

Warner Technologies, Inc.



Iron Mountain Enables Warner Technologies to Provide Valuable Software Services to Mid-Sized Banks

CUSTOMER:

Warner Technologies, Inc. specializes in providing software solutions to the financial industry. The company's product line is the result of over 15 years of experience in a variety of financial institutions.

CHALLENGE:

As a small software developer, Warner Technologies needed to assure customers that the software application it provides would be available to them today and in the future.

SOLUTION:

Warner Technologies turned to Iron Mountain to establish a technology escrow agreement to assure customers their software will always be accessible.

BENEFIT:

Technology escrow is addressed at the beginning of every sales presentation to overcome objections early. Since Iron Mountain is a recognized brand with most banks, it gives Warner Technologies the business continuity edge it needs.

THE CUSTOMER

Warner Technologies is a small software developer specializing in providing solutions to the financial industry. CEO Steven Warner grew up in the banking industry – first working for a bank, then for the software companies that developed and sold banking software. He realized that sometimes the little guy can do things just as well as the big guys, so 18 years ago he struck out on his own to create Warner Technologies.

Warner Technologies sells software to community and medium-sized banks to help automate their processes.



This type of software is routinely used by large banks, but for the most part, mid-sized banks could not afford the investment. Steven Warner tapped into this market and

developed automation software that the mid-sized banks could afford.

One of the company's early products, ReturnWare, helps banks with a return item application. If a check bounces, all of the backroom processes at the bank are automated. The money is taken out of the appropriate account and fees are charged and recorded by the software.

A more recent product is WTF (Wire Transfer–FedLine). This product automates wire transfer applications between the host computer at the local bank and the Federal Reserve terminals. The software transfers the money from the FedLine terminals to the

bank, charges the appropriate fees and sends out emails or faxes to notify the parties of the completed transactions. Wire transfers are particularly complex because the bank's ABA number needs to be validated, it has to be confirmed that the money to be transferred is available, and the receiving party needs to be checked against a US Treasury list of countries

“By having Iron Mountain as our technology escrow agent, it certainly helps out during the sales process. Most of the banks we sell to already do some type of records retention with Iron Mountain, so the brand name recognition is there.”

— Steven Warner, CEO,
Warner Technologies

and individuals for OFAC (Office of Foreign Assets Control) compliance. If the receiving party is on the list, the bank must reject or block the transfer for matters of homeland security.

Previously, all of these processes were done manually. This took much longer, and the process was open to human error. Warner Technologies' software enables

CASE STUDY

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the bank to save time, as well as improve accuracy and customer service. In addition, it automatically creates the required audit trail for banks to prove their compliance with OFAC, The Patriot Act, and other regulatory requirements.

THE CHALLENGE

Warner Technologies had identified a need in a specific market and created products to fill that need. Banks were interested. But, he still had to overcome a hurdle. How did the banks know that Warner Technologies was going to stick around? Should they take the risk and go with this small software developer over the more established vendors? Even if the product was better and the price was lower, many companies were concerned about the possibility that the company may not be there in the future to support the software.

Steven Warner realized that this was an objection that he would have to handle early in the sales process. "Banks look for their investments to be pretty well protected, so technology escrow is a big part of our business continuity plan," he states.

THE SOLUTION

Warner Technologies has established a technology escrow agreement with Iron Mountain to assure his customers their software will always be accessible. Warner deposits a copy of the software source code into a secure, access-protected escrow account with Iron Mountain, a trusted, neutral third-party. The agreement will release that software source code to the bank licensing the software under certain pre-determined release conditions, such as bankruptcy, failure to do business, or lack of support.

Steven Warner makes sure he addresses technology escrow at the very beginning of every sales presentation. He emphasizes that he understands the banks' needs for a business continuity plan, and that is why he uses Iron Mountain for technology escrow. "Partnering with industry leaders, allows me to

compete with the big boys," says Warner. "I chose Iron Mountain because they were the #1 brand name in technology escrow. I looked at several different options and wanted one that the banks would recognize."

Technology escrow is an option for Warner Technology's customers, and they are charged a small add-on fee on an annual basis. It is renewed with the software as part of the annual maintenance fee. Part of the reason Warner decided not to bundle escrow into his software package, was that he felt that it now stands out as a value-added offering. So far, only one bank has elected not to pick it up.

Steven Warner is confident about the edge that Iron Mountain gives him in the sales process. He is also pleased with the service from Iron Mountain. Whenever he makes a deposit of software source code, completes a new sale or adds a beneficiary, Iron Mountain sends notification, ensuring that his accounts are up to date.

Implementing Warner Technologies' automation software delivers real ROI for the banks. Many banks that use Warner Technologies software have doubled or tripled their volume of wire transfers (and associated bank fees) without additional staff. In addition, wire transfers increase the amount of money that flows in and out of bank. Being able to handle wire transfers easily lets mid-sized banks compete against larger competitors for new businesses, including marketing towards title companies and attorneys that do a lot of transfer business.

Warner concludes, "For us, technology escrow is an integral part of our marketing strategy. Some of the companies we go head-to-head with haven't thought of offering escrow, or they say they put software in escrow in an attorney's office or safe deposit, but that's not real. With Iron Mountain, I have a technology escrow program that I can trust."

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