shows and the Theater of Innovation

Case Study: From Dozen Vendors to Four in One Week

A regional bank cut their evaluation cycle by 60% by applying strict “must-have” criteria up front.

A CSP client once invited a top-tier vendor to run a custom demo around complex IRA account processes. The vendor agreed. What they delivered? A sanitized deposit flow with a retirement account label slapped on.

When the bank pushed back, the vendor admitted that the IRA module was still “under review”—translation: it didn't exist yet.

That bank dropped them from the running the next day. Without that push, they would've walked into a multimillion-dollar implementation based on a mirage.

The takeaway? Demos are theater. They're designed to make you feel confident, without giving you the full picture. Your job is to turn the stage lights up and watch what the system does when it's not being coddled.

Next: let's arm you with the questions that actually matter... the ones vendors don't want you to ask.



Key Takeaway: Vendor demos are carefully choreographed theater designed to impress, not educate. Break the illusion by demanding unscripted workflows, injecting real-world complexity, bringing skeptical audiences and focusing on what the system does under stress rather than in perfect conditions.



Objection Crusher: A polished demo is a highlight reel... not game footage. Without injecting real-world complexity and unscripted scenarios, you're buying the vendor's best-case fiction. Fit isn't what you see in the demo... it's how the system handles your messiest, most time-critical realities.

Once we've stripped away the stage lights and exposed the gaps, it's time to hit them with the questions they hope we'll never ask.

Chapter 4

The questions you ask will determine whether you see the reality of the platform — or just the polished version the vendor hopes you'll remember.

The Real Questions to Ask (That They Hope You Don't)

Chapter 4 : The Real Questions to Ask (That They Hope You Don't)

Move past surface-level sales talk and get to the truth

Most banks walk into vendor evaluations with a list of questions but half of them are recycled from an old RFP, and the other half were written to sound "neutral."

That's a problem.

Because vanilla questions get vanilla answers. And the truth you need, the stuff that actually derails projects or locks you in—isn't found in glossy decks or standard demos. You have to dig it out. Relentlessly.

Why You're Not Getting the Real Story

Core vendors have spent years perfecting their responses. They know how to:

- Reframe weaknesses as "future roadmap features"
- Hide deal-breakers behind vague architecture talk
- Give you the answer you want — not the one you need

Unless you shake the tree hard, you'll never see what falls.

So stop playing nice. Start asking questions that corner them. The kind that force real specificity, provoke discomfort, and surface gaps in the pitch.

Field-Tested Questions That Get Results

Here's a sample of the kind of questions we push banks to ask and why they work.

1. What part of your platform is still on mainframe or COBOL?

Why it works: Forces disclosure of legacy tech hiding under modern veneers

Chapter 4 : The Real Questions to Ask (That They Hope You Don't)

2. Can you show us the product areas where you've missed roadmap deadlines in the past 18 months?

***Why it works:** Puts their delivery credibility under scrutiny—beyond promises.*

3. What's your average backlog time for critical bug fixes in production?

***Why it works:** Gets past SLA theater and into real-world support performance.*

4. Which APIs are public, which are private and which are stubbed placeholders?

***Why it works:** Reveals how "open" their platform really is—and what's real vs. aspirational.*

5. What core modules or services do you license from third parties?

***Why it works:** Exposes integration dependencies and potential weak links in the stack.*

Chapter 4 : The Real Questions to Ask (That They Hope You Don't)

6. How many clients have successfully migrated from [legacy platform] to this solution in the last 2 years?

***Why it works:** Cuts through the marketing talk around "easy migrations" with hard numbers.*

7. Tell us about the last implementation that didn't go well and what you learned.

***Why it works:** Anyone can talk success. Real partners can talk failure and growth.*

8. Who owns the IP for customizations we fund?

***Why it works:** Critical for future leverage. Avoid paying twice for your own features.*

9. What parts of the contract auto-renew and with how much notice?

***Why it works:** Brings shadow lock-in to the surface before procurement signs.*

Chapter 4 : The Real Questions to Ask (That They Hope You Don't)

10. What happens if we don't upgrade to the latest release within 18 months?

Why it works: *Uncovers hidden compliance risks, support threats, or forced roadmaps.*

The Vendor's Reaction Is Half the Answer

Here's the real secret: you're not just listening to what they say—you're watching how they respond.

