

Bayerische Landesbank excels with consolidated CRM solution from IBM and Siebel Systems.

Overview

■ Challenge

Increase customer loyalty in private banking division

■ Solution

CRM system providing consolidated, integrated view of private banking customers

■ Why IBM?

Bayerische Landesbank is a longtime IBM customer and views IBM DB2® Universal Database™ as its corporate standard because of the high availability, scalability and performance of DB2 software; tight integration between DB2 Universal Database and Siebel eBusiness Applications was considered an advantage

■ Key Business Benefits

Consolidated view of all customer interactions, allowing greater responsiveness and variable opportunities to increase sales; reduction in system maintenance costs through centralized management; improvement in data loading time by a factor of 3; savings in database licensing fees; migration completed in only 3 months



Bayerische Landesbank enjoys great success in a highly competitive market—and shares its good fortune by supporting the arts, science and the community.

It hasn't been easy during the past decade to be in the German banking industry, which has seen a 40 percent drop in the number of banks. But among the bright spots is Munich-based Bayerische Landesbank (BayernLB), which has continued to thrive in spite of a changing competitive landscape.

In part by effectively using its customer-related data to cross-sell, up-sell and focus its marketing efforts, BayernLB (www.bayernlb.de) has become the seventh largest bank in Germany. With more than 9,000 employees, the institution manages €333 billion (US\$359 billion) in total assets and enjoys a presence in each of the world's major financial centers.

“As a financial services company, it’s important to us that all our information about a customer be available when and where we need it, so that we can be responsive and focused, and maximize our relationships.”

—Patrick Stearn, Electronic Banking Specialist, Bayerische Landesbank

e-business—accelerating the pace of business and the pace of change

Key Components

Software

- IBM DB2 Universal Database Enterprise Edition for AIX®
- IBM DB2 for z/OS™
- IBM HACMP/6000™ software
- Siebel eBusiness Applications

Servers

- IBM @server pSeries™ 660
- IBM @server zSeries™

BayernLB is jointly owned by the Free State of Bavaria and the Association of Bavarian Savings Banks, each with a 50 percent holding. It also acts as a principal bank to the Free State of Bavaria and as the central institution to Bavarian savings banks. In addition, BayernLB is an international wholesale bank, conducting operations in the investment and commercial banking businesses, as well as one of Germany's largest issuing houses. Its target customers are national and local governments, savings banks, multinational groups, domestic corporations and real estate companies, as well as institutional investors and financial institutions. As part of an effort to increase loyalty within its private banking sector, BayernLB invested in the Siebel Sales customer relationship management (CRM) module of Siebel eBusiness Applications, from Siebel Systems, in order to benefit from a total, integrated view of its private banking customers.

When it was time to upgrade its Siebel Systems software, BayernLB's private banking division also seized the opportunity to migrate its applications from an Oracle database to IBM DB2 Universal Database Enterprise Edition for AIX, the BayernLB corporate standard. "DB2 Universal Database is the bank's database of choice for its high availability, scalability and performance," says Patrick Stearn, electronic banking specialist, BayernLB. "We are essentially an IBM shop, with IBM middleware including CICS®, WebSphere® MQ and WebSphere Application Server, as well as IBM @server systems in our IT environment. Since IBM and Siebel Systems are closely aligned, we decided to take advantage of the tight integration between DB2 Universal Database and Siebel eBusiness Applications to consolidate and manage information about our private banking customers and their accounts."

Spending less to sell more

Siebel Sales running on an 8.5GB DB2 Universal Database system now gives call center representatives in the private banking division a consolidated, divisionwide view of all customer interactions. From their desktops, representatives can access current and historical data about these customers, no matter which channels they've used to contact BayernLB. If a customer calls and then follows up with a visit about a possible discrepancy, for example, the bank manager already would be aware of the customer's concern and could easily respond. Likewise, representatives can quickly spot opportunities to cross-sell or upsell financial packages to prospective investors, using scripted questions from Siebel Systems to guide them through the process.

"Having migrated Siebel Sales to DB2 Universal Database, we have experienced a reduction in system maintenance costs and we have improved data loading time by a factor of three—without impacting application performance. We're also saving database licensing fees. All of this lowers our costs and strengthens our earnings."

