

Capgemini's Banking System Replacement Services



For many reasons, 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 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 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 banking platforms and replacement of systems have returned to the spotlight.

Furthermore, while in the past many banks viewed banking system renewal as a high-cost and high-risk undertaking, several technology trends are changing that perception. One is the emergence of "bank-in-a-box" solutions: low-cost, pre-configured banking packages that can reduce the capital and time outlay of a transformation. The service-oriented architecture (SOA) of these solutions simplifies connectivity to existing IT assets and supports highly flexible solutions that can be quickly tailored to banking requirements. Likewise, new data management capabilities implemented as part of banking transformation 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 pressure to upgrade banking systems has only intensified, while the barriers to doing so are eroding, making this the right time for all banks to strengthen their systems.

Getting the Most from Banking System Replacement

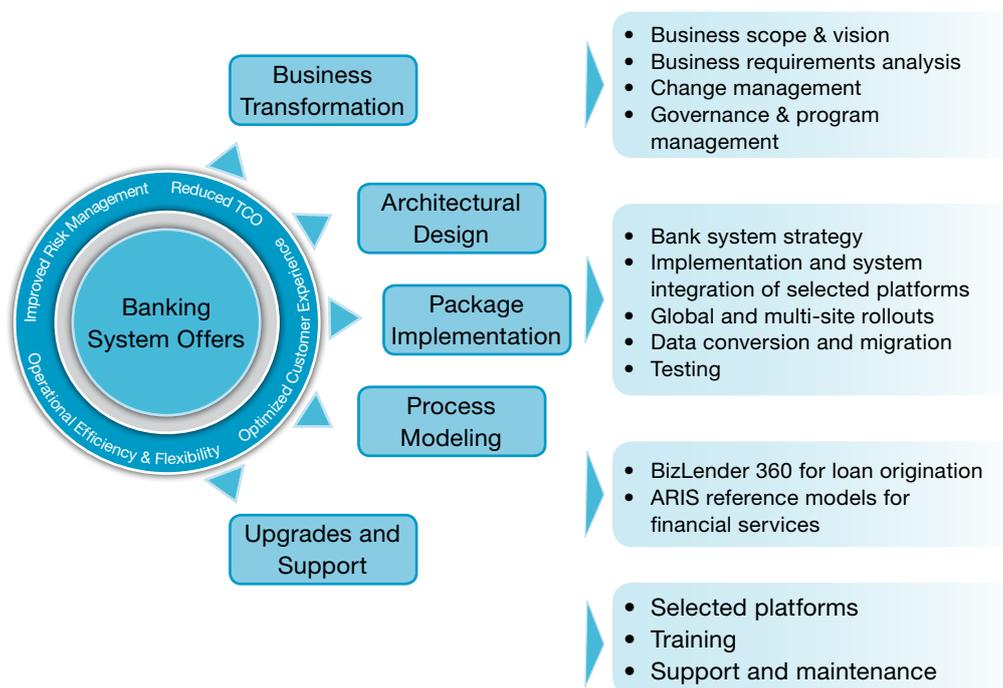
As banking system replacement and transformation become more critical to banks, Capgemini stands ready with powerful capabilities. Whether banks seek to replace or upgrade their banking systems, Capgemini can help them design and implement a solution that reduces cost of ownership, manages risk and regulatory 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 banking transformation services, 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 banking transformation, craft detailed implementation roadmaps and provide solutions. With our broad experience of global banking transformation programs and knowledge of leading banking packages, Capgemini can help its 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.

Capgemini also transforms your **platforms**, whether that involves implementing off-the-shelf packages, re-platforming legacy systems, or developing customized solutions. 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.

