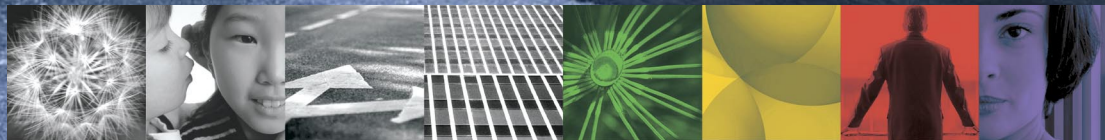


IBM Financial Services



**Rethink. Renew. Re-energize your business.**

*With IBM e-business software solutions*

# *There's no doubt about it.*

Change is sweeping strongly across virtually every area of the financial services industry. Global capital markets continue to dip and dive. Earnings volatility is the new status quo.

In addition, players face a host of issues around compliance with the new risk management guidelines and policies set out in the New Basel Capital Accord. What does the astute competitor do in this challenging business environment? A number of things, it turns out, including:

- > Implement cost-cutting measures
- > Launch new initiatives to improve internal efficiency and productivity
- > Optimize delivery channels
- > Reposition services and products around customer needs.

Yet with so much uncertainty in the marketplace, an organization can be doing all these things and still not achieve the expected results—especially if it is missing one essential element: a cohesive strategy that's backed by the right information technology (IT) foundation.

**IBM e-business software solutions...  
helping you re-energize your business.**







## RETHINK YOUR APPROACH **THREE ESSENTIAL WAYS TO IMPROVE PROFITABILITY**

At IBM, we've identified three interlocking strategies that will help your organization deliver greater shareholder value. While no single model can accurately represent the complex issues faced by banking, insurance and financial market firms, this threefold approach offers a comprehensive plan for improved profitability and stable earnings streams.

**Strategy 1:** Reduce costs to free up operating capital.

Major opportunities exist to fundamentally change cost structures by digitizing and streamlining processes. For example, your organization could achieve greater efficiencies through strengthening the underlying business structure; fine-tuning customer segmentation capabilities; and/or improving management systems. Steps toward a healthier bottom line include:

- Migrate routine, simpler customer transactions to less expensive channels, such as self-service
- Move from a transaction-based culture to a sales-based culture where the customer relationship is at the center
- Optimize resource allocation and improve cost-to-level-of-service ratio
- Effectively apply technology to support straight through processing
- Integrate channels where feasible.

**Strategy 2:** Improve operational resiliency to manage risk more effectively. As your financial institution consolidates and expands into new markets, the business risks multiply. It's critical to ensure earnings stability and reduce capital requirements associated with all forms of risk. At the same time, it's vital to increase your organization's capacity to change course quickly when needed. Actions here include:

- Control risk exposure through advanced data analytics
- Manage fraud more effectively through improved credit risk procedures
- Build a reliable, resilient technology infrastructure to reduce business vulnerability
- Plan for crisis management, anticipating disruptive events
- Develop efficient, integrated processes.

**Strategy 3:** Drive customer centricity to differentiate your business and grow revenues. To win new customers and strengthen relationships with current ones, your organization must close the gap between the need-based way customers view financial products and the product-based way financial firms view customer needs. Tactics here include:

- Create an accurate, holistic view of the customer across all relationships and leverage this knowledge enterprisewide
- Tap internal data and market research to understand customer financial goals and needs—both current and future
- Manage customers based on their value and profitability—both actual and potential
- Adapt dynamically to changing customer needs with new products and services
- Optimize value chains through channel integration and portal technologies.



## RENEW YOUR OPERATIONS WHY THE RIGHT SOFTWARE IS ESSENTIAL

New strategies, no matter how brilliant, never work in a vacuum. Success depends on having the right underlying software infrastructure to support the business change. For example, you wouldn't want to dedicate major resources to a new customer relationship management initiative unless you could be confident the technology behind it all will deliver optimal results—and that it will integrate smoothly with existing systems.

Investing in IBM e-business software is a smart move that can pay off quickly. IBM e-business software solutions can help your financial organization reduce costs, improve operational resiliency and drive customer centricity in a number of ways.

### *IBM e-business software supports cost reduction*

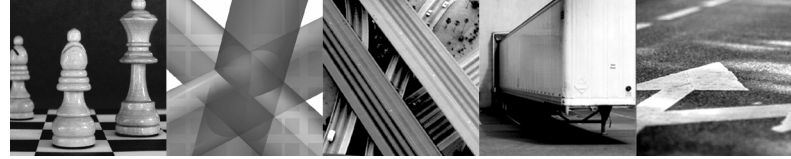
Let's say you plan to boost efficiency and cut costs by delivering new customer segmentation capabilities. To capture the greatest benefit, you need to be able to integrate new business-critical applications and processes quickly and easily into your existing software infrastructure.