Do they flinch? Do they deflect? Do they get defensive, vague, or bring in a "product specialist" to stall?

That tells you everything.

The strongest vendors? They answer directly, admit limits, and welcome tough questions. They know long-term partnerships are built on transparency.

The weakest? They run the playbook and hope you don't notice.

Case Study: The RFP That Got Straight Answers

A credit union saved months of back-and-forth by forcing vendors to respond in plain language instead of boilerplate.

We worked with a bank that had been burned by a previous vendor's overpromises. So this time, they rewrote their entire evaluation script.

They led with anti-questions: Tell us what your platform can't do. Tell us where you're weakest. Tell us what you wish clients understood better.

Not every vendor liked it. One walked out.

But the one that stayed? Delivered. And that partnership is still going strong—years later.

Chapter 4 : The Real Questions to Ask (That They Hope You Don't)

Bottom line: Stop asking questions that make vendors look good. Start asking the ones that show you who they really are.

Next up: how to build a vendor scoring framework that cuts through the noise and keeps everyone honest.



Key Takeaway: Move beyond vanilla questions to pointed inquiries that force vendor transparency. Watch reactions as much as answers the strongest vendors welcome tough questions while weak ones deflect. Use field-tested questions that expose legacy dependencies, delivery track records and hidden contractual risks.

After you've got the truth out of them, you can't just rely on gut feel to pick a winner.

Chapter 5

A scorecard should reveal the truth, not crown the vendor who's best at playing to your rubric.

Scoring the Contenders (Without Drinking the Kool-Aid)

Chapter 5 : Scoring the Contenders (Without Drinking the Kool-Aid)

A framework for meaningful side-by-side comparisons

Let's get one thing out of the way: most vendor scoring rubrics are garbage.

They're either:

- Overly simplistic ("1–5 stars, how did you feel about the UX?") or
- So detailed that nobody remembers what actually mattered.

Worse, vendors know how to perform for the rubric. They show up polished, prepped and tailored to your categories. Give them a spreadsheet and they'll find a way to win it.

So if you want a scoring model that's useful, you have to build one that can't be easily gamed and one that forces your team to get real about what matters most.

The Goal Isn't "Scorekeeping"—It's Clarity

A good scoring system:

- Forces hard trade-off conversations early
- Uncovers where internal stakeholders disagree
- Prevents loud voices from hijacking decisions
- Creates a paper trail of how and why you chose who you chose

It's not about turning this into a science project. It's about cutting through gut reactions, pretty slide decks and vendor "relationship capital."

Build It Backwards from What Will Matter Later

Think of your scorecard like a time machine. You're trying to surface, right now, the problems that future you will regret missing.

Here's what often matters more than features:

- Integration flexibility
- Speed of change and configuration post-launch
- Transparency and maturity of API framework
- Actual ownership of your data (format, portability, exportability)
- Vendor accountability on roadmap items
- Total cost of ownership—not just year one but years 2–5

Chapter 5 : Scoring the Contenders (Without Drinking the Kool-Aid)

These are the categories that haunt post-mortems. Bake them into the scorecard now.

CSP's "No Kool-Aid" Vendor Scorecard Framework

Category	Weight	Sample Evaluation Criteria
Architecture & Flexibility	20%	API depth, modularity, versioning transparency, extensibility
Implementation Realities	20%	Integration complexity, migration path, references
Post-Go-Live Changeability	15%	User-configurable workflows, dev cycles, release cadence
Data Control & Access	15%	Export formats, auditability, 3rd-party compatibility
Vendor Transparency	10%	Roadmap accuracy, historical delivery, honest limitations
Cultural Fit & Trust	10%	How they respond to tough questions, client transparency
Cost & Commercial Leverage	10%	TCO, contract flexibility, lock-in risk

You can tweak the weights based on your bank's risk tolerance, tech team maturity or long-term priorities—but the structure keeps you honest.

Pro Tips for Keeping It Clean

- **Use cross-functional scorers.** Don't let IT alone decide. Involve ops, compliance, front-line users.
- **Score live in the room.** Don't wait until "we'll fill this out later." Bias and memory creep fast.
- **Lock definitions.** What does a 4 vs. a 5 really mean in "Flexibility"? Get aligned ahead of time.
- **Include a gut-check section.** One field: "Would you stake your name on this vendor?" The results will be revealing.

