



Are you ready for **Switch Migration?**

A WHITEPAPER

An industry guide to
successfully replacing
the heart of your
payments business.



ACQUIRER SYSTEMS

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In this paper

We look at the topic of switch migration including the drivers for migration, replacement choices and how to prepare for your migration project. We highlight the risks involved in switch migration and explain how using a dedicated Test and Validation environment from the outset can mitigate these risks to deliver your migration on time and within budget. Over the next few pages, we provide practical insight and understanding to help you to develop a strategy that is right for you. This paper draws on Acquirer Systems' vast experience of payments systems migration. We hope you find it useful.

What you will learn:

- **How to Prepare** your business for a lower-risk, faster and more cost-effective migration
- **See** how the right test platform can help you to evaluate your migration options
- **Find out** how testing can ensure your chosen switch solution will work for you
- **Learn why** next generation test platforms save you money and makes you more competitive

Introduction

The unprecedented transformation of the payments landscape is adding a vast array of payments types and delivery channels to the retail banking mix.

The Transforming Landscape

Today's payments landscape is undergoing an unprecedented transformation. Your customers are demanding payments services that perform better and are tailored to keep up with their modern lifestyles. They expect to be able to make a huge assortment of payments instantly, from almost any location. The younger "connected generation" is adding further pressure. They want alternative mobile and on-demand payment services. These include eWallets, prepaid cards, digital credits, and direct-to-bill services. These new payment types are dramatically increasing the variety and volume of transactions.

Payments are the lifeblood of retail banking. It is here where the impact of changing consumer behavior is felt most acutely. Customer satisfaction depends on seamlessly integrating each new payment type into the banking service mix. Systems must be continually enhanced to meet the demand for faster and more convenient payments. This is essential for your business to stay ahead in an increasingly competitive market brimming with new entrants and alternative models for payments delivery.

The transaction switch is at the heart of your response to this challenge. It routes payments between the point of customer interaction and the bank's processing systems. It is a mission critical component of your business. Most customers do not make daily visits to your branch. However, they do engage in other banking services that depend on the switch almost every day. This might be using a card to buy shopping, taking cash out at an ATM, or making a balance enquiry. The switch now connects a growing range of customer touch points including the Point of Sale, ATM, mobile, and Internet with a variety of back office systems and operations. A typical switch processes 75% of the volume of customer transactions. Up to 90% of all your customers interact with you via the switch on a single day. With most of a customer's banking interactions conducted through the switch, its performance is key to shaping your customer's experience.



Introduction

Financial institutions are now compelled to evaluate switch capabilities and consider migration to stay competitive in the new world of payments.

Switches at a tipping point

Switches are complex systems. They operate in real-time with a critical business mission to ensure every customer transaction is completed successfully. Often implemented decades ago, they have evolved in complexity over that time to keep up with new market requirements. The challenge of maintaining a switch has always been how to keep an expensive legacy platform up-to-date in the face of constant change.

Now, however, industry observers agree that a tipping point has been reached. The growing demands of customers for anywhere, anytime transactions and new alternative payments methods demand unprecedented flexibility and scalability from the switch. Most switches are no longer able to cope – they are just too inflexible and it is too expensive to change them. Some like ACI Worldwide’s BASE-24 are reaching their end-of-life and are being sunset. It is clear that an ageing switch infrastructure is holding many financial institutions back in the fight to win and retain customers. Something has to be done and many organisations are now evaluating their options to stay competitive.

Switch migration: A critical operation

If you decide to migrate to a new switch, the right migration strategy is critical. Replacing your switch is, in payments terms, the equivalent of a heart transplant. It demands careful planning and preparation to control the risks, and you must keep your payments services alive and functioning for your customers while the migration takes place.

With the correct approach the risks inherent in the process of migration are minimized, thus ensuring that “business-as-usual” operations are not disrupted.

An integrated testing platform, itself based on switch architecture, can provide a blueprint for migration success

In this paper we’ll examine why a successful migration depends on using an integrated testing environment to mitigate risk and control costs from the outset. The availability of real-time test and validation at every step of your migration makes for easier assessment, control, and management of your transition. You can even evaluate and validate your chosen solution before it is implemented. But, first of all, let’s examine why switches are under pressure in the first place.

Why are Switches under pressure?

The switch is under pressure from many sources, all of which are contributing to growing transaction volumes and narrowing profit margins, putting switch processing capability in the spotlight.

As a hub for retail payments and transaction enquiries, the switch is affected by increases in transaction volume. With the launch of every new payment product the volume and demand increases.

