IBM

Fiducia enhances banks' responsiveness with IBM content management solution.

Overview

■ **Challenge**

Costly and inefficient processes for handling account queries were preventing Fiducia's member banks from providing the realtime responsiveness their customers expected

■ **Why Become an On Demand Business?**

Fiducia needed to provide its member banks with a way to respond more quickly to their customers' account inquiries while lowering operating costs

■ **Solution**

The company implemented a hosted content management system that enables member banks to promptly and securely retrieve customer account information in realtime

■ **Key Benefits**

For Fiducia: Ability to derive more revenues; increase in market share to 19%; anticipated growth in user base by 40 banks each year For Fiducia's member banks: Tens of thousands of euros saved monthly in office rent by minimizing paper storage requirements; enhanced responsiveness to customers; increased employee productivity; information retrieval time reduced from days to seconds

As a full-service IT provider, Fiducia enables its member banks to focus on their core competencies while it addresses their technology needs.

Since its founding 77 years ago, Fiducia IT AG (Fiducia) has grown and fulfilled its primary mission by developing innovative technology solutions to support the banking industry. So when its member banks were becoming increasingly burdened by their inefficient processes for answering account inquiries, Fiducia (*www.fiducia.de*) knew it could resolve the dilemma, while capturing a new business opportunity.

"If our member banks did not respond more quickly to their customers' account queries, they risked losing them to competitors. In addition, storing printed documents was becoming increasingly expensive, and our banks wanted to improve profitability."

— Theodor Frank, Product Manager, Fiducia IT AG

ON **DEMAND BUSINESS**™

Creating a flexible on demand enterprise by leveraging hosted resources on demand

Headquartered in Karlsruhe, Germany, Fiducia is a full-service IT provider for cooperative financial institutions. Its 3,700 employees serve more than 900 cooperative banks covering 32 million accounts. Fiducia primarily acts as an application service provider, delivering core banking solutions, electronic banking and brokerage services and other offerings to its members.

Member banks generally manage their customer accounts through printed documents such as credit card applications, monthly statements and cancelled checks. However, as their businesses grew — along with the paper volumes — these traditional information management processes were preventing the banks from providing the level of customer service their customers had come to expect. Explains Theodor Frank, product manager, Fiducia IT AG, "When a customer called about the status of a credit card application, it could take up to a half hour for the bank worker to locate the paperwork with the answers. For more complex queries, customers could wait for days, especially when workers had to locate information from distributed branches and have it faxed or mailed over. This was obviously frustrating for everyone involved."

Not only were the banks worried about deteriorating customer service, they were also displeased with the growing costs of storing paper files. Some banks were amassing paper files spanning thousands of square feet, costing them tens of thousands of euros in monthly rent.

"If our member banks did not respond more quickly to their customers' account queries, they risked losing them to competitors," says Frank. "In addition, storing printed documents was becoming increasingly expensive, and our banks wanted to improve profitability. At Fiducia, we saw an opportunity to develop a solution that could capture potentially lucrative business while preventing our banks from going to other IT providers."

To help its members overcome their problems, Fiducia needed to find an affordable way for its banks to manage their content electronically. By doing so, the banks could enhance customer service and profitability, and Fiducia would gain a new revenue channel.

A wealth of information straight from the desktop

Working with IBM Germany, Fiducia found the answer to its banks' challenge in an electronic content management (ECM) system that enables bank employees to retrieve relevant information in realtime. The system acts as a virtual file cabinet, archiving digitized images of important customer account information. Rather than searching through countless file folders, bank employees can concentrate on serving customers. What's more, the banks no longer need to fill costly office space with file cabinets.

Now, bank customers can visit or call any branch and get accurate answers to their account questions and updates on their credit applications, quickly and consistently. From a client bank, employees can search the ECM system using criteria such as customer name or address and promptly retrieve relevant information. Adds Frank, "Employees can even access the same documents simultaneously, something that wasn't possible with paper files. And there's no more need to fax or mail documents between branches."