Chapter 5 : Scoring the Contenders (Without Drinking the Kool-Aid)

When One Bank Scored a "Winner" They Didn't Trust

A CSP client once completed a weighted scoring matrix that clearly showed Vendor A as the top choice. But in stakeholder interviews, something felt off. There was hesitation—especially from operations and IT.

We dug deeper. Turns out Vendor A had over-scored in categories they had carefully gamed. Strong on paper, weak in real-world delivery.

The bank reopened evaluation on the strength of that discomfort. Vendor B—who'd scored slightly lower ultimately won and five years later, the bank is still running strong.

The scorecard didn't fail. It surfaced the tension that needed further exploration. That's its real job.

Final word: Scoring frameworks are decision tools, not decision makers. But done right, they protect you from the hype and help you walk into the boardroom with your eyes wide open.

Next up: the negotiation phase—and how to walk in with leverage, not a begging bowl.



Key Takeaway: Build scoring frameworks that can't be gamed by focusing on long-term impact categories rather than features. Use cross-functional scorers, score live and include gut-check questions. The goal is clarity and trade-off conversations, not mathematical precision.

Chapter 5 : Scoring the Contenders (Without Drinking the Kool-Aid)



Objection Crusher: If your scoring process can be gamed, it will be. Vendors are professionals at playing to your rubric. Without weights, definitions and live scoring by a cross-functional team, your “solid” process is just a dressed-up popularity contest.

Scoring narrows the field but it's in negotiation where the bank either cements their leverage or hands it away.

Chapter 6

If you're already convinced you need the vendor, you've given away your strongest card before the game even begins.

Negotiating from Leverage, Not Desperation

Chapter 6 : Negotiating from Leverage, Not Desperation

How timing, preparation and pressure testing shift the deal

Let's get this out up front: If you're already negotiating and you feel like you need the vendor, you've already lost.

Core vendors know when you're desperate. They can smell the board pressure. The regulatory urgency. The "we've already told the street we're going digital" timeline. And when they sense it, they shift gears from friendly partner to velvet-gloved predator.

Most Banks Give Up Their Power Before the First Term Sheet

It doesn't happen all at once. It happens when:

- You let the vendor "help" write your requirements
- You agree to early-stage contracting "just to speed up legal"
- You skip the backup plan in case negotiations stall
- You burn months of internal momentum evaluating just one finalist

Suddenly, your bank is boxed in. Time's short. The board's watching. And the vendor knows you're bluffing when you say you might walk.

That's how you end up with bloated MSAs, weak SLAs and evergreen renewal clauses you didn't even notice.

Leverage Comes from Options, Timing and Proof

Here's how the banks we work with build real negotiating power:

1. Maintain credible optionality—right to the edge

Never let the vendor think they're the only one left. Even if one solution is ahead, keep another contender warm and close. Make it known that final decision authority hasn't been delegated

Chapter 6 : Negotiating from Leverage, Not Desperation

2. Use vendor self-awareness against them

They know what parts of their platform are weak. If you've done your homework, name the risks and ask for them to be reflected in pricing, contract language or post-go-live support. Don't tiptoe be direct.

3. Push for pre-sign pilot work or early proof points

If they're serious about the deal, ask them to put skin in the game. Maybe it's building a small but complex workflow. Maybe it's co-funding a readiness assessment. They will have this one. The goal is to test commitment before money moves.

4. Set the tone with your redlines

When legal starts markup, make sure they know this isn't a rubber-stamp pass. Redline the most important terms:

- Auto-renewal and notice periods
- SLAs with teeth (and actual penalties)
- Customization ownership
- Exit clauses and data portability

The first redline sets the tone for the rest of the negotiation.

Chapter 6 : Negotiating from Leverage, Not Desperation

A regional bank we worked with once walked from a high-profile vendor after six months of evaluation. It wasn't emotional. It was structural: the contract didn't reflect the risk and the vendor refused to budge.

They waited 90 days, circled back and reopened talks...on their terms. The new deal came in 17% cheaper with stronger service guarantees. They didn't get that by playing nice. They got it by holding their ground.

