

# Enabling Transformational Outcomes through Core Banking System Replacement

**Capgemini's Services for Oracle Banking Platform**



For many reasons, core banking systems are becoming an increasingly important focus area for today's banks. One is cost reduction: Older platforms are expensive to maintain, which is increasingly unacceptable to today's margin-focused organizations. Regulatory compliance is important as well. From Basel III to laws governing capital adequacy and consumer protection, new rules demand greater data consistency, quality, and visibility across the bank than many core systems can provide. Furthermore, as banks work to differentiate themselves through new products and market expansion, the demands for flexibility and scalability within operations and core banking systems are heightened.

In the meantime, as banks' IT systems have aged, differences between local platforms have persisted or even multiplied, as have high maintenance costs and performance issues, and the difficulty of making changes. Now that growth is once again on the horizon for many banks, the standardization of core banking platforms and replacement of core systems have returned to the spotlight.

While in the past many banks viewed core banking system renewal as a high-cost and high-risk undertaking, several technology trends are changing that perception. One is the emergence of Oracle Banking Platform, that fully exploits significant technology advances and enables both business and IT transformation. By implementing Oracle Banking Platform, banks can automate processes, create operational efficiencies and take out cost using the platform's industrialized business processes.

Oracle Banking Platform helps banks center their operations around the customer and drive growth by reducing time to market and providing flexibility for business owners to define new products while eliminating dependencies on vendors and outside entities. Straight through processing capabilities of the platform enable a 360 degree view of the customer—providing pricing based on the depth and size of the customer relationship, and visibility to customers real-time, global cash position, etc., thereby offering a single point of entry for the transaction. The platform supports multiple brands, legal entities, currencies, languages and time zones from a single instance, streamlining and simplifying operations.

The service-oriented architecture (SOA) of Oracle Banking Platform simplifies connectivity to existing IT assets and supports highly flexible solutions that can be quickly tailored to banking requirements. Likewise, the solution enables implementation of new data management capabilities which can help banks overcome the poor quality and visibility of data they now endure to achieve a consistent and accurate view of the enterprise and address regulation, risk, and compliance issues more effectively.

In sum, the drive for efficiency and growth, along with the availability of Oracle Banking Platform makes this the right time for banks to strengthen core systems.



# Getting the Most from Core Banking System Replacement

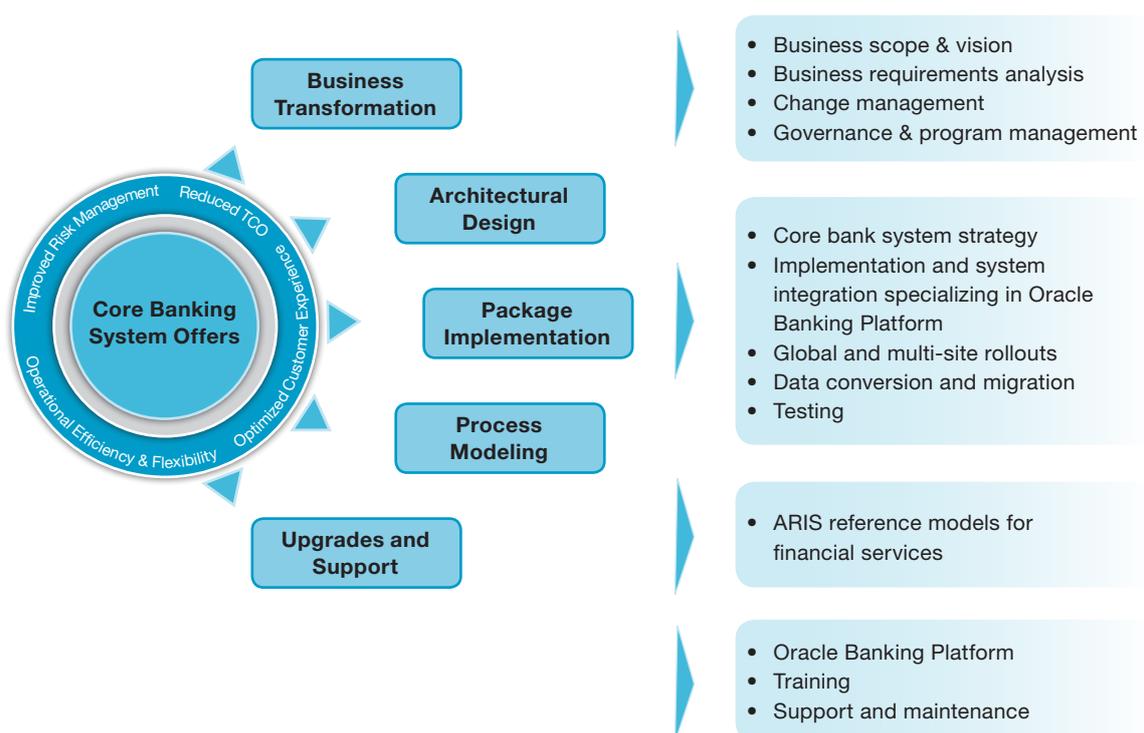
As core banking replacement and transformation become more critical to banks, Capgemini stands ready with powerful capabilities. Capgemini can help them design and implement a solution that reduces cost of ownership, manages risk and regulatory compliance more effectively, enhances service quality and optimizes the customer experience. As a result, banks can reduce total cost of ownership, boost operational efficiency and flexibility, and ensure they have in place an IT platform that will be sustainable into the future.

