



Objective

Provide mid-sized retailers with an easy-to-adopt solution to secure credit and debit card data from point-of-sale through back-end processing

Approach

Deploy HPE SecureData Payments with HPE Secure Stateless Tokenization (SST) and HPE Format-Preserving Encryption (FPE)

IT Matters

- Zero readable data from point-of-sale to back-end payment processing
- Zero changes to existing systems and infrastructure to achieve point-to-point data security
- 5 times the scalability beyond current requirements

Business Matters

- 9 times more new-product sales, with 1,100 units sold in the first 3 months
- 7 weeks to launch new data security offering well in advance of market expectations
- Billions of dollars in transactions processed securely each year

Epicor secures thousands of main street retailers with HPE SecureData Payments

Protects credit card data from point-of-sale through payment processing



Enterprise-class security for main street retailers

With the influx of big box stores and national retail chains, many small to medium-sized merchants are finding it increasingly difficult to compete. Few of these locally owned, often family-run businesses have the budget or technical resources to build their own inventory management, supply chain, point-of-sale, or other sophisticated systems like the big players have. That's why more than 5,000 leading mid-market retailers turn to Epicor.

Epicor solutions help level the playing field for the "main street" retailer to compete like a global billion-dollar enterprise. In fact, Epicor makes it easy and affordable for mid-sized businesses in a wide range of industries to implement state-of-the-art enterprise resource planning (ERP) solutions. In the retail space, this includes everything from payments and finance, to merchandise sourcing and inventory management, to business intelligence and cross-selling in-store, online, or on mobile apps.

“Tokenization is where the benefits ultimately come to roost. Even if someone sneaks in to take data, there’s nothing useful to them.”

— Matt Mullen, Vice President of Strategy and Product, Epicor Software Corporation

Along with these advanced business capabilities come increased security concerns. Stores may be handling lots of private customer information, particularly credit card numbers. While once a small percentage of sales for smaller retailers, credit and debit cards now represent the vast majority of payment transactions. And even though the Epicor back-end systems have been designed to be highly secure, card numbers captured at the local retail point of sale were processed in a clearly readable state, making them vulnerable to thieves and fraudsters.

Following several recent high-profile data breaches, retailers of all sizes became keenly aware of today’s data security risks. The potential financial impact alone could be devastating. Combined with a damaged reputation and loss of customer confidence, many small and medium-sized retailers could be forced to close their doors. According to the online business site Mashable, “72% of businesses that suffer major data loss shut down within 24 months.”

As a trusted partner for thousands of retailers, Epicor proactively explored data security solutions to protect its customers from the point-of-sale device throughout the payment lifecycle.

Complete point-to-point data security

Epicor considered a wide range of approaches to data security, including implementing alternate gateways or its own internal encryption, as well as investigating commercial offerings from vendors such as TransArmor, Bluefin, and Hewlett Packard Enterprise (HPE) Security. Following an intensive evaluation, the company chose HPE SecureData Payments. With HPE Secure Stateless Tokenization (SST) technology and HPE Format-Preserving Encryption (FPE), HPE SecureData Payments provides Epicor with a complete point-to-point encryption and tokenization solution.

Matt Mullen, vice president of strategy and product at Epicor, explains, “When we dug into the various vendor offerings, either their technology or business model just couldn’t support the volume and scale we needed. But when we took a close look at HPE SecureData Payments, we liked what we saw. It was already used by other top retailers in the space where we compete, and HPE SecureData Payments offers a deployment framework that allowed us to bring our data security solution to market in a very easy and affordable manner.”

“By tokenizing card numbers immediately at the point of purchase, we’ve gone beyond PCI compliance to actually eliminating clear data from the transaction process. That’s the number one way we assure our customers that Epicor is doing everything possible to secure their businesses.”

— Bill Wilson, Senior Vice President of Product Development, Epicor Software Corporation

Bill Wilson, senior vice president of product development at Epicor, adds, “Other vendors had subscription or transaction models, which would not work for us. We wanted to license software and embed it into our offerings, so that made HPE SecureData Payments very attractive. We also wanted to make data security as seamless as possible for our customers to adopt. HPE Format-Preserving Encryption was critical to meeting that objective. It allowed us to introduce data security into our existing systems without any major software changes. For our customers, everything still works the same as it always did. Except now there’s a solution that’s designed to fully secure their data.”

