ARIZONA FEDERAL CREDIT UNION MODERNIZES SERVICE DELIVERY AND TRANSFORMS SECURITY WITH VMWARE

INDUSTRY
FINANCIAL SERVICES

LOCATION
PHOENIX, ARIZONA

KEY CHALLENGES
- Provide application continuity even in a disaster scenario
- Rapidly deliver new member services
- Reduce IT costs by improving efficiency

SOLUTION
Arizona Federal Credit Union (AZFCU) was challenged with an aging infrastructure, which was expensive to maintain, was inflexible, and limited the credit union's ability to support its business goals. By leveraging VMware vSphere® and VMware NSX® in an active-active data center infrastructure, the credit union has enabled greater service availability, ease of management, and rapid service provisioning while making better use of its technology budget.

BUSINESS BENEFITS
- Offering always-on IT services to members and employees
- Delivering new services rapidly and securely
- Reducing costs by 34 percent compared to a traditional data center upgrade

To compete in today's financial services industry, banks and credit unions need the ability to identify market opportunities quickly and deliver new services rapidly. For Arizona Federal Credit Union, enhancing online and mobile services is vital to membership growth and retention. To continue delivering tools to help members become more financially empowered, AZFCU needed to modernize its data center and transform its security approach.

Arizona Federal Credit Union is a federally insured $1.5 billion, 125,000-member credit union chartered and regulated under the authority of the National Credit Union Administration. It was established in 1936, when a group of City of Phoenix employees pooled their resources to form Phoenix City Employees Federal Credit Union and subsequently merged with other municipal credit unions to form Arizona Federal Credit Union.

Instead of upgrading data center components as they reached end of life, the credit union opted for a complete overhaul, creating an active-active data center design based on vSphere, NSX, and Metro Storage Cluster technology. As a result, it is improving service availability, enhancing compliance, and bringing new solutions to market faster—all at 34 percent less cost compared to a traditional data center upgrade path.

The Challenge

Like many financial services organizations, AZFCU had invested heavily in traditional IT infrastructure to keep services available and member data secure. However, it understood that yesterday's IT operations model would not be sufficient to compete in tomorrow's banking market, as aging compute, storage, and network infrastructure hampered the credit union's ability to move quickly. Deploying and securing new applications often took months.

"We want to be proactive about new technology because it's an increasingly critical part of member service," says Amy Hysell, senior vice president and CIO, Arizona Federal Credit Union. "But security is always our number-one priority."

In an effort to separate new environments from its primary network, AZFCU used external proxy servers. However, as compliance and security requirements increased, it needed more visibility. It also needed better disaster recovery (DR) and data protection capabilities to provide fast, automated failover for all its applications, not just a select few. Furthermore, to improve efficiency, the credit union wanted to manage all core aspects of its data center using a single management console.

"With VMware, we created a secure, world-class data center architecture that will enable the credit union to deliver the next generation of member services. There's no downtime, we're saving money, and management is simplified."

AMY HYSELL
SVP AND CIO
ARIZONA FEDERAL CREDIT UNION

VMWARE FOOTPRINT
• VMware vSphere 6 Enterprise Plus with vCenter Server 6 Standard
• VMware Metro Storage Cluster
• VMware NSX Enterprise 6.2.3
• VMware vRealize Operations 6 Advanced

APPLICATIONS VIRTUALIZED
• Microsoft Exchange Server
• Microsoft Power BI
• Symitar Advanced Reporting for Credit Unions
• Splunk Enterprise
• Mobile banking systems
• Lending and collection applications

PLATFORM
• HP BladeSystem

PARTNER
• IT partners

With branch transactions declining by 53 percent over seven years and online and mobile logins increasing more than 200 percent, AZFCU decided to modernize its data center and transform its security to support the market shift toward always-on mobile services.

"We wanted a solution that would enable us to deliver new services, proactively manage our environment, and enhance our security profile, and we didn't want to wait years to get there," says Hysell.