Capgemini provides a comprehensive suite of core banking transformation services for Oracle Banking Platform, encompassing strategy formulation, business scope and vision, business case and benefits realization tracking, target operating model design, package implementation, integration, data migration, testing and multi-site roll out.

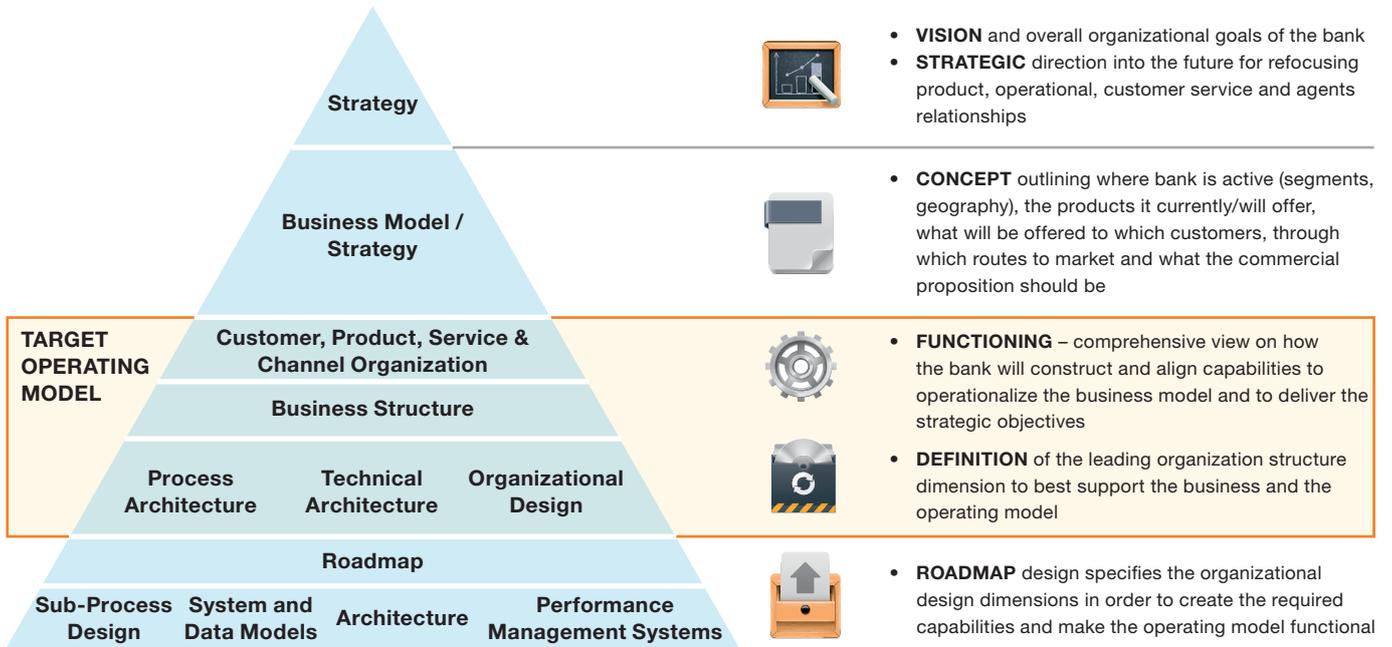
Together with you, our team builds a **business case** for core banking transformation through Oracle Banking Platform and creates detailed implementation roadmaps. With our broad experience of global core banking transformation programs and knowledge of Oracle Banking Platform, Capgemini can help banking clients evaluate the feasibility of a transformation, build the transformation strategy and roadmap, define a target architecture and operating model, define and formulate business requirements and structure the transformation project.

From gathering requirements to design, build and test, Capgemini offers a **full range of development and integration capabilities**, and can tap into a global network of delivery resources, as well as seasoned project managers on the ground at client locations. Our phased, component-based approach helps banks replace legacy systems in ways that derive the optimal benefits from technology while managing implementation risk and disruption.

