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Markus Bayha, product manager for Business Intelligence applications at FIDUCIA

FIDUCIA makes Cognos a critical part of its application service provider model, delivering new answers and insights to more than 850 German banks

Executive Overview

Based in Karlsruhe, Germany, FIDUCIA IT AG (www.FIDUCIA.de) offers a wide range of advanced IT solutions and services to more than 1,000 organizations in financial services, retail, industrial, and public administration sectors. FIDUCIA is the largest comprehensive outsourcing partner in the cooperative banking sector, serving more than 850 banks and 38 million banking customers in Germany. It is also renowned for its market-leading use of business intelligence (BI)—and its BI solution is considered the benchmark of the financial industry by the University of St. Gallen, Forrester Research, and Mummert & Partner.

FIDUCIA's ongoing success demands that it understand each bank's information requirements and deliver a reliable, secure, complete set of IT services that meets these needs—all at a competitive cost. They also need to adopt emerging technologies that ensure that their banking customers can stay competitive.

In 2001, FIDUCIA expanded its application service provider (ASP) model to include Cognos business intelligence capabilities. Cognos helps FIDUCIA serve as a comprehensive partner to its banking customers, expanding beyond traditional core ASP offerings to provide market analysis, sales metrics, sales channel analysis, and other innovative capabilities.

Cognos BI becomes part of a complete banking solution

With Cognos at the core of its business intelligence competency centre, FIDUCIA can bring new answers and insights to its banking customers. Cognos provides the scalability FIDUCIA needs to serve a large base of diverse banks. It offers the unequalled security and ease-of-use that banks demand. It integrates seamlessly with FIDUCIA's IBM DB2 data warehouse. And

Industry:

- IT for Financial Services Industry

Geography:

- Germany

Platforms:

- IBM DB2, IBM AIX, Microsoft Windows

Users:

- 850 banks, 6000 + Users

Solution:

- Cognos BI Solutions: Analytics and Reporting

Impact:

- With more than 6,000 Cognos users, Cognos BI Solutions have become an important part of *agree*[®]—FIDUCIA's comprehensive banking solution—which is used by more than 850 banks, making it the most widely used core banking system within the German banking sector. FIDUCIA plans to expand *agree* with new Cognos capabilities in the future.

standardizing on Cognos Business Intelligence software, keeps FIDUCIA's total cost of ownership low.

The Challenge: Meeting the needs of the German banking sector

As an application service provider, FIDUCIA's main business is to provide technology support, computational capacity, and support for core bank processing systems and applications to its more than 850 customers in the German banking sector. FIDUCIA must meet the evolving needs of these banking customers, who rely on FIDUCIA to leverage advanced technology to help them stay efficient and thriving.



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FIDUCIA serves a wide range of German banks, including some with 2,000 customers and others with more than 400,000. No matter how small or large they are, FIDUCIA's banks present a core of common challenges and business imperatives:

- **Provide value-added applications and services**—Banks look to FIDUCIA to provide services that help them stay competitive, sell their services more effectively, retain their customer base, and attract new customers.
- **Minimize IT costs**—Customers look to FIDUCIA and its ASP model to minimize and control IT costs by using standardized applications, which still provide the flexibility necessary to meet each bank's specific needs.
- **Keep IT simple**—Banks expect FIDUCIA to provide applications and services that simplify their IT operations and streamline their business processes.
- **Maximize security**—For FIDUCIA's banking customers, security is a key issue and major concern. FIDUCIA must ensure that a bank cannot access data from other banks, and that all customer information is completely secure.
- **Enable self-service**—Banks want to perform key operations, such as reporting, without having to contact FIDUCIA. So while they look to FIDUCIA as a full-service ASP, they also need to be empowered with new capabilities that they can access and use quickly and easily.

"Banks don't want to hear about technology," says Markus Bayha, product manager for Business Intelligence applications at FIDUCIA. "They want us to help them raise revenues and sales. As a technology provider, we have to meet their ever-evolving business requirements with standardized, integrated applications that are extremely easy to implement and use—and that assist all relevant processes. Our key challenge is to expand our ASP model to provide new capabilities, better information, and more transparency to our banking customers—while ensuring the simplicity, reliability, and security that these customers demand."

