

# Integrated Solutions

## Join The Off-The-Shelf Solution Club

▲ BJ's Wholesale Club wanted the benefits of software upgrades when it replaced its in-house system with an off-the-shelf transaction switch.

by Stephanie Roussel-Dupré

**M**aintaining internally developed software systems eventually takes its toll on system functionality. What your company may gain from do-it-yourself software, it loses in growth opportunities and industry-standard upgrades. BJ's Wholesale Club, Inc. (Natick, MA) is looking forward to the advantages that packaged software offers after working with an in-house authorization switch for 13 years. When the company opted to replace its in-store processor in 2000, it had to reconsider the communication path its credit, debit, check, and membership transactions took to be authorized. "We could not jeopardize our payment processing, so we

had to either replace the transaction switch software or rewrite the program ourselves. Although our in-house software did a great job for almost 13 years, we did not wish to rewrite it, so we chose an off-the-shelf solution," said Jerry Brosnan, manager of sales systems at BJ's Wholesale Club. The wholesale retailer opted to replace its authorization switch software with Message Sentry from ISD Retail (Holland, MI). The solution



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now performs transaction routing from any source application (i.e. POS terminal, batch file, Web site) directly to an internal or external authorizer with room to expand in the future.

### Built-In Software Advantages

Along with the in-store processor upgrade, BJ's changed its communication link from SNA LU (systems network architecture logical unit) 6.2, a proprietary IBM architecture for network computing, to an Ethernet TCP/IP (transmission control protocol/Internet protocol) connection. By using TCP/IP, BJ's found it eliminated a possible point of failure by routing transactions directly to the authorization switch rather than through the processor. The combined system provided BJ's with an open system architecture and consolidated its transaction traffic.

The installation rolled out in about five months, and BJ's valued the integration services ISD offered. Before BJ's installed the software in its headquarters,

### Installation Profile

**Technology User:** BJ's Wholesale Club, Inc. (Natick, MA) operates 131 warehouse clubs in the eastern United States. The \$5.2 billion company sells food and general merchandise at wholesale prices to individuals, households, and small businesses.

**Problem:** When BJ's opted to change its in-store processor, it also wanted to reroute its transactions to go directly to its internal and external authorizers. At the same time, it wanted to migrate away from internally developed software systems to benefit from industry-standard upgrades and functionality.

**Solution:** The retailer installed Message Sentry, transaction routing software from ISD Retail, that enabled BJ's to transmit its transactions without the in-store processor. The solution also provided room to easily add more pre-certified internal and external authorizers in the future.

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*Jerry Brosnan, BJ’s Wholesale Club*

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ISD tested it with the retailer’s authorizers to make sure the communication was successful. Because BJ’s purchased the software license, the retailer was charged only a flat fee for the license, integration, and development of the solution. The system also allows for BJ’s to purchase additional licenses to connect to authorizers such as Stored Value Systems for gift cards and MCI for phone cards. Each of these transactions requires a connection to the external authorizer, which ISD provides through software modules. “We knew the integration time would be shorter if we didn’t have to write a new module from scratch each time we wanted to upgrade or add new functionality,” Brosnan said.

Message Sentry also offered BJ’s certain reports that its in-house transaction software did not include, such as the Summary Response Report and a detailed summary log. “We have used the summary report to pinpoint when authorizers run slowly. Then, the detail logs serve as the evidence we need to easily demonstrate to an authorizer the problems we have with its transaction speed,” Brosnan said. But even without the reports, BJ’s can use ISD’s solution to ensure fast and efficient responses from its authorizers. “The average response time for an authorization should be 1 second. ISD gave us the tools to pinpoint the authorizers that did not meet our criteria,” Brosnan said. ISD was able to modify the software to recognize that a data center was running slowly. And, since most authorizers have a primary and a backup data center, now Message Sentry automatically kicks the authorization

request to the backup data center after a minimum number of slow responses.

**Designed To Benefit Into The Future**

BJ’s judged the success of the Message Sentry installation by the success of its past holiday season. “We didn’t experience any problems with response time while 4,000 registers were transacting the company’s highest amounts of volume,” Brosnan said. The retailer has over 6 million members, and most customers account for two passes through the transaction switch — membership and credit authorization. “Since our per transaction totals are high, many people pay with credit or debit cards,” Brosnan said.

BJ’s is also looking forward to the additional functionality Message Sentry will allow for future projects. Right now, BJ’s is authorizing gas pump transactions through a dial-up

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modem with software from Autogas (Newbraunfels, TX) for 55 of its stores. By the end of 2002, BJ’s plans to move its gas pump transaction processing to the network. “There is a tremendous cost savings associated with network authorization versus modem authorization,” Brosnan said. Once BJ’s completes the integration of Autogas and ISD software this year, the gas credit transactions will also go through the transaction switch, consolidating its company’s traffic even more. □

<b>For More Info. On ISD Retail</b>
Go To <a href="http://www.isdcorporation.com">www.isdcorporation.com</a>