

# INTERVIEW TRANSCRIPT

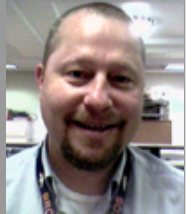
Interview on behalf of Qwest

Dave James

Centennial Bank Holdings

VP Information Technology

Last updated: 2008 Jul 22



**Product(s): QMOE: QC**  
**Industry: Finance**

## 1. Business need

"I guess our primary driver when we were looking around at solutions, we had a thin client environment and fewer and fewer of the applications that we were being forced to use were supported in that thin client environment. So we needed to go to PCs on every desktop and we didn't want to locate servers at all of our locations. That was the reason we went with thin clients to begin with. The only way to put servers in a central location was to have bandwidth that was much higher than a traditional T-1. We had additionally wanted to go to some IP trunking of our voice traffic from location to location and, again, we needed more than a traditional T-1 bandwidth to be able to do that."

## 2. Evaluation & selection

"Qwest was the company that made us aware that this kind of technology was out there. Once they did that, we started looking around and we saw some other telecom companies that were offering high bandwidth wide area network connectivity. We didn't look a lot into theirs [other telecom companies] because most of it seemed to be sort of an ad hoc design approach at that point in time, whereas Qwest had this mature product. Qwest gave us a lot of information regarding the QMOE setup in the greater Los Angeles area and some pretty decent success stories from out there. So I won't say that we didn't do due diligence. We looked at several vendors; we didn't look very deeply at anybody other than Qwest simply because what Qwest presented to us was so complete and it was exactly in line with what we wanted to do. We spent more of our due diligence looking into, you know, security concerns around QMOE and things like that. Certainly, cost was one of the main drivers, bandwidth availability, and I guess flexibility. The ability to dial up or dial down the bandwidth as needed."

## 3. Why Qwest?

"I think we chose Qwest because it was a very cost effective solution. The reputation of Qwest--we've done a lot of business with Qwest on other products. Their service and support has always been phenomenal for us. We were looking to consolidate our telecom services as much as we could and this was just a natural fit.

Primarily, it was a labor saver to be able to pay a few bills to one company rather than a bill here for voice and a bill here for data and a bill here for some other telecom service. It's nice to be able to work with one company.

We have a single point of contact at Qwest regardless of what our billing questions are about. We understand the process for reporting network problems with Qwest, so kind of the consolidation of a telco provider allows us to basically have one-stop shopping for everything around telco from billing to actual network usage, management, service, support--that whole thing."

## 4. The implementation/installation

"You know, it went pretty well. There was a lot of prep work that had to be done. Most of our locations were not prepared to accept fiber and, of course, you can't run fiber in the same conduit as you run copper in. So we had to do a lot of third party contracting to get directional boring done under parking lots and things like that, but in every case, we had a Qwest engineer working with us, showing us exactly where it had to go to and, you know, all of the specs were provided for us because we've never done anything like that. It's a pretty quick process; they don't have to tear up any ground or anything to do it. Once the prep work was done, it was all--we were working straight with Qwest and it was very smooth. We had a fantastic project manager. We always knew exactly when the engineers

point of reference™

TERMS OF USE: This interview transcript is provided as a service of Point of Reference Inc. The terms and conditions accepted by the user of the Point of Reference web site, where this document originated, apply to the use of this document. Information contained in this document is private and confidential. The interviewees quoted in this document are not to be contacted directly by the reader. Interviewees and Point of Reference Inc. are held harmless from any liability resulting from user's reliance on the information provided herein.

# INTERVIEW TRANSCRIPT

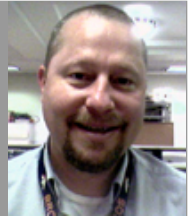
Interview on behalf of Qwest

Dave James

Centennial Bank Holdings

VP Information Technology

Last updated: 2008 Jul 22



were going to be on site and when certain things were going to happen. Basically, it was kind of on autopilot for us. Once we did our prep work, we just sort of sat back and waited for Qwest--and we didn't have to wait very long. Everything was exactly on schedule for the whole project. We started off with I believe it was 11 sites initially. This was done before we merged with another bank. After the merger occurred, we started adding additional sites where the QMOE service was available. So for us, it was probably about a four or five-phase overall project. It seems like we went live probably in January or February of '04, so about a 5-month timeframe from start to finish. And again, that could have been a lot quicker except for the prep work that had to be done."

