

CASE STUDY

VOCALINK

NEW DATA CENTRE STRATEGY UNDERPINS CRITICAL PAYMENTS SERVICES

»FUJITSU'S DATA CENTRE EXPERTISE AND CONSULTANCY SKILLS HAVE SHAPED OUR ORGANISATION TO RESPOND TO FUTURE BUSINESS NEEDS AND, MORE IMPORTANTLY, TO WHAT CUSTOMERS DEMAND.«

Ian Gausden, Chief Operating Officer, VocaLink



CHALLENGE

VocaLink is a specialist payments partner to banks, their corporate customers and government departments. They design and deliver smarter domestic and international automated payments systems, and smarter ATM switching solutions. The switching platform connects over 60,000 ATMs, the world's busiest network, while the payments platform processes over 500 million payments per month. The Real-time Payments Platform is the central infrastructure for the UK's Faster Payments Service. All platforms operate on never-fail technology to ensure total reliability and availability 24 hours a day to meet customer needs.

Following the merger of the Voca and Link organisations in 2007, VocaLink presently operates from four strategically located UK data centres; two in the North and two in the South of England. Although VocaLink has a sales and marketing presence in mainland Europe, it does not run any data centres there.

To maintain business continuity, maximise service delivery and minimise risk, each data centre contains high-performance, high availability and secure IT infrastructures. Each data centre pair provides high availability mirrored environments with service separation that support the UK's shared banking infrastructure with non-stop service.

Ian Gausden, Chief Operating Officer, VocaLink, explains: "After creating the new company our initial priority was to integrate the two organisations and safeguard services. We then needed to assess our data centre operations and create a cost-effective strategy to match our current and future business requirements, without compromising risk. Any data centre plan had to take account of our existing situation, position the company for expansion into mainland Europe and support the business over the next five to ten years."

SOLUTION

Creating a new data centre strategy is an infrequent event for most businesses. VocaLink had many of the required skills in-house but, to define a responsive and context-specific data centre strategy, it wanted to secure the expertise of a world-class data centre, consultancy and IT services organisation. After all, when organisations have written their strategies and targets, far too frequently, they are soon out of date. A key requirement for VocaLink was to avoid a static and fixed roadmap.

VocaLink therefore chose Fujitsu to assess its data centre requirements, propose a suitable strategy and conduct a feasibility study into any resultant recommendations.

Fujitsu identified key business, regulatory and operational drivers and defined 'next states' dependent upon movement across specific levers within those domains. Thus, regardless of any future changes,

THE CUSTOMER

- VocaLink is a specialist provider of payment services
- Processes 90 million payments on a peak day
- Connects over 60,000 ATMs globally



THE CHALLENGE

- Voca and Link merged to create VocaLink in 2007
- Following an initial period of integration, the company needed to assess its data centre strategy

THE SOLUTION

- Selected Fujitsu to develop a cost-effective data centre strategy that positions VocaLink for expansion into Europe and supports the business for the next ten years

THE BENEFITS

- **DATA CENTRE CONSOLIDATION** – Consolidating from four to three data centres will lower future operational costs
- **REDUCED CAPITAL EXPENDITURE** – the cost of building a new data centre on mainland Europe could have exceeded £20m
- **SUPPORTING GROWTH** – aligning the data centre and business strategies aids European expansion and delivery of SEPA-compliant transactions
- **REGULATORY ALIGNMENT** – VocaLink's new data centre strategy is ahead of current European regulations and complies with the most stringent financial services regulatory regimes
- **COST REDUCTION AND AVOIDANCE** – defining a context-specific roadmap drives operational efficiencies. Funds will not be required to move data centres from the North to the South of England

VocaLink can readjust its strategic response without fully re-evaluating its strategy.

The strategy addressed operational and regulatory challenges as well as longer term business opportunities associated with Euro services and wider consolidation within the European market. VocaLink is now equipped with a context-specific strategy. Consequently, it retains the agility needed to provide a diverse customer base with competitive solutions whilst simultaneously satisfying regulatory and technical demands and constraints.

