



AUSTRALIA'S LEADING BANK INVESTS IN TECHNOLOGY TO BOOST MARKET SHARE

COMMONWEALTH BANK OF AUSTRALIA

/// CASE STUDY



Relying on an outdated, inflexible personal loan system, the Bank decided to consolidate this environment with its more robust home loan system. EDS brought the vision to fruition, and in doing so, helped Commonwealth Bank differentiate itself from the Asia Pacific loan market.

CLIENT PROFILE

www.commbank.com.au

The Commonwealth Bank of Australia is a multinational financial institution which has consistently ranked among the largest companies on the Australian Stock Exchange.

Industry: Financial Services

Founded: 1911

Headquarters: Sydney, Australia

Revenue: \$28.5 billion AUD

Business Needs Addressed:

Growth

Productivity

"This is the single largest Commonwealth Bank conversion since the Colonial banking merger. Therefore, it is a great achievement."

Hugh Harley
Group Executive
Retail Banking Services
Commonwealth Bank of Australia

The bank needed to overhaul personal loan system

Operating the largest financial services distribution network in the country, the Commonwealth Bank of Australia is among the top 10 companies on the Australian Stock Exchange with 1,000 branches spread across a land mass equal to the size of the U.S. mainland. The Bank's strategy for success: to excel in customer service. So to continue to meet customer service expectations, the Commonwealth Bank decided to overhaul the system altogether. Driven to empower both its customer service experience and high-margin momentum, the Bank called on long-time IT partner EDS to integrate its standalone Personal Loan System (PLS) with its Home Loan System (HLS). This would not only simplify the Bank's infrastructure; it would leverage the end-to-end processes that had previously been developed for home lending.

On the business level, there was a significant operational cost differential between the Bank's PLS and HLS. Because the PLS user interface operated on a non-supported platform, operators had to manually enter data from Internet applications into the PLS system in order to produce loan documentation. Clearly, to reduce operational costs, improve flexibility and optimize functionality, Commonwealth Bank needed to consolidate the IT infrastructure supporting these similar consumer lending products.

EDS integrated systems, migrated volumes of data and revamped applications

The team began by migrating the Bank's personal loans from the PLS onto the more robust home loan platform. The team also enhanced the HLS according to the Bank's new personal loan requirements while leveraging the capabilities in the home loan system like statement generation and variable interest rates calculations toward personal loan management. With this, both the PLS and HLS consumer lending systems would share one central data repository with a unified interface via a newly introduced customer relationship management application called CommSee-Personal Loans. Developed in-house, this application has been rolled out across the Bank's extensive branch network, replacing the current non-supported front-end platform and decentralizing the data input back to the point of sale.

A COMPLETE LENDING SYSTEM TRANSFORMATION

The project required mapping data between the PLS and HLS, and developing requirements for the new interfaces between the existing systems and the HLS. This enabled the definition of business rules for all data during and after conversion. EDS then identified changes that had to be made to support the converted loans and increase the HLS functionality. At the same time, the team developed business requirements for all applications impacted by the change, as well as timelines for all critical applications.

EDS developed a comprehensive strategy for testing, conversion and implementation. This involved exhaustive analysis from conversion testing and systems integration testing to business end-to-end testing, stress and performance testing across all applications.

Services featured

- Applications Modernization Services

No small feat, this project involved revamping 24 EDS applications and five separate workstreams within the Group Data Warehouse. What's more, the team converted 5 million records across eight systems while changes to the Bank's 38 applications ensured all systems interfacing with the outdated personal loan system would be rerouted to the rearchitected loan solution.

With EDS' help, Commonwealth Bank conducted its first end-to-end production environment test to ensure the readiness of the newly consolidated consumer lending system.

Bank improved product offerings, set industry standards

Meticulous planning and testing prior to the conversion ensured a smooth, seamless and swift implementation with minimal disruption to daily business. Indeed, the success of this project made it possible for the Commonwealth Bank to launch a best-in-class personal loan product just two months after implementation. The transformed loan system now lets customers apply for statements, choose between fixed or variable interest rates and apply for the reimbursement of funds paid in excess of their loan commitments through a market-leading redraw facility.

With enhanced personal loan management functionality, the Bank expects to reap higher approval rates, faster decision-making and funding, and greater product differentiation. In addition, features like risk-based pricing and flow-on benefits set Commonwealth Bank apart from others in the industry.

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