

AGGREGATION SERVICES

Simplifying banking and credit union IT purchasing and support for telecom, hosting and colocation services and cloud computing

Executive Summary

With offerings from multiple vendors across a number of IT areas, putting together an effective collection of technology services is a major challenge for financial institutions, such as banks and credit unions. As they consider telecommunications, hosting and colocation services and cloud services, these institutions can find it difficult to determine which products and services are necessary to meet their needs, which may be unnecessary and how they will all interact once they're in place. Additionally, it's next to impossible for a financial institution to know whether it's getting the right solution for its IT product and service needs.

An aggregation services team at a trusted technology partner can help banks and credit unions assess their technology needs, identify appropriate products and services and connect institutions with domestic and global vendors. An aggregation team can also assist financial institutions with contract negotiation, implementation, project management and other processes, freeing up bank and credit union IT staffers to focus on more customer-oriented projects.

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What Are Aggregation Services?

Some decisions regarding technology solutions aren't complicated. For example, if a financial institution needs a piece of hardware or software to fulfill a specific function, and only a handful of products will meet the company's needs, a buying decision can be straightforward. After reviewing product features and pricing, an internal IT manager can quickly make a decision and place an order.

But not everything is so simple. When a bank or credit union is looking to upgrade its networking and communications systems, as well as deciding what data and systems to move off-premises (and how it should carry out a migration), the options can quickly become murky. These are moves that most organizations make only once every several years. Even seasoned IT professionals can feel like first-time car buyers wandering the lot, unsure of exactly what they need, who can best provide it and what they should expect to pay.

The Aggregation Services team at CDW was created precisely to solve this problem. Specifically, the team works with financial institutions and other organizations to help them develop integrated IT plans that incorporate three key areas of technology:

Telecom

- Voice
- Data
- Ethernet
- Wide area networks

Hosting/Colocation Services

- Dedicated cages
- Point of presence
- Rack
- Power

Cloud

- Hosted voice (Voice over IP)
- Backup and disaster recovery
- Hosted Exchange mail and archiving
- Cloud computing and managed hosting
- Desktop as a Service/virtual desktop infrastructure

The Aggregation Services team at CDW represents more than 75 voice and data carriers, 1,100 data centers and 42 cloud platforms. That's more than 3 million possible combinations of telecom, hosting and cloud vendors — a truly overwhelming number if IT managers don't have a quick way to identify which providers can best meet their financial institution's needs.

CDW's longstanding relationships with these providers allow the Aggregation Services team to immediately eliminate vendors that aren't a good fit, and instead target vendors that can provide exactly what a financial institution is looking for.

BANKS, CREDIT UNIONS AND THE CLOUD



A number of banks and credit unions are using antiquated and inefficient methods to back up their data in case of a disaster. At some financial institutions, managers transfer data onto tapes that they bring home with them at night — clearly not an optimal solution. Others keep data on servers located at headquarters and replicate on other servers at branch locations. But often those branches lack the physical security measures or the power and cooling infrastructure needed to maintain an effective IT environment.

Business continuity plans need to be discussed and put into place for events such as a natural disaster, a cyberattack or even a simple failure of technology.

The cloud can provide an ideal and cost-effective solution for backing up data. Rather than manually duplicating data at lengthy intervals, IT managers can rest assured that their financial institution's data is being backed up to the cloud automatically, continuously and in real time. They'll also know that their cloud provider has the power, cooling and physical security to maintain the data, and is equipped to handle events such as server failures. Cloud providers also can deliver software (such as email or security applications), platform (such as development tools) or infrastructure (such as servers and storage hardware) as a service.

An aggregation partner can conduct the due diligence necessary to ensure that a particular cloud provider meets the needs of a financial institution, including strong capitalization and required systems certifications.

Additionally, each solutions provider has been vetted by CDW. So, no matter which vendors or solutions a bank or credit union ultimately implements, it can feel confident that CDW stands behind them.

The Aggregation Process: Step by Step

An aggregation team is more than simply a broker that connects buyers with sellers. It's a partner during the entire process of a technology upgrade. The CDW Aggregation Services team can assist banks and credit unions in the following ways:

Presales assessment: The aggregation team works with financial institutions to assess their current technology situation, identifying problems that can be solved with appropriate products and services for telecom, hosting, colocation and cloud computing. For example, the team will help banks and credit unions determine whether they can save time and money by pushing voice and email functions to the cloud, whether their current data storage plan provides sufficient redundancy and security, and whether virtualization can give them increased flexibility.

Engineering and design: Once a presales assessment has been completed, the aggregation team can assist with the engineering and design of a fully integrated solution. With CDW's Aggregation Services team leading engineering and design, banks and credit unions often find that the ultimate solution goes beyond what they were previously able to imagine.

Cost assessment and benchmarking: During the design phase, aggregation team members will be able to help IT managers predict costs for a range of desired solutions.

Vendor review: CDW's contracting experts conduct due diligence in finding and partnering with reliable vendors who can deliver the services and expertise that banks and credit unions demand, leaving IT staff available to focus on business initiatives.

