BCU
Microsoft Azure

> "We are planning double-digit growth across key areas, which means we need to have the ability to scale our technology to meet growing demands. This scalability takes out the uncertainty in our planning, and ensures that our investments are targeted and consistent. When looking at a major upgrade with the Lifecycle Management Suite, we knew that as part of that project we wanted to move hosting into Microsoft Azure."
>
> - Scott Zulpo, CTO, BCU

Introduction

In 2016, Baxter Credit Union (BCU) faced the need to upgrade from version 10.31.20 to version 15.01.47 of the Lifecycle Management Suite, spanning the Collection, Loan Origination and Service modules. The project alone was already considered a major upgrade, as it encompassed launching the $2.8 billion credit union on Temenos' most recent "person-centric" technology, a panoramic view of account holder relationships. BCU took it one step further and asked to do what had never been done: take the Lifecycle Management Suite to the Cloud.

Situation

BCU's decision to move to the cloud crests the wave of financial institutions who have begun to examine moving to hosted environments. Historically, the Cloud has been viewed with apprehension and distrust by the financial services industry. In the United States specifically, following the wave of security breaches across retail store chains, hospitality organizations and even the United States government itself, concerns surrounding

US-based BCU wanted to decrease costs, while increasing scalability and speed-to market. In 2017, they became the first Temenos customer to take the Lifecycle Management Suite into the Cloud

cybersecurity are at an all-time high, reflected in heavy government regulation. The first task for BCU, Microsoft and Temenos was to ensure security.

"Temenos handles a large amount of account holder data. Combined with the fact that this was the first time these modules were being implemented in the Cloud, we knew we needed to undergo rigorous testing to ensure that not only was everything functioning properly in an all-new environment, but also that it was secure." – Emily Steele – COO, North America – Temenos

While some organizations might view being an "inaugural customer" as a risk, BCU instead saw the chance to pull ahead of their contemporaries. Additionally, they saw the benefit of moving away from maintaining data centers and reducing IT overhead, which would allow them to focus less on managing systems and concentrate on offering first-class products and services.

"Over the past three years, we've made it a strategic objective to move into the Cloud wherever the opportunity arises. Our long-term goal is to move all of our vendors into a cloud-based environment. Our vision is to centralize all of our technology, so that we can implement uniform processes and skillsets across departments. We are continually investing in technology and innovating in that space. This transition will allow us to increase automation and spin up additional servers more quickly, enabling us to scale, and paving the way for growth." – Jeff Johnson – CIO – BCU

Solution

The decision to move to Microsoft Azure led to extensive testing and a thorough audit of their existing processes, making BCU more secure than ever before. Using recent software delivery methodology, the testing and implementation was completed over nine months, and included a multitude of checks and balances with continuous collaboration across the implementation teams.

During phase one, Temenos and BCU built five environments in the Cloud, over roughly two months. Phase two was spent upgrading the Lifecycle Management Suite to Version 15, fine-tuning processes, and testing that the functionality had not been impacted by the all-new environment. This phase involved a two-pronged approach:

1. Business Unit: Functional testing of the Collection, Service and Loan Origination modules as BCU jumped four releases.

2. IT: Environment configuration testing, including firewalls and connectors.

Due to the implementation being the first of its kind, the project involved levels and aspects of security that had not been encountered in previous projects. This meant additional, in-depth testing outside standard parameters from a security perspective, as well as to ensure that the new protocols didn't inhibit functionality within the system.

BCU officially went live in March 2017, with no unplanned interruption to service. With the Lifecycle Management Suite now hosted in Microsoft Azure, BCU has gained multiple layers of data protection, including data encryption, auditing, and Azure's unique threat detection offering. Since the implementation, BCU has seen an improved ability to scale on demand, enhanced disaster recovery capabilities and optimally-sized hardware for their volume.

"Any financial institution looking to take on a project of this magnitude needs to understand just that: it's a project of immense size and difficulty. It's a significant commitment, and the decision should certainly not be taken lightly. However, the project has undoubtedly moved us much farther ahead in our understanding of each of the technology platforms we use to drive our business lines, and also the levels of security we can offer to our account holders." – Jeff Johnson – CIO – BCU

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