

# excellence

## and growth in banking

innovative SAP for you and your customers



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# Staying ahead

Staying ahead of the game today is not easy. Successful banks must move faster and at shorter notice than ever before. They can only do this if solutions are end-to-end increasing speed and agility at every turn.

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The front office is key to competitive success. Customer-facing activity must deliver growth and protect existing revenue streams. New products, increasingly tailored to individual customer requirement, must be delivered fast. Customers must experience secure and convenient service - across any channel, anytime and anywhere.

The back office is important for other reasons. It must support the business strategy with clinical efficiency. It must track performance too, so that banks can respond to rapidly changing market conditions. It must also ensure that banks can meet tough regulatory compliance obligations at all times.

Atos SAP Solutions for Banks keep you competitive. Replace your legacy banking systems with state-of-the-art SAP solutions, and see the difference across front and back office operations.

As the true innovators across multiple customer communication channels, many banks are now directly confronted with the legacy of that innovation. Banking technologists have sought constantly to de-couple product from channel, and to find ways to streamline process flows between the point of customer contact and the engine room of the back-office.

The ability to "join everything up" becomes a point of genuine differentiation and a prerequisite for operational efficiency. There are three reasons for this:

#### **Customer experience**

For the banking customer, quality of experience depends on having a single view of status and options available at all times. Customers want banks to be designed around their choices and preferences.

#### **Operational excellence**

All procedural and transactional activity must be conducted to the highest degree of efficiency. Banks must ensure that what does not add value must not, at least, reduce it.

#### **Transparency and security**

Every bank is now under constant scrutiny. Regulatory compliance must be impeccable, and this dictates that a true picture of operational status must be readily available at all times.

Transparency is not just a regulatory requirement: access to clear, accurate and timely data is also the foundation of all intelligent business development.

The pressure to rationalize processes and platforms is further increased by the need to accelerate the design and delivery of new banking products, on the one hand, and the need to reduce the cost and complexity of IT, on the other.

#### **Business value - IT cost**

In banking, the CIO team has always had to maximize business value and minimize cost. If anything, this imperative is even more acute today. It is easy for the CIO team to declare war on complexity. The reality of execution is different.

The sheer volume of applications running in most of today's banks is staggering. The cost of managing this complexity is not purely financial. Complexity is also a major inhibitor in getting new and profitable products to market.

If, for example, a high street retailer offers an attractive new savings product on a Monday, any successful counter-offer from a bank needs to be out in the market within days or even hours. You can only achieve this degree of agility when everything joins up.

#### **So why SAP for banking and why now ?**

SAP offers a comprehensive portfolio of modular banking products. This means that for the very first time, banks can consider the adoption of a standardized platform across their operations.

The credible emergence of cloud-based delivery models makes SaaS a viable technical and business reality for banks. Budgeting approaches designed to shave costs from owned resources can now be replaced by approaches which ask "What do we need and how much are we prepared to pay for it?"

Most importantly, banks now have the option of adopting a platform which will essentially, remain "future-ready". This means being ready with Web 2.0 apps right now, confident in the knowledge that you will be able to ride the next wave without rebuilding platform or process.

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# Scope and focus

For those deciding to make SAP the overall framework for banking operations, commitment to silo-busting is implicit. The SAP architecture for banking is highly modular. But before examining individual business functions, consider the big picture.

## Customer communication channels

Customer communication channels maximize customer choice and rationalize service delivery across all channels. One size does not fit all. Some banks have made strategic decisions to operate solely as digital service providers. Others continue to rely strongly on branch and mail services.



Voice



IVR



E-mail



Fax



Mobile



Web



Mail



### Customer Relationship Management (CRM)

The success of any marketing program or product launch hinges on how ready customers and prospects are to buy into it. CRM must capture information with the same precision with which it communicates it.

### Transactional banking

There is a paradox in transactional banking. While it is the traditional core of banking activity, it is not where the money gets made. Clinical efficiency and near-total automation are essential.