The solution: bringing advanced capabilities and new insights to banks of all sizes

In 2001, FIDUCIA selected Cognos to expand the services it offers its banking customers—adding new business intelligence offerings to its ASP model. Now Cognos Business Intelligence software serves as FIDUCIA's

adopted standard for business intelligence.

Standardization enables FIDUCIA to respond quickly to the specific needs of its customers, lower total cost of ownership, and create a single foundation for driving performance within banks. The standardization within BI led FIDUCIA to implement a BI Competence Center (BICC), which will help FIDUCIA and its customers receive the full benefits of standardization.

A critical part of a comprehensive banking solution

FIDUCIA has incorporated these BI capabilities into its powerful *agree*[®] banking system. The *agree* system serves as a standard user interface and puts Cognos BI capabilities at the fingertips of banking users, helping them know more about customers and make more informed business decisions. Key applications driven by Cognos Business Intelligence include:

- **Market potential analysis**—Banks can check the market potential by analyzing their current business-generating sales activities, based on regional demographics or buying patterns, as identified by internal knowledge or external demographic analysis.
- **Sales channel usage analysis**—This enables banks to analyze how customers are using their channels, including bank branches, ATMs, Web use, and access via mobile phones. It also allows banks to optimize costs and drive use of its alternate or lower cost sales channels.
- **Sales metrics system**—This application provides defined metrics for sales analysis against benchmark data from FIDUCIA's member banks (German banks function collaboratively, as well as competitively), providing a clear ranking of banks among their peers. With these capabilities, banks can gauge the effectiveness of their sales activity, learn from best practices, and adjust their strategies to get optimal results.
- **Company-wide reporting system**—With Cognos BI capabilities, banks can implement a company-wide reporting system with standard and ad-hoc reports. FIDUCIA provides access to more than 4,500 attributes—most of them updated daily—from different legacy system or external market data.

Cognos becomes a valued BI partner

"Banks choose FIDUCIA and our ASP model because they want to minimize IT costs and complexity," says Bayha. "But they also want the latest technological innovations. We needed to find a partner who could supplement our core competencies with other capabilities, such as analysis and reporting, so we could meet the needs of our banking customers better. And we



Cognos BI solutions play a critical role throughout the sales process, enabling FIDUCIA's banking customers to maximize their revenues via fast, transparent access to key market analysis and customer information.

needed a partner who offered open interfaces to our infrastructure, since we needed to provide an integrated, comprehensive "single entry point" to our wide-ranging capabilities. Cognos is that partner."

With Cognos solutions, FIDUCIA can deliver complete BI capabilities that supplement its core competencies. It also provides the high level of security that FIDUCIA's customers demand. And Cognos solutions provide advanced capabilities that are extremely intuitive and easy to use—without specialized training.

A proof of concept starts the process

FIDUCIA began integrating Cognos BI into its offerings via a comprehensive proof-of-concept roll-out. "With Cognos, we were able to get a prototype up and running in just a few weeks, so we could begin making BI part of our solution," recalls Bayha. "Our developers quickly found that Cognos applications are extremely easy to use and customize." Following the success of the proof of concept, FIDUCIA began offering BI capabilities to its complete banking customer base.

Leveraging the power of Cognos BI

Adoption of Cognos BI solutions by FIDUCIA customers has been swift and impressive. The majority of its banking customers have chosen to tap these BI capabilities, with more than 450 banks and 6,000 individual users using Cognos for in-depth analysis and 600 banks and 6,200 individual users relying on Cognos for advanced reporting. In all, FIDUCIA customers have created more than 4,600 cubes and 60,000 reports. And this is just the beginning, since FIDUCIA continues to add customers—and expand its portfolio of BI applications.

Keeping advanced capabilities simple

"Our BI applications must be extremely easy to handle, both for us and for our customers," says Bayha. According to FIDUCIA, Cognos has seen rapid adoption among its customer base because it offers powerful BI capabilities, but in a way that is extremely easy to adopt—for users and developers alike.

