



performance

Core fintech solutions leader COCC
banks on AT&T SD-WAN to increase
and help reduce costs for its member institutions

- **Business needs** - Core banking solution provider COCC wanted to replace the complicated and expensive legacy architecture, on which many of its financial institution members relied, with an advanced network that enabled leading-edge applications.
- **Networking solution** - The AT&T SD-WAN offering with VeloCloud uses devices to deliver enhanced network security, reliability, and performance while helping reduce costs.
- **Business value** - COCC member institutions realized enhanced agility, cost-effectiveness, and application performance with AT&T SD-WAN; the solution also enabled COCC to develop new product lines that are expected to generate millions in annual revenues.
- **Industry focus** - Financial technology
- **Size** - \$130 million in annual revenues

About COCC

COCC is an award-winning financial technology company that provides core banking solutions and services to financial institutions in 10 states. It was founded by two clients in 1967 to help offset the costs of data processing. As the firm has grown, it has continued to provide affordable state-of-the-art banking technology. Still client owned, COCC today serves more than 150 community banks and credit unions and is the sixth largest core banking solutions provider in the U.S. Its unique cooperative structure has set COCC apart from the competition and is one of the driving forces behind its success and that of its members.

The situation

COCC gives its member institutions better control over features, costs, and the delivery of their technology needs. The firm prides itself on being a service-focused organization, putting client needs and product development ahead of profits. As it upgraded to a private cloud environment, officials recognized a need for a more configurable network with automatic failover and other advanced features that would better enable its client institutions to use technology advances.

Solution

A unique collaboration between AT&T and VeloCloud produced the software-defined wide area network (SD-WAN) that delivers the security, agility, and management features that COCC needed. The AT&T SD-WAN gives COCC and its member institutions a network-based solution that combines a hybrid infrastructure with multiple access types to enhance cost-effectiveness and application performance. The cutting-edge infrastructure has enabled COCC to introduce new lines of business that it expects to generate significant annual revenue.

Virtually seamless, intuitive technology solutions for members

COCC is the fastest-growing financial data processing company in the United States and recognized as a leader in delivering the innovation and quality service that financial institutions demand. Effectively servicing over \$100 billion in assets with powerful next-generation technology backed by superior customer service, COCC has established a track record second to none in delivering on its commitments.

Because it is client owned, COCC answers to the institutions it serves, not public shareholders, which enables it to invest in its development, products, and relationships. “We act as technology partners,” said COCC President and Chief Operating Officer Joseph D. Lockwood. “We provide the solutions our clients need in a customized fashion with service, not profit, at the heart of our mission.”



“Clients require a customer and employee experience that is seamless and intuitive, with the flexibility to adapt in the ever-changing financial environment,” he said. “This includes integration with third parties, customer relationship management built into the platform, and features and workflows that enhance security and compliance.”

Moving beyond legacy networks

Providing its clients with up-to-the-minute digital solutions required COCC to invest in a new breed of network. “We began looking for a new networking solution in 2016. The decision was based on the need to reduce costs for our member institutions, provide better reliability through multiple types of connectivity, and supply end-to-end encryption of network connections,” Steve Reis, Vice President of Technology Services at COCC, said.

COCC’s existing infrastructure was solid but lacked many of the enterprise features needed to grow its business. “As we began to move toward a private

cloud environment, we really needed something that was much more configurable with better failover options,” he said. The company required a network that offered automatic failover, load balancing of traffic across data sources, and a better centralized management capability.

“Legacy network solutions were overly complicated, expensive, and not easily maintainable at the large scale we needed,” Reis said. “Based on these goals, AT&T SD-WAN was a natural fit.”

With its customary diligence, COCC evaluated SD-WAN market leaders and selected four it considered top tier. It ran four different proof-of-concept tests and conducted executive briefings with each provider. COCC officials then traveled to the corporate headquarters of the two finalists to evaluate what each had to offer.

A relationship worth its weight in gold

COCC chose the innovative AT&T and VeloCloud SD-WAN networking solution over a traditional network configuration with fixed hardware. “The decision ultimately came down to a selection between a legacy vendor with a complicated and expensive technology stack and a startup—VeloCloud—with cutting-edge technology backed by AT&T,” Lockwood said. While the legacy vendor offered what Lockwood considered to be the easy choice, a longstanding relationship with AT&T led COCC to look more closely at the AT&T and VeloCloud SD-WAN.

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Vice President of Technology Services, COCC

COCC already used many AT&T services, including MPLS networking, wireless, carrier-grade internet, and broadband connectivity. In going with an AT&T and VeloCloud solution, they avoided an old-style configuration that offered limited flexibility and restricted ability to make needed changes at the speed of today’s business.

“We look to do business with companies that fit our culture,” Lockwood said. “The combination of AT&T and VeloCloud gave us a winning technology team with a startup backed by the stability and long-term relationship with AT&T. It was a win-win. Having a long-term collaborator that you know you can truly trust to work with you when things go wrong or when you need help is worth its weight in gold.”

