


British Arab Commercial Bank

“With profitability information now available in an instant, we can make commercial decisions faster and with complete confidence in the data.”

Cris Denby, Chief Financial Officer, British Arab Commercial Bank



British Arab Commercial Bank (BACB) is a London-based bank with more than 130 employees. A profitable and prestigious organization that specializes in the Arab Mediterranean region, BACB has clients around the world. The bank offers a traditional range of commercial banking products, including foreign exchange, money market products, and trade finance. In today's world of electronic and Internet-based finance, BACB has carved out a niche for itself with a flexible, client-centric approach combined with excellent execution.

In recent years, all commercial banks have faced growing pressure from legislative changes such as Basel II to deliver timely, accurate, and high-quality management information. In addition to these industry-wide challenges, BACB had an urgent requirement to improve its customer profitability system, which was no longer meeting its needs.

BACB turned to Cognos, an IBM company, for a solution. The key component of the solution was IBM Cognos TM1, which not only met the requirements for the redevelopment of BACB's Customer Profitability application, but also provided a complete BI solution.

Before bringing in IBM Cognos TM1, it took almost two weeks to generate the information the bank's account officers and senior management needed. The new system provides detailed information by 7:00 am the next morning, and it is much more flexible. Last but not least, these major improvements were achieved with no changes in the bank's IT infrastructure.

Challenges faced

Until recently, BACB relied largely on legacy processing systems, in particular, Misys Midas, probably the most successful core banking system in the world. “We have been using Midas since the beginning,” says Rollo Greenfield, BACB's Chief Operating Officer, “but to meet new challenges, we needed to invest in new systems as well as Midas.”

Industry:

- Commercial banking

Geography:

- Global

Information needs:

- Faster, more robust reporting
- More flexible system
- Richer data
- Ease of use

Solutions:

- IBM Cognos TM1

Benefits:

- Generates reports quickly and easily
- Requires less time and fewer resources
- Reduces dependence on developers and financial control team
- Requires no change in IT infrastructure
- Contributes to better customer service

This led to BACB running multiple processing systems, often with many customizations, and the bank found providing high-quality management information more and more of a challenge. The company decided it needed to find a new approach.

Strategy followed

BACB sought both the redevelopment of its customer profitability system and a complete business intelligence solution. BACB chose IBM Cognos TM1 to meet these needs. The Cognos product sits above the bank's processing systems, reading data as needed. The extracted data is reconciled, controlled, and audited at every level, ensuring accuracy and full security.

“In the past the bank had bought off-the-shelf systems, tested them, and then implemented them,” says Greenfield. “However, we were aware that TM1, combined with a well-managed data warehouse, could be a very powerful solution, and so we took something of a leap of faith and decided to go this route. Out of this has come a solution that has helped us significantly improve our productivity.”

An enormous amount of data is drawn from five separate source systems every night. All this data is decoded, cleansed, and loaded into a data warehouse to provide a single source of information. From here, the data is restructured into the way users want to see it and loaded into IBM Cognos TM1. The intuitive front end allows BACB’s account officers to instantly generate the information about the bank’s customers they need to do their job. The technology is sophisticated—but entirely hidden from users.

Benefits realized

IBM Cognos TM1 provides the information the bank needs significantly faster than the system it replaced: next-day versus next-month availability. Moreover, this major change in performance has been achieved with no changes to the bank’s IT infrastructure.

“The new system is much more flexible. We can now make commercial decisions faster, with complete confidence in the data, rather than making assumptions. We can see where the profitable and non-profitable customers stand in an instant, and we can assess profitability in other ways, such as by product or department. It has given us complete transparency,” says Cris Denby, BACB’s Chief Financial Officer. “Information is presented in the way users need it.”

The depth of information now available to BACB’s staff has also increased enormously. “We were amazed at the sheer amount of data that can be managed with the system,” comments Denby. “We now have rich transaction data available on the desktop rather than having to ask IT to code reports for us.”

The new system has also freed Denby and his financial control team from the burden of supplying information to BACB officers. “The system has changed behavior,” he says, “as all information is now available instantly to anyone who needs it. This is particularly helpful for improving our customer service.”

In summary, says Denby, “We can now produce profitability information at the push of a button.” The system is also saving the bank time and resources and has empowered its workforce, freeing them to be much more productive. As Denby notes, BACB now knows its customers much better!

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in January 2008*. For more information, visit <http://www.ibm.com/software/data/> and <http://www.cognos.com>.

**As a result of the acquisition, product names have now changed to reference IBM at the beginning of the software or service..*