Chapter 6 : Negotiating from Leverage, Not Desperation

Next up: the hidden traps buried in most core contracts and how to smoke them out before legal signs off.



Key Takeaway: Negotiate from strength by maintaining options, using vendor weaknesses as leverage, demanding proof points, setting firm contract redlines and being genuinely willing to walk away. Real leverage comes from preparation and credible alternatives, not bluffing.

Negotiation is where you set the tone. But even a strong negotiation can be undone by what's hiding in the fine print.

Chapter 7

Core contracts are crafted to protect the vendor — unless you know exactly where to look, you won't see the trapdoors until it's too late.

What Your Contract Hides (and Why It's Designed That Way)

Chapter 7 : What Your Contract Hides (and Why It's Designed That Way)

From auto-renewals to vague SLAs — trapdoors to watch for

By the time most banks get to the contract, the hard part feels over. The demos are done, the steering committee has aligned and the vendor's lawyers slide over a nice fat MSA "based on industry standards."

That phrase alone should send a chill down your spine.

Because here's the truth:

Most core contracts are weapons disguised as paperwork.

They're not neutral. They're engineered to protect the vendor, limit your options and keep you locked in — long after the sales team is gone.

Why the Real Cost Is Buried in the Details

We've reviewed dozens of these agreements. Here's what we consistently find hiding inside:

- Auto-renew clauses that trigger years of additional payments with 30–60 days notice (and buried in the fine print, not bolded)
- Ambiguous SLAs with no teeth—"commercially reasonable efforts" and vague escalation paths
- Data ownership language that lets vendors store your data but not let you leave with it
- Custom code IP clauses that assign ownership of features you paid to build... to them
- Exit fees that aren't even called "exit fees"—they're disguised as "early termination offsets" or "deconversion support"
- By the time you need leverage, it's gone. Because the contract already gave it away.

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Legal Will Miss It Unless You Show Them Where to Look

Your legal team isn't incompetent — they're just not experts in core banking landmines. They'll look for standard red flags. What they won't catch:

- Clauses that look benign but remove flexibility down the line
- Dependencies tucked into "Exhibit B" or the pricing appendix
- Language that ties SLAs to modules, not performance across the system

So your job isn't to do legal's work. It's to raise the right questions before they start redlining.

Here's where to aim:

CSP's Core Contract Trapdoor Checklist

Trapdoor	What to Look For	What to Push Back On
Auto-renewals	Renewal terms buried in term section or appendix	Explicit notice periods and renewal opt-out language
Customization ownership	IP assigned to vendor even if funded by you	Shared ownership or perpetual license for your bank
Deconversion fees	Uncapped or undefined charges for offboarding	Pre-negotiated cap and timing guarantees
SLAs	Vague uptime definitions, no penalties	Specific service levels, response times and remedies
API access	"Available on request" or tiered access models	Baseline access in base license, not optional add-on
Upgrade compliance	Forced upgrades or loss of support	Minimum notice periods and migration support language

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What One Bank Caught Just in Time

We helped a bank negotiating a five-year core contract. Everything looked fine until we flagged a clause in the pricing schedule labeled "Transition Support Services."

Turns out, that clause allowed the vendor to charge an open-ended daily rate if the bank ever wanted to move off the platform even if they were at natural contract end.

That clause alone could've cost them hundreds of thousands of dollars. Legal had glossed over it. We rewrote it to cap deconversion fees and force vendor cooperation on data portability.

It saved the bank money and gave them a real exit path.

Final Contract Tips

Ask for a redlined contract (name redacted) from another client the ones who do save you weeks of legal guesswork.

Don't get tricked by early commercial term sheets. Locking in "discounts" too early makes it harder to push back on terms.

Get every critical promise in writing. "We'll work with you" doesn't mean anything if it's not in the agreement.

Bottom line: If your core contract isn't making you slightly paranoid, you're probably not reading it right. This isn't about mistrusting your vendor it's about protecting your future self from a deal you didn't really sign up for.

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Key Takeaway: Core contracts are designed to protect vendors, not banks. Watch for hidden auto-renewals, vague SLAs, data ownership traps and disguised exit fees. Guide your legal team to the real landmines and get every critical promise explicitly documented in the agreement.



