BI – The next game changer?
A case study

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Oracle Finanzgipfel – Roundtable Discussion

Agenda

1. Current challenges and trends

2. Case study
   - Objectives and achieved benefits
   - Target architecture
   - Data architecture, governance and BI

3. Where does your company stand right now?
   - MIS Reporting
   - Business Analytics
   - Scenario Modeling

4. Discussion
   - “Best practice” implementation approaches
Challenges for the Financial Industry

The big picture

Market:
- Volatility of PTI (pre-tax income)
- Consolidation
- New business (e.g. products)
- Low interest rates

KYC / Regulatory:
- KYC/AML, FATCA
- Too big to fail, BCBS 239
- GRC, Basel III, CRR, CRD IV
- MiFID, Dodd-Frank Act, CCAR

Investment Planning:
- Total Cost of Ownership transparency
- Demand / Service management
- Portfolio optimization

Competition:
- Target Operating Model (TOM)
- Strategies for sourcing & deployment
- Shared Service Centers, Footprint

Governance and Compliance

Business Technology

Financial Accounting

Strategic Planning

Management Accounting

Risk Management

Data Consolidation

Reporting and Business Analytics

Implementation of IT Systems & Applications

Transparency:
- Effectiveness
- Efficiency
- IT Costing & Charging
- Agility and durability

Shareholders:
- Capital efficiency (i.e. Return on Equity, ROE)
**Trends**

What are the mega trends* influencing the current IT agenda?

<table>
<thead>
<tr>
<th>Mega Trends</th>
<th>Examples</th>
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<tr>
<td>Do not underestimate or ignore the importance of data analysis for your company – <strong>intelligent use and analytics of big data</strong></td>
<td>▪ Acxiom</td>
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<td>▪ Clearwell Systems</td>
<td>▪ Trading+</td>
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<td>Everything will be shared – not only computer capacity via cloud computing, but almost anything can be shared and addressed (IPv6) via the web (<strong>Internet of things</strong>)</td>
<td>▪ Car2Go</td>
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<td>▪ Truck load capacities</td>
<td>▪ Fueling+</td>
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<td>More chances through digital citizens and new channels – endless new business opportunities because of <strong>mobility</strong> and <strong>social media</strong> arise in particular in emerging markets</td>
<td>▪ DBBL in Bangladesh</td>
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<td>▪ Standard Bank, South Africa</td>
<td>▪ Shopping+</td>
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* Source: Gartner Group

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Case Study – Large Swiss Bank I
Thorough implementation of BI capabilities

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<tr>
<th>Objectives</th>
<th>Achieved Benefits</th>
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<tr>
<td>▪ Faster availability and improved consistency of data</td>
<td>▪ Homogeneity of data sources (OLAP vs. OLTP) and optimization of reporting processes reduced effort for data cleansing and consolidation</td>
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<td>▪ Enhanced canned and ad-hoc reporting &amp; business analysis capabilities</td>
<td>▪ Consistency of data increased confidence in data accuracy and related business analysis (e.g. PPM to CA recon to improve financial forecast quality)</td>
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<td>▪ Better quality of derived information and reliable, consistent support of more strategically and organizational aligned decisions</td>
<td>▪ Access to personalized dashboards with drill-down functionality strengthened business analysis and enhanced the quality of (financial) decisions</td>
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<td>▪ Better understanding of the end-to-end Shared Service value chain and hence more effective decision support</td>
<td>▪ Simplification of application landscape and data sources (i.e. cubes and aggregates) significantly decreased Run-the-Bank cost</td>
</tr>
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<td>▪ Efficiency gain and elimination of high manual efforts to produce isolated legacy reports (e.g. Excel) and surge efficiency for all employees</td>
<td>▪ Centrally aligned creation of standardized and user-friendly reports and analytical components</td>
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<td>▪ Strategic &quot;One-stop shop&quot; for MIS reporting and business analytics on a scalable, group-wide platform</td>
<td>▪ Distribution of automatically created and updated reports simplified operations and improved collaboration across the organization</td>
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<td>▪ Reduction of complexity for both data and application landscapes and simplification of business processes</td>
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Case Study – Large Swiss Bank II

Plan to get to the target application landscape

Key Benefits

- Physical data integration and data aggregation
- Logical data integration

Data & Tool Consolidation

- Alloc Engine
- Costing Engine
- App Inventory
- Service Catalog

Tactical Operational Data Store

Application Rationalization

- HR
- General Ledger
- Project Portfolio

Strategic Data Integration Layer

- In-memory Technologies
- (Distributed) Enterprise Data Warehouse

Common reporting & analytics system integrating all available data sources to enable helicopter-up and drill-down analyses at any desired business or project level as well as analysis of unstructured data (internal & external)

Consistency of processes & data and thus more confidence in data accuracy and business analysis due to unified golden data sources as well as faster access to “ad-hoc” data needs through use of in-memory technologies

Reduction of primary applications, cubes and aggregates to simplify the overall architecture
Case Study – Large Swiss Bank III
Optimize DWH, establish MIS Reporting and Business Analytics

Program Management and Transformation Management

Data Governance
Data Consolidation
Logical Data Model
Data Integration
DWH and Data Mart Architecture (Blueprint)
Data Warehousing
Connectivity and ETL
Multidimensional Databases (OLAP)
In-memory Technologies
In-memory BI & BI Appliances
OBIEE Reporting Platform (Development and Customization)
Reporting (MIS)
Analytical MDM + CRM
Data Mining and Data Discovery
Big Data
Mobile and Multi-channel BI
Process-oriented BI
Collaboration
Knowledge Management
Documentation Management

Infrastructure Services

Business
Technology
Specific Modules

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Where Does Your Company Stand Right Now?

BI maturity: From MIS reports to business analytics to scenarios

- Analysis of internal data (forward looking view)
- Integration of internal data (backward looking view)
- Integration of unstructured data (internal and external)

MIS Reporting

Business Analytics

Scenario Modeling
Where Does Your Company Stand Right Now?
The existing reporting landscape might be heterogeneous…

MIS Reporting
Business Analytics
Scenario Modeling
HR
Finance
Procurement
Marketing
IT
Sales
Discussion
It’s your choice: Follow the change or be ahead of the game

- Get full transparency of your value drivers (incl. cost levers)
- Utilize internal and external as well as unstructured data to better understand your client’s needs
- Make use of cloud services
- Provide mobile capabilities to end users

- Standardize and automate (BI capabilities)
- Use leaner processes and governance
- Use improved technologies for data and applications
- Become more efficient
- Work more effective

Follow the change

Be ahead of the game
What are “Best Practice” Implementation Approaches?
First approach: Work along the BI maturity levels

1. MIS Reporting only

2. MIS Reporting and Business Analytics

3. MIS, Business Analytics, Scenarios
What are “Best Practice” Implementation Approaches?

Second approach: Establish BI capabilities along business areas

1. Start with one business area
2. Add more and more business areas...
3. Until the entire organization is covered
What are “Best Practice” Implementation Approaches?
Combined approach is recommended to achieve results faster

1. Basic BI capabilities
   - Provide basic BI capabilities (i.e. MIS reporting) across all business areas and additional BI capabilities (business analytics or more) for at least one dedicated business area.

2. Enhancements across business areas
   - From a technology perspective, different reporting platforms can be used to provide these BI capabilities, but this will require central data integration.

3. MIS, Business Analytics, Scenarios
   - Oracle Finanzgipfel - Frankfurt
   18.09.2013