Contract negotiation: Aggregation team members know the market rates for telecom, hosting and colocation, and cloud computing services. CDW's size in the industry, our customer base and our partnerships allow us to demand the best pricing in a contract negotiation.

Bill review and SLA support: Bills can be aggregated and audited, making them easier to understand and ensuring that banks and credit unions are receiving all of the services for which they've paid. Additionally, CDW can act as an advocate for financial institutions, making sure that they receive the levels of uptime and other metrics outlined in their service-level agreements with providers.



Implementation and project management: Solutions providers typically assign their own project managers, but CDW's Aggregation Services team serves as an extra check to make sure that projects stay on track, that products and services show up when they're supposed to and that information is flowing appropriately between providers and customers.

The Benefits of Aggregation for Financial Institutions

In addition to being a partner to help guide them through their technology upgrades, the Aggregation Services team can benefit banks and credit unions in a number of ways. Advantages include:

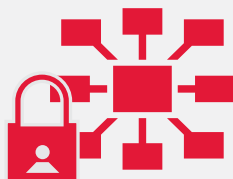
Compliance: An aggregation partner can help banks and credit unions identify solutions that will keep them compliant with regulations and standards such as the Volcker Rule, Basel III, the Sarbanes–Oxley Act and Federal Financial Institutions Examination Council requirements.

24/7 support: If a financial institution requires around-the-clock IT support, an aggregation partner can connect it with vendors that are able to provide this level of service. When banks and credit unions move certain applications into the cloud for the first time, they may find that the number of issues requiring after-hours attention is greatly reduced.

Lower costs: The solutions implemented during a technology upgrade assisted by an aggregation team will often be less costly to maintain than existing systems.

Relationships with numerous service providers: The existing relationships that CDW's Aggregation Services team maintains with more than 75 voice and data carriers, 1,100 data centers and 42 cloud platforms is a valuable resource that banks and credit unions can leverage as they seek to upgrade their technology. Team members have a deep knowledge of the offerings and advantages provided by different vendors, which is essential in identifying which providers are best suited to meet an institution's needs. These relationships help to ensure that banks and credit unions are able to negotiate the best price and receive the support they need during and after an upgrade.

EASE AUDITING THROUGH COLOCATION



Banks and credit unions that store data at shared data centers may have fewer auditing hassles to deal with than financial institutions that store data in-house. That's because commercial data centers are already known to auditors and have already undergone security and compliance checks to ensure that they meet required standards. Because a shared data center must prove to auditors that it has put in place all of the necessary physical security measures, a client bank or credit union is responsible only for the logical security component of a compliance audit.

By contrast, auditors visiting a bank or credit union that stores its data in-house are starting from scratch, and the financial institution will need to prove that its physical security measures are adequate.

Shared data centers aren't only more secure on paper, but also in reality. Most centers provide physical security far beyond what a bank or credit union could provide in an in-house data center, including armed guards and biometric scanning.

Representing more than 1,100 data centers nationwide, CDW's Aggregation Services team can connect banks and credit unions with the centers that meet their specific needs for rackspace, power and cooling — and audit compliance.

85%

The percentage of credit unions outsource some or all of their IT to a vendor partner:

- 6% are completely outsourced
- 12% heavily
- 28% moderately
- 40% outsourced occasionally

SOURCE: CUNA Strategic Services Technology Survey, "Survey Outlines CUs' Technology Challenges," *Credit Union Magazine*, May 16, 2014

Focus on strategic initiatives: Working with an aggregation partner can help relieve demands on internal IT employees in two ways. First, technology managers save countless hours that they would otherwise have to spend familiarizing themselves with dozens or even hundreds of solutions providers. Second, many of the solutions ultimately implemented, such as moving applications to the cloud, require far less day-to-day maintenance than existing systems, allowing IT staffers to spend less time keeping infrastructure running and more time on strategic initiatives that improve the institution's ability to serve its customers.

To find out more, visit CDW's [Aggregation Services web page](#). Or to learn about CDW's Financial Services offerings, visit the [Banking Page](#).

CDW: An Aggregation Services Partner That Gets IT

With deep experience in telecommunications, hosting and colocation services, and cloud computing, the CDW Aggregation Services team is uniquely qualified to help banks and credit unions assess their IT needs and contract with the vendors for products and services. We can help to implement integrated solutions that will improve connectivity, protect sensitive data and allow IT staff members to focus on customer-oriented projects.

CDW's Aggregation Services team offers an objective approach to IT services and solutions. We listen to what customers need in the short and long term, then engage vendor partners based upon the best match of services, scope, geography and costs. Finally, we leverage our relationship with these partners to help banks and credit unions obtain the products and services they need as quickly and inexpensively as possible.

QUESTIONS TO CONSIDER

Three important questions can help financial institution IT managers determine whether they need the help of the Aggregation Services team at CDW:



1. Is the telecom budget becoming a burden for business initiatives?
2. Have IT managers adequately explored the cloud computing services that are on the market today?
3. Do IT staff members spend more time on administrative and operational tasks than on strategic initiatives?

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