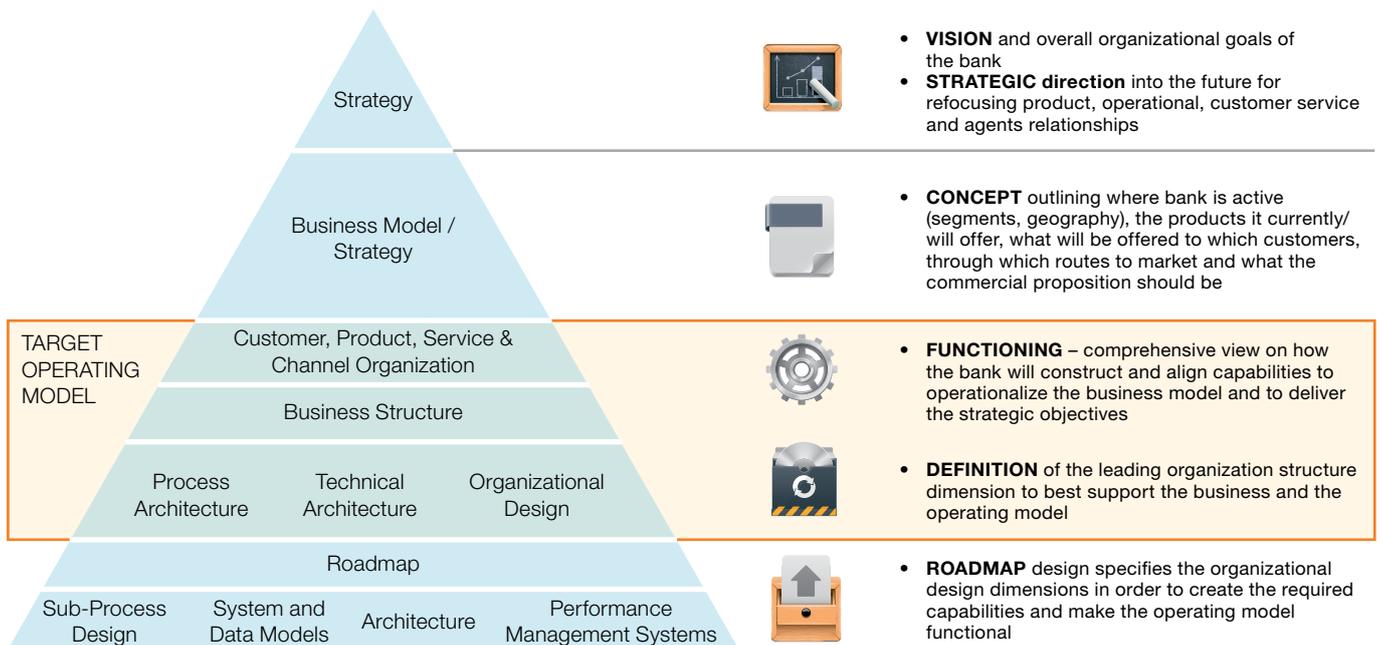
Exhibit 1: Capgemini’s Banking System Replacement Services



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 our large repository of proprietary business reference processes for banking. Our teams 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, mortgages and trade finance.

Capgemini 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 banking system implementations, including risks to data quality and integrity.

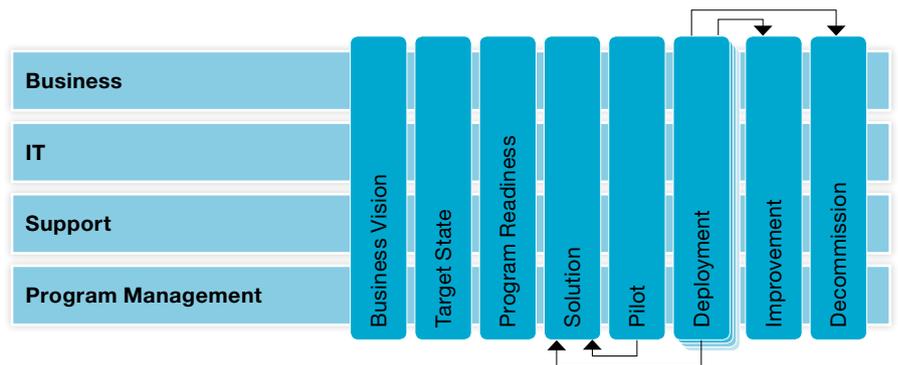
Exhibit 2: Target Operating Model Design



Likewise, Capgemini’s comprehensive, **model based testing** approach accelerates implementation, and ensures user acceptance and a smooth transition to the new banking system. Our 1,750 testers in banking are able to 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: Multi-site Implementation and Rollout



Lowering Risk and Accelerating Return on Investment

Capgemini's unique assets, technical tools and proven expertise make us a good choice for banks seeking accelerated, low-risk banking system implementations.

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

By combining business and technology expertise, Capgemini's banking technology implementation approach enables financial institutions to design, integrate and adopt a banking solution 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 banking solutions more quickly and provides a fast start for designing business processes that bring the bank competitive advantage. By using these proven models clients can build best-in-class banking solutions more rapidly—in fact, using them accelerates future-state design by up to 20 percent.

Independent of the banking platform chosen, Capgemini utilizes a host of technical tools and accelerators for banking system replacement 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 Banking Network: Local Country Capability Supported by Rightshore®

Equally important is Capgemini's global 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 550 banking consultants, 1,750 testers that specialize in banking, and more than 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 start a banking system implementation easier, and ensure that such a choice generates compelling business value. In fact, for one global bank Capgemini led the rollout of new banking capabilities across 13 countries and took responsibility for management of more than 35 applications. As a result, the bank generated a 38 percent reduction in maintenance costs, worth approximately US\$2 million per year. Plus, the bank is able to maintain this cost level while incorporating additional countries and business units, and can increase its productivity through economies of scale.

Time to Act

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

Today, however, 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 banking system implementations less risky and challenging.

Capgemini is leading many banks' efforts to derive more business value from their banking systems. Our business-led, technology-supported approach draws on deep and broad expertise in banking and in leading banking platforms, 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 strength with Capgemini.





For more information:

contact us at: banking@capgemini.com or visit: www.capgemini.com/banking.



About Capgemini

With almost 145,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 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

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