Objection Crusher: Contracts aren't about trust — they're about clarity. Even your "great" vendor's legal team is paid to protect their side first. The friendliest sales rep in the world won't be in the room when you're negotiating an exit or enforcing SLAs. Protect yourself now, while you still can.

Once they've cleaned up the contract, they still need to make peace with the truth: there's no perfect system.

Chapter 8

There is no perfect system — only the best trade-offs for your reality, if you name and manage them from the start.

The Myth of “Best Fit” and the Reality of Trade-offs

Chapter 8 : The Myth of 'Best Fit' and the Reality of Trade-offs

Why there's no perfect system and how to live with your choice

Let's kill a myth right now: **There is no perfect core system.**

Not for your bank. Not for any bank. Every platform has flaws, constraints, legacy baggage or missing pieces. And the minute you convince yourself otherwise, you've stopped evaluating and started dreaming.

Vendors want you to believe in perfect fit. It smooths the deal. It gets everyone aligned. It gives leadership the sense that this time we've finally found the one.

But in real life, the best banks don't chase perfect. They make smart trade-offs and own them.

Why "Best Fit" Is Usually Just "Best Framed"

The vendor that wins is usually the one that:

- Sounds most like your bank
- Repeats your buzzwords back to you
- "Checks all the boxes" on your feature grid
- Aligns with your culture—or at least pretends to

But here's the catch: Fit is not capability. Fit is not future-proofing. And fit doesn't mean they can scale with you when things get real.

A vendor might look like a great partner today but buckle under pressure later. Or they may be behind in innovation but rock-solid in core reliability. Which one matters more? That depends on your real priorities and how honest your team is about them.

Accepting—and Managing—Trade-Offs

The smartest banks we've worked with do one thing consistently: They name their trade-offs. Out loud. In the room.

Chapter 8 : The Myth of 'Best Fit' and the Reality of Trade-offs

They stop pretending they're buying the full package and start managing the gaps:

"We're choosing a vendor with weaker native lending tools but we're prioritizing open APIs and will solve lending with a bolt-on."

"We know their dev cycle is slow but they're rock solid in compliance and stability and that's where our risk appetite sits right now."

"Their cloud maturity is behind. But their migration process is proven and we'll stage upgrades accordingly."

That kind of clarity keeps projects grounded. It also makes post-go-live success much more likely because you're not blindsided by "known unknowns" six months later.

Tools to Map Trade-Offs Honestly

Try this exercise during final vendor selection:

Capability Area	Vendor A	Vendor B	Notes / Trade-Off
Core deposit handling	Strong	Strong	No real difference
Real-time API support	Weak	Mature	Vendor A will require middleware
Digital origination	Custom	Rigid	Vendor B will limit configurability
Cloud architecture	Partial	Native	Vendor A is hybrid legacy
Lending suite	Built-in	Needs partner	Vendor B requires 3rd party tools
Upgrade cycle	12mo cycle	6mo cycle	Vendor A may lag in releases

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It doesn't need to be exhaustive. It just needs to force the conversation.

Once trade-offs are clear, you can ask better questions:

- What workarounds are we committing to?
- What downstream cost or complexity comes with that choice?
- Who owns the mitigation strategy and are we funding it?

Case Study: Leveraging Real Numbers to Win Concessions

A bank negotiated \$1.2M in savings over the contract term by walking into talks armed with accurate usage and performance data.

A client of ours chose a core that scored lowest in "user interface" satisfaction. Most banks would've walked away.

Instead, they did two things:

1. Decoupled the UX with a digital experience layer on top
2. Negotiated contract dollars back to help fund that layer

Result? They got a rock-solid engine and full control of the user experience, on their terms.

Trade-off acknowledged. Managed. Solved.

The takeaway: There is no best fit. There is only best fit for your reality if you're honest about the trade-offs and clear-eyed about how to manage them.

Next: what the top 10% of banks do differently after go-live—and why that's where the real transformation begins.

Chapter 8 : The Myth of 'Best Fit' and the Reality of Trade-offs



Key Takeaway: Perfect core systems don't exist. Smart banks name their trade-offs explicitly, map capability gaps honestly and build mitigation strategies rather than chasing the myth of perfect fit. The best choice is the one where you understand and can manage the compromises.

