

Multilateral Chip Migration

EMV Chip Implementation Milestone Guidelines

FINAL

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Purpose

This document has been designed by Canadian Acquirers and Payment Brands to provide merchants with integrated Point of Sale (POS) systems with information regarding key milestones involved in the implementation of an EMV compliant Point of Sale (POS) solution. This document has been created to provide key personnel, typically payment experts and project management resources, with a high level of understanding regarding an EMV implementation project. This document is not intended to replace any documents supplied by Acquirers or Value Added Resellers (VARs).

Integrated Payment Solutions

In Canada, merchants seeking integrated solutions tend to be merchants who are able to rely on internal technology expertise to manage the payment infrastructure, or who purchase services from technology and software providers that specialize in their industry.

Integrated payment solutions are configured based on considerations such as:

- Merchant specific requirements based on business needs
- Cost efficiencies
- Operational support efficiencies
- Specific requirements for hardware and software components

EMV Chip Implementation - Considerations

The Merchant community plays critical role in facilitating card acceptance so it is important for merchants to understand what is involved in migrating their payment systems to accept chip cards. To ensure a smooth migration to chip, merchants should consider the following:

Industry Considerations

- Readiness of all Payment Brands at all levels to support a single upgrade project
- Awareness of all Payment Brand related timelines and/or mandates, if any
- Awareness of card issuer plans to determine when merchants will see cards appear at their establishments
- Availability of Payment Brand compliant¹ hardware and software components
- Readiness and availability of acquirer partners and technology suppliers

Proprietary Considerations

- *Business case drivers:* Financial and non-financial drivers
- *Project complexity:* Hardware, software, network, operational procedures, financial procedures and security must all be considered
- *Resource requirements:* In addition to IT staff, involvement from Finance, Store Operations, Loss Prevention and Help Desk areas may be required
- *Project scope:* Proper definition of project scope and consistent communication to the project team are critical
- *Project timeline:* Carefully estimate and allocate time required for key activities

¹ Each payment brand has specific requirements.

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- *Certification timelines:* Acquirers will require each integrated merchant solution to be certified with their acquirer host. Certain Payment Brands may have additional certification requirements. Each Payment Brand has proprietary testing processes.
- *Training:* Important for Trial and rollout of solution. Training will likely also be required for staff in areas such as Finance, Operations and Loss Prevention

EMV Chip Implementation - Milestones

The following milestones are general in nature and suggest the typical steps a project of this magnitude could follow. Please note that each merchant’s specific timeline will vary depending on the nature of technology and/or business dependencies (i.e. sourcing of devices, creation of training material, training, etc). Time considerations provided are estimates only and may vary for each organization.

The following table has been created based on the following assumptions:

- Implementation of a new solution and the 100% allocation of resources to the project
- Merchants will input their specific timelines based on suggested activities

Activity- Pre Project Initiation	Time Considerations
Establish the Requirements	Accountability lies with the merchant and is dependent on their internal processes
Establish facts around Requirements including pre-requests, compliance requirements, technical specifications etc.	
Build the business case for project approval and obtain the required funding	
Activity – Project Execution	Time Considerations
Create documentation including Statement of Work; Project Plan; Resource Plan etc.	Accountability lies with the merchant and is dependent on those internal processes. This activity may run parallel to an RFP process. It is recommended Merchants contact their Acquirer early in the discussion process so that RFPs involving hardware meet appropriate EMV and acquirer requirements.
Prepare and execute RFP process for any technology components	Industry standard for a technology RFP depends upon complexity of technology upgrades.
Initiate project and involve internal resources, acquirer resources and technology suppliers. Agree on scope and timelines	Project kick-off is essential and the time allotment is specific to the knowledge transfer required. For third party involvement, plan a few meetings. Should scope and timelines not have been documented in SOW and/or Project / Resource Plan, this is the time to complete the work. Timing will depend upon internal development efforts and third party dependencies.
Solution Development. This will vary widely depending on individual project requirements	Timing will depend upon internal development efforts and third party dependencies. Check with your acquirer to determine specific tasks that should be embedded within your internal plan.
Solution Integration. Integrate components to test functionality and integrity	Timing will depend upon internal development efforts and third party dependencies. Check with your acquirer to determine specific tasks that should be embedded within

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	your internal plan.
Integration Testing. Test the solution to ensure functionality at all levels. This involves merchant’s IT staff, Store Operations, Help Desk, Compliance, etc.	Time to completion is dependent on the number of demarcation points, process integration points and details of the test scripts. It is recommended to work through this understanding during the SOW and integrate the timing with internal test plans.
Acquirer certification. At this stage the system is at a state where no more changes are expected with exception of fixes to potential variances that arise during payment certification	Code is frozen and should be a major milestone within your plan. The time required for certification depends on the complexity of the solution. It is recommended this is understood and planned well in advance with your acquirer.
Variations. Variations identified will need to be fixed to complete certification successfully	Variations are an unknown in testing and lag should be entered around all testing tasks to ensure flexibility
Trial. The solution is ready to be beta tested live in store locations for sufficient duration to ensure performance and integrity	Timing of a trial is a business decision that requires a clear understanding of goals to identify length for planning.
Rollout. All necessary processes including installation, support, and training would have been defined. Rollout timeframe depends on number of locations and how many stores being installed per daily or weekly	This is unique to each merchant. Internal projects should be consulted to determine roll-outs of like nature, and these should be mapped against the agreement with your acquirer.
Activity – Post Implementation Review	Time Considerations
Post Implementation Review. Assess overall project completion status and lessons learned	Post Implementation Reviews are different for all organizations. Lessons Learned are recommended to be captured after each major deliverable. Should no financials or contractual arrangements require benchmarking and progress reports, industry standard is up to 6 weeks for a PIR. For financial and contractual progress against plan, PIR may not occur for up to 6 months post roll-out.

EMV Chip Implementation – Summary

This document has been designed for integrated merchants to assist in the planning of a chip migration project. There are both industry and proprietary considerations that integrated merchants must take into account prior to crafting a project plan to migrate to chip. First the business case must be approved, funding secured and requirements defined. The execution stage of the project involves several activities, some of which can occur concurrently. Some merchants may have to rely heavily on third parties to support chip migration. These activities are outlined to provide guidance only. It is expected that each merchant’s specific timeline will vary depending on the nature of technology and/or business dependencies.

As chip migration becomes prevalent in other countries, merchants have the ability to share the details of their migration experience. As Canada moves forward with chip migration it will be beneficial to develop an understanding of the timelines associated with the migration activities of integrated Canadian merchants. Should any merchant wish to share your migration experience in Canada or any other country, please contact your Acquirer, Card Payment Brand(s) and/or Retail Association(s).