

BRANCH-IN-A-BOX SPEEDS TIME TO LAUNCH

This modular solution eliminates lengthy provisioning, allowing financial market IT decision-makers immediate access to enterprise technology.

Executive Summary

In the fast-changing financial services market, customer service is paramount. The faster financial institutions close deals, integrate acquisitions and deploy new applications, the better they can serve customers, expand operations and increase profitability.

As a partner to the financial services industry, CDW delivers Branch-in-a-Box IT. This strategic enabler allows banks and credit unions to rapidly deploy standardized IT equipment – reducing the time it takes to provision a data center from months to days.

The branch-in-a-box solution includes server, network and storage components housed in a variety of rack sizes. CDW can integrate, configure and ship this equipment to a new or newly acquired branch office. It can also be utilized as hosted infrastructure in a CDW data center.

The all-in-one solution enables quick deployment of IT capacity for new innovation, applications or disaster recovery in a true private cloud environment. Cash conscious bank and credit union IT departments are turning to Branch-in-a-Box because of its flexibility, scalability and reliability – all at significant savings.

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Banks and Credit Unions: The Big Picture

As the U.S. financial industry emerges from the recent financial crisis, the surviving institutions are leaner and more focused than ever before. In some cases, this means lowering overhead – doing more with less – to effectively maintain operations.

This has financial institutions evaluating staff levels, streamlining operations and looking for ways to increase efficiencies. With the overall U.S. economy growing slowly, financial institutions are maintaining operations by reducing costs rather than by expanding top-line growth, which in some cases remains sluggish.

Like other organizations, banks are faced with downsizing and reduced headcounts, yet must maintain profitability. Total employment at banks, savings associations, credit unions, credit card processors, mortgage firms and other types of lenders is down 10 percent from its peak in 2006, according to Plunkett Research.

Without the ability to hire additional staff, financial institutions are looking to outsource non-mission-critical functions to trusted business partners who can perform them more cost-effectively.

CDW's Branch-in-a-Box

This solution offers staff- and budget-strapped IT teams access to computing infrastructure at a significantly reduced cost. In fact, one retail mortgage firm reports a 30 percent savings on IT personnel costs alone from outsourcing the provisioning of new branches to CDW and its Branch-in-a-Box solution.

The IT department at this fast-growing lender no longer has to integrate, configure or ship IT equipment to branch locations. It instead counts on CDW to handle the workload. As a result, the firm's IT staffing costs remain steady, regardless of how many new branches it may open in a given month.

Branch-in-a-Box Benefits

This modular IT solution offers bank and credit union IT departments the following benefits:

- Provides a single view into the financial firm's operations
- Rapidly provisions branch offices, reducing a months-long process to days
- Standardizes hardware and software platforms used to meet local computing needs
- Brings innovative features and capabilities to market faster
- Speeds the deployment of new applications

Branch-in-a-Box provides compute, network and storage capacity at almost a moment's notice. Offering financial institutions a place to house mission-critical applications in a private cloud either onsite or in a CDW hosted data center, the all-in-one solution can be operational in a matter of days.

CDW handles ongoing maintenance of the IT gear – ensuring that software and patches remain current. This also allows IT staff to focus on customer services and other strategic initiatives rather than infrastructure maintenance.

