

# Defining a Road Map for the Future

## Raiffeisen International collaborated with Capgemini to define an operations & IT strategy for its banking network in Central and Eastern Europe

### The Situation

Raiffeisen International established operations earlier than other banks in Hungary and Poland to secure a major role in the Central Eastern Europe (CEE) market. Since then, Raiffeisen has successfully diversified into retail banking with seven acquisitions in the last few years.

The acquisitions forced Raiffeisen to align operating procedures from multiple countries across its banking network. As a result, Raiffeisen International built a strong position in 16 different CEE markets and is one of the leading banks today.

Even in “underbanked” CEE areas, banks including Raiffeisen are facing pressures of increased competition and shrinking margins. Growth rates are still relatively high but decreasing in most countries.

Raiffeisen set ambitious performance goals for itself including both revenue increases and costs

savings. Facing this situation, Raiffeisen wanted to align and optimize local operations to allow for exploitation of group synergies such as economies of scale and new technology implementations.

### The Solution

Capgemini helped Raiffeisen develop a strategy for operations & IT through to 2008. In an intensive four month project, major operational areas were assessed and improvement measures defined. For the bank, it was the first time it achieved visibility into the individual country projects and unique challenges faced by each country.

Capgemini directly contributed to the master planning with inputs on feasibility, timing, costs and identification of critical success factories and inter dependencies.

“ The operations & IT strategy project helped us to define a clear roadmap for the future. ”

Mr. Heinz Wiedner, COO  
Raiffeisen International



The project team conducted a set of customer workshops with key stakeholders from 15 countries and paired the results with Capgemini CEE expertise to ensure a well aligned strategy.

A significant visioning workshop was held together with three smaller workshops to align vision, strategy and implementation at group and country levels. This impacted all aspects of the project including operating models, shared service centres, program/project management and procurement.

### The Result

Capgemini and Raiffeisen International consolidated all projects and initiatives into a comprehensive *master plan* incorporating detailed costs/benefit analysis and implementation steps. This helped focus Raiffeisen on the right initiatives, with the right resources at the right time, to target the most value and produce a realistic roadmap for the future while eliminating duplicative efforts.

In spite of significant geographic and topical complexity, Raiffeisen and Capgemini completed all deliverables within the given timeframe and budget. Flexibility and passion, from both Capgemini and Raiffeisen team members, were critical success factors.

Specifically, active involvement of all key stakeholders and top-managers, coupled with efficient and effective communications, and approval processes, allowed the project to run smoothly and on schedule. As a direct result, Capgemini was later awarded a follow-on implementation project.

### How Raiffeisen International and Capgemini Worked Together

The project "Operations & IT Strategy" started with a current state analysis across all 15 network banks including a *specification of financial and non-financial targets*. A five year plan comprising all key parameters such as number of products, customers, headcount, operating expenses and

projects already planned was prepared. A SWOT assessment of major support, front and back office processes, IT applications and organizational structures was also provided, giving the client a consolidated overview on current group initiatives and challenges.

A key project milestone, *the visioning and scope specification* was a one-day session with stakeholders from Raiffeisen head-office, the network banks and Capgemini. Workshop participants challenged industry practices and benchmarks, defined the future operating model, governance structures and analyzed strategic options. Special attention was given to potential opportunities for shared service centers and business process outsourcing. From this phase, critical Raiffeisen stakeholders were able to align individual concepts and add inputs from Capgemini's expertise on operating models and shared service centers.

In the third project phase, *solution*

*concept development*, the team prepared a portfolio of activities enabling Raiffeisen to realize the defined vision. The comprehensive portfolio included these initiatives:

- establishing group solutions to build synergies and economies of scale across countries
- projects to optimize and re-engineer business processes
- harmonization of IT applications
- strengthened management and control procedures
- definition of required organizational and governance structures.

This consolidation helped Raiffeisen to identify and align their next steps at a group level. In parallel a detailed *cost/benefit analysis* for all solution activities was prepared and the consolidated initiatives were mapped into a master plan with detailed implementation steps and delivered to Raiffeisen's management. A comprehensive roadmap is now in place.



### About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and

collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

Capgemini employs approximately 61,000 people worldwide and reported 2005 global revenues of 6,954 million euros.

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