### Analytical banking

Analytical functions are judged by the intelligence they deliver, on the one hand, and the error they avoid on the other. These functions are at the core of banking reputation and performance.

### Integration infrastructure

This is the engine room. Seldom glamorous and rarely at the top of the strategic agenda, it is however where the CIO and COO teams work to keep the wheels turning freely.

### Enterprise Resource Planning (ERP)

Like any other organization, banks rely on a combination of core business and non-core support functions. Their quality is critical in ensuring that the bank is equipped to sustain and succeed in business.

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# Functional snapshots

These snapshots provide just a taste of what each of these functional areas can deliver.

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## Customer communication channels and CRM

Gain a consistent and agile approach to managing every customer touch-point. Web delivery becomes a primary channel for both assisted services, through branch and contact center, and for self-service, through home banking.

For the customer, mobility becomes a must - and for the bank this means being able to re-platform quickly and efficiently to deliver a consistent and unified customer-experience.

CRM must deliver 360° - giving the bank a complete view of individual and aggregated client activity and giving each client instant access to their own information.

## Transactional banking

Existing transactional banking platforms often struggle to cope with new demands for speed, capability and agility. Add to this the rising cost of managing heritage applications, and the 'off-the-shelf' style of SAP becomes immediately compelling in three key transaction areas:

### Deposit management

Manage all deposit activity across the account life-cycle. This includes exception handling, periodic settlements, and intraday calculations. The SAP module can be scaled to handle any volume.

### Loan management

Effective and low-risk loan management needs to be tailored according to individual account history and conditions. This SAP module achieves this with maximum automation for swift and strongly rule-based execution.

### Collateral management

Loans officers can track and monitor all collateral-related processes efficiently, reducing risk and offering products ranging from mass-market retail loans to highly individualized corporate loans.

## Analytical banking

Information management and analysis take us to the heart of banking. It is pivotal in meeting regulatory and compliance obligations and is the foundation of business intelligence.

Near-total automation is needed: no bank will be able to rely on manual reconciliation for much longer. Our use of SAP banking analytics allows you to gather and aggregate financial and performance data from across your operations, and will allow the resulting information to be distributed where, when and how it is needed.

Our Financial Information Architecture embraces finance and risk management, and enables you to manage valuations for a wide range of financial instruments and to meet the regulatory requirements on IFRS9 and Basel III.

## Integration infrastructure

An open architecture is essential for any bank seeking to take advantage of new product and market opportunities. Our service-oriented design achieves this through SAP NetWeaver - providing immediate and robust integration not just for SAP, but for all other established industry platforms.

We put the basics in place, so that our banking clients can go straight for the value-add. This means, for example, that you can rapidly reconfigure products for changing market conditions without touching source code. Agility is essential in pursuing cross-border opportunities, and the integration in infrastructure delivers full multicurrency, multi-language management too.

## Enterprise Resource Planning (ERP)

Our SAP ERP modules span all essential business support functions including HR, procurement, cost-control, general ledger and corporate services. It is essential that these activities are strongly interconnected. When, for example, a new product gains momentum, it may require a switch from consultant staffing (Procurement) to in-house management (HR), which in turn requires training and technical resourcing (via Corporate Services), and so on. Silo-busting, as elsewhere, remains the underlying theme for ERP.



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# Getting there

Switching your banking operations to a unified business process platform is not like buying a new pair of shoes. We have stressed the fact that our SAP banking platform is highly modular, and highly interoperable with many of your existing application assets. But that does not make adoption plug-and-go.

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Adopting SAP as your banking platform is a strategic decision. To reap the full benefit, it is essential to look beyond the functional promise and think:

- ▶ How you are going to get there?
- ▶ What ongoing operating model will suit you best?

Atos mantra is “design, build, operate” - and so it is with SAP for banking. If you decide to adopt SAP as your banking platform, and if you decide to engage Atos to help you do it, we will manage every step of the way.