Exhibit 1: Capgemini's Core Banking System Replacement Services



## Exhibit 2: Target Operating Model Design



Capgemini’s **target operating model** definition approach provides a comprehensive view that helps the bank plan the future configuration of assets and capabilities to realise its strategic objectives as shown in Exhibit 2. Target Operating Model development leverages Capgemini’s large repository of proprietary business reference processes for core banking. Capgemini can utilize more than 300 robust business reference processes in areas such as customer relationship management (CRM), current accounts and savings accounts (CASA), term deposits, teller/cashier, branch operations, payments, loans, originations, collections, mortgages and trade finance.

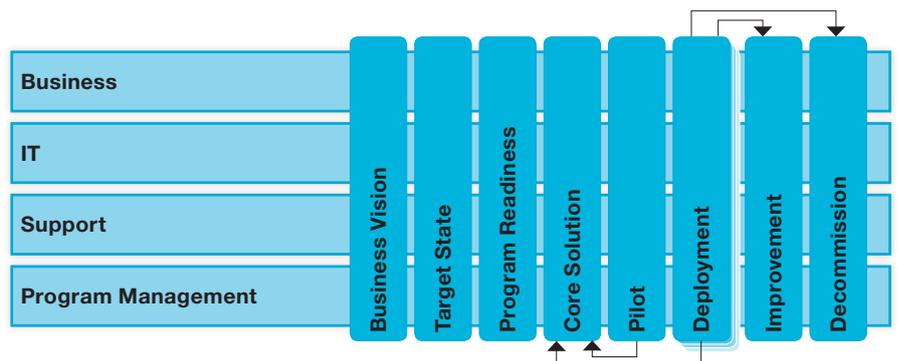
Capgemini core banking system implementations are also strengthened by our focus on **data migration**. Through unique tools and accelerators, proven methodologies, experienced resources and robust processes and procedures, Capgemini helps its banking clients manage migration-related challenges of core banking implementations.

Additionally, Capgemini’s comprehensive, **model based testing** approach for Oracle Banking Platform accelerates implementation, and ensures user acceptance and a smooth transition to the new core banking system. Our 1,750 testers focused on banking can draw upon more than 17,000 retail and corporate banking test cases to assure thorough but expeditious testing services.

Capgemini follows a well-defined, proven multi-site rollout approach supported by a strong implementation methodology. The approach provides

an industrialized way of working with built-in improvement cycles and has been proven in system implementations across multiple countries as well as multiple system implementations within a single country. It follows four work streams and eight phases to ensure that business, IT, support and program management are aligned throughout the rollout process.

## Exhibit 3: Implementation



# Lowering Risk and Accelerating Return on Investment

## Why transform the business to a new banking platform using Capgemini and Oracle Banking Platform?

To enable business transformation:

- Enable new business models and transformational change
- Address technology impediments to growth
- Deliver step-change improvement in your existing business model
- Center operations around the customer, placing the customer at the heart of the platform
- Automate processes, gain efficiencies and reduce cost through an industrialized platform
- Drive growth through easier and faster product introductions at scale

To enable IT transformation:

- Re-position IT to exploit technology for business value
- Simplify connectivity to existing IT assets and quickly tailor the solution to your requirements
- Leverage Oracle's investment in
  - Fusion architecture
  - Integrated technology stack
  - Product R&D
  - Pre-integration of business applications

Capgemini's unique assets, technical tools and proven expertise make us a good choice for banks seeking to achieve transformational business outcomes from their Oracle Banking Platform implementation.

## Business-led, Holistic Approach that Involves Subject Matter Experts Throughout

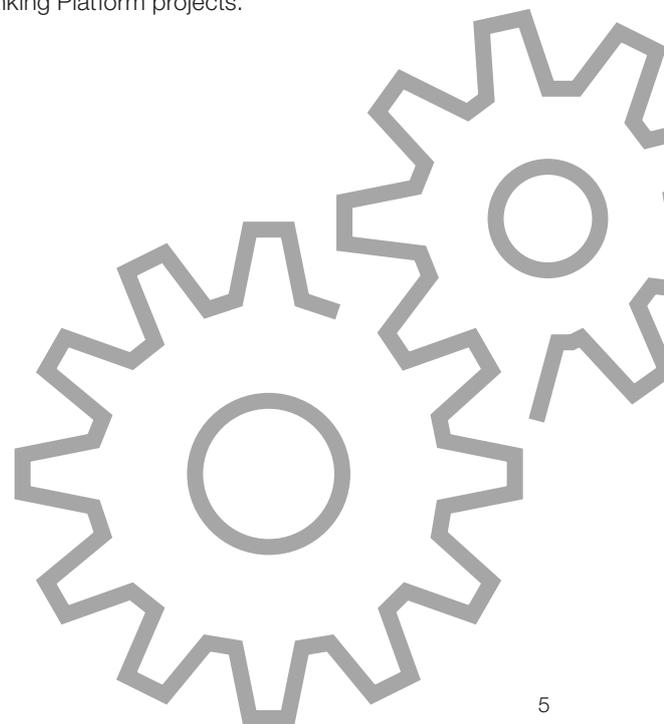
By combining business and technology expertise, Capgemini's core banking technology implementation approach enables financial institutions to design, integrate and adopt the Oracle Banking Platform in a way that works best for the business. Our teams include subject matter experts throughout the program lifecycle, from process design and requirements gathering through implementation and adoption. By bringing to bear this broad and deep banking and technology expertise Capgemini ensures the ultimate solution is effective, efficient, and well-adopted by the business.