For your customers, the line is becoming blurred between card payments, mobile payments, electronic funds transfers, and new alternative payments methods. Providing a seamless payments experience depends on an open and flexible switch that can deliver an integrated experience across all these channels. Real-time processing, speed of response, and round-the-clock availability are also vital in order to meet customer expectations.

Each new payment innovation comes with its own special way of doing things. The switch must be able to keep pace and adapt. New methods of payment create new points of customer interaction and potentially new interfaces with back office systems. The switch must connect them all.

These demands are stretching existing switch architectures to breaking point.

Increased pressure on the switch

MORE PAYMENTS TYPES

Faster payments, direct debits and credits, cross-border transfers, micropayments, home payments, prepaid cards, carrier billing and services such as Google Checkout, Amazon Payments, M-PESA, BOKU, Square.

NEW CHANNELS

The Internet and mobile, NFC Contactless at the Point of Sale.

TECHNOLOGY LIFECYCLE

Legacy switches, such as ACI's BASE-24, are reaching end of life. The cost of maintenance and compliance is increasing.

CUSTOMER EXPECTATIONS

The connected generation is demanding instant payments services on their own terms, with 24x7 availability.

GREATER COMPETITION

New entrants are leveraging changing regulation (SEPA, licensing for eMoney and Payment Institutions), and open technology. Examples include Tesco, Metro Bank, Google, mobile operators, and PayPal.

CONSOLIDATION

Mergers, acquisitions, and reshaping of the retail banking high street after the recent financial crisis.

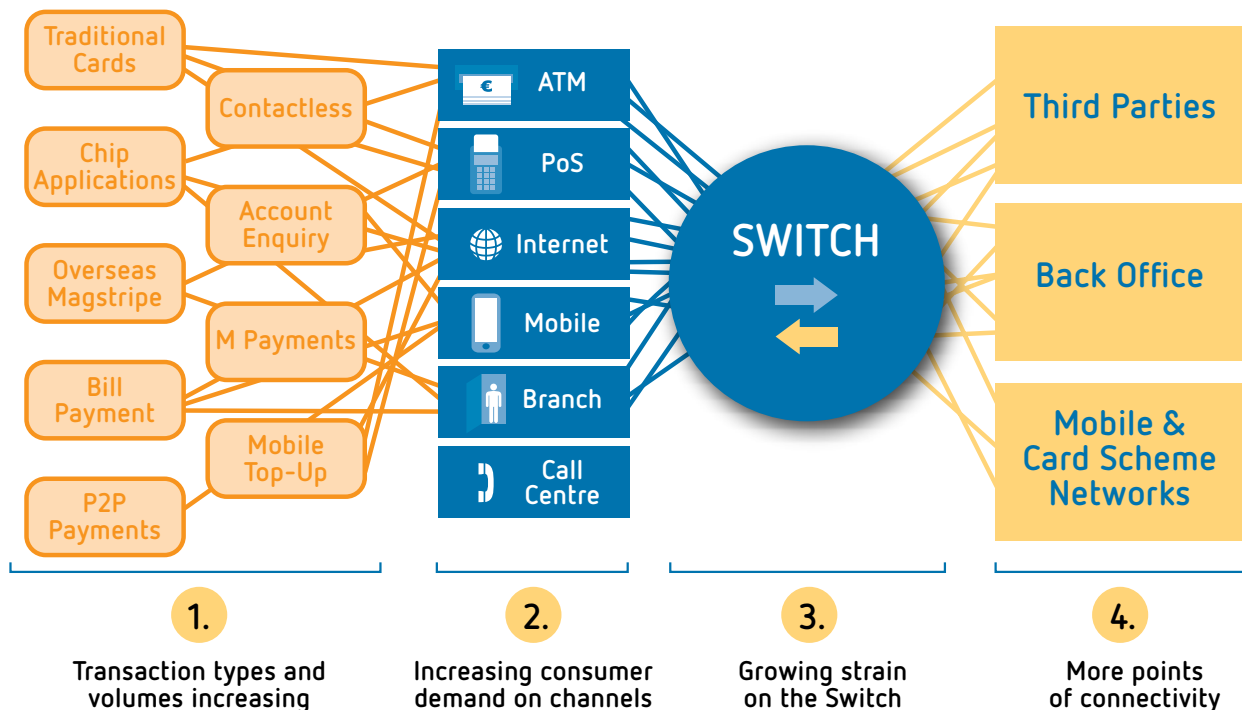
INTERNATIONALISATION

More cross-border payments, migrant workers, formation of the EU internal market.

