

# INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Steve Slane

University Federal Credit Union

VP of Information Systems

Last updated: 2010 Mar 25



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

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## 1. Business need

"My name is Steve Slane; I'm Vice President of Information Systems at the University Federal Credit Union here in Salt Lake. We're about a 550 million dollar credit union; about 74,000 members. We have about 14 branches, 30 ATMs, and communications is a major part of our business plan.

With a financial institution, we have to have 24x7 coverage all the time, no exceptions. Communications is a very major [operational] part of ours; we need our network up so our branches can operate; we need our ATMs up so people can have access to the money; and we also need voice communications so that the members can call in for any questions.

Some of the challenges are we were just a spoke-and-wheel [network topology]; we needed to get to peer-to-peer [architecture] on it so that if one connection went down we would have redundancy over to our disaster recovery site.

We [also] needed more bandwidth because we were virtualizing our desktops and our servers; we also had issues with our backups because they were taking between four and six hours per night on there, so we were starting to get some conflicts--we had to time it down to a very short time period.

And so we needed more bandwidth to move the data over to our other center [to more quickly complete data backups] and so we needed to increase our bandwidth substantially and also have a switch so that in the future if we expand substantially, we can just flip a switch and move it up [bandwidth] even faster."

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## 2. Evaluation & selection

"Some of the criteria for a project of this size, since communication is so critical to our business function, is we had to have redundancy--we had to have off-site switching stations so that if something--if a natural disaster would happen here in Salt Lake, we could swap out to another station somewhere else; reputation of the company; and also scalability were some of the prime considerations that we had.

Also in the mix of that was the cost consideration--would this save us money or would we just be putting more and more money in it and getting a little bit better service? So we were looking for cost effectiveness in this solution.

When we started the RFP process, we put out the proposal for different vendors. We received in about eight to ten different RFPs from different vendors; then we looked exactly on the criteria that we had--would they meet that? Would they be close to that? Or did they exceed that criteria?

After that, we whittled down the group down to two to three different vendors; at that point, we did on-site visits, verified where their switching stations were; we looked at some customer references of people that were currently using that and then it was also a trust factor of brand reputation--will they be around in five years? Will they be around in ten years? And will they provide the customer service that we need and demand on there?"

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### 3. Why Qwest?

"We specifically chose Qwest because after looking at other vendors, the nationwide presence was a major factor for redundancy--natural disaster, disaster recovery; it was built in.

There was also scalability in the future that as we would expand and need more bandwidth, we didn't have to purchase new equipment; we could just flip a switch. The infrastructure was already built in, and so we could scale it up on a moment's notice; we wouldn't have to plan that out for next year's budget and purchase new equipment and get it installed. It was basically flip a switch and we could scale it up.

Another factor in there was also where the switching stations were located. Since we are doing point-to-point [meshed network] and we are looking for disaster recovery, if the switching station was only in one place and they had a disaster, that wouldn't do us any good. So with multiple switching stations, we are covered for any type of natural disaster.

We also looked at the cost efficiency. The net effect out of this was that we would save a substantial amount of money per month--about 15 percent per month on our telecom costs that we have. That also came into play after the dependability, the reputation, and the service that we would get. But as an added bonus on it, we will be saving money, we will have an ROI on this within two and a half years, which is very substantial for telecom for a credit union of our size.

As you know, with the economy--there are a lot of companies starting up in the past and with the economy as it is, they are not surviving.

One major factor [we chose Qwest] was Qwest's robustness. They're nationwide, they're large enough to take on any of the challenges of the economy right now--so once we invest all of this money for the buildout and to actually entrust all of our data communications through one company, a major factor was will this company be around in five years?

I do believe they will be; they are nationwide; they're robust; they have enough switching stations that we can actually sleep well at night knowing that we're not gonna have to go through this process ever again on there."

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### 4. The implementation/installation

"With the QMOE, we have created an integrated solution. We have the QMOE for data transport; we also have Internet access on it, and then we also have our telephone, our voice services, on it.

With our upgrade from Qwest from our standard network up to the QMOE network, our branches were at 1.5 megabyte. We were starting to get some lag time on it because we were starting to use up our bandwidth. The branches are all now at 5 megabytes, which is basically a little over three times the size of the pipe on there. The bandwidth from our different data centers went from 10 meg up to 100 meg.

This was actually a very daunting project. We had to do buildouts at the branches; we had to bring fiber into some of the branches; we had to upgrade the copper in other branches to increase the bandwidth.

There were buildouts; we had to go under roads, we had to get permits for different buildouts from different cities.

For a credit union our size, it actually would've taken a couple of people full time for probably about a one-month period to just get the permits for all of the buildout that we did.

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This started out as about a four-month project; we were walked through it 100 percent. We basically just tagged along during the buildout and actually the fire-up of all the different connections. We didn't really have any major issues on it.