## **Business case**

Our decision to adopt SAP as a banking platform must be built on a sound business case. Atos Consulting will work with you to audit current status, and to craft an adoption scenario with detailed and quantifiable benefits.

## **Priorities and pilots**

Even if the ultimate goal is about establishing a uniform platform, you are unlikely to want “big bang”. We will help identify areas of priority, and then suggest meaningful pilots.

## **Implementation and fall-back**

Whatever the scale, Atos is equipped to manage roll-out, and all it entails. Our integration teams will project manage every aspect of adoption from application inter-dependency through to staff training. We will also ensure that full fall-back is maintained, until all parties are ready to make the switch.

## **Mass-adoption and extension**

Adopting the SAP banking platform will be tightly scheduled in terms of milestones and deliverables. It is likely to be large-scale and pervasive, however, and ongoing review and evolution will be built in to the engagement.

If, for example, you make an acquisition, then the platform itself will need to be mapped quickly and efficiently to the new profile.

## **Ongoing provision**

Different clients use different models. Because the SAP banking platform is naturally ready to deliver Software as a Service, it makes good sense to entrust hosting and provision to an expert third party, such as Atos.

How we design the commercial and delivery models will depend on the character and conditions of each client.

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# Why Atos?

Atos has exceptional depth of experience as a provider of technology solutions and services to the banking industry.

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A sample of our clients include:

**BBVA, Commerzbank, ING, Société Générale and Standard Chartered.**

We are a full service company. Our expertise spans the consultancy needed to construct the business case, the integration and implementation skills needed to make it a reality, and the ongoing application and process management skills needed to run it.

You can select us for this SAP-intensive initiative with confidence. To date, we have successfully concluded over 5,000 SAP implementations in more than 90 countries, including many in the financial services sector.

We have scale too, with some 10,000 SAP specialists on our team, who have supported over 900,000 SAP end-users

This skill has been recognized by SAP: Atos holds both SAP Global Services Partner and SAP Global Hosting Partner status. Holding key Global certifications such as SAP Application Management Provider, SAP Service Provider, SAP Hosting Provider (with certified centers in EMEA, Americas and APAC), SAP Cloud Services Provider, and SAP Value-Added Reseller (VAR).

## Breadth of innovation

Atos is an innovator, both in terms of technology and of commercial engagement. We are acutely aware that banks need to adopt strategies in which risk is notably well balanced by prudence.

For this reason we are always keen to suggest small steps to start - and will place a special emphasis on the ability to measure their business results.

We do provide a distinctive capacity in Hi-Tech Transactional Services, through Atos Wordline, and this allows us to offer models of shared risk and reward. Much of the throughput of your SAP banking platform will be transactional in nature, and both parties can exploit this to increase profit, drive out cost, and increase agility.

## Our approach consistently reflects three key themes:

- ▶ We are specialists and understand the banking industry and the challenges it faces
- ▶ We take time to identify compelling benefits and put these at the heart of our relationships in concrete business terms
- ▶ We are relationship focused and put 'skin in the game', sharing risk with true accountability.

Our capabilities are industry-leading, but ultimately what defines Atos is our people; how they work, their credentials and what they stand for. This is what sets us apart in our market, as you will discover when you begin to get to know us better.

## Next steps

Engagement is simple and low risk for clients. Atos has developed 'smart scan plus', a consultative business approach designed to interrogate, analyze and evaluate the efficiency of a client's SAP systems. From this we can quickly assess how we can help, how much we can save the client's business and how we can drive transformation.

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# About Atos

Atos is an international information technology services company with annual revenues of EUR 8.7 billion and 78,500 employees in 42 countries. Serving a global client base, it delivers hi-tech transactional services, consulting, systems integration and managed services. Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic Games and is quoted on the Paris Eurolist Market. Atos operates under the brands Atos, Atos Consulting, Atos Worldline and Atos Worldgrid.

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