

jBilling provides a complete billing solution for State of Arizona



CASE STUDY

The State of Arizona Uses jBilling to Securely Process Credit Card and ACH Payments for Hundreds of State Services.

The State of Arizona serves a population of 6.7 million with over 100 agencies. Departments including Transportation, Game and Fish, Insurance, and the State's Courts regularly collect payments from citizens for the purchase of licenses and the payment of fees and fines. Millions in payments per year are made over-the-counter or through one of 30 online applications.

Challenge

The State was operating with a proprietary outsourced solution that was providing them with online services and payment processing. This system was reaching its end of life and they needed to move forward with a scalable system that could be easily customized and extended to meet their unique needs.

"The key driver for the project was to get control over the web portal that interfaced with the apps being managed by the state agencies," says J.R. Sloan, Acting Deputy State Chief Information Officer and Chief Strategy Officer, SoA. "The entire portal was a "black box". We had no insight into the transactions being processed and it was becoming a risk. We still had contractual obligations to the vendor and were deriving less and less value out of the system."

One of the biggest challenges was to preserve the numerous payment applications owned by the various state agencies. These websites, about 30 applications in total, accept recurring as well as non-recurring payments for services like professional licenses and motor vehicle records. Some websites have a proprietary

EXECUTIVE SUMMARY

COMPANY NAME:

State of Arizona

INDUSTRY:

Government

CHALLENGE

- > Obtain complete control over billing system code
- > Replace expensive legacy payment processing system with scalable solution
- > Automate two complex, custom processes
- > Mitigate PCI compliant payment collection risks

SOLUTION

- > jBilling Cloud service

RESULTS

- > Savings of approximately \$1M in recurring cost per year
- > An open, trusted solution with custom logic that can be readily modified
- > Scalable, extensible platform
- > Secure, ongoing PCI compliance via billing SaaS



or highly customized manner of accepting transactions. Sloan points out, “Requiring these agencies to change or rewrite their apps would be very costly and time consuming, pretty much a non-starter, so the change at the payment processing end would need to be seamless to the payment apps.”

Another challenge was to accommodate two very important customizations either through configuration or custom logic. The first custom requirement was to automate a two-phase reconciliation process so that only successful credit card and ACH transactions were exported to the SoA’s accounting system. The second custom requirement was to support a number of scenarios where revenue for certain products would be split, or recorded as having been split by the payment app. “With change being inevitable, we needed to be absolutely sure we would be able to modify the logic to accommodate future requirements,” notes Sloan.

“We absolutely needed to have complete visibility into our billing system code. This was a key reason we selected jBilling.”

The final challenge was to find a way to ensure ongoing PCI compliance.



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Solution

With the need to have complete visibility and control over payment processing, SoA began to look for open source solutions they could adopt and extend. A solution built to scale was imperative as well. As the leading enterprise-grade open source billing provider, jBilling topped the list.

The first order of business was to overcome the important challenge of accommodating the 30 departmental apps taking payments and sending transactions to the “black box”. jBilling accomplished this by extending its flexible API and developing three translation layers so that the three different groups of applications could make the calls necessary to submit payment transactions. There were also some apps that required additional customizations due to the data they submitted and/or unique return codes they expected. jBilling fully rose to this challenge: minimal changes were required to payment apps and they now accept and return API calls as if they’re communicating to the legacy payment provider.

“We relied on jBilling to provide a solution that worked with our existing applications as-is, and they delivered. With the variety of applications we had, there were certainly surprises along the way, but jBilling was always there with a solution.”

Tackling the two custom automation processes was done using a combination of jBilling’s configurable options and developing new code to support the custom logic required by SoA.



SoA's bank provides two electronic files that jBilling uses to determine which payments have been successfully deposited into the State's bank account and thus should be reported to its accounting system. Due to its extensible nature, jBilling was able to easily accommodate the complex custom logic needed to match sums of transactions processed against deposit files. The process now happens on a scheduled basis with automated emails sent when manual intervention is required.

The complex revenue splitting and reporting scenarios were accomplished using a combination of features and custom logic. For agencies who defined the split themselves, the system allows a single purchase to be made up of multiple products each representing a portion of the split revenue. When jBilling needs to perform the split, "out of the box" pricing models are used to bundle products with each representing a percentage of revenue. "This approach gives us the flexibility to modify the products and how allocations are handled across all the web apps that submit transactions to jBilling," says Sloan. jBilling's plug-in architecture isolates custom code from core code so that customers can add and change custom code whenever required.

"With jBilling we can adapt and change our custom code when we need to so we're always ready to meet the future needs of the State."



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Finally, to ensure ongoing PCI compliance, SoA opted for jBilling's cloud service. "We looked carefully at our core competencies and securing a payment system wasn't one of them," acknowledges Sloan. "PCI is also an evolving standard, better left for payment experts to follow carefully. jBilling's cloud service lined up perfectly with SoA's Public/Private partnership strategy where partners with domain expertise are enlisted to mitigate risks."

Results

By replacing their old payment solution with jBilling, SoA is saving over \$1M in annual recurring contractual costs.

Over \$750M in credit card and ACH purchases are being made by agency web portals. Data is automatically reconciled daily against transaction reports downloaded from the SoA's bank, with real-time reporting of the status of each transaction available to any authorized user at any time.

"We now have a fully hosted system that also provides us with full visibility into our code, comments Sloan. "And because our specific configuration and custom extensions are easy to modify, changes won't require overhauling the code, and that means ongoing savings."

The jBilling PCI-compliant, scalable cloud service frees SoA's IT team from having to contend with PCI details, and gives them an expertly managed environment that will scale to whatever level SoA requires.



"jBilling has worked closely with us to ensure our needs are met, and our goals were realized. Today we have the payment processing solution we wanted that meets our needs today and for tomorrow with a level of openness and cost-effectiveness that we didn't have before. And just as important, we have a partnership where we know they will be there to help us as our needs change and evolve."

J.R. SLOAN
ACTING DEPUTY STATE CHIEF INFORMATION OFFICER
STATE OF ARIZONA



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