COMPLIANCE

SEPA, EMV, PCI DSS, Card scheme requirements, greater emphasis on interoperability testing to improve acceptance.

Why are Switches under pressure?



The legacy problem

Many of today's switches were built and installed between ten and thirty years ago. Their growth has been characterized by a patchwork of modifications and upgrades to cope with market pressure and regulatory change. But each upgrade, or iteration, has made the switch more expensive to maintain and more difficult to renovate. The more a switch changed, the harder it became to add new functionality. This has perpetuated their rigid and monolithic state. Starting life as systems processing transactions for the ATM and Point of Sale, they are now tangled up in a web of bespoke enhancements.

The skills required to support older switches are becoming more difficult to find as the generation that built them passes into retirement. As a result, each new incremental development becomes more time-consuming and more expensive.

This generation of switch platforms is no longer able to keep pace with the demands of the modern payments market. They are too difficult to change, and it is too expensive to break them out of their siloes. They cannot be enhanced

to capitalize on new payment opportunities, and they don't fit into the new model for retail payments services.

Looking to the future of payments, it's clear that things have to change! Recognizing this, some switch vendors have chosen to retire their legacy platforms. Chief amongst these is the BASE-24 platform. This is a clear signal that it is time to re-evaluate whether your switching capability can continue to provide the competitive advantage you need in the new world of payments. It may be time to turn your attention to the next generation of switching technology and establish what the options are for migrating to it.

The sunseting of BASE-24

ACI Worldwide's BASE-24 has been a dominant platform in payments switching over the last two decades. In 2008, ACI announced that it intended to sunset its longstanding platform BASE-24. Customers of ACI are now compelled to consider their future platform choice.

Defining your payments strategy

Your organization's payment strategy will determine what functionality you need to deliver and, ultimately, whether you should migrate your switch.

Clear strategic objectives will inform what your switching environment needs to support. An assessment of the gap between this and the capability of your existing environment will inform what you need to change to meet these objectives.

Should I migrate my switch?

1. Agree your organisation's strategic objectives
2. Baseline your current capability
3. Examine the options to bridge the gap
4. Select an upgrade or migration path

Strategic Considerations

Here are some questions and considerations that will inform your payments strategy.

Question	Considerations
What do my customers want and need?	<ul style="list-style-type: none"> • What products and services do I need to offer? • How can I compete with new entrants? • How do we match up to existing competitor offerings? • How should I attract and keep new customers?
How does my payments environment need to change?	<ul style="list-style-type: none"> • How do I deliver a consistent customer experience across all delivery channels? • Do I need to integrate new touchpoints? • What new payment types do I need to support? • What transaction volumes are forecast? • What is the impact of scheme compliance and regulation?
How do I improve my business?	<ul style="list-style-type: none"> • Is processing front-end retail banking transactions core to my business? • Should we partner with a payments specialist? • How do I reduce my processing costs in this new payments world?

Baselining your current capability

Payments switching environments are notoriously complex. They, contain layers of functionality built up over many years. Determining what you have is the obvious first step in establishing what you need, but it often proves to be a difficult task. Baselining your current capability will establish how far short your existing switch environment falls

in meeting the objectives of your payments strategy. A full assessment of your existing system will establish what gaps exist so you can establish the cost and impact of delivering the necessary change. Baselining is an essential first step to help you decide whether to migrate or upgrade your switch. You may even decide to change your payments strategy.

What are the options for a better Switch?

If the performance of your switch is a barrier to delivering the objectives of your payments strategy, then you need to consider your options for improvement. All options present challenges both in migration and maintenance.

A New Platform

For many whose switch platform is reaching end-of-life, the answer is to replace the switch with a next-generation product based on a modern, scalable, open architecture. Whether you choose the next-generation of product from your existing supplier or a new one, you will need to evaluate the incoming product to confirm that it performs to the required standards. As a minimum, it needs to match your baselined functionality.

The Central Payments Hub

Some banks are looking to deploy a central payments hub for all retail payments, extending the switch's accustomed bailiwick to the entire banking operation. This option offers many benefits to the business. It is also an unprecedented challenge in both architectural

and performance terms. The integration and testing challenge of connecting the hub to a variety of legacy systems is not least amongst these. With platform evaluation so critical and implementation so complex, the payments hub inevitably demands even more of a bank than a conventional switch migration.