Get it right and implementation costs drop. Time-to-value accelerates. And your whole business is better positioned for growth.

IBM e-business software solutions get you there faster. With IBM, you know you can leverage your legacy applications and hardware—from IBM and other vendors—to interact smoothly with customers and partners on virtually any IT platform. That's because we're a key supporter of open standards and open technologies. Our e-business software also supports best-of-breed applications from a wide range of Independent Software Vendors (ISVs).

### *IBM e-business software helps improve operational resiliency*

When you want to get competitive new services and products to market fast—or you have to react quickly to unexpected changes in the marketplace—you need to know your IT infrastructure won't hold you back. And that you can easily access the resources needed to maintain and support your investment.



There's no problem, with IBM e-business software solutions. Here are just a few of the advantages:

- Top-notch reliability, security and performance, around the clock
- Full scalability to meet your changing business needs
- Rapid deployment
- Readily available IT skills, in the marketplace if not already in-house.

All this mitigates the risk of operating in a fast-changing business environment. And if that's not enough peace of mind, IBM e-business software solutions are supported by a team of dedicated professionals armed with deep industry expertise and years of IT experience. Few, if any, competitors can match our track record when it comes to systems support.

That's great to know—especially since you don't always know what's going to happen next in your business.

#### *IBM software drives customer centricity*

To put the customer at the center of your operations, your organization will rely more than ever on an accurate single view of customer data. You can count on IBM e-business software to deliver consistent, secure information across multiple locations and even beyond the enterprise. That's a core requirement to support online banking and insurance, electronic bill payment and other Web and wireless services, such as wealth management.

With IBM e-business software, you can quickly build highly scalable portals that simplify and speed access to personalized information and applications for your customers, business partners and employees. Users can select which applications they view and how they want to view them. Irrelevant content is filtered out, so your site becomes easier to use.

You can even add collaboration features that enable you to share information with your top business partners. Investment bankers, lawyers, credit analysts and relationship managers can all share knowledge and make better, faster decisions—without leaving their desks.



## RE-ENERGIZE YOUR BUSINESS WITH IBM E-BUSINESS SOFTWARE

### **DB2.** Data Management Software

DB2® data management software from IBM helps companies transfer data into intelligence by collecting, analyzing and securely distributing all types of data. Now relied on by more than 40 million users and 300,000 companies worldwide.

- *DB2 data management software helps reduce costs*—Provides a full range of information integration and management capabilities to leverage existing infrastructure investments, streamlining the flow of information between people, processes and applications.
- *DB2 data management software helps improve operational resiliency*—Addresses special risk management needs for monitoring and surveillance to prevent significant losses from malicious behavior or process inefficiency. Also provides the availability and scalability needed to handle spikes in e-business transaction volumes.
- *DB2 data management software supports customer centricity*—Through powerful marketing automation, helps your organization tap information assets from diverse sources to build a single view of the customer. Helps ensure each customer is sent the right message through the right channel at the right time.

*“As a provider of financial services, the timely and reliable management of customer data is crucial for Postbank AG. We have quickly realized that IBM’s software and hardware technology helps us to achieve dramatic improvements in this area. With the combination of new hardware and IBM DB2 Universal Database™, Postbank AG can complete up to 1000% more workload.”*

—Oliver Czaia, IT Project Manager, Postbank AG

### **Lotus.** software

Lotus® software from IBM—including Lotus Domino™, Lotus QuickPlace™ and Lotus Sametime®—empowers your staff to be more productive through better communication and teamwork with colleagues, suppliers and customers.

- *Lotus software helps reduce costs*—Brings people, knowledge and information together more efficiently to create value. Also reduces travel and training costs through affordable Lotus e-Learning solutions.
- *Lotus software helps improve operational resiliency*—Expands communications options to support realtime collaboration through instant messaging, online meetings and shared workspaces. The result is increased speed-to-market and swifter response to rapid change.
- *Lotus software supports customer centricity*—Brings people together from across the enterprise to support customer-centered processes and respond to complex customer issues. Also supports online user communities that enhance customer service and loyalty.

*“With Domino Workflow enhancing our Global Credit System, we’ve taken a three week credit application cycle and reduced it to a few hours.”*

—Roy Whyte, Groupware Consultant, ABN AMRO Lease Holding N.V.

