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ACCELERATING THE SHIFT TO DIGITAL PAYMENTS

Red Link enables millions to continue making financial transactions despite disruption

The spike in digital payments during the COVID-19 pandemic became a test for Red Link and its financial services partners. Would they be able to cope, or would they struggle? Backed by a fault-tolerant processing platform, the financial technology provider managed a 50% rise in volume, processing more than 47 million transactions a day and providing continuity to millions of Argentinians. Digital transactions are now driving significant growth for the company.

Argentina has imposed one of the world's longest lockdowns since the COVID-19 pandemic started. Between March and November 2020, Buenos Aires residents spent more than 230 days in isolation, restricting their movement and ability to shop and make financial transactions in person.

This tested Red Link S.A.'s ability to support a sudden surge in transactions. The leading provider of financial transaction processing in Argentina was expecting volumes to rise by about 20% when COVID-19 reached the country. But they jumped nearly 50% compared to the previous year as customers flocked to digital platforms.

"We weren't expecting such a massive increase," says Eduardo Gallego, Red Link's IT core infrastructure manager. "But people quickly adapted to the different digital channels available to them."

Red Link has always focused on making sure its payment processing platforms are available round the clock. About 26 million Argentinians—or seven out of 10 customers—rely on these platforms to send or receive money, transact online, and shop using credit or debit cards. And for more than 30 years, it's been able to deliver uninterrupted services to financial institutions, businesses, and customers—processing around 47 million transactions a day or more than 8 billion a year. The company is now enjoying robust growth as the shift to digital payments accelerates.

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INDUSTRY: FINANCIAL SERVICES

REGION: ARGENTINA

VISION

Enable customers to succeed in the new digital economy through innovative financial technology

STRATEGY

Support exponential growth in digital financial transactions with 24x7 processing capability

OUTCOMES

- Handles a nearly 50% rise in the volume of financial transactions during the COVID-19 pandemic
- Processes around 47 million payments and other transactions a day across all channels
- Gains a cost-effective solution despite Argentina's cumulative inflation of more than 40%

Processing transactions without fail

With the sharp rise in transactions in 2020, Red Link had to make sure its payment processing platforms and their underlying infrastructure could keep up with this growth while ensuring zero downtime. In particular, it needed its BASE24 processing application to remain highly available, so it could support the acquisition, authorization, and switching of large transaction volumes coming from various channels.

“Throughout that period, we had confidence everything was going to be fine, that we were going to manage very well with our main platform,” says Gustavo Gabriel Martinez, head of NonStop engineering at Red Link.

“We maintained our reputation of having high levels of availability because of the quality of the platform we have. And our financial institution partners were able to meet the increased demand for digital services and serve their customers without difficulty,” adds Martinez.

Gallego agrees. “All our infrastructure and all our platforms responded perfectly,” he says. “In fact, the pandemic has become a major growth driver for our business, helping us sustain our profitability.”

Increasing capacity to power uninterrupted transactions

Red Link’s ability to handle the spike in demand on its processing workload was partly due to its ready access to additional compute capacity using HPE NonStop Dynamic Capacity. This licensing capability allows the company to dynamically scale up its compute power during surges in demand—just through a few software commands.

“Having that capacity was very useful, especially at the onset of the pandemic,” says Martinez. “We were able to overcome

any unexpected problems by doubling the power of our infrastructure within minutes, using HPE NonStop Dynamic Capacity.”

As it anticipated further growth in transactions, Red Link decided to scale its mission-critical infrastructure. This increased the number of transactions it can manage per second from around 1050 to 1200, enabling customers to continue making payments and undertaking other transactions even as COVID-19 disrupted many economic activities.

“Compared to 2020 and despite being in the second year of the pandemic, our levels of transactions are still higher. I think the population is continuing to adopt digital tools like e-wallets. They’re starting to use online banking more frequently,” says Martinez.

“We believe we’re going to be able to manage even higher levels of growth without any problem.”

Accelerating innovation through flexible financing

Red Link managed to deploy its latest servers in less than a month and accelerated innovation by acquiring the solution through HPE Financial Services fair market value lease option.

