

# CASE STUDY



## Renewed Customer Focus

**National Commercial Bank, Jamaica**



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## Renewed Customer Focus

### OVERVIEW

#### The Challenge

Replace the antiquated core banking system with a new-generation open solution that would enable NCB, Jamaica to centralize back office operations and improve customer experience.

#### The Solution

A big bang approach to implement Finacle core banking solution saw all the branches and LOB go live simultaneously in six months. Effective program management by Infosys and NCB ensured the success of its core banking transformation program by aligning people, processes and technologies.

#### The Benefit

The adoption of technology has driven NCB, Jamaica into a customer-centric, service-oriented organization. This was possible due to increased operational efficiencies, improved customer relationship practices and implementation of new delivery channels.

### PROFILE

National Commercial Bank (NCB) is the strongest capitalized bank in Jamaica and the market leader in foreign exchange trading, pension fund management, stock-broking and credit cards. NCB is regarded as a pacesetter in the financial sector, being the first in Jamaica to introduce local proprietary credit cards, private label, co-branded, and international credit cards. NCB provides a world of financial services to its clients, both through its strong network of branches and subsidiary companies.

## KEY BUSINESS DRIVERS



National Commercial Bank (NCB), the strongest capitalized bank in Jamaica, grew through mergers and acquisitions during the 1990s to become the dominant force in Jamaica's financial sector.

However, the mergers had created conflicts within NCB because of differences in the cultures of the banks that had merged to form NCB, and more importantly, because of their diverse infrastructures. Administration of these totally decentralized systems was a nightmare. NCB's proprietary mainframe-based core banking system could not coordinate the disparate databases in the branches. Customers were restricted to doing transactions with their own local branch and bank employees took a long time to close the books at the end of the day. Without standards in place, the bank was unable to implement the applications needed to improve the situation. In the mid nineties, the bank came under indirect government control, which

further restricted its ability to invest in necessary changes until its financial health had been fully restored. Essentially, NCB had problems everywhere - people, processes, and technologies.

The year 2002 saw the beginning of a new era at the bank when AIC Limited, Canada's largest privately-held mutual fund company, acquired just over 75% of the shareholding in NCB from the Jamaican government. AIC realized that they had inherited an inefficient firm with antiquated operations, and the only way to regain the bank's position in the market was to embark on a complete transformation. The goal was to revamp virtually every aspect of the bank's operations - replace the antiquated core banking system with a new generation open solution, bring in operational efficiencies by centralizing back office operations, elevate customer facing processes and add a host of new delivery channels.



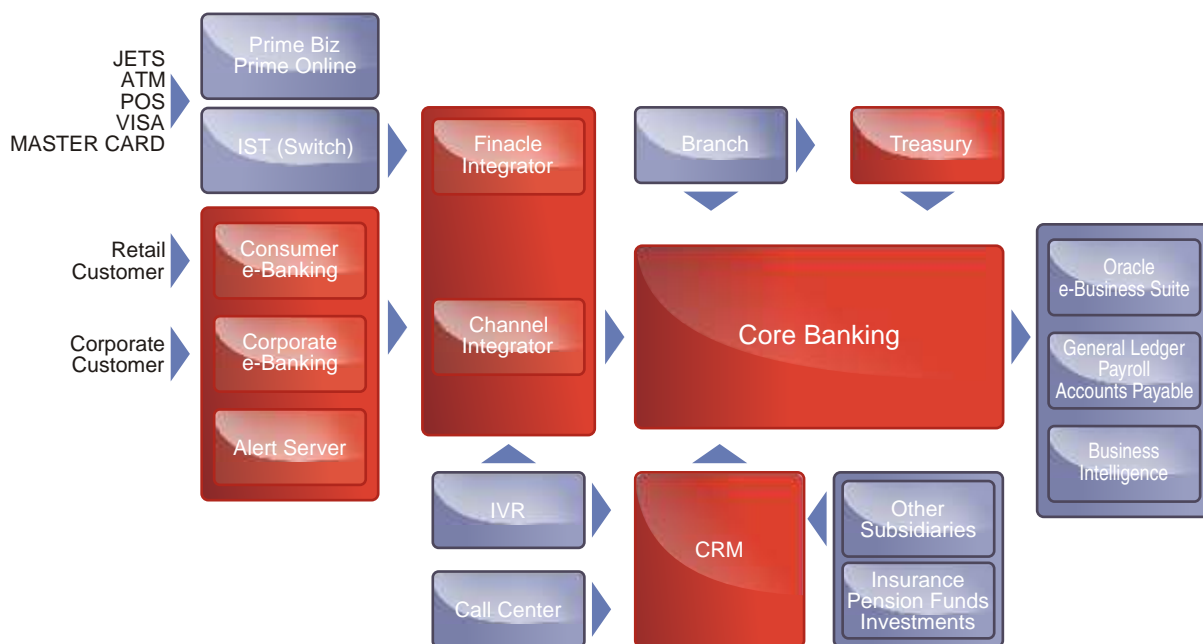
*"Infosys had a very impressive clientele. By engaging Infosys as our technology partner, we knew we'd be in a position to take advantage of these clients' brainpower and the lessons they'd learned, none of these Infosys' implementations has ever failed. An essential component of our formula for success is risk mitigation, and we all felt confident based on Infosys' track record that our implementation would also be successful. Before making the final decision, we established a scoring system to compare the functionality, and Infosys won hands down."*