We were walked through what needed to be upgraded; we chose our own vendor for it. We were told what was needed; we put out RFPs for that. The vendors did it, and then when we actually fired up the connections, literally it was a plug-and-play.

All the wire was pulled into the spot; we went in, we were told to change the setting on the router and then the cable was labeled. We literally were down for five minutes, unplugged our old connection, plugged a new one in; we were on the phone with Qwest and it was up and running within five minutes, and that was consistent with all of our branches--all 14 branches and the admin building.

So it went very seamless, it was not painful, and it accomplished what we wanted accomplished and on the timeframe that we were told on there. And it was minimal input from our side."

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## 5. Overview of solution

"Currently, we're using the Qwest QMOE; we are also using the [Qwest] Internet access and then also the [Qwest] voice [service]. This has--so we have bundled everything into one package.

Our branches need access to both the data from our servers for transactions and also Internet access for both the members and for the employees to be able to go out to some of the different businesses that we have a relationship with. So they need access--quick access and reliable access.

Also, a major part of our business is communications. We have roughly about 200 phone lines all together. We have a service and information department that they are on the phone every day, all day [with customers]; we actually take about 18,000 phone calls per month in just that one department alone, so communication is a very major part for the telephone for both our members and also to resolve any issues that we have on there.

The third part of it is the Internet access. Since we have to pull credit reports, we have to have Internet access to some of the dealers for some of our loans, we need 24-hour coverage for Internet access that does not have any lag time and that is up at all times so that we can actually get the information that we need from some of our outside vendors that we have used."

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## 6. Business/IT environment

"Currently, we have what we call real-time ATMs. Anytime you swipe a card, the transaction comes into our server room, into our host; we accept that, post it to the member's account. So we have to have 24x7 coverage for any type of card transaction.

The branches also need connectivity to both our core system to be able to pull credit reports, to be able to pull in loan applications, to get titles--there's a lot of diversified services that we have outside that we need Web access to these other servers from different companies to integrate everything into a seamless product for the employee that they can go from the start of a loan application all the way to the funding of it without the member knowing that they have to go out to outside services.

So communications is absolutely critical for the branches for seamless operations of both doing a transaction and to applying for a loan, funding a loan, and some other services that we apply out at the branches."

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## 7. Customer service

"The net effect out of all of this: They have been very responsive and they also did an audit of what lines we used; they looked at our bandwidth. We had some lines out there that we hadn't used in two to three years--they were just dead lines--and through this audit they said 'Do you really need these?' They traced down the location of where they were and we said 'We don't do anything there anymore.' We disconnected the phone line; we'd been paying for them for a while and we didn't even know it. So the account team has been absolutely fantastic on showing us any cost benefit that we can get.

We've increased our bandwidth, we've increased the amount of product, but our cost has gone down on a monthly and on a yearly basis.

The other side is for the technical response that we've had--we really haven't had any issues.

There was one issue with a router that they told us we needed to change the setting on; they were very helpful, responsive. They have quite a few different teams for all of the different technical aspects, whether it is Internet, phone, or data transport and we just call and we're routed to the correct team. They understand that we don't have all the knowledge of the data transport that they do and they are very responsive and put it into a language that we can understand and that we can use, and they have helped us along the way, all the way."

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## 8. Non-financial benefits

"Before when we were just on copper, we were starting to hit our limits on the capacity. When everybody would come in in the morning, log in, we'd have to do a download to their PCs--it started to take some more time on there.

With the Qwest QMOE, we've increased our bandwidth and our capacity from 1.5 to 5 megabytes. So issues like that are not an issue anymore; we don't have to worry about scheduling people to come in at certain times. Everybody can come in; there is enough bandwidth and capacity so that all the branches can do it at the same time without any issues of lag time or them waiting around until everything is done.

With the QMOE network, besides scaling everything up for our current needs, we also have the option--we've done the buildout, we have the fiber in it, we've upgraded our copper so that we do have scalability for our future needs and our growth on there.

If we see that one branch is starting to max out their bandwidth, all we have to do is call Qwest; they will flip a switch and we'll go from 5 meg up to 10 meg. At that point, we can do that individually per whichever branch needs it depending on the branch growth on there.

With the QMOE, we have had seamless [vendor management] integration with both our data transport, our Internet access, how we're hosting our sites, and then also with our telephone, our voice communications. Everything has been seamless.

With IT, we're dealing with quite a few different vendors all throughout the country for different products and services; sometimes it is a challenge to just know which vendor is doing what for us without having to do a lot of research.

If it's anything to deal with data, data transport, telephone, or Internet access, we just call one number and then we know that we're with the right company. We don't have to call somebody and say 'Do you do this for us?' We know exactly who we're dealing with and they will route us to the correct department.