"Cognos offers a simple, zero-footprint approach at the desktop level, and state-of-the-art export functionality that ensures easy SQL integration at the developer level," says Bayha. "Our banks simply get the BI capabilities they need—without new management challenges or integration issues."

A complete Business Intelligence Competency Center (BICC)

FIDUCIA has developed a powerful BICC, a comprehensive process, and a consistent BI framework for bringing advanced Cognos BI solutions to its banking customers. The BICC includes all elements necessary to help banks get the most of Cognos Business Intelligence—including client consultation, project management, product development and delivery, application deployment, help-line support, consulting, and training. It brings business expertise and technology together to help FIDUCIA's banking customers in the following ways:

- **Cost reduction**—Standardizing and consolidating on a consistent BI infrastructure reduces costs for license fees and support. The BI Framework also allows FIDUCIA to reuse concepts or software among different projects, reducing costs.

- **Faster, more efficient development**—The BICC and BI Framework allow FIDUCIA to accelerate software development and enabling faster time-to-results.
- **Risk reduction**—The BICC reduces project risks and keeps projects on time and on budget. Access to the BICC knowledge base enables project teams to find quick answers to critical architecture, security, sizing, or performance questions—reducing risk by leveraging proven best practices.
- **Higher satisfaction**—FIDUCIA customers using the BICC are very satisfied with the results—since they get faster results at a lower cost. They also benefit from reduced training, since they are working with a familiar set of BI solutions that they can apply to a range of business challenges.
- **New revenues**—Easy to deploy and use, Cognos BI solutions expand FIDUCIA's ASP model and enable it to serve its customers with cost-effective, value-added applications and services—enhancing revenues and building the customer base.
- **Better information and more transparency**—Direct, fast, flexible, and integrated access to relevant information lets FIDUCIA help its customers achieve their business and profit targets. For example, by identifying market potential, they can ensure that they are maximizing it.
- **The ability to meet the needs of all banking customers**—FIDUCIA serves banks of all sizes. The scalability of Cognos BI solutions allow FIDUCIA to serve all its customers, and continue to expand its customer base as well as the overall number of users—all while maintaining top performance and availability.
- **Advanced security**—Banks choose FIDUCIA to minimize IT costs and leverage economies of scale. But they are also extremely concerned with confidentiality and security—top topics in today's financial services sector. No bank wants to put customer data at risk. With Cognos BI solutions, powerful security features ensure the confidentiality of critical banking information.
- **Maximum ease of use with minimum training**—It would be impossible for FIDUCIA to support its bank customers with advanced BI solutions that required extensive training. Cognos BI Solutions are exceptionally intuitive, enabling FIDUCIA to roll out new capabilities without requiring significant involvement from its training department.

These benefits and many others make FIDUCIA's Cognos-fueled Business Intelligence Competency Center (BICC) a critical part of its customer offering.

“Each of our banking customers is different,” says Bayha. “We offer them the ability to integrate Cognos applications with the way they work, and to decide how best to use the applications. This flexible approach lets them get the most business value.”

The benefits: bringing BI to the banking community

Cognos fits perfectly with FIDUCIA's streamlined ASP model—letting FIDUCIA offer BI capabilities to its hundreds of banking customers in a way that is consistent with its vision of providing comprehensive, value-added services in a simple, secure, and scalable manner. Here are some of the key benefits that FIDUCIA executives attribute to Cognos:

- **Expanded self-service offerings**—One key to FIDUCIA's success is the ability to empower its customers to use new BI solutions and capabilities at the desktop level—but without the complexity and expense of installing and upgrading desktop software. Web-based Cognos BI solutions fit seamlessly with FIDUCIA's standardized *agree*® banking workstation user interface—enabling banks to tap advanced analysis and reporting in the way that best matches their needs.

Looking ahead: Expanding value-added capabilities

FIDUCIA's close partnership with Cognos enables it to continue to expand its use of Cognos Business Intelligence to meet the needs of its customers. “Cognos is already an important part of our business model, of the services we offer our customers, and of our technology architecture,” concludes Bayha. “In the future, we will continue to build on this solid foundation—adding new capabilities that meet the needs of our banking customers.”

