



IBM Banking Industry Framework: Helping banks build a strategic platform for growth and innovation

Bringing agility to the infrastructure: A banking imperative

The banking industry is going through a period of significant and historic change. This is happening as the world is becoming more sophisticated and connected than ever before—economically, socially and technically. Thriving in a highly competitive and globally-integrated market requires banks to be more agile and responsive to the needs of customers, shareholders and regulators in multiple geographies. It requires flexibility and the ability to respond quickly to change. Banks can't just work better, they need to work smarter.



Banks are focusing on restoring customer confidence and gaining deeper insight into customer needs. They are seeking agility, streamlining their cost base without sacrificing their ability to innovate. They are looking for ways to better understand and act on risk exposures. They need to enable greater transparency to restore shareholder and regulator confidence. To meet these needs and drive bottom-line results, they are taking advantage of innovative technologies and applications.

But simply implementing new technology is not the answer. Most banks today have complex and inflexible information technology (IT) infrastructures. Integrating new business applications into those infrastructures can create further complexity and increase cost and risk. While a selected application may provide the business functionality needed, it may not be the most cost-effective way to deliver that functionality. Moreover, other business units in the same financial institution may be implementing similar applications for their own needs, duplicating cost and effort.

Adding to the complexity is the information explosion that many banks have experienced in recent years. A higher volume of continually-expanding forms of digitized information resides in banking systems. It is often stored in multiple databases and is difficult to access real-time. Managing vast quantities of data can be daunting, particularly since banks need to ensure that the right data is available in the right applications, at the right times.



As banking systems have evolved over the years, bloated infrastructures have become less agile or able to support the changing needs of the business. Simply adding new applications to the existing environment cannot solve this problem. A full-scale replacement of existing systems is seldom an option. These efforts are massive, costly and can be disruptive to day-to-day operations. Moreover, by the time IT implements a new solution, often the market has shifted and the solution is not able to shift with it.

Banks need a better option

The IBM Banking Industry Framework: Enabling speed, flexibility, choice in solution deployment

The IBM® Banking Industry Framework combines the power of IBM software with banking-specific software extensions, solution accelerators and best practices, to help you deploy solutions faster and at lower cost and risk. A framework approach helps you migrate to a more strategic and flexible technology architecture that is aligned with the needs of your business, one project at a time. With the IBM banking framework, you can increase competitiveness by taking advantage of framework domains for:

- *Customer care and insight: gives you the ability to create a single view of the customer, enable outstanding sales, marketing and service and drive effective multi-channel delivery*
- *Core banking transformation: provides the tools and a business-driven approach to renovating your lending, mortgage, deposit and other core processing systems*
- *Integrated risk management: allows you to take a holistic approach to managing financial risk, financial crimes detection and prevention, operational and IT risk, and governance and compliance for more intelligent and useful insights*
- *Payments and securities: helps you progressively transform your payments and securities processing operations to become more flexible and efficient*



The IBM Banking Industry Framework

I need insight; I need to leverage new intelligence.

Business intelligence and performance management

Trusted information

Smarter content management

Simplified information infrastructure

I need to simplify; I need to work smarter.

Dynamic business processes and models

Smarter collaboration

Improved accessibility for customers and employees

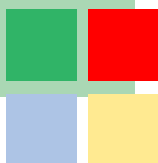
Smarter service-oriented architectures

I need to respond quickly; I need a dynamic infrastructure.

Virtualized computing environments

Enterprise-wide service and asset management

High performance computing



The framework includes best practices and documented implementation approaches based on successful projects in the banking industry. Like building blocks, these projects enable your teams to implement technology capabilities that can be reused throughout the enterprise. For example, customer data can be centralized to service many different processes in real-time, rather than staying locked up in different departments. Analytical tools can then be used to understand customer relationships for cross-selling purposes and re-used to monitor and prevent fraudulent activities.

The IBM Banking Industry Framework supports an ecosystem of independent software vendor (ISV) applications, so you have the flexibility to choose the business applications that you need. These applications are supported with implementation tools and techniques for faster and easier implementation.

With a framework approach, you can develop a sensible plan for achieving a more agile and efficient technology infrastructure that is aligned with the changing needs of the business. You can simplify your infrastructure one project at a time, confident that your future projects will build on prior investments.

Getting started

Banks face differing levels of complexity in their IT infrastructures and have different strategic priorities. As you refine and prioritize your key business needs, getting started with the framework is easy; pick a project that will help you address your most pressing challenges.

You might start with a project that is small but will deliver immediate business value and help establish buy-in from the rest of the company. For example, you might launch a project to consolidate several sources of customer data to improve data quality and reduce maintenance costs. Projects such as this can help highlight the practical benefits of a framework approach to your users by reducing complexity and delivering return on investment (ROI) in a short period of time. Once successful, you can extend your data integration initiative to other parts of the business, generating further value.



Examples of framework project areas

Integrated risk management

- *Financial risk*
- *Financial crimes detection and prevention*
- *Governance and compliance*
- *Operational and IT risk*

Payments and securities

- *Corporate services*
- *Digital payments conversion*
- *Payments process efficiency*
- *Retail payments*
- *SEPA compliance*
- *SWIFTNet modernization*

Customer care and insight

- *Compliance processes*
- *Customer information*
- *Customer insight*
- *Marketing processes*
- *Multi-channel transformation*
- *Sales processes*
- *Service processes*

Core banking transformation

- *Core banking application modernization*
- *Core banking process agility*
- *IT foundation transformation*

With each framework project, your infrastructure becomes more agile, allowing you to progressively transform while generating ROI along the way. Accelerators, such as common banking process and data models, help ensure that you deliver solutions faster. And by taking advantage of banking software extensions, best practices and defined framework projects, you can reduce the cost and risk involved in deployment.

Combining virtually everything you need

The IBM Banking Industry Framework combines the industry knowledge, best practices, software and tools you need to bridge the gap between your business and IT requirements. Its open-standards approach and flexible service-oriented architecture let you select best-in-class components from different solutions and vendors based on your needs. Alternatively, you can take advantage of our services and IBM Research capabilities to build your own applications using the framework's state-of-the-art development tools and techniques. As you progressively transform your infrastructure, you enable greater innovation and agility, allowing you to be more competitive and responsive to the needs of your customers, shareholders and regulators. Instead of adding complexity every time you deploy a new solution, the IBM Banking Industry Framework helps you build a simplified enterprise architecture—one project at a time.

Take advantage of our vast expertise

IBM is a global leader in the financial services industry. Financial institutions around the world are implementing solutions with the IBM Banking Industry Framework. IBM can help you get on the path to greater flexibility and agility, whether you're just starting out, looking to optimize your existing infrastructure or somewhere in between. Talk to your IBM representative today about conducting a business value assessment to identify ways to get started.

For more information

To learn more about the IBM Banking Industry Framework, contact your IBM representative or visit:

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