



**DELIVERS CONTROL,
CHOICE & FLEXIBILITY**

CASE STUDY

**HY-VEE, INC. GAINS
IN-HOUSE COMMAND
OF TRANSACTION
PROCESSING**

Hy-Vee, Inc., an employee-owned corporation headquartered in West Des Moines, Iowa, operates more than 220 supermarkets throughout seven states in the Midwest. Hy-Vee is ranked among the top 15 supermarket chains in the United States, operates Hy-Vee drugstores in Iowa and Nebraska, and generates nearly US\$5 billion in revenue annually.

“HY-VEE WAS ABLE TO CONSIDER SEVERAL ALTERNATIVES FOR OUR IN-HOUSE SWITCH. AFTER A THOROUGH REVIEW PROCESS, WE FELT ACI OFFERED SUPERIOR PRODUCTS, INDUSTRY EXPERIENCE AND THE RIGHT PROJECT RESOURCES TO IMPLEMENT THEIR SOLUTIONS SUCCESSFULLY. CHOOSING ACI HAS PROVED TO BE THE RIGHT DECISION FOR HY-VEE, AND THEY CONTINUE TO BE A VALUED PARTNER TODAY.”

- John Briggs
*Senior Vice President
Chief Financial Officer and Treasurer
Hy-Vee*

HIGHLIGHTS

THE CHALLENGE

- Implement an in-house electronic payments switch for routing debit, credit and electronic benefits transfer (EBT) transactions, as well as for in-house authorization and processing of check and gift card transactions
- Reduce Hy-Vee's reliance upon a single, third-party processor
- Implement a solution more responsive to Hy-Vee's ever-changing business needs

THE SOLUTION

- ACI Retail Commerce Server™ for Electronic Payment Acceptance, a complete retail solution that allows Hy-Vee to bring electronic payments processing in house to reduce transaction costs
- ACI Retail Commerce Server™ for Check Authorization, a fast and convenient check-authorization and tracking solution
- ACI Retail Commerce Server™ for Gift and Proprietary Card Management, an in-house application that supports online issuance and validation of stored value instruments

THE RESULTS

- Hy-Vee has effectively minimized risk and reduced transaction costs while maintaining its superior standard of customer service.
- ACI's Retail Commerce Server solutions effectively and efficiently manage Hy-Vee's gift card program, and checks are processed quickly and easily.
- The Retail Commerce Server solutions authorize and process card and check transactions quickly, reducing the amount of time Hy-Vee customers spend in checkout queues.
- Hy-Vee's in-house processing with ACI's Retail Commerce Server solutions allows the company to be in control of new business features.

Since its inception, Hy-Vee has emphasized offering its customers the best in products, prices and customer service. The company's slogan, "A Helpful Smile in Every Aisle" expresses the foundation of its corporate philosophy and its dedication to superb customer service.

THE CHALLENGE

With 220 supermarkets in seven Midwestern states, Hy-Vee recognized that its company had grown large enough to operate its own electronic payments for in-house authorization and processing of check, credit, debit, electronic benefits transfer (EBT) and gift card transactions. The benefits of implementing an in-house solution were significant: Hy-Vee could save on per-transaction costs, reduce dependence on a single third-party processor, minimize fraud risk and maintain its high standard of customer service.

Hy-Vee sought a software solution that would allow it to be more responsive to its business needs by meeting its current requirements and allowing the company to expand the system to meet future changes in the payments industry.

ACI'S SOLUTION

Hy-Vee chose several solutions from the Retail Commerce Server software applications.

Retail Commerce Server for Electronic Payment Acceptance is a complete retail software solution that enabled Hy-Vee to bring electronic payments processing in house to reduce transaction costs and gain greater control over business relationships. The solution securely switches and routes customer payments and provides a fast, convenient and cost-effective method for processing various transactions. These include credit, debit, check, telephone, fleet, automated clearing house (ACH), electronic funds transfer (EFT), and business and purchasing transactions (regardless of the payment token) — magnetic stripe, chip, radio frequency identification (RFID), paper or even biometrics. Retail Commerce Server also supports EBT programs, including the U.S. Food Stamp and Aid to Families with Dependent Children (AFDC) programs.

Retail Commerce Server for Check Authorization is a fast and convenient check authorization and tracking system. The solution provides an efficient method for reducing Hy-Vee's exposure to bad check losses from check runners, organized fraud schemes, checks written on closed accounts and checks from customers who consistently write non-sufficient funds (NSF) checks.

Finally, Retail Commerce Server for Gift and Proprietary Card Management is an in-house application that supports online issuance and validation of stored value instruments. The solution allows Hy-Vee to provide customers with fixed-value cards, variable-value cards and one-time-use-only cards. In addition, the solution manages the value card order lifecycle, including order entry, fulfillment and acknowledgement.

THE RESULTS

Hy-Vee has realized several benefits since implementing ACI's Retail Commerce Server solutions. First, the company is no longer dependent on a single processor and in-house processing with the Retail Commerce Server solutions allows Hy-Vee to be fully in command of its business.

Retail Commerce Server effectively and efficiently manages Hy-Vee's EFT transactions and easily processes checks. The solution also allows Hy-Vee to maintain gift card data and control the quality of customer service.

By implementing a system to enable in-house processing, Hy-Vee has effectively minimized fraud risk and reduced transaction costs while maintaining its superior standard of customer service. ACI's Retail Commerce Server solutions also authorize and process card and check transactions quickly, which has reduced the amount of time Hy-Vee customers spend in checkout queues.





REVOLUTIONIZES PAYMENTS

ACI Worldwide, the Universal Payments company, powers electronic payments and banking for more than 5,000 financial institutions, retailers, billers and processors around the world. ACI software processes \$13 trillion each day in payments and securities transactions for more than 300 of the leading global retailers, and 21 of the world's 25 largest banks. Universal Payments —  — is ACI's strategy to deliver the industry's broadest, most unified end-to-end enterprise payment solutions. Through our comprehensive suite of software products and hosted services, we deliver solutions for payments processing; card and merchant management; online banking; mobile, branch and voice banking; fraud detection; trade finance; and electronic bill presentment and payment. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

www.aciworldwide.com

Americas +1 402 390 7600

Asia Pacific +65 6334 4843

Europe, Middle East, Africa +44 (0) 1923 816393

© Copyright ACI Worldwide, Inc. 2015

ACI, ACI Payment Systems, the ACI logo, ACI Universal Payments, UP, the UP logo and all ACI product names are trademarks or registered trademarks of ACI Worldwide, Inc., or one of its subsidiaries, in the United States, other countries or both. Other parties' trademarks referenced are the property of their respective owners.

ACS5705 02-15