Choosing a vendor and signing the deal is just the beginning. Kate, the next chapter flips the thinking — we'll show why the smartest banks treat go-live as Day 1, not the finish line and how they set up governance that keeps the core delivering long after the headlines fade.

Chapter 9

Go-live is not the finish line — it's the starting point for turning your core into a competitive advantage.

How the
Smartest Banks
Do It

Chapter 9 : How the Smartest Banks Do It

Real-world examples of getting it right (and wrong)

You've picked the vendor. You've signed the contract. You've survived procurement hell. Now what?

Most banks assume the hard part is over. But in reality, the real work begins the moment you get what you asked for.

Because go-live isn't the finish line. It's the first turn. And how your bank behaves in the 12–18 months after signing determines whether you'll actually get ROI—or just another underperforming platform the next CIO inherits.

Two Paths After Go-Live

We've seen two types of banks after implementation:

1. The Passive Riders

- They "follow the playbook" exactly as the vendor prescribes
- They wait for quarterly updates instead of driving change
- They assume adoption will happen organically
- They treat the core as an IT project that's now "done"

These banks drift. Momentum fades. Teams fall back into old habits. Innovation stalls. Eventually, leadership wonders what all the money was for.

2. The Active Drivers

- They treat go-live as Day 1 of continuous optimization
- They set up a cross-functional governance team to monitor value realization
- They invest in post-launch training, re-onboarding and process mapping
- They build a roadmap around the new core not just inside it

These banks pull ahead. The core becomes a platform, not a constraint. They attract better talent. They move faster. And they stop depending on the vendor for vision.

Chapter 9 : How the Smartest Banks Do It

The Difference Isn't Technical—It's Cultural

You don't need a bigger budget or fancier tools. What you need is post-launch leadership intent.

The best banks:

- Create a 6-, 12- and 24-month post-go-live roadmap
- Assign business owners—not just IT—to lead initiatives tied to the core
- Run "core reviews" every quarter: What's working? What's underused? What's causing friction?
- Hold the vendor accountable with live scorecards and real-time escalations
- Keep measuring—not just uptime but business impact

It's not glamorous. It's just disciplined.

Case Study: Turning a Contract into a Partnership

A bank secured faster response times and quarterly roadmap reviews by embedding partnership terms directly into the vendor agreement.

We worked with a \$12B regional bank that launched a modern core. Instead of high-fiving and moving on, they built a "core transformation office" after go-live.

Its job:

- Own all integrations and workflow enhancements
- Run quarterly stakeholder listening sessions
- Translate feedback into backlog items with timelines
- Negotiate with the vendor like a product owner—not a customer

Twelve months in, they had achieved:

- 4x faster loan ops onboarding
- 30% reduction in call center handle time
- Real-time account opening across 5 channels

It wasn't magic. It was just the result of owning the platform instead of waiting for it to deliver value on its own.

Chapter 9 : How the Smartest Banks Do It

And What Happens When You Don't

We know of a bank, who went live on the same core — same vendor, same year.

But they did the opposite:

- No internal core team post-launch
- No KPIs tied to adoption
- No one accountable for enhancements

Three years later, they were still stuck in Phase 1 configuration. Most users hated it. The board was frustrated. And the vendor? Still collecting their checks.

The lesson: It's not the system you choose that determines success. It's what you do with it and how seriously you take ownership once the spotlight moves on.



Key Takeaway: Go-live is the beginning, not the end. Success depends on post-implementation leadership intent—creating governance structures, assigning business ownership, measuring business impact and treating the core as a platform for continuous optimization rather than a completed IT project.

Now that they know what to do after go-live, we're going to hand them something they can use in every meeting from evaluation to contract close — the CSP Core Vendor Challenge Questions.

Chapter 10

The right questions asked in the right moment will tell you more about a vendor than any demo, proposal or glossy brochure.

Bonus Toolkit: CSP's Core Vendor Challenge Questions

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A field-tested set of questions to separate posture from capability

Most vendor evaluations rely on answers the vendor already knows how to give.

These questions? They force them off script.

