



Implementation of the Alnova system in PKO Bank Polski.

Client's profile.

In 2002, PKO Bank Polski had to choose whether to further develop systems used in its divisions with advanced centralized functionalities or to implement a genuine central system. The concept of the central system won. Nearly the last 10 years of cooperation with Asseco focused on a great undertaking, i.e. a project related to the implementation of the Alnova central core system.

Scale of the project.

The greatest challenge was the scale of the project, in particular the aspects of bank efficiency and security. In the peak period, the team working on the development and migration of the system was composed of almost 250 people on the part of Asseco Poland and Accenture consortium. They performed a titanic work corresponding to app. 110,000 working days.

The stage of adapting Alnova to the functionality defined by PKO Bank Polski lasted for three years. The results of this analysis were described in the form of over 3000 requirements. A large part of work had to be performed by the client because the transformation of the application had to take organization of processes in the bank into account. It was also necessary to clarify functional requirements.

Since the completion of the migration process, works on developing the system lasted for another 40,000 working days. Such an extensive functionality sensitized Asseco to efficiency issues as early as at the beginning of the project. The efficiency concern was a permanent element incorporated in the software development process, from the functional analysis to efficiency tests.

Response times in client service in bank divisions and via electronic channels were critical during daytime online operation. All day-end closing procedures, on the other hand, had to end at a time which would guarantee the opening of divisions on the following day.

High competences.

The Alnova system implemented by Asseco-Accenture consortium in PKO Bank Polski is the largest solution of this type in Eastern Europe. Failure-free migration of this scale according to a pre-defined schedule was a real piece of art.

Asseco's expertise turned out to be indispensable – without knowledge of in ZORBA 3000 (the basic system used by the bank at that time) as well as data collected by the bank and abilities of mapping this data to

Alnova, it would have been impossible to create tools necessary to conduct this process. Furthermore, data migration was a great logistic undertaking.

Key factors of success also included high competences and involvement of teams for conversion software and mass implementations. On the part of the consortium, these teams were composed almost exclusively of Asseco employees. The process of mass implementations itself lasted for exactly a year. Before

the final migration, each converted bank division had to meet admission criteria defined in a procedure which was prepared specifically for this purpose. This procedure lasted in separate divisions for a few weeks;

it consisted in taking an inventory of maintained bank products, standardizing parameters, "cleaning" data bases, and a few trial conversions.

Client's benefits.

From the management point of view, the bank has received an integrated data environment with information on clients and their products, extensive functionality supporting the strategy of the bank, a base for constructing marketing campaigns and flexible product offer oriented to segment and individualized needs, and great reporting possibilities used for reporting purposes and for current management information in various cross-sections. The central system has also introduced a new quality from the standpoint of the way in which the bank IT infrastructure management is organized. Concentrating operational support of the system in one processing centre usually results in reducing TCO [total costs of ownership] in long term, mainly through optimization and specialization of widely understood resources dedicated for that purpose.

Although the number of dispersed processing nodes was already reduced from 430 to 131 while using ZORBA 3000, it should be remembered that a number of accounts in one of them, e.g. in I/O PKO BP in Poznań, was comparable to the number of accounts kept by a commercial bank of average size. This large organizational undertaking also required training bank employees and preparing infrastructure. Despite the lack of analogical projects which could have been followed by teams performing this operation, all instances of ZORBA 3000 were converted according to a pre-defined schedule. The central system was unavailable for a few hours on Saturday night only. No failure related to the migration occurred – this was a real success.

Benefits from the implementation.

Front-line bank employees felt the implementation of Alnova mainly as a change and improvement of client service standards, a modern front end of the system, standardization of bank products and procedures, opening cross-selling possibilities, deeper integration with other bank systems, and simplification of back office processes.

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Bank clients felt the implementation of Alnova mainly as a distinct improvement of service quality, wider and easier access to bank services, more interesting

product offer, and creating an image of an institution which uses modern technology in a wide context.

All aspects listed above related to the implementation of the central system can and should be used in building a competitive advantage in a more and more demanding banking market in Poland. What is also important is an experienced and proved partner in maintenance and development of the system. Here, it is Asseco-Accenture consortium, ready to support the Bank in each initiative aiming at making the Bank's offer more attractive and at winning new clients.