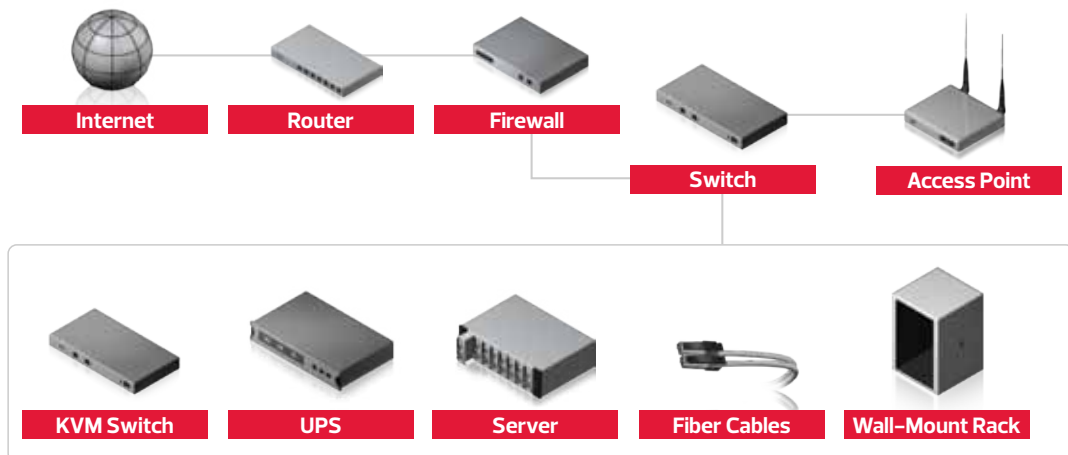
The Beauty of Branch-in-a-Box

Branch-in-a-box solutions are strategic enablers for financial firms because they help facilitate important business decisions – such as whether to acquire a rival or a failed institution – without having to worry about IT-related issues.

Financial institutions reap many benefits from standardizing on a platform, including speedier commissioning of new branches, a simplified overall IT infrastructure, reduced training time and lower help-desk costs. One firm – that has deployed 200-plus Branch-in-a-Box systems – reports help desk savings of more than 40 percent.

CDW's Branch-in-a-Box is a modular solution not unlike other all-in-one solutions, for example, NetApp FlexPod, VCE Vblock and IBM CloudBurst. Branch-in-a-Box includes off-the-shelf servers, storage and networking gear packaged together with a power supply and cabling in a variety of rack sizes.

Branch-in-a-Box Components



Branch-in-a-Box consists of state-of-the-art IT gear including:

- Server
- Server Router and Switch
- Network Firewall
- Uninterruptible Power Supply (UPS)
- Modem
- Cabling

Branch-in-a-Box has many uses in addition to easing the process of commissioning new financial institution branches. Because it comes in a standard configuration that is easily wheeled into a data center, Branch-in-a-Box also can be conveniently used for backup and disaster recovery.

In addition, it offers a quick way to expand compute, network and storage capacity to meet general IT requirements, such as speeding up time to market for new applications.

Branch-in-a-Box also provides security advantages. Because it is a standard hardware and software platform, the system makes it simpler for the IT department to deploy and maintain security applications (such as intrusion detection and prevention tools) across mobile, branch and headquarter systems.

Branch-in-a-Box and Financial Firm Closures

With the financial crisis, bank failures have become increasingly common in the United States. Since 2008, 485 banks have failed, according to the Federal Deposit Insurance Corporation (FDIC).

Although the problem peaked in 2010, when 157 institutions failed in a single year, it remains a significant issue. So far in 2013, 20 financial institutions have failed; in August alone, community banks failed in Arizona, Florida, Tennessee and Wisconsin.

When a bank fails, it is closed by a federal or state regulatory agency due to its inability to meet its financial obligations to depositors and others. As long as it is an insured bank, the FDIC assumes responsibility for paying depositors (up to \$250,000), as well as selling the assets of the failed bank.

When the FDIC is notified by a regulator that a bank is failing, it begins a receivership process that typically lasts 90 to 100 days. The FDIC markets the bank, accepts bids from other banks and selects the bid that is the least costly to the deposit insurance fund.

Usually, the FDIC finds a buyer for a failed bank (of the 20 U.S. banks that failed this year, all were acquired by other banks). But on the rare occasion when it cannot be acquired, it will issue payouts to depositors and then liquidate the bank's assets.

Because an acquiring bank typically takes control of a failed financial institution overnight or over a weekend, the purchasing bank must quickly take snapshots – record the state of bank data at particular moments in time – to have IT systems up and running in a matter of hours.

Business Continuity and Disaster Recovery

It's been a year since Hurricane Sandy devastated New York City and shuttered Wall Street for two days, prompting financial firms to reevaluate their business continuity and disaster recovery plans. Indeed, regulators are putting more pressure on banks and other financial companies to develop detailed plans for responding to such emergencies as severe weather and power outages.

In August 2013, the Financial Industry Regulatory Authority, the U.S. Commodity Futures Trading Commission and the Securities Exchange Commission issued a joint statement urging member organizations to review their business continuity plans and adopt best practices. These entities recommend that financial firms plan for disruptions in telecommunications, power, transportation and other systems during a crisis.

The groups' guidance says firms should consider supporting telecommuting, reevaluating the location of backup data centers, and developing mechanisms for communicating with employees and customers during storms.

CDW's Branch-in-a-Box is an ideal solution for banks and credit unions trying to improve business continuity and disaster recovery because it provides an all-in-one solution with redundant compute, network and storage systems.