Notably, the company was able to reduce its initial investment at a time when Argentina was struggling with rising inflation. The country’s cumulative inflation reached 36.1% in 2020 and more than 40% in the first 10 months of 2021, eroding businesses’ purchasing power.

“Red Link decided to opt for the lease option after we realized that it was more cost-effective than other financing alternatives and it would deliver a higher rate of return on investment for our company,” says Gallego.



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– GUSTAVO GABRIEL MARTINEZ, HEAD OF NONSTOP ENGINEERING, RED LINK S.A.



Enabling continuous business

Red Link's new mission-critical infrastructure comprises two HPE NonStop X NS7 servers for production and disaster recovery, deployed with support from HPE Pointnext Services.

A long-time HPE NonStop platform user, Red Link has ensured continuous business and supported rapid growth for more than 30 years, making it a trusted partner to Argentina's financial services providers.

"Our transactions increase every year, but our core platform responds to our client needs every single time," says Red Link's HPE NonStop support head, Matias Tranfo. "We can process every transaction for our customers."

Martinez adds, "Everything on BASE24 goes through HPE NonStop, so if our platform doesn't work, the company doesn't make money. Our partners know that if they put software on a NonStop system, it can manage a lot of transactions without fail."

Martinez's team has also benefited from the ease of setting up its mission-critical and other business applications on the system. "We manage other platforms and we see how they need to be configured to gain availability, and they're not that simple to scale," he says. "But NonStop's availability and scalability is out of the box."



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– EDUARDO GALLEGO, IT CORE INFRASTRUCTURE MANAGER, RED LINK S.A.

Bolstering platform availability

A trailblazer in adopting new technologies, Red Link has also implemented HPE Virtualized NonStop with support from HPE Professional Services. The software-only solution helps Red Link advance its disaster recovery solution with an active-active ecosystem while providing even greater availability for end users than the company's earlier active-standby configuration.

HPE Virtualized NonStop runs on an HPE ProLiant DL380 Gen10 server and Aruba switches to help Red Link eventually deploy mission-critical solutions in a private cloud managed by VMware®.

"We want flexibility, agility, and speed in building new environments," says Gallego. "That's fundamental for our ongoing active-active project."

As part of the project, Red Link's IT infrastructure team wants to know how well HPE Virtualized NonStop would perform as one of the solutions in the company's active-active ecosystem. Ultimately, the team's goal is to evaluate HPE Virtualized NonStop for production environment transaction processing and to further strengthen the security and availability of Red Link's platforms.

"We expect the solution to have the same level of uptime as our existing systems," says Martinez. "But our main reason for exploring HPE Virtualized NonStop is to know how we're going to coordinate with different partners within our ecosystem to address potential problems."

Rolling out new payment tools

As Red Link expects more changes in customer demand, including the integration of new digital payment methods, it is confident that it can provide more value-adding technology solutions.

"NonStop was a perfect platform for Red Link in the past, it's perfect now, and it will be for new or future developments that our company will see in terms of availability," says Tranfo.

Martinez agrees, noting that the scalability of its core platform makes the company well prepared to support emerging and promising technologies in finance, such as cloud, analytics, artificial intelligence, and blockchain.

"When it comes to using modern technology, we can integrate very easily," he says. "We've always had a fault-tolerant solution with a high level of uptime, even as our requirements evolve and our customers' needs change. Every year, we see new technologies and new applications that allow us to integrate well with a lot of satellite platforms. And every time, this solution responds and works very, very well."

Gaining more agility

Red Link is now considering the potential of acquiring its compute solutions as a service to gain more flexibility in its capacity and in financing it.

"We'd like to be able to stay ahead of developments for our customers, so 'as a service' through HPE GreenLake is something we want to explore further in the future," says Martinez.



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– MATIAS TRANFO, HPE NONSTOP SUPPORT HEAD, RED LINK S.A.



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SOLUTION

HARDWARE

- HPE NonStop X NS7
- HPE ProLiant DL380 Gen10
- Aruba switches

SOFTWARE

- HPE Virtualized NonStop
- HPE NonStop Dynamic Capacity

HPE SERVICES

- HPE Professional Services
- HPE Financial Services



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