The Solution

AZFCU engaged IT Partners, an Arizona-based VMware partner, to help it design and implement an active-active, high-availability data center based on vSphere and NSX. By balancing service delivery between two data centers more than 20 miles apart, the credit union would not have to prioritize applications in recovery scenarios.

IT Partners implemented a VMware® Metro Storage Cluster across 22 physical hosts, leveraging four new low-latency 10-gigabit links between the data centers. The architecture extends VMware availability features across both data centers, providing workload mobility and automated load balancing. Workloads automatically recover locally or at the other site, and all infrastructure is available for production use, with no lost capacity.

By using NSX to extend networking and security across both data centers, AZFCU can easily provide application continuity and increase service availability without compromising security. With NSX, there's no need to reconfigure IP addresses, recreate security policies after a failover, or use manual tools and scripts to synchronize site configurations. The credit union is also using micro-segmentation in NSX to isolate sensitive systems and reduce risk. The whole solution is then managed through VMware vCenter®, giving AZFCU a single pane of glass to manage compute, storage, and networking. VMware vRealize® Operations™ delivers operational insight and visibility across the entire infrastructure.

"IT Partners owned the VMware implementation and brought a lot of talent to our data center modernization project," says Hysell. "With their help, we went from decision to go-live in just over six months. By using VMware technologies instead of following a traditional data center upgrade path, we reduced CapEx costs by 34 percent and accelerated time to value by 60 percent."

Business Results & Benefits

The upgrade brought a host of benefits, including rapid service provisioning, higher availability, enhanced security and compliance, and proactive management. "With VMware, we created a secure, world-class data center architecture that will enable the credit union to deliver the next generation of member services," says Hysell. "There's no downtime, we're saving money, and management is simplified."

With the ability to quickly provision virtual servers and apply persistent, granular security policies, AZFCU can quickly offer new services. Convenient features such as online chat and appointment scheduling via online and mobile tools are easy for members to use. AZFCU gives qualifying members the option to receive preapproved loan offers on a mobile app and is implementing app alerts to notify members of special offers or inform them of fraud attempts. It's also offering CardPower, an app that lets members manage credit and debit cards remotely and specify geographic usage areas and allowable transaction types. When

marketing or other departments want a new application, IT can launch it in days rather than months and make sure it is properly secured. "With our new data center powered by VMware, we can say 'yes' a lot more often," says Hysell. "Our internal customers are very happy."

With its new active-active data center architecture, AZFCU no longer worries about downtime. Instead of a four-hour, largely manual DR process, applications automatically fail over in minutes, with no perceived interruption in service.

"Any critical systems outage costs us approximately $46,000 an hour, so VMware is saving us six figures for every avoided incident," says Hysell. "That doesn't include the reputational risk of downtime, which is serious for any financial institution."

The ability to micro-segment its network allows the credit union to block the lateral spread of threats, preventing hackers and malware from accessing or infecting other systems.

"It's fine to be able to identify a data breach, but by then it's too late," says Hysell. "With VMware NSX, we can contain a breach and minimize the impact rather than letting it go and doing forensics later to determine what happened. And from a data governance perspective, we have much more visibility, so it's much easier to conduct risk assessments."

Data center management now takes 20 percent less time—reclaiming the cost of a full-time employee—and is proactive instead of reactive. Meeting service-level agreements for turnaround times is much easier, and user account creation is completely automated.

"We're able to attract and retain top IT talent because we're giving them modern tools to do their jobs better," says Hysell. "We can understand the health of our network from a single pane of glass. I get a report every day, so I worry a lot less."

Looking Ahead

As many of its competitors struggle to meet new customer expectations using old systems, AZFCU is actively empowering members to take control of their financial future. Soon, it plans to begin using VMware vRealize Network Insight™ to gain even greater visibility.

"By keeping our technology current with VMware solutions, we're already one step ahead, and that gives us a long-term competitive advantage," says Hysell.

vmware®