Once a financial institution has standardized on Branch-in-a-Box, it can easily set up an identical backup system in a colocation center located away from the main data center. Onsite, Branch-in-a-Box can be set up very quickly, by merely rolling the rack into a backup data center and plugging it in.

Typically, a failed bank is taken over on a Friday afternoon. The regulator walks into the bank and notifies the management and staff that the bank has failed and the FDIC was named receiver.

Then the FDIC staff and representatives from the acquiring bank walk in and explain how the evening is going to progress. The bank staff works around the clock to have the branch ready to open on Saturday or Monday morning under new ownership.

"This has been done so many times in the history of the FDIC that it's a very seamless process, almost invisible to the insured depositors," says FDIC spokesman Greg Hernandez. "All they notice is that the bank has a new name."

The need for speed has financial firms implementing Branch-in-a-Box when taking over failing banks because the modular IT solution can be implemented at almost a moment's notice in a hosted environment. One particular niche application for Branch-in-a-Box, for example, offloads all of a failed bank's data storage.

This helps the acquiring bank meet FDIC requirements that customer access to data and money through ATMs remains uninterrupted throughout the transfer of ownership from the failed bank to the acquiring bank.

A True Private Cloud

As financial institutions seek ways to control IT costs while speeding up the deployment of new services, they are increasingly turning to cloud computing. This new business model offers these firms the opportunity to create a flexible and scalable IT infrastructure, while streamlining operational costs and maximizing profitability. Even better, financial firms can adopt private-cloud approaches that provide appropriate levels of security and privacy for confidential customer and business data.

The shift to cloud computing isn't an entirely new paradigm in the financial industry. Financial firms are accustomed to working with private clouds through older approaches that enabled such long-standing applications as electronic funds transfer. Indeed, global financial systems were highly interconnected long before the introduction of today's cloud computing technologies.

The private-cloud architecture is a strategic enabler for banks and credit unions because it allows them to set up highly virtualized data centers that provide shared services to employees and customers through the Internet. These data centers are more efficient, with higher hardware utilization rates and lower-cost scalability. Financial institutions no longer have to buy excess IT infrastructure; instead, they can grow capacity when they need to do so.

As business volume increases at financial institutions, so does their financial information and data intake. The growth in financial information is unparalleled. Consequently, financial institutions have to heighten their requirements for data storage security, capacity and reliability.

The private cloud platform stores all of the information in the data center. The additional security mechanisms and data disaster recovery systems help ensure the safe and stable operation of financial institutions.

Branch-in-a-Box can be deployed in a private-cloud setting, with hosting handled by either the financial institution or CDW. Bank and credit unions can put their application development tools into the private cloud, which allows analysts to access them from a single system.

Similarly, they can put financial and customer data into a private cloud, which then can be accessed by branch managers and tellers. Both of these applications allow financial firms to drive up IT efficiency by minimizing IT manpower and keeping hardware and software costs down.

Banks and credit unions that adopt private clouds can reap many rewards, including lower-cost, more-flexible and more-scalable IT operations, as well as a service-oriented architecture. The private-cloud approach lets banks be more agile and more responsive to changes in customer behavior.

CDW: A Cloud Partner That Gets IT

CDW's Branch-in-a-Box is an all-in-one IT solution that helps banks and credit unions achieve their goals by reducing the cost of provisioning new branch offices. CDW can help determine what hardware and software systems would be best to deploy with the Branch-in-a-Box platform, and also guide the management team through the operational changes that are required to adopt such a platform in a private cloud or for disaster recovery.

CDW offers a dedicated financial services team, and its account managers are familiar with the nuances of the financial industry. CDW customers have a dedicated account manager, who serves as a single point of contact and a trusted resource for their IT purchases. CDW also has a staff of certified

solution architects, who are experienced in designing custom solutions for financial industry clients. Additionally, advanced technology engineers assist with the integration, maintenance and ongoing management of the IT solutions that CDW provides its customers.

Our approach includes:

- An initial discovery session to understand the customer's goals, requirements and budget
- An assessment review of the existing environment and definition of project requirements
- Detailed manufacturer evaluations, recommendations, future environment design and proof of concept
- Procurement, configuration and deployment of the chosen solution
- Telephone support, as well as product lifecycle support

To learn more about CDW's Branch-in-a-Box solution, contact your CDW securities and investments account manager, call 888.706.4239 or visit CDW.com/financial-solutions

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