Outsourcing

For other banks the migration decision point offers the choice of outsourcing the entire operation of the switch. Outsourcing has the potential to reduce costs and allow a bank to refocus on core banking. However, when outsourcing, you must retain the ability to verify performance and exert sufficient strategic control over the product roadmap. It should not come without loss of product control.

Option	Challenge
Implement new bank-wide payments hub	<ul style="list-style-type: none"> • Deploy entirely new mission-critical architecture • Reduce project risk • Ensure the new platform can perform all required switching functions • Control delivery cost and timeline
Migrate switch to new platform	<ul style="list-style-type: none"> • Maintain mission-critical operation • Reduce project risk • Evaluate new switch • Map functionality to new switch • Complete migration on time and on budget
Outsource switch	<ul style="list-style-type: none"> • Maintain mission-critical operation • Reduce project risk • Keep control of product delivery • Ensure that quality assurance and performance can be measured
Maintain and Upgrade switch	<ul style="list-style-type: none"> • Reduce development costs • Verify quality of ongoing operation and performance • Reduce cost of ongoing compliance

What are the options for a better Switch?

Maintain my existing switch

For a few switch operators, the preference is to maintain the existing legacy platform. This can be a result of wanting to extend the return on their investment in the existing platform or else to defer the risk of a full migration.

The challenge here becomes one of increasing operating efficiency. They must find ways to improve their ability to cope with increasingly frequent compliance demands. In parallel, they must find more cost-effective ways to develop and release new functionality. Later on in this paper we'll see that the challenges faced can also be solved through making the right technology choices and deploying an integrated enterprise-wide testing environment.

A flexible, modern switch will also help to protect your investment in back office systems by shielding them from the need to continually adapt to changing payments methods.

Making the right technology choice

Selecting the appropriate solution to replace your existing switch is a complex decision. Here are some questions you should consider when evaluating a new solution.



How long do I need to keep my existing systems running while moving to the new platform?



How sure am I that I can implement the new platform?



What resources do I need?



How can I technically evaluate the platform?



Can I trial the new platform?



How can I be assured, and confirm that, it will deliver what they say when I get it?



How can I independently test and verify the new platform's performance during migration?



How should I independently test and verify the migration itself?

The 8 Principles of a successful switch migration

Whichever path you choose for the replacement of your switch, migration is a critical business change project.

Your objectives are to realize the strategic business benefits of your chosen option. A smooth transition that maintains continuity of service is essential. Executive management needs to appraise the implications of any switch investment. Nobody wants surprises, delays or cost overruns. Whether an upgrade or a replacement, migration carries a Board-level risk profile.

Here are some key things to consider before embarking on your migration.

1. Ensure Continuity of Operations

During the course of the migration, you need to keep the production switch environment fully operational without interruption. Any failure to maintain service levels will significantly impact customer relations, brand, and cost. If you operate a national switch then the number of connected banks that depend on you multiplies the importance of your switch. Business continuity needs to be a cornerstone of your migration planning.

2. Good Communications and Risk Awareness

Your underlying IT structure is not always as visible at Board level as loan book performance or capital adequacy ratios. However, the impact of a switch migration is far-reaching both in terms of systems, performance and market impact. Executive management needs to be made aware of the risk and cost of migration failure.

Payment services providers face clear business consequences in failing to maintain continuity of operations. For example, the European Payment Services Directive sets out formal penalties for breaches of responsibility in the execution of payment instructions.

Key areas of risk that should be mitigated include:

- Customer experience
- Partner experience
- Business operations and continuity
- Technology change

3. Baseline your current switch

Baselining establishes your current capability in terms of functionality and performance. Your switch is an Aladdin's cave of functionality that needs to be correctly mapped, tested and migrated. During switch migration, your baseline can help to set objectives, evaluate your switch options, and measure performance and success. It is a critical tool in helping you to ensure that your new switch performs all the functions that existed in the old switch before you migrate. With your baseline set, you can analyze what changes and additions you require to improve your switching capability. Baselining should be completed as early as possible in your decision cycle, even before you decide to migrate your switch.

The 8 Principles of a successful switch migration

4. Verify your new platform

You must be convinced of your new platform's capability and performance before embarking on your migration. You need to verify that it will perform all the functions the business has built up over the lifetime of the existing switch. You must also verify that it meets the new requirements you specified, at the speed and volumes you require going forward.

If you baseline this functionality, you can then test and validate that the new switch is capable of delivering it. And you can verify its performance at the levels and volumes their makers' claim, before committing to any migration in

earnest. Consider using automated test tools as a means of evaluating a vendor solution during the tender process to verify functionality.