## 5. Overview of solution

"Qwest does all of our long distance for us. All of our voice services come from Qwest with the exception of we have some rural locations that are not served by Qwest. We of course have QMOE. We have a full 45-meg ATM connection at our downtown location that connects to our frame relay that goes to the sites that don't have QMOE. A couple of our voice hubs use an IMA line, which is essentially a bonded ATM. It's like having two T-1s bonded together on the ATM network. And then we use customer premises equipment to tie all those together. Qwest has done some really good work for us in terms of mechanized summary bills so that the number of bills that we have are at a bare minimum. I think we have a total of about six bills a month from Qwest."

## 6. Business/IT environment

"Well, basically we have 36 total locations, 20 of them are on the QMOE network. We use our own customer premises equipment to interface that with a Qwest-provided frame relay/ATM/IMA network, which allows us a nice seamless transition from QMOE to non-QMOE sites. We use IP trunking from point to point for our voice systems. We're not true VoIP to the desk, but we are from site to site. We have a consolidated voicemail system that needs some decent bandwidth to work. Our primary core application is served on a mainframe in our downtown location and people at all 36 locations need access to that. Basically, it kind of looks like a great big LAN because of the bandwidth that we have. We have a limited number of servers at branch locations and those are only on branches that aren't served by QMOE."

## 7. Customer service

"It's been excellent. I think we've had one sort of marginal experience with Qwest and it basically stemmed from a misunderstanding when we divested a small company and there were some directory assistance issues that we didn't communicate clearly. Other than that, responsiveness has been fantastic. On the QMOE side especially, we get calls from the Qwest NOC up in Minneapolis, I guess it is, usually before we even know there's a problem, and that's saying a lot because we are a very network-centric company. So when we don't yet know that the network is going to create an issue and we get a call from Qwest, that makes us feel pretty good."

## 8. Non-financial benefits

"You know, I guess for me, I would say predictability. QMOE is just--it's been rock solid. We've had one outage in the entire time we've had it. Unfortunately, it happened to be at our downtown Denver location, so it looked like the entire thing was down. The outage lasted about 5 minutes and it was back up. It's so predictable that we can basically forget about the sites that are on QMOE. It's literally almost like they're here in the building on the LAN. We don't have issues with it, you know, with the hardware or the networking or anything, and that lets us work on other things. It gives us the time to do the network architecting and planning and stuff that we need to do without having to worry about this very mission critical link-up that we've got. We are actually moving away from a thin client environment simply because a lot of the core banking applications just don't run on thin clients, but we've been able to replace them with PCs, which these days are just about as cheap as a thin client anyway. And

# INTERVIEW TRANSCRIPT

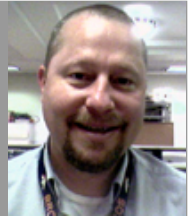
Interview on behalf of Qwest

Dave James

Centennial Bank Holdings

VP Information Technology

Last updated: 2008 Jul 22



we've got the bandwidth, just the luxury of that bandwidth--we can push out updates to PCs just like they're here in the building. We don't have to have remote print servers, we don't have to have remote anything except the PCs. Each one of our branch locations has about--anywhere from 6 to 12 users, and you hate like heck to have to deploy a server for that small of a group of users, and with that bandwidth that QMOE gives us, we don't have to worry about that. That means we don't have to worry about data backups at all these remote locations; we don't have to worry about any of that stuff. It definitely has let us do exactly what we had envisioned when we went with QMOE."