## Business Reference Models Speed Implementation and Enable Competitive Advantage

Capgemini's large repository of proprietary business reference models help financial institutions implement the solution more quickly and provides a fast start for designing business processes that bring the bank competitive advantage. By using these proven models clients can transform its core banking solution more rapidly—in fact, using them accelerates future-state design by up to 20 percent.

## Product and Technical Expertise in Oracle Banking Platform

Capgemini is an Oracle® Diamond-level partner, the highest ranking available in the Oracle Partner Network (OPN) specialized program. Our professionals have significant expertise across the Oracle product suite, including knowledge of Oracle's most cutting-edge solutions. In addition, Capgemini's Oracle Banking Platform Competency Centre provides a single source for end-to-end services that support fast and smooth core banking transformations. Capgemini can readily configure Oracle Banking Platform to each client's business requirements, and has deep experience managing Oracle Banking Platform projects.





*Ovum ranks Capgemini Group number 1 for outsourced testing services.”*

**Alexander Simkin**

Ovum “Services Guide: Outsourced Testing”,  
23 November 2011

## Tools and Methods to Accelerate Transformation

Capgemini utilizes a host of technical tools and accelerators for core banking system replacement with Oracle Banking Platform that speed implementation and reduce risk. Our professionals can call upon our proven **Structured Expert Method for Business Analysis (SEMBA)** approach when gathering requirements for such projects, as well as a proprietary data migration approach and more than 17,000 test cases for retail and corporate banking. In fact, overall, Capgemini’s accelerators can reduce a transformation timeline by up to 20 percent.

## Global Core Banking Network: Local Country Capability Supported by Rightshore®

Equally important is Capgemini’s global core banking network, which offers local expertise and in-country capabilities supported by our Rightshore® network. This network gives Capgemini clients scalable access to more than 500 core banking consultants, 1,750 testers that specialize in banking, and over 1,700 experienced business analysts, technical architects, and project managers. Capgemini has the experts you need where you need them, with more than 75 centers in 24 countries including the U.S., U.K., Netherlands, France, Austria, India, Taiwan, China, Poland, Brazil, Chile, Guatemala, and the Philippines.

In sum, Capgemini’s strong methodologies, tools, and experience make the decision to implement Oracle Banking Platform easier, and ensure that such a choice generates compelling business value.

# In Practice

| Client                           | The Project   | The Results   |
|----------------------------------|---|---|
| <b>Oracle Financial Services</b> | <ul style="list-style-type: none"> <li>• Assisting Oracle in future development of Oracle core banking solution</li> <li>• Working with Oracle's product development team in analyzing and documenting functional requirements and creating functional solutions</li> <li>• Participating in product development activities</li> <li>• Testing</li> </ul> | <ul style="list-style-type: none"> <li>• Ability to provide clients with deep Oracle Banking Platform knowledge and experience</li> </ul> |

## Time to Act

For too long, banks have been kept from optimizing the performance of their core banking systems. The financial crisis shrank and re-focused IT budgets, while many banks perceived that core system implementations were simply too risky and expensive to take on.

Today, however, core banking system replacement and transformation is back on the table at the vast majority of institutions. These banks' legacy systems simply cannot keep up with their rapidly changing environments, while several technology advances have made core banking implementations less risky and challenging.

Capgemini is leading many banks' efforts to derive more business value from their core banking systems. Our business-led, technology-supported approach draws on deep and broad expertise in banking and in Oracle's latest advances in its Core Banking Solution, allowing our clients to gain the advantages of more powerful platforms with less risk and investment. Indeed, there has never been a better time to build core strength with Capgemini.



## About Oracle

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Oracle is the world leader in solutions for financial services. Oracle provides banks and financial institutions the most comprehensive footprint of hardware, software and applications. Oracle helps banks become more customer centric, drive efficiency in transaction processing, better manage their risks, be compliant to regulations and manage their performance. Oracle world leading offerings include solutions for core banking, risk and compliance management, anti-money laundering, fraud detection and business analytics. Oracle partners with financial services industry leaders – including 20 of the top 20 banks – to transform their businesses.



## About Capgemini

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With 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at

[www.capgemini.com](http://www.capgemini.com)

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