5. Phase your migration

Financial Institutions need to be able to migrate at their own pace. In contrast to our earlier heart transplant analogy, you don't need to swap one switch for another in a single operation. In fact, we don't recommend it.

A phased migration of discrete components of functionality will ensure your production switch environment continues to operate without interruption. A phased approach will minimize risk and help to prove the competence of the new platform.

6. Use a Pilot Migration

A pilot is a key "proof-of-concept" in your switch migration. It proves that you can complete the migration with minimal risk and disruption to the live business environment. It sets the stage for a full migration.

Independent testing

Independent automated test tools are essential to properly verify your new switch's operation without vendor bias.

External parties

You should also consider prioritizing your key interfaces with external parties that require certification as critical milestones on your migration path.

Your pilot phase should also establish a method for testing to ensure that each phase of the full migration can be completed successfully. Establishing an automated testing method here will deliver efficiencies throughout the entire migration.

7. Determine how to support your partners

Every successful migration requires the continued support of external parties throughout the process. From the outset you should consider the requirements of terminal integrators and merchants or other payment channel providers.

If you are providing switching services for other banks connected to your switch then your migration plan will need to consider how to support their migration. Providing a robust process of certification and on-boarding for your partners is valuable. This will enhance your brand and save on testing costs and project time. This might be packaged as a program of services and support, combined with relevant test tools.

8. Use Automated End-to-End Testing

The risk profile of your migration project can be reduced through automated testing. A real-time automated transaction-based test environment simulates network connections and end-to-end transaction behavior ensuring you can test for all infield scenarios. This is the best way to verify 'as live' performance without adding risk to your existing business-as-usual operations.

Through automation you can eliminate your dependency on expensive specialist script developers. This can dramatically speed up your ability to build new test cases and reduce the number of test cases you need to deploy. An automated transaction-based test environment lets you build more comprehensive test cases including negative tests, which can be reused independently of the underlying protocol.

Critically, you can run tests exponentially faster than in a manual test environment. This has the important benefit of making regression testing straightforward and fast, ensuring it is employed whenever necessary so that you can assure the quality of each phase of your migration project.

How to plan for your switch migration

Switch migration is arguably one of the most intensive projects your organisation can ever undertake.

A switch migration is always high risk and resource intensive. The potential for over-runs and risk to business-as-usual operations are high if it doesn't go to plan. Success depends on conducting a robust planning phase that properly prepares your organisation for the impact of migration. This planning phase should start as early as possible, at a point when a migration is first being considered.

Every organization has a different approach and set of circumstances that need to be catered for in a migration project plan. A typical migration plan should include the following components:

Questions to ask before beginning your switch migration

1. Why do we need to migrate the switch? What is driving the decision?
2. How will the migration meet our business needs?
3. Who depends on the switch and how can we ensure continuity of service is maintained?
4. Have we identified and assessed the risks associated with a migration?
5. Do we have a plan in place to mitigate these risks?

Component	Key Points / description
Business Case	<ul style="list-style-type: none"> • The business rationale (and planned benefits) for replacing your switch should be clear and the migration project should be measured against them
Risk Analysis & evaluation of impact	<ul style="list-style-type: none"> • Your risk analysis should be conducted as early as possible given the critical nature of a switch migration • Consider all risk scenarios and contingencies, both during the migration and when the new switch is in production • Set out the means and resources needed to mitigate these risks
Baseline	<ul style="list-style-type: none"> • Baseline the functionality and processes of your existing switch environment to establish its current capability and prepare for benchmarking the new switch. This involves real time and batch interfaces, human and system processes, and ongoing development updates to the existing switch

How to plan for your switch migration

Component	Key Points/description
Migration Design	<ul style="list-style-type: none"> • Examine deadlines and events that need to be built into the plan. Baseline the functionality and processes of your existing switch environment • Consider the role of a test platform to manage your migration more effectively • Identify external interfaces and compliance mandates first • Plan a phased migration
Resource Planning	<ul style="list-style-type: none"> • Identify who needs to be involved in the migration and what are their responsibilities • Identify what skills and training are needed • Communicate the migration plan • Staff should be trained up on the use of the new switch and on the test tools in advance of the migration project commencing. • Advanced training will help you to develop a more accurate test plan and timeline
Pilot	<ul style="list-style-type: none"> • Test functionality on a component by component basis • Build reusable test cases • Prove that the new switch works as expected
Certification	<ul style="list-style-type: none"> • Establish requirements for scheme and domestic certification
Production	<ul style="list-style-type: none"> • Agree milestones, metrics and schedule to Go-live of all aspects of your new switch into your production environment • Establish what aspects of the old switch will remain operating in parallel and for how long

Test Strategy Checklist

- What do I need to test?
- Is my test and validation platform fit for purpose?
- How can I minimize the need to produce scripts?
- How can I test more efficiently and complete test cycles faster?
- Do third parties need to access my test environment?



