

Tower Federal Credit Union Enhances Service Excellence with Dynamic Card Solutions

One of the nation's largest credit unions chooses CardWizard® to instantly issue debit cards

In today's fast-track culture, people remain on the lookout for products or services that streamline their lives. Instant issuance technology for debit, ATM, credit and prepaid cards has gained its share of attention in the past few years, and with good reason. Financial institutions can offer the technology at the branch level, which allows customers to receive cards immediately. This improves customer satisfaction by eliminating the wait time to receive a new card while increasing card activity. Instantly issuing cards can increase activation rates to 100 percent from the industry rate of 59 percent. By instantly issuing and activating the card at each location, the interchange revenue also increases for financial institutions as customers can immediately begin using their cards.

Tower Federal Credit Union recently went through the process of selecting and implementing an instant issue system. It is the largest federally-chartered credit union in Maryland and among the top 50 in the nation with more than \$1.5 billion in assets. Based in Laurel, Tower provides a full range of financial products and services to its more than 115,000 members. Members include businesses and government agencies, such as the City of Laurel, Howard County government, the Federal Communication Commission, the National Security Agency, General Dynamics, Netcom and OfficeMax.

The Challenge

To its members, Tower pledges its ongoing commitment to service excellence. In keeping with this promise, it continuously looks for new ways to deliver the highest level of service possible. Through a combination of customer input and quality assurance research, Tower's management team realized that sending bank cards through the postal service and having members wait seven, 10 or as many as 14 days to receive their cards affected their customer's satisfaction.

In many cases, it simply wasn't reasonable to expect members to wait up to two weeks to receive a new card. For people ready to leave town, this turn around time left them stranded without a debit card. In order to keep customers happy and improve their satisfaction, Tower wanted to make obtaining a debit card more efficient and convenient.

Initially, Tower representatives approached card vendors to find a provider that offered a system and could expedite the card issuing process from application to delivery. After evaluating four card vendors, the Tower team realized that each offered the same solution – a batch process that the credit union would need to implement nightly. With this scenario, the average turnaround time for cards would still be five to 10 days, and wouldn't expedite the card issuing process enough.

The Solution

In late 2005, Tower representatives researched companies that provide instant issuance. They narrowed the choice to Dynamic Card Solutions (DCS) and another provider. After careful consideration, Tower selected DCS based on the company's long list of successful implementations, overall price and CardWizard's ability to interface with the credit union's core systems.

"We knew that DCS could fulfill our needs for instant issuance of cards, but we were hesitant because of the need to observe MasterCard's card requirements," said Vickey Rohde, senior analyst of research and development for Tower Federal Credit Union. "CardWizard successfully meets our needs for instantly issuing cards and is fully compliant with MasterCard requirements, making CardWizard the only solution for us." In fact, DCS is the leading provider of instant issue software for Visa and MasterCard branded plastics in the U.S.

After selecting CardWizard, the credit union launched a pilot test at its main office, where its IT department is located. The implementation team put the technology through a wide variety of test scenarios. They used the cards in live environments and in situations where they needed to re-PIN. A key part of the test was ensuring that the eFunds batch maintenance files worked properly with CardWizard and that all data fields were correct. CardWizard passed every test and implementation began.

Tower staff worked with DCS on a "train-the-trainer" approach to get all of its member service representatives comfortable with the technology. Member representatives then trained services personnel in each of the branches. The services personnel visited each branch to ensure that the software integrated with the existing system and that it met MasterCard requirements from a compliance standpoint – an area that Tower saw the greatest risk when implementing CardWizard.

"One thing that our member service representatives especially love about CardWizard is that they no longer have to manually e-mail the back office to complete the process of issuing a debit card, as they had before," Rohde said. "It has eliminated inefficiencies and made things much easier for our employees."

Results

In the first year since it implemented the CardWizard system, Tower has issued approximately 9,500 debit cards. The credit union sees the convenience that it can now offer members as the most important long-term benefit of instant issuance. In addition, Tower is able to generate additional revenue through interchange fees that come with faster activation rates.

"After implementing instant issuance in our branches, we did extensive research to examine the convenience we offered our members, the efficiencies we've gained throughout Tower and the increased revenues we gained through interchange fees," Rohde said. "CardWizard has been a great choice and we would—we *have*—recommended it to others, no questions asked."

While instant issuance was the main benefit, the ability to select their own PINs as well as re-PIN, was an added value to Tower's members.

"Convenience to our members was what we wanted, and with CardWizard, that's what we got," Rohde added.

###