



# A showcase migration

**Bremen Savings Bank (Sparkasse Bremen) needed just 19 months to implement OSPlus. Wincor Nixdorf Portavis took over the infrastructure part of the highly complex project – a unique undertaking in the German retail banking sector.**

**B**remen Savings Bank transferred more processes to a service provider than any other bank in Germany. The northern German bank outsourced its decentralized IT infrastructure including its client-server network to Wincor Nixdorf Portavis, a joint venture of Wincor Nixdorf, Bremen Savings Bank and Hamburger Savings Bank (Sparkasse Hamburg). Its back-office processing and control operations went to Norddeutsche Retail-Service AG (NRS) and core bank function processing to Finanz Informatik. M+W Zander had already taken over Bremen Savings Bank's facility management operations a few of years earlier.

The goal of Germany's ninth largest savings bank was to reposition itself as a pure retail bank. Experts believe the bank took the right decision to survive in the highly competitive German banking market.

Bremen Savings Bank realized that the cost benefits of managing many processes itself were rapidly declining. Following a benchmarking in 2006, the bank decided to move to standardized core banking applications, convinced that it could only achieve its targeted cost savings through standardized operations. Studies showed there were no alternatives.

Finanz Informatik and OSPlus were selected by Bremen Savings Bank because of their "good price-performance ratio, huge portfolio of functions and potential to reduce further," says Bernhard Ruschke, Director of Organization and IT at the bank.

There was nothing routine about the systems migration project. The partners – Finanz Informatik, Bremen Savings Bank and Wincor Nixdorf Portavis – planned a "big bang" in October 2008 at which time numerous func-

tions would be transferred from the bank to its service providers in one step. The bank was also among the first to outsource its core banking applications to Finanz Informatik. The migration also impacted services previously provided by Wincor Nixdorf Portavis such as decentralized applications.

## **Network architecture with pilot functions**

These services had to meet Finanz Informatik requirements as do the large number of individual applications outsourced to Portavis. The cooperation between all partners also required an individual interconnection concept, which had not previously existed at Finanz Informatik. Today, the network architecture of Bremen Savings Bank serves as a model for other savings banks collaborating with multi-outsourcing partners.

The volume of processes covered in the migration project was significant. The entire infrastructure of the bank, with 80 locations and 1,600 employees, had to be completely restructured. Numerous business applications had to be changed and more than 65 million data records transferred. As part of the migration, the bank upgraded its entire server farm to thin clients.

The entire systems environment had to be checked for conformity with Finanz Informatik requirements. This resulted in a number of decentralized systems having to be upgraded. In addition, new types of devices had to be certified.

During the project phase, Bremen Savings Bank realized that, contrary to initial plans, a move to thin-client technology was the way to go. Most affected were its own developed applications. The size and complexity of the project increased as a result. Much of the migration work rested on the shoulders of Wincor Nixdorf Portavis. The service provider, which deployed more than 80 employees to the project, was responsible for the entire infrastructure part, including operations and tests. The bank was in charge of the commercial part.

All in all, 2,200 monitors and workplaces, 560 printers and 150 teller terminals had to be upgraded. Around 180 Citrix terminal servers and dedicated servers had to be installed. The number of the bank's own applications was reduced from 70 to around 40. Ruschke refers to the migration as a "Hercules undertaking" with more than 100 milestones to achieve within an ambitious timetable.

Today, Wincor Nixdorf Portavis manages the OSPlus terminal server environment and all individual applications. The reason for this, according to Ruschke, was twofold: the price-performance ratio was right; and the partners had a strong collaboration track record. Finanz Informatik moved special solutions such as the CRM application "MAVIS" to OSPlus and dropped its own.

### **Finanz Informatik-conform applications**

The development and maintenance of banking applications, which are not covered by OSPlus, remain the responsibility of Bremen Savings Bank. Wincor Nixdorf Portavis will assume greater responsibility for branch-independent applications as the company is able to support widely used solutions such as Lotus Notes with greater efficiency and lower cost in the long run.

The so-called cut-over from the old system to the new one was scheduled for October 3, 2008. It occurred on schedule due in part to extensive testing. Although nearly four weeks were needed to return to routine operations, the technical infrastructure was not to blame. "We had the fewest problems with the infrastructure," says Ruschke, complimenting Wincor Nixdorf Portavis for its "competence and experience in dealing with large quality structures."

Further factors contributing to the success of the migration, according to the IT director, were not only the swift decisions but also the short reaction times, which were reduced to just hours. For him, an iron rule is to resolve problems quickly. Ruschke also believes the will of all parties to succeed is absolutely essential. "Without their full support, the ambitious project could well have failed," he says. Also helpful, he added, was the tight project management, which Finanz Informatik pursued thanks to its migration experience.

If he could do it all over again, Ruschke would add another month for an in-depth analysis of all work steps relevant to the migration and strategic planning of Finanz Informatik, as well as a more exact project preparation phase with Wincor Nixdorf Portavis. "This would have made everything much more efficient," he says. Ruschke also recommends that banks planning a similar migration reserve between 15 and 20 percent of their budget to have sufficient funds for unforeseen developments.



**Bernhard Ruschke, Director of Organization and IT at Bremen Savings Bank.**

Although the size and complexity of the migration project for Bremen Savings Bank – as for just about every financial institute – were exemplary in every respect, all of the systems were available to employees immediately after the cross-over. "We really had no other option," the IT director notes. "Everything simply had to work."

The big winner in the project is Wincor Nixdorf Portavis. The company has not only benefited from the newly gained know-how, but is now also one of the few service providers in Germany, besides its partner prosystems IT, that can manage the applications conform to Finanz Informatik requirements. This is an aspect that is gaining weight in the outsourcing business. As a service provider, Wincor Nixdorf Portavis can operate applications of a savings bank under the organizational requirements of Finanz Informatik. And this capability can be a factor for choosing one service provider over another for an outsourcing contract. ■