Testing: the key to a successful migration

An industry-wide shift is taking place in the role that testing should play in any payments technology project.

IT managers recognize that early testing is critical in identifying and eliminating the potential for cost over-runs and delays.

In fact, testing is being used as a validation function to increase quality and accuracy across all stages of the product development lifecycle from prototype to commercial release. In successful projects, the role of testing has now grown from being a painful hurdle at the end of a development cycle to being a critical and integrated part of a risk mitigation strategy.

2% of transactions cause 98% of problems in a typical support environment. Automated testing during migration identifies these cases early before they reach production and become much more expensive to fix.

In switch migration projects, the role of testing, if correctly utilized, in risk mitigation is evident. Higher quality testing during migration reduces the cost of maintenance in a live environment including customer support, technical support, and development. It results in fewer support issues and transaction failures and this improves the experience of your customers. This in turn improves your competitiveness, your brand equity, and reduces risk of customer churn.

Here we look at the various roles good testing can play in your switch migration and what they demand of your approach to testing.

Reduce risk by building testing into your migration design

An effective test strategy within a phased switch migration process will result in savings in cost and time. It will also reduce your project risk. This is achieved by building repeatable test plans that are rapidly executed and enhanced with each project phase. A test platform that simulates a full “end-to-end” network environment will provide you with many advantages. This includes the ability to confirm real-world performance without disruption to live operation.

Evaluate and baseline your new switch

The selection of a replacement switch is a decision that inevitably carries an element of uncertainty. Reference visits and customer testimonials are useful supplements in a thorough tender process but they are no substitute for a ‘hands-on’ evaluation. Access to a simulated live environment lets you evaluate the performance of any switch against it.

By building test cases into this environment, you can test for functionality that is specific to your payments business. This testing environment can be used as bedrock for your migration, delivering improved efficiencies and benefits throughout the transition. You should use this test environment to confirm new switch functionality against your baseline. It will also be possible for you to test and verify the delivery of new functional requirements during implementation. You can also use the same environment to validate that ongoing product developments made on the production switch during the phased migration are replicated on the new switch in parallel.

Testing: the key to a successful migration

Improve test efficiency for every phase of migration

You must fully test each phase of migration. This demands a well-defined and automated process that tests and verifies each phase prior to live operation. This includes end-to-end test and validation of a full range of simulated transactions types from issuing and acquiring banks.

It is expensive to rely on human resources for intensive testing. Script preparation requires highly-paid specialist development resources who may be more productively employed elsewhere. True test coverage demands the creation of non-trivial test scenarios to build-out a comprehensive plan. Depending on key resources to achieve this is inefficient and wasteful. The ideal solution is to use automated testing and build re-usable transaction sets for all testing requirements. True transaction-based test cases allow you to automate much more of the testing process. The transaction-based approach uniquely enables the reuse of test cases over any protocol or network scenario at any time. You should also be able to generate the appropriate test cases without relying on specialist expertise of the underlying payment protocols under test.

Once this is in place, you will benefit from significant efficiencies in running your tests and creating new test scenarios. With a next-generation transaction-based and highly automated testing capability that includes reusable transaction sets, rapid regression testing is possible at each stage of migration. And, critically, this type of testing capability means regression testing that once took days or weeks can typically be completed in a matter of hours.

“Testing often accounts for 30 to 40 percent of the cost to upgrade a payments system, streamlining and accelerating testing efforts can have a significant impact on the costs and quality for your payments transformation initiative.”

Cap Gemini

Ensure that your switch performs in all network scenarios

Testing against an ‘as live’ simulated environment assures that the new switch will perform as expected during live operation. This is a complex proposition if you need to simulate transactions from multiple issuing and acquiring banks that are connected to your switch.

You should be able to test a full range of transactions and network scenarios in the simulated environment. In doing so, you can confirm that the switch is interacting effectively with external elements of the payment system for all transaction scenarios.

Our estimates show that typically 140 manual test cases using a PoS device and human intervention can take 2-3hrs to execute. An automated test platform can execute the same number of cases in less than 3 minutes, at a rate of 1 per second. In total, automated testing can deliver up to 94% time-savings over manual methods.

