



**WE PUT THE BANKING  
INTO BUSINESS INTELLIGENCE**

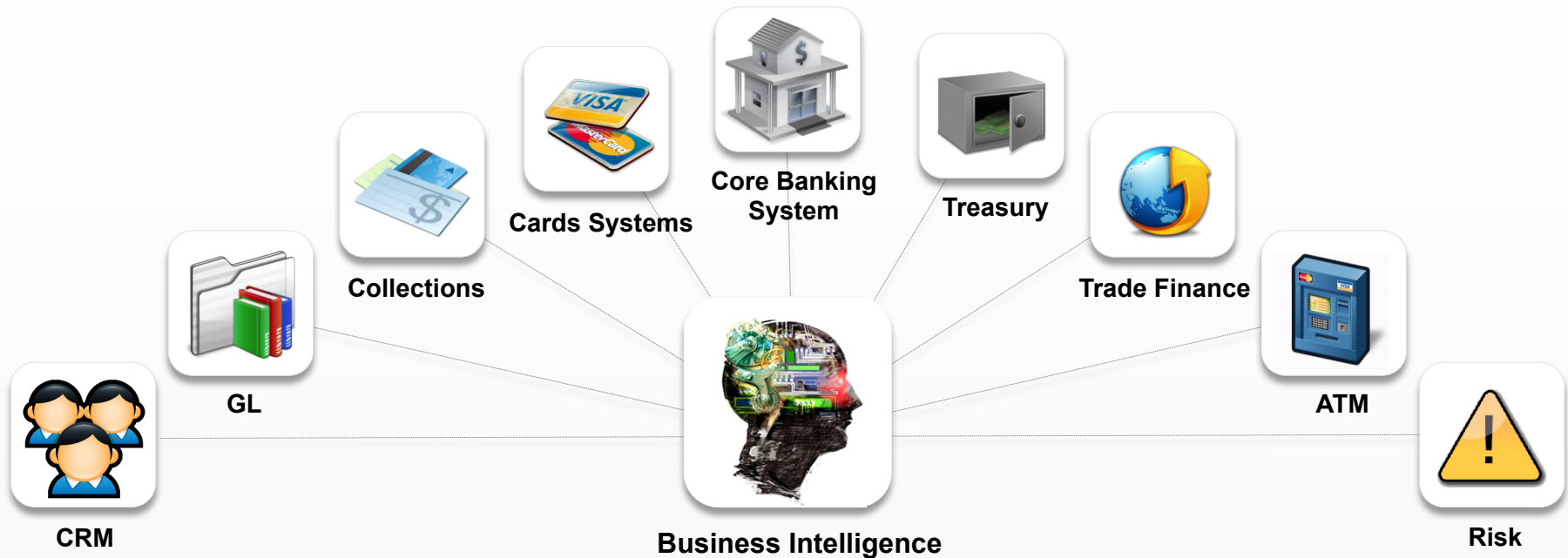
## **JumpStart BI!**

**Phillipines International banking Convention , Manila , 20 Oct 2011**

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**Senior Vice President, iCreate Software**

# What is Business Intelligence (BI)?



## BI is all about -

- Collecting data
- Transforming data
- Delivering actionable insights
- Improving decision making

## As per Gartner -

avg. annual data growth in banks  
in Asia Pacific is estimated at  
**15 – 18%**

# What is BI or Analytics in the Banking Context?



## Banking Business Intelligence

**Empowers Bankers with Insights and Actionable Intelligence**

To identify -

- Opportunities that can be exploited...
- Weaknesses that can be strengthened...
- Strengths that can be leveraged...
- Threats that can be proactively managed...

# Case for BI in a Bank

## Benefits of BI

| BI Dimensions          | Insights provided by BI solutions   |
|------------------------|---|
| <b>Customer View</b>   | Insights into most profitable customers by region, by demography, by product, etc.  |
|                        | Better Customer segmentation , Campaign Management – roll out right campaigns to the right customers  |
|                        | Enables 360° view of the customer   |
|                        | Cross Sell  |
| <b>Operations View</b> | Day-to-day Operational Reporting  |
|                        | Process effectiveness metrics ,Transactional Metrics - volumes & values, trends   |
|                        | Delinquency measurement – identify customers before they become delinquent  |
| <b>Risk View</b>       | Regulatory Reporting - Central Bank Reporting   |
|                        | Risk / Compliance Reporting - Basel II reporting  |
|                        | Credit Risk, Market Risk and Operations Risk Reporting  |
| <b>Product View</b>    | Most profitable products – by demography, by region, by channel, by branch, etc.  |
|                        | Optimal product pricing, product margins, etc.  |
| <b>Branch View</b>     | <ul style="list-style-type: none"> <li>• Branch performance , RM Performance</li> <li>• Cross Sell effectiveness</li> <li>• Branch profitability</li> </ul> |
| <b>Channel view</b>    | <ul style="list-style-type: none"> <li>• Transaction Volume Analysis</li> <li>• Sales channel wise conversion and profitability analysis</li> </ul>         |

**Faster / Smarter / Profitable Business Decisions**

- Customer Satisfaction
- Products Per Customer
- Profitability
- Efficiency
- Compliance

