



## Give me LANs

**Rather than disappearing among a proliferation of delivery channels, the branch has maintained a central role in the delivery of increasingly complex financial products and services. The technology supporting a branch's operations must take into account the multiplicity of interfaces the bank has with its customers.**

Multichannel information management and fast efficient customer service are recognised as 'must have' prerequisites for banks operating in today's highly competitive financial services industry. Quality of service is becoming a critical differentiating factor for banks as e-commerce channels restructure the value chain, commoditising many formerly high end products.

The new price conscious, value driven consumer is, however, proving an elusive quarry for traditional banks, many of whom are burdened by a legacy patchwork of conflicting (Information Technology) IT systems and multiple customer databases. As a recent Tower Group research note on retail delivery

infrastructures reported: "This multiplicity of interfaces creates many serious problems for the bank. The architecture is needlessly complex. It increases both the cost of services and the cost of change. It increases time to market. It reduces quality. It reduces the flexibility of the overall product and service delivery system. It makes it harder to add new products and services, to change existing products and services, and to accommodate new technology."

The list of problems and defects goes on and on. "Independent complex interfaces into core systems and redundant products, services and business logic within the channel are at the heart of many of the problems in retail banking delivery," the report concludes.

Despite the proliferation of remote channels to the consumer, the bank branch retains a central role in product delivery, sales and marketing, and brand enhancement. As routine transactions have migrated to inexpensive automated platforms, so the branch has evolved to play an expanded role in selling increasingly complex financial products. Counter staff too are changing, from paper shuffling tellers to knowledgeable customer sales and service representatives. To fulfil expectations for improved front line services and provide appropriate advice, branch staff require access to advanced customer information systems.

IBM's LANDP\* has been designed specifically to deliver superior customer service within the branch banking environment. LANDP evolved from IBM



Financial Branch System Services. Today, it is used in many banks Worldwide with installations ranging from tens to tens of thousands of licences across their branch networks.

Just as the bank branch has moved with the times, so LANDP has tracked its progress, delivering added functionality for teller support while preserving legacy investments in hardware and software. As such, it offers users that rare commodity – a technical environment in which applications and equipment may be continually and gradually enhanced and updated to meet new business demands, without the need for expensive equipment replacement or upgrade programmes. To achieve this, the product uses a transaction processing infrastructure and common Application Programming Interface (API), to interconnect diverse devices, applications and databases within a distributed client server environment. LANDP supports multiplatform networks, running a combination of Windows 2000<sup>®</sup>, Windows NT<sup>®</sup>, OS/2<sup>®</sup> and DOS and enables easy migration between these.

LANDP facilitates branch automation by enabling –

- branch workstations to communicate with each other and with host computers
- the integration of applications using differing technologies

- the sharing of information contained in databases and resources such as printers on a local area network
- the use of dedicated or shared devices such as Magnetic Stripe Readers (MSRs) and personal identification number pads.

While supporting proprietary IBM devices as standard, LANDP also offers solution pathways incorporating specialised equipment from many different vendors.

The latest release of LANDP, Version 5.0, announced in March 2000, continues this tradition of delivering excellent protection for customers' IT investments. Version 5.0 offers added functionality and a clear migration path to future e-business technologies.

For instance, an expanded Java<sup>™</sup> capability facilitates remote client access to LANDP services using Internet technology, while LANDP Java extensions for Financial Services (Java FXS) for the Java Platform wrappers provide support for legacy input/output devices and peripherals.

Other strategic technologies supported in the new release include: server managed clients, such as WorkSpace On-Demand and Windows<sup>™</sup> Terminal Server – rapid application development via the VisualAge<sup>®</sup> family of development tools and Open Database Connectivity for common access to a wide range of relational databases.

At the transport layer, Version 5.0 offers ease of integration with MQSeries<sup>®</sup> networks through extensions to the LANDP common API, thereby providing a robust communications backbone for connectivity between remote workgroups and between remote workgroups and a host system. The new release also facilitates migration from SNA to TCP/IP networks, without the need to change existing LANDP SNA applications.

The technology is being used by banks which are keen to protect their investments in existing mission critical platforms, yet perceive a need to re-engineer their operations to provide a flexible, friendly and knowledgeable interface to the customer.

At Raiffeisenlandesbank Kärnten, LANDP was introduced to develop a decentralised client server system for moving customer information more efficiently around the branch network. "LANDP enables users in the branches to access more data more quickly than was ever possible before," says Anton Hainig, the IT Manager responsible for LANDP at the bank's software department. "Because data can be stored locally using LANDP, communications are faster and the bank doesn't have to perform as many online transactions. As a result, LANDP has helped the bank to reduce its costs significantly and to process customer business more efficiently."

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LANDP’s common application programming interface enabled the bank to develop portable applications within an environment of mixed operating systems. With LANDP, new and improved applications can now be developed rapidly and cost effectively in response to changing business conditions – these applications can then be deployed across the bank’s IT platforms without the need to significantly alter its existing technologies. “LANDP has significantly cut the costs and time taken to develop and deploy valuable new applications across our IT system,” says Hainig. “That gives the bank a major competitive advantage.”

In southern Europe, LANDP was introduced to transform a bank’s standalone network of 34 branches into distinct logical workgroups. The bank wanted a system that would provide the basis for its increasingly customer centric view of the world. It also wanted to adopt a rapid application development approach to the introduction of new and innovative services for customers. In order to maintain a competitive edge, the bank realised it had to be flexible in the services it introduced.

The bank had been using legacy standalone IBM processors in each of its branch offices to handle its banking and financial services. However, increasing customer demand for better and more customised services meant that the bank had outgrown its current systems, which could not deliver the services required or provide a suitable platform for the rapid development of new applications.

The solution comprised LANDP for OS/2, which manages all the specialised banking hardware, such as card readers, cheque readers and teller printers. The same product also provides connectivity to the host IBM 9672 mainframe, and sophisticated resource sharing among the LAN workstations.

One of the most attractive features of LANDP was that it supported such a large number of the bank’s mission critical banking devices. With LANDP installed, the bank has been able to select and develop the most appropriate hardware, application and systems software to suit its business needs, with the confidence that all will install on the same LAN and function smoothly together.



## Notes

- Despite the proliferation of remote channels to the consumer, the bank branch retains a central role in product delivery, sales and marketing and brand enhancement.
- IBM's branch banking solution, LANDP, has changed in response to the changing role of the branch and delivers added functionality for teller support while preserving legacy investments in hardware and software.
- LANDP enables branch workstations to communicate with each other and with host computers, integrates applications using differing technologies and enables information in diverse databases to be shared across the network.
- The latest version of the product, Version 5, includes an expanded Java capability to enable remote client access to LANDP services using Internet technology.
- Austrian bank Raiffeisenlandesbank Kärnten implemented LANDP to develop a decentralised client server system for moving customer information more efficiently around the branch network.
- LANDP's common application programming interface enable the bank to develop portable applications within an environment of mixed operating systems.
- A southern European bank installed LANDP to support its customer centric view of the world and its rapid application development approach to new services for customers.

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