## 9. Measurable benefits

"The biggest and most immediate savings that we see is the cost of keeping a server running at a branch location. We have a budgetary number of about \$5750 a year, which includes the time for the system and network administrators, it includes the maintenance contract on the box, it includes all of the monthly maintenance that is going to have to happen on it--you know, the backups and all those things. So, you know, close to \$6000 a year per location, which basically offsets the prep cost. It costs about an average of roughly \$5000 to prepare one of our locations for fiber. So basically eliminating the server allows us to say that it's a push on the cost to get the site ready for QMOE, and then the cost of the QMOE bandwidth is just about the same as the cost of a T-1 plus the maintenance on the Adtran or whatever CSU/DSU we'd have to use to split that T-1 up. If we weren't going to split the T-1 up, we'd have to have two T-1s going, one for voice and one for data. So really it's almost a push. QMOE might be a few percentage points more expensive than T-1s, but we pick that up in terms of productivity. So our biggest ROI, again, is basically the elimination of all that equipment and the people that we would need to take care of that equipment at those locations. So basically the first year that we deployed QMOE, we mitigated the cost of prepping the site and then every year after that we're saving another, you know, roughly \$6000. When I multiply that by 20 sites, that's \$120,000 a year in savings, so that's a couple of network administrators that I could hire, but I don't need to. It's a direct bottom line impact. At this point, we've mitigated all of the setup because we're into our third year now, so we're saving money on the bottom line every year because we don't have all that equipment out there. And then another thing that we were able to do--I guess as a combination of mergers that we've been doing and having QMOE available now up in northern Colorado, we were able to build our own disaster recovery hot site rather than having to collocate. And collocation services were going to cost us around \$100,000 a year and that doesn't include the hardware and software that we would need to have these failover systems available. We were basically able to do it for nothing in terms of the site other than deploying QMOE. We have a 100-megabit QMOE connection at our DR site and the same thing at our downtown Denver site, and through some pretty aggressive design work, we're now able to failover all of our critical servers up to there without anybody in the bank even being aware that it's running up there. So the savings on that over three years are going to be--we're going to save \$350,000-\$375,000 over the next three years for that."

## 10. Areas for improvement

"The only thing I'd like to see is if they could expand the service area. They've talked about Fort Collins and that's awesome; that takes care of a few more of our branches. I'd like to see it cover Greeley, Berthoud, Loveland, out east in Strasburg, Bennett, and Byers--we have locations out there. I don't know though that that's even practical. That's about the only thing I can say that they need to do."

## 11. Future plans

"We are going to continue to aggressively try to consolidate our telecommunications providers into services that Qwest offers. We still have some opportunities to move long distance over and things like that, but our vision for the future would be all of our locations being connected via QMOE; whether or not that's practical or possible, I don't know, but we sure hope so. We're going to be doing what's called the ELA, the Internet access over QMOE. That's in our immediate future; that's probably in the next 2 months and that's going to give us seven times the bandwidth to the Internet that we have for less than we're paying now."

# INTERVIEW TRANSCRIPT

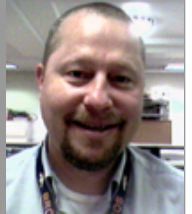
Interview on behalf of Qwest

Dave James

Centennial Bank Holdings

VP Information Technology

Last updated: 2008 Jul 22



## 12. Recommendations and advice

"Oh, I guess I would say, for one thing, do everything your project manager tells you to do. The Qwest project managers really know what's going on. We kind of pushed back in the beginning because we know how to run projects. We don't know how to run Qwest projects though, and I would say that project manager is an incredibly valuable resource and you need to make sure you do what he or she tells you need to do, when you need to do it, and then everything is smooth. I would also say make sure that you've got one go-to person at Qwest so that basically you don't have to go through the phone system and press 1 and press 3. We've got a person that we've been able to call immediately and Qwest has always been open to saying 'Yeah, here's the person you can call.' And the person that they gave us, she's been amazing. She answers every question we've got regardless of the service. And I would say when you're doing QMOE, if you've got a letter of agency with a third party, I would say even if you're going to use that partner to get the work done for you, make sure that you're involved with what happens with it. QMOE is a very--it appears to be a very high-risk project when you first propose it, and when you tell the folks up in accounting, up in the CFO's office, that you want to put fiber in all of your locations, they're going to immediately assume that it's way too expensive. You're going to have those numbers there at your fingertips all the time. If you're working through a letter of agency--and we ran into this early on--you don't always have the stuff immediately available. It's better if you involve yourself directly, at least--either with the partner or even without the partner and working directly with Qwest."