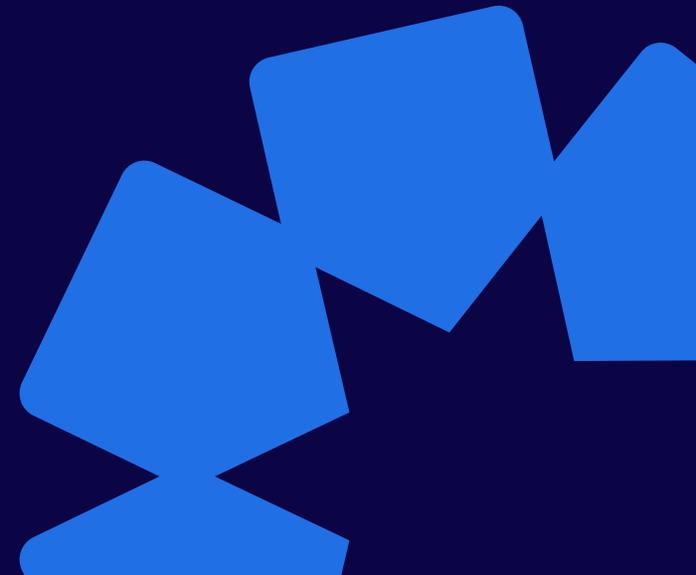




card@once™

Ready to Roll with Instant Issuance?

6 Reasons to Choose a SaaS Software Hosting Model



You've Decided to Offer Instant Issuance. Now What?

You've decided (or are close to deciding) to offer your cardholders the ability to receive a new or replacement credit or debit card in-branch, quickly and conveniently. Now, you need to make a number of key decisions on how to build out your program. These decisions range from the number and types of card printers to the type and amount of card stock to keep in inventory, as well as how many employees to train on the system.

However, the most important decision you will make prior to implementation is the type of software hosting model on which to build your instant issuance card program.

Fortunately, financial institutions today have a choice between two hosting models: **Software as a service (SaaS)** and **software for purchase (SFP)** (also known as 'on-premise').

In this eBook, we share six reasons why the **SaaS model**, where the data is maintained in a secure cloud-based server managed by your solution provider, offers benefits over the SFP model to support your institution's instant issuance needs.





Reason #1: No Software to Purchase

Initial investment in software and hardware is one of the key differentiators between the SFP and SaaS hosting models.

Under the SFP approach, the service provider designs a customized solution software package for each institution, which requires significant investment in time, resources and capital. The issuer must purchase the custom-designed software outright. The financial institution must also purchase Hardware Security Module (HSM) servers to securely house the instant issuance software and key code data. Initial costs of this equipment and software is quite high under the SFP model.

In contrast, under the SaaS model, the cloud-service provider hosts the software on its own servers, which the issuer easily and securely accesses over the Web. The financial institution does not need to purchase HSM servers or instant issuance software. This approach requires a much smaller initial investment in equipment and resources, making it more affordable for any size institution.

Reason #2: The Provider Handles Program Setup

Another key consideration is determining who will handle the initial setup of your instant issuance program.

One of the most resource-intensive requirements is the rigorous EMV® certification process. If you have decided to host your instant issuance service in-house through the SFP model, all certification steps must be performed before you can print your first card. This certification process must be repeated every time a new server is brought online.

Similarly, card processors provide every issuer with encrypted keys that are used to create the values personalized on the card. Under the SFP option, the financial institution must purchase a dedicated server to securely store key data and designate a minimum of two employees as key custodians.

By working with a card personalization provider offering a SaaS instant issuance solution, your institution will save both time and money. In this case, the provider has completed the EMV card certification process on its own servers, and your institution is not required to re-certify.

In addition, the provider handles all key management tasks. Implementation resources will assist with procuring all necessary key components through the setup process, in order for their experienced key custodian teams to perform the required key ceremonies needed for loading.



Under the SaaS model, the provider's experienced technology experts assist with all initial setup and will support onsite staff as they modify available Internet ports and establish connectivity.

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Reason #3: Minimal Ongoing Maintenance

With the SaaS model, the provider fully manages the system, relieving your institution's IT staff of responsibility for maintaining server IP addresses, networking, firewall settings, communication protocols and software updates. For many banks and credit unions, the SaaS model offers many of the same benefits as SFP, while requiring less internal IT resources and, in turn, lower costs.

In contrast, under the SFP model the financial institution maintains full control over the entire instant issuance process. Internal IT staff are responsible for all key processes and decisions, requiring a level of experience to support both the initial setup and ongoing maintenance of the system. Typical network installations require Static IP assignment to ensure each branch printer is assigned a unique IP address, and a set of instructions for staff to access available internet ports.



