

Banco de Crédito del Peru vaults over the competition with help from IBM and SAP

Overview

The challenge

A range of isolated and outdated back-office applications were in place at Banco de Crédito del Peru (BCP), making it difficult to support these systems efficiently or effectively. Ensuring software licenses were up-to-date was a further challenge. Without a single repository for business information, reliable and accurate reporting was almost impossible, making it difficult for key decision makers to access the information they needed. IT staff were often called upon to generate these reports manually—a time-consuming and error-prone approach. Maintenance costs for the existing Oracle database environment were escalating, leading BCP to seek a more cost-effective solution.

The solution

Banco de Crédito del Peru implemented SAP ERP, SAP NetWeaver Business Warehouse, SAP NetWeaver Portal, SAP Solution Manager and SAP BusinessObjects governance, risk, and compliance (GRC). These applications are running on IBM BladeCenter® JS43, IBM Power® 595 and IBM Power 570 servers, all running the IBM AIX® operating system landscape. The company worked with IBM Software Services for Information Management and IBM Business Partner SYNOPSIS to deploy IBM DB2® 9 for Linux, UNIX and Windows technology.

The benefits

Combining IBM DB2 and SAP NetWeaver Business Warehouse technology has given Banco de Crédito del Peru centralized, high-performing and comprehensive enterprise management and business intelligence capabilities. The powerful and robust IBM BladeCenter and IBM Power Systems™ servers provide the ideal platform, keeping all software running optimally with minimal management overhead. Key decision



“We expect that replacing the Oracle database with IBM DB2 will enable us to cut the budget we previously set aside for data management by 50 percent. Using the IBM DB2 Storage Optimization features will make it possible for us to lower data storage costs by a projected 45 percent.”

—Jorge Torres
IT infrastructure manager at BCP

makers at the company can use real-time reporting data to keep track of company performance and capitalize on opportunities immediately, boosting responsiveness and agility. Replacing the Oracle database with IBM DB2 software is estimated to cut IT data management costs by 50 percent and computing storage costs by 45 percent. Stricter controls introduced by SAP BusinessObjects GRC are expected to reduce financial losses caused by human error and fraud by up to 40 percent. Using SAP ERP for inventory management is projected to reduce procurement costs by 10 percent by cutting down on waste.

Key solution components

- Industry: Banking
- Applications: SAP ERP, SAP NetWeaver Business Warehouse, SAP NetWeaver Portal, SAP Solution Manager and SAP BusinessObjects GRC
- Hardware: IBM BladeCenter JS43, IBM Power 570 and IBM Power 595 servers, all with IBM POWER6® processors
- Software: IBM DB2 9 for Linux, UNIX and Windows technology; IBM AIX operating system
- Services: IBM Software Services

Headquartered in Lima, Banco de Crédito del Peru is the largest private bank in Peru. With 320 branches across the country as well as offices in Panama, Miami and Bolivia, BCP employs 15,000 people and boasts annual profits of US\$450 million. BCP was founded 125 years ago and today offers a range of retail banking products and services including bank accounts, insurance policies and mutual funds.

Over time, different departments at BCP had acquired a large range of unintegrated legacy applications to support processes such as administration, human resources and accounting. This presented a number of challenges in terms of support and updates. For example, when new compliance laws were introduced by regulatory institutions in Peru, BCP would build new applications around the existing solution or spend time and effort making complex customizations in order to gain new functionality. It was also difficult to ensure licensing was up-to-date for such a complex and disparate environment. Annual maintenance costs for the existing Oracle database environment were increasing, leading BCP to seek an alternative that would offer the same functionality at a lower price.

More importantly, reconciling the data from these multiple systems was a complicated undertaking, severely hindering reporting procedures and delaying business decision making. What's more, the manual effort involved was preventing IT staff from spending time on higher-value work.

“To meet our administrative needs, IT staff were collecting information from 15–16 satellite applications and Microsoft Excel spreadsheets before manually collating and analyzing this in response to simple queries from our managers,” says Haydeé Urquiaga, SAP implementation manager at BCP. “Data integrity could not always be relied on, adding an extra layer of uncertainty and complexity to any reports. We wanted to be able to offer our key decision makers the information they needed to steer this company to further success quickly and accurately.”

She adds, “Taking a piecemeal approach to updating our application landscape may have been easier than a complete IT overhaul in the short term, but it was causing more and more problems as time went on. Just one example of this is our human resources system. Based on a purpose-built solution built by a Peruvian supplier, at one point it was supported by 35 modules. We recognized that simplifying and streamlining our application suite would be a valuable investment for the future and would also make ensuring our licensing was current a much easier task.”

Selecting SAP applications

BCP began seeking a vendor that could provide a solution to meet a range of needs including administration, accounting, human resources and inventory. Working with SAP Consulting and a number of business partner firms, it chose to deploy the SAP ERP application, SAP NetWeaver Business Warehouse, SAP NetWeaver Portal, SAP Solution Manager and SAP BusinessObjects GRC, choosing SAP as prime contractor for the major implementation project.

“We were looking for a solution with a proven track record, and SAP applications fitted the bill,” explains Urquiaga. “Our SAP ERP solution includes a comprehensive suite of modules to meet all our ERP needs including financials, controlling, materials management and more. The high interoperability of SAP applications was a principal factor for us as we needed seamless connectivity between the SAP solution and our other third-party software.”

