BANK ZACHODNI WBK

Next-Generation Anatomy



WEEK

Bank Zachodni WBK (BZ-WBK) has a long, rich tradition of providing retail,

business and corporate financial services to the Polish marketplace. Through a combination of organic growth and strategic acquisitions, BZ-WBK evolved from a regional player to become one of the top three banks in the emerging and fast developing marketplace that characterized Poland after the fall of communism. Profitability advanced as the bank grew, and glowing future prospects eventually attracted the investment capital of banking interests from elsewhere in Europe. While the BZ-WBK strategic vision recognized the importance of leveraging information technologies to accelerate customer satisfaction and shareholder value, an outdated enterprise data warehouse (EDW) infrastructure was preventing the vision from becoming reality. By the summer of 2009, the situation had reached

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the critical stage – storage capacities were exhausted, disaster recovery systems were inadequate, new business applications and data sources could not be extended, and the global financial crisis was casting a long shadow over all new technology investment decisions in the European banking community.

Despite the challenges, BZ-WBK pressed forward with a new initiative to design, specify, procure, and implement a new infrastructure to support the underlying EDW from Teradata that did not allow for the delivery of intended business results. An internal team, led by IT and supported by Teradata specialists, prioritized the critical business issues facing the bank and presented the risk-laden outcomes to the Executive Board if further lack of investment was to continue. An immediate plan to upgrade the entire EDW infrastructure was put into place.

Following a careful and well executed evaluation process, the multi-disciplinary team at BZ-WBK was divided between a financially attractive solution and the proposal from Teradata to upgrade and manage the complete EDW infrastructure. Upon further examination, the less expensive proposal turned out to carry numerous hidden costs and organizational risks that were not consistent with BZ-WBK's long-term strategic plans. Teradata emerged as the clear solution provider of choice. An aggressive timeline was put



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in place for implementation, supported at each step by a dedicated team of Teradata Professional Services consultants. The new infrastructure went live in August of 2010, on-time, on-budget without issues, and in accordance with both functional and technical specifications.

Immediately, the critical issues surrounding capacity, performance, speed, and lack of redundancy evaporated. The new infrastructure gave BZ-WBK the required capacity and power to extend the EDW with additional applications and new data sources while providing improved accessibility, responsiveness, and customer insight to the business units within the enterprise. Strategic implications were evident and could now take precedence over the "madness" of trying to run one of the largest enterprises in Poland on antiquated platforms.

The return on investment (ROI) associated with the upgrade is on track to meet the cost-savings standards used by BZ-WBK in evaluating technology investments. The projected

ROI breakeven point is 18 months from implementation, and cost savings of 65 percent to 70 percent will be realized in the first year. Improved contact management systems further enabled the elimination of cost from marketing campaigns and direct mail activities.

But, most important to BZ-WBK and the diverse customer base it serves throughout Poland, the upgrade lays the foundation for the improved use of data to generate strategic insight and competitive advantage. Business users in diverse areas such as Credit and Risk, Business Intelligence and Sales/CRM are reporting increased speed, new applications, improved effectiveness in sales performance and deeper insights regarding the total business as a result of the underlying platform. As the financial services marketplace slowly returns to a more normal and less chaotic landscape across Europe and the rest of the world, the anatomy of the upgrade will reveal a strong and healthy organizational body capable of fulfilling its strategic vision.