**Herb Phillipps Jr.**

Member of Board and Head -  
Transformation Initiative  
NCB, Jamaica

# SOLUTION OVERVIEW



After a thorough evaluation of leading banking solutions, NCB selected Finacle, the core banking solution from Infosys Technologies and set up a dedicated program management office to handle the multiple projects within its core banking transformation initiative. The bank also created a steering committee that met on a weekly basis to monitor every stage of the implementation and ensure that all issues were resolved.

NCB adopted a big-bang approach for the Finacle core banking deployment where all branches and lines of business went live simultaneously. The Finacle implementation took only six months,

proving wrong initial estimates by leading consultants that a core banking implementation at NCB would take up to five years.

In the following months, NCB deployed various other components of Finacle like consumer e-banking, corporate e-banking, CRM treasury, and the alerts application. NCB and Infosys created a comprehensive implementation plan, to guide all personnel involved in the transition process. Infosys also carried out business process re-engineering to align NCB's processes with some of the best business practices within Finacle.

## Critical Success Factors in the Transformation Journey

- High level of commitment from NCB top management.
- Treatment of transformation exercise as a 'Business Project' rather than a 'Technological Change'.
- Rapid and well thought out decision-making process.
- Excellent program management by NCB and Infosys.
- Effective stress management by NCB.
- Effective expectation management.
- Efficient communication with employees, customers and share-holders, about the transformation exercise.

## REAPING THE BENEFITS

### Technological Advantage Leading to Innovation

Using the powerful customization and parametrization capability in Finacle, NCB has been able to launch innovative products, with minimal effort, such as Senvia Money Services, a money transfer service - targeted at the large expatriate Jamaican community - that facilitates remittances between the United Kingdom, Canada, the Cayman Islands and Jamaica. Savings Bonanza, a new savings product where the bank holds monthly lucky draws instead of offering interest on savings accounts, has helped the bank increase its local savings pool by nearly ten percent. Another innovative product, NCB Payroll Plus, has been extremely popular, leading to a 129 percent growth in the bank's consumer loan portfolio. Payroll Plus enables employees to assign their future salaries to the bank to access bank loans for paying school fees, undertaking home improvements, and even starting their own small businesses.

### Improving Customer Relationships

The technology renewal program has helped NCB transform itself into a customer-centric, service-oriented organization. With the CRM solution from Infosys, the bank now has a unified view of its customer relationships across the group, which empowers it to service requests across various financial products such as credit cards and insurances. In addition, under its 'customer experience management' initiative, the bank has widened its electronic offering such as an expanded telephone banking facility, internet banking service, alert messaging service and a

state-of-the-art customer care center. Using the consumer e-banking solution and the alerts solution, customers are able to conveniently access a much wider range of banking services including account management, bill payment, alerts and a series of ad-hoc service requests. As part of this transformation program, NCB has also re-designed its entire branch infrastructure and trained the front-office staff in improving its customer service.

### Reducing Cost and Increasing Revenues

NCB is continuously focusing on extracting maximum benefit from the new technology platform both in cutting costs and increasing revenues. For instance, the new technology platform has helped NCB renew its corporate lending business by enabling its corporate banking division initiate skillful financial structuring arrangements. This initiative has been well appreciated by NCB's corporate customers. NCB is also one of the first banks in the region to offer corporate banking over the Internet.

With recommendations from the business process re-engineering exercise carried out, NCB was able to centralize various operations (that were earlier carried out at the branches) which helped the bank cut the end-of-day book balancing time from 150 minutes to 30 minutes. Further, centralization of several activities such as clearing and account-opening has enabled the bank's branches and other units to focus more on activities like customer delivery, achieving economies of scale, reducing operating costs, and managing risks more effectively.

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*"We were looking for a solution that was based on new generation technologies and that allowed us to achieve our transformation goals and a partner who had a true end-to-end capability and could meet our aggressive timelines."*

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**Michael Lee Chin**  
Chairman, NCB,  
Jamaica



## Finacle - Universal Banking Solution

Finacle from Infosys partners with banks to power-up their innovation agenda, enabling them to differentiate their products and service, enhance customer experience and achieve greater operational efficiency. Finacle solutions address the core banking, wealth management, CRM, Islamic banking and treasury requirements of retail, corporate and universal banks worldwide and provide online marketing tools like Finacle finanz tools. Finacle solutions also empower banks with multiple sales, service and marketing channels including e-banking, mobile banking and call centers. These offerings make Finacle a strong innovation-facilitator enabling banks to accelerate growth, while maximizing value from their large scale business transformation.

## Infosys. The Organization behind Finacle.

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT enabled business solutions. Infosys' offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing. Infosys today has more than a third of its business coming from the banking and financial services industry and has a strategic focus on this segment.



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