

Case Study



South Carolina Federal Credit Union

Financial Institution Brings ATM Management In-House With Fiserv and Stratus

South Carolina Federal Credit Union needed more flexibility than its outsourced ATM management solution provided. By choosing the ATM management solution LynxGate® from Fiserv, and fault-tolerant servers and storage from Stratus Technologies, South Carolina Federal now has direct control over service delivery at the ATM.

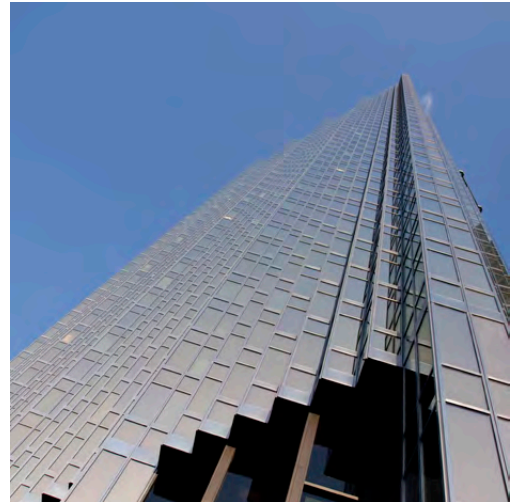


Business Situation

South Carolina Federal Credit Union has come a long way since the 1930s when a group of shipyard workers founded a credit union for fellow employees at the Charleston Navy Yard. Now a community-chartered credit union open to all, South Carolina Federal stands among the 100 largest in the U.S., with more than \$1.4 billion in assets and more than 150,000 members.

Member-focused service has remained a constant through seven decades of change and growth. After years of outsourcing the management of its 80 automated teller machines, South Carolina Federal needed more flexibility to deliver electronic services to credit union members at its ATMs.

Outsourced ATM management did not lend itself to customizing service at the cardholder level. Not only were customization opportunities limited, but any change request had to be submitted to the third-party service bureau 30 days or more in advance. Bringing management in-house would let the credit union take direct control over service delivery at the ATM: everything



**SOUTH CAROLINA
FEDERAL**
CREDIT UNION

Client Profile

South Carolina Federal Credit Union, with \$1.4 billion in assets and more than 150,000 members, is the largest credit union in South Carolina and among the 100 largest credit unions in the nation. It was chartered in 1936 to serve employees at the Charleston Navy Yard, and today it's a community-chartered credit union headquartered in North Charleston, South Carolina, with 19 branches and 80 ATMs. South Carolina Federal is focused on providing a convenient, personable environment for its members, and its financial services include savings and investments, checking, credit cards and loans.



from one-to-one promotional offers, to displaying machine status updates, to integration with member relationship management (MRM).

Business Objectives

In addition to the overall goal of flexible service delivery, the credit union mapped out a number of specific objectives for bringing ATM management in-house:

- Enable one-to-one service to members
- Save on transaction fees and telecommunications costs
- Maintain highly reliable service
- Support business continuity and disaster recovery
- Provide return on investment by paying for itself

To ensure success, the credit union conducted an extensive evaluation of technology suppliers that included site visits to other credit unions. One choice rose to the top: LynxGate ATM management software from Fiserv, paired with fault-tolerant servers and storage from Stratus Technologies.

The ATM Management Solution

“There are quite a few things we wanted: new flexibility, reduced costs, added functionality, more personalized member service,” said Arthur Harper, the credit union’s vice president of electronic services.

“Flexibility means we want the ability to set menu options for denominations that can be withdrawn at the ATM, and to set velocity limits (how much cash can be withdrawn) at the cardholder level. We wanted the ability to drive our own messages to the ATM. We also wanted to integrate our ATMs with our MRM system. And we needed an in-house ATM management solution that would let us do all that,” he explained.

In addition, South Carolina Federal wanted to use more of the advanced functionality of its Diebold Opteva® ATMs to enhance self-service for members.

“There are quite a few things we wanted: new flexibility, reduced costs, added functionality, more personalized member service. ...We are counting on the Fiserv and Stratus solution to help us get where we want to be.”

Arthur Harper

Vice President, Electronic Services
South Carolina Federal Credit Union



Fiserv is supplying the LynxGate ATM management suite, which integrates into South Carolina Federal's existing network and host environment. Easy to use in-house controls will allow staff to customize screens and promotional messages in minutes.

Transactions by the credit union's cardholders at its ATMs will be intercepted and routed directly to its host system for authorization processing. When the core processor is unavailable, LynxGate is able to perform authorization to ensure 24/7 service. To keep service levels high, LynxGate monitors the network and provides staff with alerts about ATM status and performance.

LynxGate is built on a standard Microsoft Windows operating system and the SQL Server database, a familiar environment for technical personnel. South Carolina Federal also considered the best way to ensure the reliability of in-house management. Protecting uptime with some form of redundancy is a best practice in transaction processing systems. But common

techniques, such as clustering multiple servers, demand considerable skill.

The credit union chose the ftServer family of Intel® processor-based servers from Stratus Technologies to provide full-function fault-tolerant computing right out of the box. Software applications immediately benefit from server availability approaching 99.9999 percent, said Drew Foley, LynxGate business director at Fiserv. "In a world of increasing uptime expectations, Stratus makes sense for savvy financial institutions."

Features built into ftServer systems keep the system running without a server outage or data loss even in the event of a component failure. Components inside the servers operate in parallel with each other to provide automatic redundancy, active system monitoring and automated call-home problem reporting. The credit union is complementing its ftServer systems with Stratus ftScalable storage, similarly designed to provide continuous availability. The credit union is phasing in the Fiserv and Stratus ATM management solution, with plans to have all of its 80 ATMs cut over later in 2010.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit www.fiserv.com for a look at what's next, right now.

Business Impact

Lower costs are expected to pay for the in-house ATM management solution during its first year of operation. Eliminating third-party fees for on-us transactions (transactions made by credit union members) and a reduction in telecommunications charges paid to the service bureau will produce most of the savings. Because database changes can be made on the fly, coordinating ATM moves or adding locations will no longer require 90 days advance notice. And, having two ftServer systems in place—one for production, and one at a remote location for testing and disaster recovery—will provide added business continuity assurance.

Another major advantage is in the future plan: enabling reliable one-to-one member service at the ATM. While a member waits for a card transaction to process, for example, she could be presented with a pre-approved rate for an auto loan based on her profile. If interested, she would press “yes” to have a branch service representative follow up. “We are counting on the Fiserv and Stratus solution to help us get where we want to be,” said Harper.

Challenge

South Carolina Federal Credit Union needed an ATM management solution that would provide the flexibility to deliver electronic services to credit union members at its ATMs.

Solution

The credit union implemented the ATM management software LynxGate from Fiserv, which seamlessly integrates into the credit union's existing network and host environment. LynxGate enables the credit union to customize screens and promotional messages, and it monitors the network to ensure service levels remain high. The credit union chose the ftServer family of Intel® processor-based servers from Stratus Technologies to provide full-function, fault-tolerant computing right out of the box.

Proof Points

With LynxGate, South Carolina Federal Credit Union can manage its ATM network in-house and provide a more customized ATM experience to its members while saving money. Paired with servers and storage from Stratus Technologies, the credit union can keep the system running 24/7.

- LynxGate saves money: Lower costs are expected to pay for the in-house ATM management solution during its first year
- LynxGate provides flexibility: Database changes can be made on the fly
- Duplicate servers protect the business: Having two ftServer systems in place – one for production and one at a remote location for testing and disaster recovery – provides added business continuity assurance



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