“It was imperative that any solution reinforced our commitment to serving a growing number of customers within the Single Euro Payments Area (SEPA). For some time, we were under the impression that a data centre presence on the mainland was essential. Within the UK, we ideally wanted to lower operational expenditure whilst simultaneously maintaining service availability,” comments Ian Gausden. *“However, we needed guidance about which course of action would be the best for the business.”*

To understand VocaLink’s requirements, Fujitsu initially conducted a series of interviews with all relevant parties within the company. The Fujitsu team then reviewed VocaLink’s entire estate site-by-site and considered the strategic options. Clearly, several choices were available including reducing the number of UK data centres, building a new data centre in mainland Europe or outsourcing activities to an appropriate partner.

“Fujitsu’s consultancy team brought real data centre expertise to the table, in a highly collaborative manner. We were very impressed with the quality of the consultancy provided, the underlying data centre expertise and the way they worked with us,” adds Ian Gausden.

Although the lower operational costs associated with consolidating the four data centres into two sites in the South of England initially looked attractive, investigations revealed that this option was not financially viable. Leasing arrangements for one of the northern sites also complicated the business case. Fujitsu therefore soon ruled out a north-south migration.

Fujitsu considered another geographical issue; whether VocaLink should establish a data centre in mainland European. Fujitsu’s research and VocaLink’s business perspective suggested that the market requirement for a data centre in Europe was highly questionable.

Accordingly, VocaLink should only consider such a move if there were technical or business reasons associated with this type of service expansion. To support future decision making, Fujitsu defined and assessed the potential drivers for this scenario.

“This finding means that we are not obliged to pre-provision a data centre on mainland Europe for the foreseeable future; a great business benefit considering the capital outlay for a data centre could easily exceed £20 million. However, if a new customer demands in-country data centre operations, we will enlist the services of a European partner,” continues Ian Gausden.

Another important area for consideration is the changing regulatory requirements for disaster recovery demanded by some non-European countries. This is especially true of the USA following the infamous attacks on the Twin Towers of the World Trade Centre when a well known financial organisation lost both of its data centres.

“For critical financial systems, US regulations are moving in favour of three data centres rather than two-site configurations. If this policy becomes the accepted norm, European regulation is likely to follow suit,” states Ian Gausden.

After duly considering the options and VocaLink’s business objectives, Fujitsu recommended a three data centre strategy within the UK. This involves consolidating data centre operations closing one of the existing data centres.

After accepting this recommendation, VocaLink asked Fujitsu to support a feasibility study to fully understand the cost benefits and implications associated with implementing this part of the strategy.

“To manage the UK’s national payment infrastructure for critical payment services, we must have a data centre strategy that offers zero outages. Having one primary site and two backup sites will provide maximum flexibility and builds in an appropriate level of resilience to ensure business continuity and minimise risk,” says Ian Gausden.

The data centre strategy and feasibility study consultancy services provided by Fujitsu have defined a critical future data centre strategy for VocaLink and a path to achieve the scheme’s objectives. The new strategy will deliver a number of key benefits to VocaLink’s business.

“Our new three-centre strategy is all about offering exceptional levels of service availability to customers even when an unprecedented event occurs. They must have complete confidence in our systems and services,” confirms Ian Gausden.

EXPERTISE

“Working with Fujitsu has been a rewarding and enlightening experience. Its team had a thorough grasp of our data centre requirements, our business objectives and our corporate culture. We all now have a clear understanding of the best data centre strategy for the business and look forward to the results of the feasibility study so that we can implement change,” declares Justin Richards, Infrastructure Director, VocaLink.

“Fujitsu’s data centre expertise and consultancy skills have shaped our organisation to respond to future business needs and, more importantly, to what customers demand. Its recommendations are well thought out,” concludes Ian Gausden.

FOR MORE INFORMATION

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