“The IBM and SAP solution has proved such a success at BCP that there are plans to extend it to other companies in our parent group. Working with IBM and SAP, we have been able to transform our application and hardware landscapes, laying the groundwork for more efficient and effective operations in the future.

—Haydeé Urquiaga
SAP implementation manager
at BCP

Choosing IBM hardware

To support the new application landscape, BCP decided to overhaul the underlying infrastructure, selecting IBM Power 595, IBM BladeCenter JS43 and IBM Power 570 servers. All of these IBM servers include POWER6 processors and run the IBM AIX operating system.

“For our SAP workloads, we wanted to concentrate as much processing power into each server as we could,” says Jorge Torres, IT infrastructure manager. “The IBM POWER6 processors provide extreme performance with very high clock speeds while the overall system design stays well balanced. Hence, AIX on the IBM POWER® architecture combines superb scalability and performance with very mature virtualization and availability technologies. We determined that the IBM Power Systems platform would offer us the most cost-effective performance for our core SAP systems.”

Uniquely, the IBM BladeCenter JS43 servers enable BCP to run an enterprise-class UNIX operating system—the IBM AIX operating system—in a blade form-factor, enabling the bank to have the same software stack on two very different types of server. For a company that was previously struggling to manage a wide variety of different technologies, the ability to standardize on a single technology offers significant benefits in terms of operational management and training for IT staff.

Capitalizing on the IBM and SAP partnership

Working with IBM Software Services, BCP implemented IBM DB2 9 for Linux, UNIX and Windows technology to replace its existing Oracle databases. The migration was completed within budget and on time in just 45 days, with the IBM teams maintaining total transparency of the process for the client. A proof of concept was conducted to compare performance of the previous Oracle solution with the IBM DB2 solution, and the results were highly impressive—showing that more than 75 percent of jobs immediately ran faster and the “Create Order” and “Invoice Register” stress tests performed better on the IBM DB2 software by 91 percent and 75 percent, respectively. This represented a huge performance boost for BCP, which could then benefit from faster response times and greater reliability.

Developing the best possible business reporting solution was a high priority for BCP, so it decided to deploy an IBM InfoSphere® Warehouse solution to optimize the warehouse functionality of SAP NetWeaver Business Warehouse.

Technical Landscape

Servers

- IBM BladeCenter JS43
- IBM Power 570,
- IBM Power 595
- POWER6 processors

Software:

- IBM DB2 9 for Linux
- UNIX and Windows
- IBM AIX; SAP ERP
- SAP NetWeaver Business Warehouse
- SAP NetWeaver Portal; SAP Solution Manager
- SAP BusinessObjects GRC

Users: 1,200 total users

“The combination of SAP NetWeaver Business Warehouse and IBM DB2 technology has provided the ideal reporting and analytics solution for BCP,” says Urquiaga. “We have moved from using Microsoft Excel spreadsheets and pivot tables to having sophisticated business analytics and modeling tools at our fingertips. With the IBM and SAP solutions delivering easy access to detailed and accurate business information, our managers are better equipped to steer BCP to further success, increasing our agility and responsiveness to customer demand.”

Enjoying the benefits

Deploying SAP BusinessObjects GRC has enabled BCP to control access to key infrastructure assets, protecting against both human errors and fraudulent activity.

“As a banking institution, it is vital that we put strict access control safeguards in place for certain applications, so we can be confident that we are meeting our regulatory obligations and minimizing risk for our customers,” says Urquiaga. “SAP BusinessObjects governance, risk, and compliance (GRC) allows us to seamlessly embed compliance throughout our end-to-end processes, increasing our resiliency against fraud and maximizing transparency, thereby making it easy to demonstrate conformity to Peruvian law. We estimate that the IBM and SAP solution has contributed towards a decrease in losses due to fraud and human error of 40 percent.”

In addition to simplifying license management for the IT team, the pre-integrated suite of SAP ERP software has delivered a number of business benefits. Using SAP ERP for inventory management has given BCP enhanced control over its assets—whereas previously materials were simply resupplied every three months without tracking use, BCP is now able to minimize waste. Equally, SAP ERP Financials has enabled BCP to simplify and accelerate accounting and financial reporting.

“The best practices embedded in SAP ERP have helped us introduce significant efficiencies across our operations,” says Urquiaga. “In terms of office supplies, for example, we estimate that clamping down on waste will translate into a 10 percent cost saving.”

She adds “Recently, we ran payroll for our 15,000 employees on the new SAP solution for the first time. Whereas previously this process would have taken several of our employees at least a week, it was completed in a matter of hours with almost zero manual input, demonstrating first-hand how the SAP solution will make life easier for our staff.”

Case study

The new solution has also introduced significant cost savings at BCP in terms of data management and storage, while boosting performance.

“We expect that replacing the Oracle database with IBM DB2 will enable us to cut the budget we previously set aside for data management by 50 percent,” says Torres. “Using the IBM DB2 Storage Optimization features will make it possible for us to lower data storage costs by a projected 45 percent. At the same time, we are getting far superior performance from DB2; it is the ideal database to support SAP NetWeaver Business Warehouse.”

Urquiaga concludes: “The IBM and SAP solution has proved such a success at BCP that there are plans to extend it to other companies in our parent group. Working with IBM and SAP, we have been able to transform our application and hardware landscapes, laying the groundwork for more-efficient and effective operations in the future. At the same time, we have given the business a superb set of tools for managing the entire enterprise across all functional areas.”

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