**Tivoli** software

Tivoli® software from IBM helps integrate and automate your infrastructure so you can quickly adapt to changes and reduce the complexity of IT operations.

With Tivoli software, you can maximize the return on your technology investments and create a highly secure and available e-business infrastructure.

- *Tivoli software helps reduce costs*—Accelerates payback from cost reduction initiatives through centralized control of software deployment and support—so you can often avoid adding IT staff.
- *Tivoli software helps improve operational resiliency*—Enables your organization to respond more proactively to changing workloads and to new regulations that require higher standards of operational resiliency—and bring a greater risk of malicious activity. Eases the pain of automation to help you achieve measurable business impact.

- *Tivoli software supports customer centricity*—Helps reduce the time and effort required to manage e-business service levels—so you can efficiently support new customer-centric processes.

*“Royal Bank of Canada is pleased with the Remote Control solution from IBM Tivoli. It allows our Level 1 and Level 2 help desk analysts to react quickly to many technology problems that our 50,000+ employees may have. This increases our internal client customer satisfaction, while reducing our overall support costs.”*

—Ken Hookey, IT Manager, Royal Bank of Canada

**At a glance:**

How IBM e-business software supports three core business strategies

	<b>DB2 Data Management Software</b>	<b>Lotus Software</b>	<b>Tivoli Software</b>	<b>WebSphere Software</b>
<b>Reduce cost:</b>	<ul style="list-style-type: none"> <li>• Boosts efficiency with data monitoring and surveillance</li> </ul>	<ul style="list-style-type: none"> <li>• Improves access to knowledge</li> <li>• Helps reduce costs for training and travel</li> </ul>	<ul style="list-style-type: none"> <li>• Centralizes software deployment and support</li> <li>• Manages changing workloads</li> </ul>	<ul style="list-style-type: none"> <li>• Simplifies integration</li> </ul>
<b>Improve operational resiliency:</b>	<ul style="list-style-type: none"> <li>• Helps manage risk data</li> <li>• Handles workload spikes</li> </ul>	<ul style="list-style-type: none"> <li>• Expands communication teaming options for better and faster decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• Helps predict and prevent outages</li> </ul>	<ul style="list-style-type: none"> <li>• Helps deliver secure, reliable and scalable performance</li> </ul>
<b>Drive customer centricity:</b>	<ul style="list-style-type: none"> <li>• Provides access to accurate, consistent customer data</li> </ul>	<ul style="list-style-type: none"> <li>• Improves collaboration with customers</li> <li>• Builds online customer communities and loyalty</li> </ul>	<ul style="list-style-type: none"> <li>• Helps maintain customer service levels</li> </ul>	<ul style="list-style-type: none"> <li>• Supports single view of customer</li> </ul>





## WebSphere® software

WebSphere® software from IBM delivers the tools you need to Web-enable your business-critical processes and develop and maintain a first-class, personalized Web presence. It offers everything you need to build, deploy and grow a dynamic e-business.

- *WebSphere software helps reduce costs*—Connects disparate systems and applications, eliminating integration issues that make it so costly and difficult to react quickly.
- *WebSphere software helps improve operational resiliency*—Offers a proven, scalable and highly secure development and run-time environment for all your applications.
- *WebSphere software supports customer centricity*—Through improved integration, new business models are not isolated, but become part of your total customer processing environments. That directly supports your efforts to build a single view of the customer across different lines of business and applications.

*“With the WebSphere platform, we have a robust, flexible infrastructure that will let us bring new customers online easily and quickly...in the WebSphere environment we can make changes quickly, without having to support such a diverse skills set. We expect we’ll reduce our development and maintenance time by 30 percent.”*

—Tom Kindred, Vice President, Information Technology, Credit Union Electronic Transaction Services (CUETS)

## Power up your e-business with IBM

With IBM e-business software solutions for the financial services industry, you’re ready to move forward, full power. IBM software platforms work together so you can build and manage a comprehensive, integrated e-business infrastructure—one that will easily support the growing requirements of your organization.

### For more information

For more information about IBM Financial Services, contact your IBM representative, or visit:

**ibm.com**/industries/financialservices/software



© Copyright IBM Corporation 2002

IBM Software Group  
Route 100, Building 1  
Somers, NY 10589  
U.S.A.

Printed in the United States of America  
10-02  
All Rights Reserved

IBM, the IBM logo, the e-business logo, DB2, DB2 Universal Database, Tivoli and WebSphere are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both.

Domino, Lotus, QuickPlace and Sametime are trademarks or registered trademarks of Lotus Development Corporation and/or IBM Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.



G580-3973-00