That's taking a big load off because if you're dealing with quite a few different vendors, it is a challenge to keep

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up with all of them, and sometimes as we're moving contracts from one vendor to another it is a challenge to just keep on top of 'Have we added service here? Have we disconnected over here?' With this [Qwest service], it's one-stop shopping.

Also with the QMOE, we do have reliability. We did not really have issues in the past with reliability except for if somebody would hit a power pole and we had a single point into our admin building.

There has been a great improvement over reliability in both bandwidth and the capacity to where the branches aren't calling in saying 'I'm trying to do my download; when is it going to be done?'

We have the [application performance] reliability built in from the bandwidth, and plus with the redundant connections we have, now if one connection goes down, that is not an issue; we don't have to stop service to our members or to our employees, we just move everything over to our other site and then it goes seamlessly over there and nobody really notices any difference on there."

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## 9. Measurable benefits\*

"From the executive level, one of the most measurable benefits has been we've reduced our data communication cost by 15 percent per month; that adds up to a very substantial amount. We are--including the buildout, we are going to have an ROI in two and a half years on this, and at that point we will be saving money plus we've increased our capacity and we'll also have the scalability for future use.

Since we are into finance and everybody is into Internet banking, Internet loan applications, checking your balances, checking your history, bill pay, we do have to have an operation that is up 24x7; people can do it from their home or they can actually do it from their phone.

So the members do not accept slow lag time on it, so at that point we have to have enough bandwidth and enough lines coming in that the network is not an issue anymore; that people are like 'Well, it took me five minutes to get into this application' or 'It just sat there and sat there.'

At this point, our servers are the last defense on there. The network is not an issue; we have plenty of bandwidth for our members and also for our employees.

When they're doing a loan, they have to do a credit check, they have to do an online loan app from this other spot, and they have to go out and browse to about three or four different companies and gather all the information so that they can make a decision. They don't have to worry about 'When will it come in? Is it gonna be in in five minutes?' It is instantaneous. So it has streamlined our loan process somewhat on there.

We had to build in a big pipe between our main server room and our disaster recovery server room because that's where we do our backups.

It needs to be a scalable pipe; we were having some conflicts with the amount of time that it took to transport the data from one server room to the other, and this solution actually incorporated that to where we have cut down on our time substantially and we're not having the conflicts in the scheduling of the backup of the data.

We also are mirroring our main server room to our disaster recovery and with the communications in there, if anything ever happens to our point of connection at our main server room, we can--since we're mirroring all of our data over there, we can just flip the switch, go over to that server room, and we can have everything back up within half an hour communication-wise and data-wise without any of our members or our employees noticing any degradation in service.

Ease of implementation has been an absolutely both measurable and immeasurable benefit in the respect that we were

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walked through the project from start to finish; we did not have any downtime on it, which is absolutely measurable on there.

We have to have communications up 24x7. When we first moved over one branch, we were down for 30 seconds for the swap-over--that is it. The other is after that, all the branches, it was basically just walk and plug and play. We actually had it up to where we could do two branches per day; the driving distance between the branches was the biggest issue on there."

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## 10. Areas for improvement

"I really don't see a whole lot of areas that Qwest can improve upon to be honest. Once--they were very beneficial in the RFP process; they did not give us the quick answer--they gave us the correct answer. Sometimes it was not the answer we wanted, but we did value that opinion on there.

Another factor is that they--we really haven't had that many customer service issues. That--I can't say enough for that, especially when you're in the finance world; you have to have communications up and Qwest has done a great job, and honestly I would have Qwest just stay exactly as they are."

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## 11. Future plans

"Currently, we're pretty well set with our Qwest solution.

We have the bandwidth that we required and need; we also have the scalability that as we're virtualizing some of our desktops at our branches, we're going to need an increase in bandwidth. There's a very nice comfort of mind in it knowing that we don't have to do any more buildout; that as soon as we see that the bandwidth is being saturated, all we have to do is call Qwest and we can bump it up from 5 megabytes up to 10 megabytes or whatever we need. We can do that on an individual basis, so if one branch needs it now and another doesn't, it's not an issue--it's not an all-or-none, that we have to upgrade everything."

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## 12. Recommendations and advice

"My main advice if somebody was looking for a different data transport solution or communications solution, number one, have a very detailed RFP for all of your criteria for both the short term and the long term--and one big factor in the RFP is scalability for the future.

I would also highly recommend just one-stop shopping unless there is just an advantageous benefit from one other company, it would be better to keep all of your data communications all under one umbrella so you don't have to look around and say 'Is it this?' 'Is it this other vendor or another vendor?' Everything would be under one, and usually when you get bundled services, you do get some type of discount plus you get the benefit of one-stop shopping and also one-stop technical support.

With technical support, sometimes you are under a time crunch. If your data communications go down, that's absolutely critical with any financial institution's operations; you can't be juggling around trying to think under pressure 'Who is the vendor for this?' 'Who is the vendor for that?' You call one number; you describe the problem; they transport you to the right group on there."