Reason #4: SaaS can be Implemented Quickly



Financial institutions often look to offer instant issuance to enhance their customers' experience by providing new cards in response to a time-sensitive event, such as a new account opening, a lost or stolen card, or rising competitive pressures.

Suppliers offering SFP solutions will typically custom design the solution to the institution's specifications, which takes time. Hardware must be purchased and installed, and software written on the HSM. The institution must become EMV certified, and the staff that will use the system must be fully trained.

With SaaS, the provider owns and maintains both the hardware and software. This means that once the financial institution's specifications are coded on the provider's servers, printers can be installed and brought online almost immediately. The branch printing process is straightforward and easy to use, so staff training is minimal and can be completed quickly.



Reason #5: SaaS is Cost Effective

Of course, cost and budget are important factors in any decision to offer a new product or service. Larger institutions can absorb a heavier upfront financial investment for major projects like payment card instant issuance. Smaller banks and credit unions generally do not have the same ability to invest significant capital. And all financial institutions expect to receive an adequate and measurable return on investment (ROI) within a reasonable period of time.

The SFP instant issuance model often commands substantial initial investments in hardware, software, staff and training. If your goal is to recoup some of those costs in the first year of deployment, it may present a challenge, and you should communicate this clearly to your supplier.

On the other hand, SaaS requires minimal upfront capital investment, allowing the institution to recoup its initial costs faster and begin benefitting from potential incremental revenue opportunities of instant issuance.



Reason #6: Economies of Scale

Before the advent of SaaS instant issuance, the SFP approach was the only option available to issuers. For this reason, instant issuance was primarily the domain of larger institutions, which could afford to spread the costs of expensive hardware (including servers, printers and workstations) and cardstock inventory, along with internal IT and key management staff across a network of dozens of branch printers, hundreds of employees and thousands of cards.

With the arrival of SaaS, smaller community financial institutions can now benefit from the same economies of scale afforded to the big banks. SaaS allows a single provider to offer the same level of service to multiple clients via the cloud, reducing any individual issuer's onboarding costs.

SaaS instant issuance efficiently scales to any size institution, whether a single branch location with one printer or a large regional bank with 500 branches.

Conclusions: Choose SaaS for Your Instant Issuance Program

Financial institutions of all sizes are rolling out instant issuance in-branch as a convenient option for their cardholders. It is easy to see why instant issuance allows cardholders to access their money quickly and begin making purchases immediately, without having to wait to receive their card in the mail.



The first, most critical decision is whether to go with a SaaS or SFP hosting model. For many years, FIs had only one choice: SFP. But there are six compelling reasons why a cloud-based SaaS model is a solid choice for your institution:

No software to purchase

The provider manages all program setup, including the loading of secure keys and EMV certification.

Minimal maintenance required. The provider manages all regular, ongoing system maintenance and automatic software updates and upgrades.

Quick implementation. Because SaaS is plug and play, your financial institution can deploy instant issuance relatively quickly to meet an urgent customer or market need.

Costs are manageable. Because the solution provider handles all setup, maintains the software and manages the servers, SaaS requires fewer in-house IT resources and is generally a more cost effective alternative to SFP.

Designed to scale. Because it is cloud-based, the SaaS model can handle any size branch network from a single office up to 500 or more locations.

Instant Issue Solutions Comparison

Other Solutions

Software for Purchase (SFP)

- FI is required to purchase software
- FI must deploy and manage dedicated server and network implementation
- FI is responsible for setting up all components and loading secure keys for PIN and CVV/CVC
- FI must install and maintain software upgrades
- Requires internal FI resources (IT, Operations)



Software as a Service (SaaS)

- No software to purchase
- Communication managed by CPI® through secure web service calls
- Program setup handled by CPI, including loading secure keys
- All system maintenance and upgrades managed by CPI
- Minimal IT and operational resources needed from FI

About CPI Card Group

CPI Card Group® is a payment technology company and leading provider of credit, debit and prepaid solutions delivered physically, digitally and on-demand. CPI® helps our customers foster connections and build their brands through innovative and reliable solutions, including financial payment cards, personalization, and Software-as-a-Service (SaaS) instant issuance. CPI has more than 20 years of experience in the payments market and is a trusted partner to financial institutions and payments services providers. Serving customers from locations throughout the United States, CPI has a large network of high security facilities, each of which is registered as PCI compliant by one or more of the payment brands: Visa, Mastercard®, American Express® and Discover®. Learn more at www.cpicardgroup.com.

For more information on Card@Once®, CPI Card Group's SaaS-based instant issuance solution, visit: www.cardatonce.com.



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