



Fiber-Optic Case Study: River Valley Bank

Wausau, Wis.-based River Valley Bank was going through a growing period, and unfortunately its data network was coming up short. Founded in 1967 with a single location, the bank had grown to nine branches in north-central Wisconsin. In 2004, the company acquired seven additional banks in upper Michigan and virtually doubled in size overnight.

CASE STUDY



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RICH DAUL — NETWORK ADMINISTRATOR

The challenge

The bank’s data communications network — a lifeline for daily business operations — simply couldn’t keep pace. Comprised of 256Kbps frame relay circuits leased from several phone company providers, the network linked the 18 branches to the company’s main hub in Wausau, which houses the company’s core IBM AS400 system and other associated servers. The servers run all of the applications company wide, ranging from basic internet connectivity to email.

Headaches were common — often, the frame relay connections straddled service provider territories, requiring one phone company to lease a circuit from another. As a result, there was a lot of confusion and finger pointing when there was a service outage.

“It gets really old when you get a circuit that you are having problems with,” said Rich Daul, network administrator for River Valley Bank. Add to that the fact that when a frame relay circuit crosses state lines, the cost “goes up quite a bit.”

Transferring check receipts from the company’s Michigan branches also was a problem. The slim 256Kbps frame relay connection wouldn’t support electronic transmission of check images. So River Valley Bank had to hire an air courier company at \$40,000 a month to fly bags of canceled checks daily from the Michigan branches to the Wausau hub.

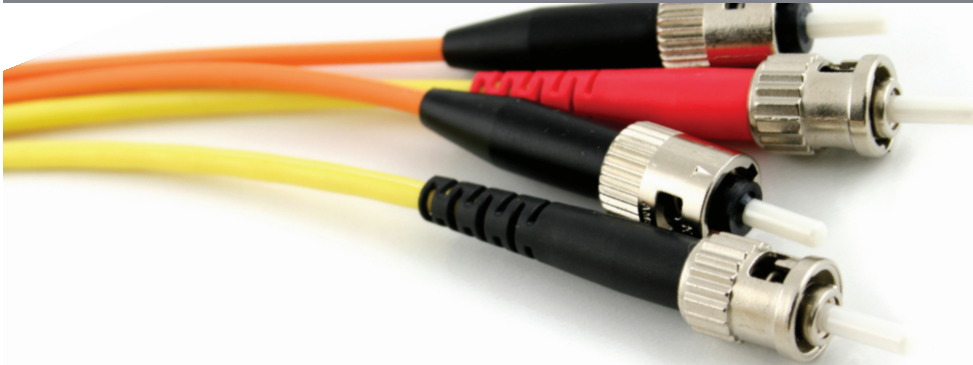
In 2005, the company started exploring whether it could upgrade to higher-bandwidth frame relay connections, but that hit a financial wall.

“We looked at the bandwidth upgrade, and the cost was pretty astronomical,” Daul said.

Charter Business® steps in

Just then, Daul got a call from a Charter Business® sales representative asking if he’d consider fiber-optic service. He immediately thought of the Michigan branches, so he checked with the sales rep regarding service availability. It turned out that Charter Business could provide fiber-optic connections to six of the seven locations, with the exception of an eastern Michigan branch in Menominee.

“I told him, ‘You have got to be kidding me,’” Daul said. “So I rattled off the Wisconsin branches, and he said, ‘We can do most of those.’”



And what of Menominee? It turns out that Charter Business could reach that branch as well, thanks to a network interconnection partnership with fellow cable operator Time Warner Cable. With Time Warner Cable supplying the fiber-optic connection in Menominee, Charter Business could provide a 10Mbps symmetric fiber-optic service to all of River Valley Bank's main branch locations.

"I was tickled pink," Daul said.

The news got even better when the Charter Business sales representative came back with a proposal for the fiber-optic service that offered 10 times the bandwidth at half the cost of the proposed frame relay circuit upgrades.

"That was extremely cost effective," Daul said.

Fast fiber-optics make a difference

The transition to the fiber-optic system began in the fall of 2005, starting with the Michigan branches. The goal was to eliminate the expensive air courier service and use the new 10Mbps connection to launch remote check capture, an application that scans cashed checks and then transfers those images to the main server for record keeping.

No more \$40,000 monthly air bills. And no more creeping along in the 256Kbps slow lane.

"It's like comparing horse and buggy to a NASCAR racecar — stable, smooth, reliable, fast. Nothing but compliments from the users when we're on fiber," Daul said. The connection is so fast that "it's almost like putting everybody on the local network here. The remote branches don't feel quite so remote any more."

With Charter Business as the provider, response time is up and finger pointing is nonexistent. On the rare occasion when there is a service issue, Charter Business's response time is almost as fast as its fiber-optic throughput — and that includes any issues with the Menominee connection supported by Time Warner Cable, Daul said.

"Sometimes Charter Business will call us before the branches call to

"The remote branches don't feel quite so remote any more."

RICH DAUL

tell us when we're down," he noted. "That's something we were not used to."

Another key advantage comes when the clouds roll in. River Valley Bank's old frame relay system depended on switched phone line networks, and when summer thunderstorms rolled through, lightning strikes could disrupt the circuit. With the fiber-optic lines, there are no more interruptions from the thunder gods.

"All through the thunderstorms, we don't go down anymore, which used to make our lives a little hectic," Daul said.

One provider, one call

Overall, working with Charter Business is a noticeable contrast to the old days of telco circuits and multiple providers across state lines. Not only is it easier to manage service through just one

provider, but the price also continues to beat out rival phone companies.

"There's no comparison," Daul said. "We've had some telecommunication vendors come in to do sales pitches, trying to get their foot in the door, and based on price and service, there is just no comparison."

The fiber-optic network also allows the branch banks to send batches of files to the main server in Wausau for backup. In the past, those files would be stored only on the branch computers.

In the future, the fiber-optic connection gives River Valley Bank the option to more easily increase the bandwidth beyond 10Mbps. Daul said the company is looking at such an upgrade in several locations.

Branching out with fiber

With the buildout largely complete, River Valley Bank is now looking at a contract extension that also would pool all of the existing branch fiber service contracts.

All in all, the switch to Charter Business and its fiber-optic service is a smart transaction for River Valley Bank.

"The move to Charter Business fiber has been one of the best things we've done," Daul said. "It's a major step; it's not something you can do overnight, and there is definitely cost involved. But in the end, once people got used to the reliability and speed of fiber, everybody looks back and says, 'How did we even function before?'"