“That’s what our relationship with AT&T is,” Lockwood continued. “We have a set of long-term allies that know us, work with us, and go to bat for us all the way up to the highest levels of AT&T. Having them stand behind VeloCloud was the ultimate comfort to us. We like VeloCloud and we established some good trust but having AT&T ultimately be the one behind the arrangement is what pushed it over the edge to make it the winning decision.”

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Reduced downtime and support costs

Installing the AT&T SD-WAN solution has resulted in a 75% reduction in downtime for COCC networks and an 80% reduction in help desk calls following WAN outages. “We’ve had tremendous feedback from our member institutions on the success of this platform,” Lockwood said. “It has given them greater visibility and enhanced uptime. The centralized management of devices has allowed our support staff to become more efficient as well.”

The company’s member institutions appreciate simplified device management and faster, more stable updates. “With the pace of upgrades, it’s almost impossible for an individual institution running physical workstations to keep up to date on security and feature releases,” said Paul Petro, Technology Services Manager. “Our virtual environment allows for

easy testing, deployment, and reporting of all security and feature releases.”

The SD-WAN solution also offers a simple, predictable OpEx model for hardware, enhanced security using micro-segmentation, a centralized firewall and growing suite of add-on security features, and a standardized configuration across the institution, which supports security and manageability, Petro said.

New business lines increase revenue

The AT&T SD-WAN solution has enabled COCC to develop new product lines, including iWorkstation, an infrastructure-as-a-service product that replaces the physical workstations that financial institutions use. COCC builds, customizes, and deploys these virtual desktops for its member institutions, and guides them through the journey to virtualization.

“They no longer needed IT staff to set up PCs, patch PCs, or set up servers. All of that runs within COCC’s data center and our team does all of the patching, security, and even support of that whole environment,” said Darren Wilkes, Assistant Vice President for Technology Services. The company also offers its member institutions a VeloCloud infrastructure.

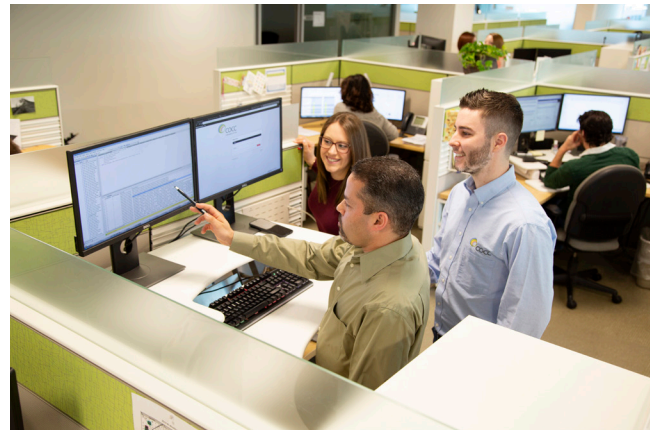
“Without the SD-WAN capability, we would not be able to deliver our iWorkstation product. This product requires 100% uptime and that is only achievable with the flexibility, stability, and ease of use that the VeloCloud and AT&T solution gives us,” Wilkes added.

COCC expects iWorkstation to bring in \$8.6 million in annual revenue once the product is fully loaded in FY21, and its VeloCloud offering will generate approximately \$4.8 million annually. With projected FY21 revenue to be about \$160 million, the iWorkstation and VeloCloud products are expected to generate 8.4% of COCC’s revenues.

Lockwood says the company could not have launched these revenue-creating services without the AT&T and VeloCloud solution. “I can’t highlight enough how critical that solution was to our gaining great growth and even more importantly, customer retention. Without it, we couldn’t have created the sticky service that’s going to tie customers to us for the next 10 or 20 years.”

Positioned for success

COCC is the only financial technology company to have successfully migrated its entire client base



from a proprietary legacy system to an open, next-generation relational database core system. Member institutions have been quick to adopt COCC’s new solutions.

“We are getting immense penetration,” Lockwood said. “I’ve officially told our board that I would be shocked if within 5 years we don’t have 100% adoption of iWorkstation and VeloCloud.” This migration has helped clients lower their operations costs, improve their ability to service their customers, and position themselves to succeed in the increasingly competitive financial service marketplace.

COCC continues to expand its relationship with AT&T, recently engaging AT&T consulting services to assist with Payment Card Industry Data Security Standard compliance. “Our AT&T team is outstanding. From executive leadership down to the local account team, everyone works to understand our business and our goals. They deliver tailored services that fit perfectly with our priorities,” he said.

“We’ve been very pleased with the help from AT&T on a number of our different security projects. They get

to see a lot and that's really what we pay for when we bring in consultants," he said. "We want somebody who is very experienced and can bring a lot of different views to the table, so we've been extremely pleased. It's another great way our relationship has grown over time."

For the near future, COCC is eager to adopt other AT&T services as they are introduced, including AT&T network and security products. "We're also very excited about the 5G rollout from AT&T. We think this will be an outstanding pairing with our VeloCloud and iWorkstation infrastructure," Lockwood said.

"VeloCloud backed by AT&T is a great choice for us. It has allowed us the flexibility of bringing in leading-edge technology with minimal risk," he said. "The AT&T SD-WAN OTT offering with VeloCloud solution has been a major success for COCC."

Joseph D. Lockwood

President and Chief Operating Officer, COCC