Testing: the key to a successful migration

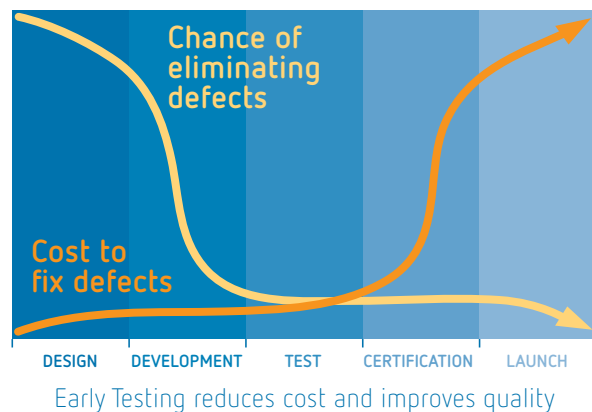
Provide partners with a stand-in host

A good test environment can be used to stand-in as a host for partners to test interfaces and protocol support for the new switch. This 'as live' test environment helps to facilitate a low-risk migration path for all the external participants. It also allows them to test their interface developments independently of each other, and without impacting your own development and test activities.

Conduct efficient and effective stress testing

Stress testing confirms your payments switch environment will meet the transaction demands of your business before going live. Even after migration, the capability to stress test your system for changing volumes and consumer payment habits, new channels and new connected banks, is invaluable.

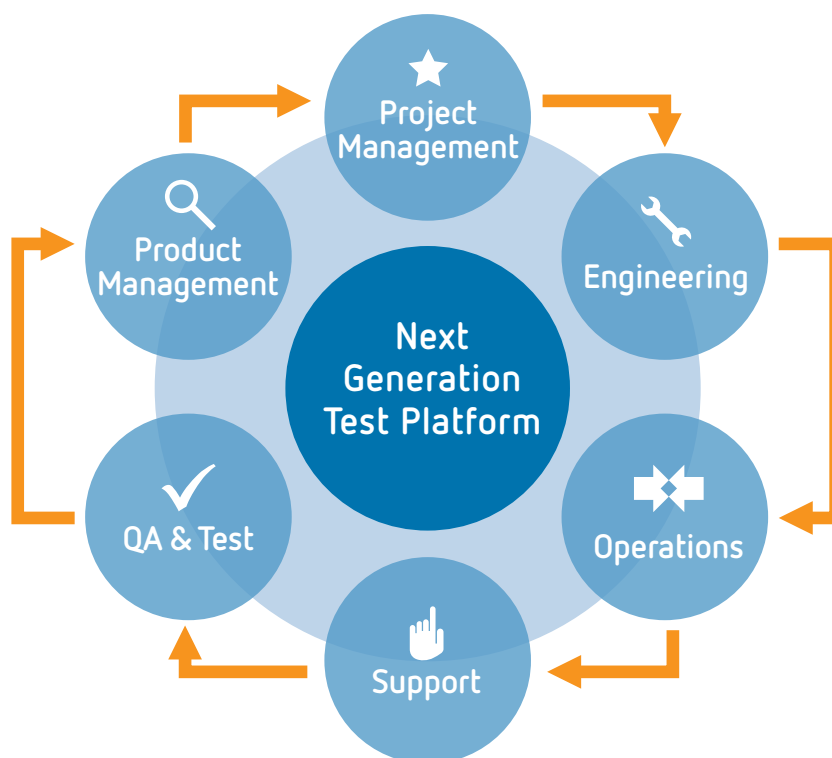
The critical aspects of successful stress testing are the capacity to simulate the required throughput of transactions and speed of testing. You can perform more comprehensive stress testing at significantly increased speed by deploying a simulated live test environment. Your test environment should be built on a switch architecture and be capable of supporting transaction-based testing.



Provide ongoing support for development and compliance

A test environment that is in place in parallel with your switch is demonstrably valuable even after migration. It will be available for on-going testing for validation, compliance, and new product releases. Following the switch migration, you can use the platform to simulate the production environment to test for scheme compliance, new product developments and enhancements, all independently of the production switch environment.

Testing: the key to a successful migration



Strategic linkages provide sustained competitive advantage

Improve your product development lifecycle process

An end-to-end test environment with real-time network simulation offers real benefits when integrated into your product development lifecycle process. If you give every participant access to the test environment you can improve the quality and speed of product development.