The resilient ECM solution also brings a new level of document security for the member banks. By contrast, paper-based information can get lost or damaged. "With the ECM system," says Frank, "our banks can assure their customers that their information is protected against human error and natural disasters."

Built-in backup and recovery

Called the Fiducia Content Manager System, the IT provider's solution is based on IBM DB2® Content Manager for OS/390®, versions 7 and 8, running on an IBM @server® zSeries® located at the company's Karlsruhe headquarters. DB2 Content Manager stores index information in a library server powered by IBM DB2 Universal Database™ for z/OS®, versions 7 and 8, running on the same highly available zSeries system. The solution stores objects and handles storage management and object delivery with a resource manager powered by resilient IBM @server pSeries® 630, 650 and 690 systems residing at the banks.

Currently, about 80 of Fiducia's member banks are using the system. Collectively, the banks scan nearly 186 million incoming documents into the system and conduct 310,000 searches daily. The documents are captured by either IBM DB2 ImagePlus® for z/OS or Ascent Capture from IBM Business Partner Kofax Image Products. They are archived locally using the DB2 Content Manager resource manager. At night, the banks upload backup copies of the scanned images in batches, through FTP, and Fiducia stores the copies in its data center. Within 24 hours, the copies are transferred using IBM Tivoli® Storage Manager to an IBM TotalStorage® 3995 Optical Library for reliable off-line storage.

To access digitized content, bank employees search index information from the library server, make a selection and then retrieve the selected document from the local resource manager. "DB2 Content Manager and DB2 Universal Database provide a scalable, reliable core for our ECM system, supplying our banks with fast information access to enhance their responsiveness to customers," says Frank. "And Tivoli Storage Manager and TotalStorage 3995 Optical Library deliver the backup and recovery infrastructure that assures our banks—and their customers—that their sensitive information is safe."

Key Components

Software

- IBM DB2 Content Manager for OS/390 , Version 7 and 8
- IBM DB2 Universal Database for z/OS
- IBM DB2 ImagePlus for z/OS
- IBM Tivoli Storage Manager

Servers

- IBM @server zSeries
- IBM @server pSeries 630, 650 and 690
- IBM TotalStorage 3995 Optical Library

IBM Business Partner

- Kofax Image Products

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Putting its money on IBM

As a long-time customer, Fiducia went directly to IBM for its ECM solution. "Our expertise and the strong collaborative bond we've built with IBM over the years were integral to the success of our ECM system," says Frank. "And the open standards of IBM's software will enable us to easily and quickly integrate new features with our system as our banks' needs change."

The IT provider is already working with IBM Germany to enhance its offering to deliver greater value. For example, the team is evaluating ways to develop a single, integrated view of customer-related documentation by joining DB2 Content Manager with its IBM Lotus® Notes® messaging system and deploying IBM DB2 CommonStore for Lotus Domino™. Fiducia also plans to migrate banks currently using DB2 Content Manager, Version 7 to Version 8.

Strengthening loyalty through faster service

By eliminating bulky paper files from their customer account management processes, bank employees can be much more productive and responsive to customer questions and concerns — and are better positioned to strengthen customer loyalty. In fact, it takes just seconds to call up a document from the ECM system, compared to hours or potentially days when information was archived on paper. What's more, since the banks require less storage space for files, they're saving tens of thousands of euros in monthly rent. And they gain a secure, long-term document archival solution that enables them to easily meet records retention requirements.

The solution also frees the banks from having to maintain the core ECM system, since Fiducia handles this. And Fiducia is charging them only for the amount of storage space they use, so the banks can further reduce their expenses through this variable cost structure.

Fiducia plans to enroll up to 40 additional banks on its service each year over the next few years. So far, the IT provider has already gained 80 new customers since launching the solution, increasing its overall market share to 19 percent.

"Our IBM ECM system can scale to support our banks' customer account management needs for many years to come, even as their content volumes continue to grow," says Frank. "That's just more proof that an investment in IBM is an investment in the future."

For more information

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