

Hy-Vee, Inc. Gains In-House Command of Transaction Processing



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

THE SOLUTION

- ACI® Payments Orchestration Platform™, a complete solution for electronic payment processing, check authorization and tracking, and 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
- The ACI Payments Orchestration Platform effectively and efficiently manages Hy-Vee's gift card program, and checks are processed quickly and easily

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.

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.



The Solution

Hy-Vee chose several offerings from the ACI® Payments Orchestration Platform™.

ACI Payments Orchestration Platform offers a complete retail software solution that enabled Hy-Vee to bring electronic payment 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. ACI Payments Orchestration Platform also supports EBT programs, including the U.S. Food Stamp and Aid to Families with Dependent Children (AFDC) programs.

The ACI Payments Orchestration Platform offers 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, the ACI Payments Orchestration Platform has 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.

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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

The Results

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

ACI Payments Orchestration Platform 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. The ACI Payments Orchestration Platform also authorizes and processes card and check transactions quickly, which has reduced the amount of time Hy-Vee customers spend in checkout queues.

ACI Worldwide is a global leader in mission-critical, real-time payments software. Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with a local presence to drive the real-time digital transformation of payments and commerce.

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