—Patrick Stearn

"Not only can we better market our services, but we are doing so with a more cost-effective CRM infrastructure," says Stearn. "Having migrated Siebel Sales to DB2 Universal Database, we have experienced a reduction in system maintenance costs by centralizing database administration through our corporate IT team, rather than relying on outside partners or our division's IT team to do it. We have improved data loading time by a factor of three—without impacting application performance for users. We're also saving database licensing fees since a number of other systems in BayernLB also leverage the same centralized DB2 system, so we can share the costs. All of this lowers our costs and strengthens our earnings."

IBM Germany worked with BayernLB's database support team as well as one of the company's external partners to migrate to the latest version of Siebel Sales and to DB2 Universal Database. Says Stearn, "We recognized that IBM would have the expertise to tune DB2 to the optimal level for Siebel eBusiness Applications. IBM and our team collaborated closely to complete both migrations in just three months."

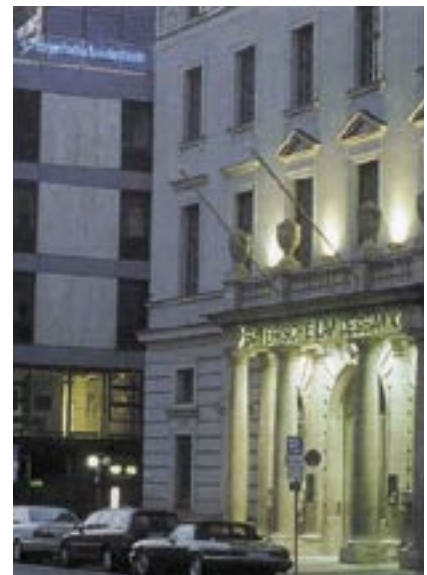
Up-to-date customer information every day

Siebel Sales runs as a client/server application on a Microsoft® Windows NT® server with fat clients connected to BayernLB's local area network. DB2 Universal Database—which functions as the CRM database—runs on two IBM @server pSeries 660s. On one pSeries server, IBM High Availability Cluster Multi-Processing (HACMP/6000) software helps ensure that applications and systems in the bank's production environment remain operational 24x7 by automatically detecting system or network failures. If a problem does occur, the pSeries server and HACMP software work together to recover system hardware, applications, data and users in a minimal amount of time. The other pSeries 660 server supports the bank's test and integration environment. "BayernLB runs these databases and other banking applications on a pSeries server to leverage our in-house expertise on IBM's dependable technology solutions," notes Stearn.

DB2 Universal Database for z/OS, running on the company's existing @server zSeries, manages customer account information. Each night, data residing on this system is updated through a one-way batch transfer process to the DB2 database powering Siebel Sales. "At the beginning of every day, our CRM system is up to date, allowing us to be as responsive as we can to our customers," says Stearn.

"Siebel eBusiness Applications running on DB2 have already exceeded our expectations for an optimal CRM solution, and we hope to duplicate the record performance and scalability benchmarks that have been achieved in tests."

—Patrick Stearn



Bayerische Landesbank advises its private banking customers about areas including securities investments, asset management and pensions.

BayernLB's Siebel eBusiness Applications implementation is integrated with another vendor's content management system that enables bank representatives to retrieve customer correspondence and other documents from the Siebel Systems application interface. "Each high-end customer has the potential to bring in a significant amount of revenue," says Stearn. "The more responsive and comprehensive we can be in serving these customers, the better for our business. Our IBM and Siebel Systems CRM solution lets us tap into this potential."

**IBM and Siebel Systems:
exceeding expectations**

In addition to using DB2 for AIX to manage data about private banking customers, BayernLB has begun populating the database with information about its corporate clients. Down the road, BayernLB foresees an enterprisewide migration to the Siebel eFinance component of Siebel eBusiness Applications, tailored to provide CRM, employee relationship management, partner relationship management and analytics capabilities to the finance industry.

By consolidating data sources on DB2 for AIX, the bank expects to gain new efficiencies in its data management environment—which, in turn, can generate additional savings in operational costs.

"As a financial services company, it's important to us that all our information about a customer be available when and where we need it, so that we can be responsive and focused, and maximize our relationships," says Stearn. "Siebel eBusiness Applications running on DB2 have already exceeded our expectations for an optimal CRM solution, and we hope to duplicate the record performance and scalability benchmarks that have been achieved in tests."

For more information

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Corporate Marketing
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Armonk, NY 10504
U.S.A.

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