- Churn
- Delinquency / Default
- Fraud / Risk
- Cost
- Data Redundancy

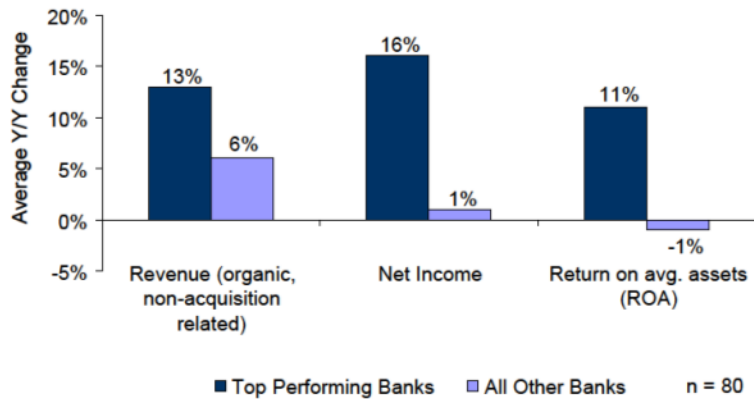
# Case for BI in a Bank

## Industry View

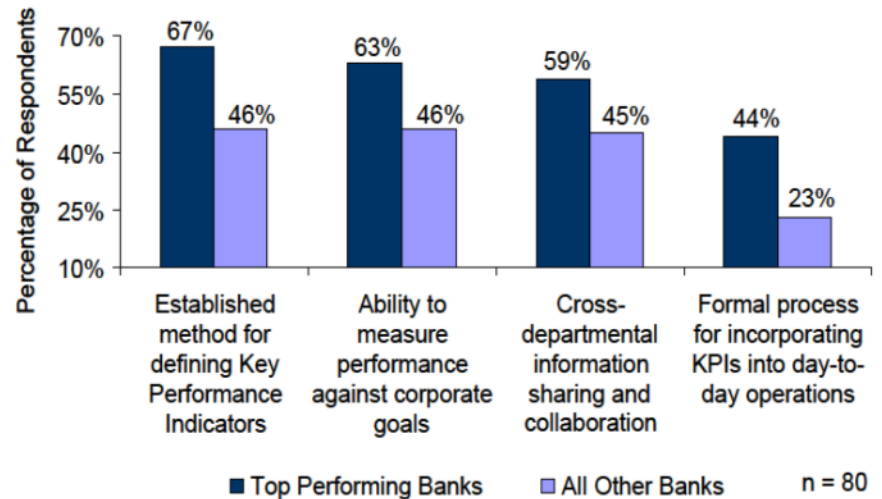
Ability to define and achieve measurable performance through a BI solution contributes to improving both – top line and bottom line

### Top Performing Banks use BI

#### Improving Top line and Bottom line with BI



#### Top Organizational capabilities contributing to top performance



Source: Aberdeen Group, March 2010

# BI Success Stories in Banks



**2500 Branches**  
**\$ 90 billion assets**



**260 Branches**  
**\$ 8 billion assets**



**Start up bank**

## CHALLENGES

- Diverse systems
- Poor insight into branch operations
- Credit check & credit scoring

## BENEFITS

- Reduced costs, improved insight into branch operations
- Savings of \$50 million through process optimization
- Uniform credit evaluation and scoring process

*Source: Gartner*

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**Start up bank**

## CHALLENGES

- Siloed, time consuming and inconsistent report(250) generation process
- High manpower costs for MIS
- Information Security

## BENEFITS

- T+1 information access to employees with security privileges
- Productivity gain of \$1 million
- Savings of \$ 150K / annum in personnel cost
- Single View of Customer

Source: Case Study: <http://biztech2.in.com>

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**Start up bank**

## BUSINESS DRIVERS

### From day 1 wanted:

- Insight into branch operations, customer quality
- To monitor risks
- Decision making based on reliable information

## BENEFITS

- Streamlined data processing and information availability to enable smooth functioning of Credit Management, Fraud and Risk departments
- Accurate and faster MIS due to consolidation of all data in the data repository

Source: Case Study: iCreate



# Challenges in BI implementation



## High Deployment Costs

- Multiple Software licenses, Integration, Training
- Designing & building Enterprise data warehouse
- Ongoing Maintenance



## Long Solution Lead-time

- Software Tool selection process
- System integrator selection process
- Time from business to help with requirements



## Lack of Business Sponsorship & Domain Knowledge

- Perceived as a technology project / initiative
- Domain knowledge needed by SI / project team underestimated



## ROI Difficult to Quantify

- Hard to quantify absolute financial & non-financial benefits



## Bad Data Quality

# JumpStart BI: Key Takeaways



- **Business Intelligence is more about Business & Less about Technology**
- **Critical to have Executive support and Business sponsorship for BI initiative**



- **Create holistic BI strategy/roadmap with phased implementation for quicker ROI**
  - Address data quality as a part of BI roadmap



- **Success of a Banking BI Initiative hinges on:**
  - Banking Domain Knowledge
  - Knowledge of Banking Transactional Systems
  - Deep expertise in DW/BI Tools & Technologies



- **Integrate Performance management with BI to enable topline and bottom-line growth**



- **Start BI initiative simultaneously with automation of transaction systems**



- **Leverage Data management & BI ecosystem to optimize business process itself**

# WE PUT THE BANKING INTO BUSINESS INTELLIGENCE

## iCreate Worldwide

| Asia   |  | Middle East   | Africa   | Europe   |   |
|--|--|---|--|--|---|
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