You can test new product concepts and enhancements earlier. This improves the quality of new product development on your new switch and increases the speed and efficiency of getting new products to market delivering sustained competitive advantage.

Your migration risk will also reduce if higher quality and more efficient testing is introduced much earlier in, as well as throughout, the product development lifecycle. This will eliminate defects before they become more expensive to fix and it will reduce your overall testing effort.

Why should test and validation be sourced independently of your switch?

- Being independent of the switch vendor shields the project from any undue "delivery influence"
- An independent test and validation solution is not tied to the live date of the switch in commercial terms
- An independent view is essential to treat the switch system as a "blackbox" and ensure it performs to specification
- You need to independently verify the delivered switch platform operates and functions as per your RFP prior to beginning migration

Choosing the right test and validation platform

A robust test and validation environment is essential to reducing risk and ensuring success in your Switch migration.

We've looked at some of the roles testing can play in ensuring your switch migration is successful. Tying them all together are the **four key attributes** that distinguishes a test and validation platform that can deliver these benefits during your migration.

1

End-to-end simulation of live network environments across issuing and acquiring

Test each phase of the new switch migration in an 'as live' environment to evaluate and validate performance without affecting and disrupting live switch operation.

2

Built on a switch architecture

This will mirror and simulate the functionality and performance of a switch using a familiar environment and workspace.

3

Transaction-based testing

Transactions can be used and re-used over any protocol at any time giving complete testing flexibility and eliminating the cost of script production.

4

Universal access across the product development lifecycle

Usable by all participants in your product development lifecycle to improve product development efficiencies by identifying defects earlier. Capable of supporting concurrent access by internal and external test and development teams. This also enables collaboration amongst all participants depending on access to the testing environment during and after migration.

Final Words

The right test and validation environment is the foundation of a successful migration.

The decision to migrate your switch is a big one, but the changing dynamics of the payments market mean that time is running out for legacy switch platforms. Switch migration is an intensive and complex project involving a range of internal and external stakeholders.

Even the best-prepared payments business can find unforeseen difficulties in migration. It is essential to identify the right tools and approach if you want to take significant cost, risk and time out of the migration equation.

Proactively leveraging test and validation as a key component of your migration strategy will result in massively reduced project risk and lower overall costs. The right test platform will help you to design and deliver a migration in a way that meets the needs of your business. It provides the assurance you need to guarantee performance at every step, from evaluation to certification and live production. Adopting this type of approach not only assists in your migration path but also delivers significant competitive advantage on an on-going basis.

8 Key Takeaways

1. Your payments switch environment is now the hub for the great majority of customer interactions with your organisation. Your customer experience and, ultimately, your bottom line depends on the performance of your Switch.
2. With existing switches being sunset, fast-changing market dynamics and new alternative payment methods, assessing the capability of your payment switch environment and planning for its development is a critical input to the board-level agenda
3. The impact on your organisation of a failed or poorly executed switch migration must be understood and mitigated for at a board level.
4. Start your migration planning early and in the context of meeting the objectives for your payments strategy
5. Baseline your switch and evaluate replacement options carefully
6. Recognise that test and validation is the most critical component of a successful migration.
7. Ensure your test and validation environment is comprehensive, simulating end-to-end transactions, and automated to deliver true efficiency and effective test coverage to protect your brand
8. Make test and validation available in real-time at every step of your migration for easier assessment, control, and management of your transition

About Acquirer Systems

A switch migration perspective founded on in-depth experience

Acquirer Systems provides test and validation software and solutions for real-time payment systems.

We offer transaction-based testing solutions that dramatically improves the quality and speed of card and payment testing for our clients so they can reduce costs, become more efficient, and get higher-quality products to market faster.

Our insight to switch migration and testing strategy is built on our expertise working on dozens of critical migration projects as providers of test tools and platforms to the payments industry since 1999.

Many of our customers involve us from the earliest stages of their migration planning through to migration completion because of our unmatched testing experience and migration know-how.

- Hundreds of migration projects or certifications completed
- Dedicated payments testing specialists
- A growing global customer base including blue-chip institutions such as First Data, BankServ Africa, Bank of Ireland and Standard Bank
- 80+ installations across the United States, Europe, Middle East, Africa and Asia.



Get in touch with our migration experts today to find out how we can help you!

Founded in 1997, Acquirer Systems is a leading provider of testing solutions for payment cards, devices and networks.

With extensive international experience, we support some of the world's largest issuers, acquirers and vendors as well as many national and international payment networks.

→ www.acquirer.com

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