

## Global Beauty Company Cuts Risk Out of Payment Card Acceptance

### Regis Corporation Trusts nuBridges Protect™ to Secure Customers' Credit Card Data

Regis Corporation is the name behind some of the world's best known hair salons and private-label hair-care products – Vidal Sassoon, Supercuts, Cost Cutters and Hair Club for Men and Women – to name a few. It is a multibillion-dollar enterprise and the largest hair salon chain in the world, with Regis owning or franchising more than 12,800 worldwide locations. Founded in 1922 as a small family-owned chain of beauty salons in department stores, today Regis is nearly 8 times larger than its nearest competitor, generates annual revenues in excess of \$2.4 billion and is publicly traded on the New York Stock Exchange.

All of this success was not by accident. Regis has a great business model that, among other things, puts the customer first. That means not only delivering superior customer service, but also ensuring that customers' payment card information is secure at every point-of-sale (POS) at every salon around the globe.

### In Pursuit of Best Practices in Payment Card Protection

In 2004, Bernie Rominski, Regis' IT Security Officer, began taking steps to comply with the strong encryption requirements of the Payment Card Industry's Data Security Standard (PCI DSS). This meant finding a best practices solution to encrypt and securely transport customer credit card numbers collected at POS terminals in over 8,500 corporate-owned salons located across the U.S. to the company's central data repository in Minneapolis.

"Like many other companies, certain elements of data security moved way up on the priority list because of PCI DSS," said Rominski. "When PCI DSS went into effect in 2004, we took advantage of the mandate to put into place the security measures we felt were needed to better protect customer credit cards and prevent a data breach."

Prior to PCI DSS, data security for many companies like Regis was considered more of an IT concern than a corporate concern. The IT department used strong access controls to protect sensitive data such as credit card numbers, but not the more advanced security measures such as strong encryption. To their advantage, the company's technology infrastructure itself is very secure. The IT environment is highly centralized and the company uses IBM® i midrange servers for its back office applications, which have many security features built in.

*"nuBridges focuses its solutions on business value and differentiates itself with its excellent customer service."*

Bernie Rominski  
IT Security Officer  
Regis Corporation

When tasked with finding an encryption and key management solution to help Regis comply with PCI DSS, Rominski contacted local security advisors and scoured the Internet for references and articles on the various solutions.

"We had two objectives: protecting the data on our IBM i back office systems and protecting it on the Microsoft® Windows® POS systems located in our salons," said Rominski. "Because the solution had to support the IBM i, the list of options narrowed significantly. We also wanted a solution that would have minimal impact on our processes and applications."

### Collaboration Ensures Successful Implementation

While Rominski had discussions with all of the vendors that made the cut, he only evaluated nuBridges Protect™. "The evaluation phase took a couple of months and required considerable assistance from nuBridges because of the level of education we required," said Rominski. "We have many highly skilled engineers on staff but none of them had worked in a highly secure environment. Even the basic principles of encryption were new to us. The nuBridges team spent a lot of time educating us during the early months."

In October 2006, the company decided to move forward with the installation for its back office systems where the majority of its computing takes place—also its biggest area of risk. According to Rominski, the implementation was remarkably easy. "The implementation on the POS side required more work. We had to do some fairly tight integration that required us to modify our database schema. Although these changes were entirely justified, they took a few months to complete." Regis began rolling nuBridges Protect out to its proprietary POS systems in the salons in June 2007.

With nuBridges Protect, credit card numbers are encrypted when they're entered into corporate POS systems and never stored in clear text. The encrypted numbers are then transmitted to Regis headquarters and only decrypted when the original values are needed. nuBridges Protect provides full lifecycle key management that is PCI DSS compliant, assures the proper key is available when decryption events are necessary, and that only properly authorized staff can perform decryption.

### Tokenization and Key Management Minimize Impact on IT Systems and Staff

When encrypting data, the encrypted value always takes up more space than the clear-text value. However, since nuBridges Protect enables Regis to use tokens in place of credit card values within its databases, no changes are required to the existing database schemas, minimizing the impact to the database.

"The ability to generate surrogate values and populate the database table with them instead of using the actual credit card numbers is a significant benefit for us," commented Rominski. "Using a meaningless, but unique value, allows our applications to work without exposing actual credit card numbers. For example, we can still use the information in our loss prevention application to look for credit card abuse and fraud at the salons."

In addition to its strong encryption, Regis' IT department quickly began to appreciate nuBridges Protect's unified key management system. "The way nuBridges Protect handles encryption key management turned out to be a major headache sidestepped," noted Rominski. "Some of the PCI DSS requirements that would have otherwise resulted in highly manual and tedious procedures are automated by nuBridges Protect."

nuBridges also helps Regis fulfill its logging and auditing requirement for PCI DSS compliance. "nuBridges Protect logs all encryption and decryption activity automatically and provides a function to check the integrity of the log file to make sure it hasn't been tampered with, all of which are PCI DSS requirements," said Rominski. "We can then use that information in conjunction with our security event monitoring to alert us to irregularities."

### Automatic Alerts Guard Against Internal Data Breaches

The Regis IT department also uses the log file to warn of unauthorized attempts to use an approved interface. "We can reconcile the number of credit card settlement transactions we do at the bank with the number of decryption operations we did each day," said Rominski. "Because the data cannot be decrypted without using nuBridges Protect, there are multiple ways we can check that an interface hasn't been misused by an employee. We've learned from what has happened at other companies that we have to guard against internal theft vigilantly."

In the near future, Rominski plans to also use nuBridges Protect to secure other sensitive information to provide a greater degree of protection for Regis, and assurance for its customers and business partners.

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### About nuBridges, Inc.

nuBridges is a leading provider of software and services to protect sensitive data at rest and in transit, and to transfer data internally or externally with end-to-end security, control and visibility. nuBridges encryption, key management, managed file transfer and B2B integration solutions are used to comply with security mandates and to digitally integrate business processes among enterprises, systems, applications and people. Over 3,000 customers depend on nuBridges secure eBusiness solutions to encrypt millions of credit cards, exchange billions of dollars in B2B transactions and enable countless business-critical file transfers, including Wal-Mart, Amazon.com, Timberland, American Eagle Outfitters, Belk, Bon Ton, John Deere, Wachovia, Sun Trust, AIG, CheckFree, Bank of America and Verizon. nuBridges is headquartered in Atlanta, Georgia, USA. More information is available at [www.nubridges.com](http://www.nubridges.com).