Use them in interviews, demos, follow-ups, even during contract review. They're designed to pierce the armor, test composure and surface what's real.

No fluff. No safe zones. Just straight shots.

Architecture & Technology

- What components of your system still rely on mainframe infrastructure?
- Can we self-host or deploy in a multi-cloud environment or are we locked to your cloud?
- Describe your data model. How flexible is it in adapting to new products or workflows?
- How many environments (dev, test, staging, prod) do you support concurrently?
- What's your documented RTO / RPO in real-world outages? When was the last test?

APIs & Integration

- Provide a full list of public APIs, including rate limits, payload specs and error behavior.
- Which APIs are public vs. private vs. roadmap?
- Can we hit your API gateway directly or is middleware required?
- Are your APIs version-controlled? How do you manage deprecations?
- How do you bill for API usage flat rate, tiered or a-la-carte?

Chapter 10 : Bonus Toolkit: CSP's Core Vendor Challenge Questions

Data Portability & Exit Strategy

- If we terminate the contract, how long do we have access to our data and in what format?
 - Who is responsible for deconversion support and what is the SLA?
 - Are custom fields and metadata exported during deconversion?
 - Will you escrow our configuration or source code for future-proofing?
-

Implementation & Support

- What's your average implementation duration for banks in our asset class?
 - How many projects have you delivered on time and on budget in the last 24 months? (Just to see how they react)
 - What are the top three reasons implementations fail or stall and how do you mitigate?
 - Who will be on our actual project team? Can we interview them in advance?
 - What are your support escalation paths by severity, region and business impact?
-

Roadmap & Release Management

- What roadmap items have slipped in the past 12 months? Why?
- How often do you release core updates? Are they opt-in or mandatory?
- Do we get sandbox access to upcoming features before general release?
- How is customer feedback prioritized on your roadmap and how transparent is that process?

Chapter 10 : Bonus Toolkit: CSP's Core Vendor Challenge Questions

Commercial Terms & Contractual Red Flags

- What's the exact renewal process and notice period? Is it opt-in or auto-renew?
 - Are there any minimum volume, usage or transaction commitments?
 - Who owns enhancements funded by us? Can we license them back to ourselves?
 - What happens if we want to pause implementation for strategic reasons?
 - Are there penalties for delaying go-live due to your team's availability?
-

Strategic Alignment & Culture

- What's your client retention rate over the last 3 years?
 - What's the average tenure of your implementation managers?
 - What feedback from clients are you struggling to act on today? Do you tie comp to it?
 - Describe a time you lost a client. What did you learn?
-

Pro Tips for Using This Toolkit

- **Assign 2–3 questions to each team member in the room. Make the vendor answer live.**
- **Don't accept "we'll follow up in writing" unless it's time-sensitive or confidential.**
- **Pay attention to tone, not just content.** Who gets defensive? Who gets transparent?

Use these questions to cut through posture and get to truth. Because the difference between a strong vendor and a smooth one? You only find that out if you ask the questions they hope you won't.

Chapter 10 : Bonus Toolkit: CSP's Core Vendor Challenge Questions

Key Takeaway: Use these field-tested questions to force vendors off their prepared scripts and reveal true capabilities. Assign questions to team members, demand live answers and watch reactions as much as responses. The goal is separating genuine capability from polished posturing.

Selecting a core vendor isn't the end of the journey... it's the point where the real work begins. You've armed yourself with the tools to see past the sales theater, to negotiate from strength and to lock in a contract that protects your long-term interests. But what happens after the ink dries?

That's where too many banks stumble. Without a clear post-selection strategy, the leverage you've built here can evaporate in months. Vendor relationships drift, promised capabilities fade into the backlog and the system that was supposed to transform your bank becomes just another operational constraint.

The smartest institutions don't let that happen. They manage vendors with the same rigor they used to select them. They track delivery against promises, hold regular governance sessions and continually shape the roadmap to align with business priorities...not the vendor's convenience.

That's exactly what we'll cover in the next guide in this series. Guide #3 will take you inside the vendor management discipline that separates top-performing banks from the rest. You'll learn how to turn your contract into a living control mechanism, maintain leverage long after go-live and keep your core evolving in lockstep with your strategy. Vendor evaluation is the critical first step. Vendor management is how you win the long game.

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