Seamless integration with existing retail processes

Epicor took advantage of HPE Jumpstart services, which enabled the company to put HPE SecureData Payments into production in just seven weeks. The solution is deployed within the Epicor cloud-based payments gateway hosted by Amazon Web Services (AWS) across six fully redundant AWS availability zones in three different regions.

“The HPE Security folks did a great job managing the project and helping us implement the solution very quickly,” says Wilson. “Now that it’s up and running, we haven’t needed any further tuning or rework. HPE SecureData Payments folded in seamlessly with our standard operations profile.”

This multitenant, multisite gateway handles the full roster of tenants identically, with all six availability zones providing “hot” backup for each other. That is, if any one site goes down, the other five instantly pick up the workload for the entire Epicor retail customer base. HPE SecureData Payments plugged right into this environment.

“We have a stateless gateway and HPE SST technology fit into that perfectly,” Wilson notes. “HPE SST allowed us to have the same token schemes across all regions with no communication between them. Plus it eliminated the need for a central key management database as well as database replication.”

Customer at a glance

Application

- Point-to-point data security integrated with retail management software to protect credit and debit card numbers from the point of sale through the entire payment process

Hardware

- Ingenico payment terminals

Software

- HPE SecureData Payments
- HPE Secure Stateless Tokenization
- HPE Format-Preserving Encryption
- Epicor POS Retail Software
- Epicor Payment Exchange

Services

- HPE Security Jumpstart Service

Mullen also points out the added value of HPE FPE. “The ability to introduce data security for thousands of customers with no code changes to our standard payments offering was incredibly important,” he says. “It allowed us to launch our new security offering well in advance of market expectations. That was extremely beneficial to Epicor and our customers. After all, the faster you put the lock on the door, the sooner you can protect your valuables.”

Eliminates clear card data from the transaction process

HPE SecureData Payments provides Epicor customers with maximum data security from the payment terminal (typically Ingenico) to the back-end payment processor. Thanks to point-to-point encryption with HPE SST, at no point in the transaction is card data exposed.

“By tokenizing card numbers immediately at the point of purchase, we’ve gone beyond PCI compliance to actually eliminating clear data from the transaction process,” Wilson remarks. “That’s the number-one way we assure our customers that Epicor is doing everything possible to secure their businesses.”

Mullen is also confident that HPE SecureData Payments will protect retailers even if a cyber criminal does manage to break through all other network security barriers.

“Tokenization is where the benefits ultimately come to roost,” he says. “Payments, voids, returns—everything a retailer needs to successfully and securely transact business at the point of sale—can be handled without complications, retraining, or any changes to normal operating procedure. And at the end of the day, even if someone sneaks in to take data, there’s nothing useful to them.”

In addition, Wilson appreciates that Epicor can scale the data security solution to support thousands of retailers transacting billions of dollars through its payment gateway each year. “The scalability of HPE SecureData Payments is great. It already gives us five times the capacity we need today and easily matches the scalability we’ve built into our payment gateway.”

Brings peace of mind to neighborhood stores

Epicor clearly recognized the value of HPE SecureData Payments. Just as important, so did its customers. That was evident in the rapid sales when Epicor introduced HPE SecureData Payments to the market.

“The sell-through for us was staggering,” declares Mullen. “Among our 5,000 retail customers, typical sell-through of a new product is 10%, or about 500 units, over 12 months. When we launched our offering of HPE SecureData Payments, we sold 1,100 units in the first three months. This was far beyond our expectations.”

The value of the Epicor data security offering was further validated when one of its biggest customers, Ace Hardware, recommended that all its store owners purchase data security from Epicor. Companies like Ace recognize the importance of protecting the integrity of its store network, as well as the trust in its brand. For the individual retailer, the biggest benefit of data security is simple peace of mind.

Wilson concludes, “A lot of our customers are family-owned, neighborhood stores. They’re genuinely worried what a data breach could mean to their livelihoods. Before, they felt pretty defenseless. But now they get both reduced risk of a data breach and the peace of mind that comes from knowing they have a robust solution to help protect their business.”