

# Commonwealth Bank transforms information management

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## Overview

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■ **The Challenge**

*The Commonwealth Bank found that its previous draft incident management system (DIMS) was unable to cope with the thousands of drafts – international financial transfers – generated by the bank each week. The database was unstable, slow, unsupported with no provision for disaster recovery. Branches used inefficient and time-consuming paper-based forms to generate draft incident enquiries.*

■ **The Solution**

*IBM Business Partner<sup>†</sup> Mercury Solutions Centre rebuilt DIMS using IBM Lotus<sup>®</sup> Domino<sup>®</sup>.*

■ **The Benefits**

*The rebuilt system transformed the way the bank's draft incident management team work. Staff have improved productivity and efficiency, and dramatically reduced the time taken to resolve enquiries, improving customer service. The team now has better access to information, while electronic forms have streamlined processes, making paper-based systems redundant. All this has resulted in significant cost savings.*



**About the Commonwealth Bank**

One of Australia's leading financial institutions, the Commonwealth Bank began operations in 1912. The bank has more than 35,000 staff and businesses in Asia, Australia, New Zealand and the United Kingdom. It has more than 130,000 distribution points across the Australia. The Commonwealth Bank now has over 700,000 shareholders and offers a full range of financial services to help all Australians build and manage wealth.

**Renovator's delight**

Each week, the Commonwealth Bank generates thousands of drafts – international financial transfers. Keeping track of the status of these drafts, and tracking them if they go missing, was a full-time job for three bank employees and two temp staff.

The draft incident management system (DIMS) used to manage this task was unable to cope with the volume of drafts generated by the bank. As well as copies of drafts, DIMS stored other relevant information such as letters, contact details of overseas banks and internal and external communications.

DIMS had been in place for more than 10 years and contained records relating to every draft the bank had ever issued. The system ran on an aged server that couldn't be migrated to the bank's newer systems, isolating it from the main information environment. This meant every member of the draft incident management team needed two PCs – one to run the bank's everyday systems and the other for DIMS.

The draft incident team received notification of draft incidents from the bank's 1,200 branches via fax, internal mail or phone. This information was then keyed into the system so the incident could be tracked and managed to completion. Lost faxes, illegible writing and delays for customers caused enormous problems.

The amount of data held in DIMS meant it ran slowly, and staff regularly had to take manual backups. The Commonwealth Bank found that the system couldn't be supported by the vendor or the bank's IT department and had no provision for disaster recovery. When Peter Eagles became Manager of Delivery and Operations at the Commonwealth Bank in 2002, he was very concerned at this state of affairs.

*“If the system fell over or died, or the hard disk became corrupted, every draft incident record ever generated would be lost,” he said. “This would wreak havoc on our operations.”*

Eagles decided to replace DIMS and approached IBM Business Partner<sup>†</sup> Mercury Solutions Centre with a brief to redesign and rebuild the system.

#### **Rebuilt system based on IBM technology**

Eagles had a comprehensive list of requirements for the new system.

This included:

- *A safe and secure hardware environment to house the database*
- *Disaster recovery capabilities*
- *Guaranteed support and ongoing maintenance*
- *Streamlining the process for lodging draft incident reports.*

“Mercury Solutions Centre offered us a packaged solution that answered all our questions, as well as providing additional information on things even we had forgotten to ask about,” said Eagles.

“Given the workflow nature of the system, we decided to rebuild the system using Lotus Domino,” said Leuk Andersen, Business Development Manager at Mercury Solutions Centre. “Domino's rapid application development capability makes it a fast environment to work in. As the bank already had an investment in IBM technology there was no need to purchase additional infrastructure. Using IBM Lotus Notes ensured the system would integrate with the existing environment.”

The solution is hosted on an IBM eServer iSeries (formerly AS/400<sup>®</sup>) server. “I love these servers,” said Eagles. “They are powerful, reliable and dependable. Mercury knows that and that's why they use them.”

IBM Lotus Domino replicates data to the bank's disaster recovery site to ensure the safety and integrity of all data. It also provides the data store, workflow engine and web server functionality.

#### **Fast, problem-free implementation**

Speed was of the essence and Mercury didn't disappoint, scoping, building and deploying the entire application in around seven weeks. This included migrating hundreds of thousands of past records to the new system.

Mercury developed an electronic form for branches to generate enquiries. Now, when a customer makes an enquiry, the information is entered as they wait and sent to the draft incident team. The e-form feeds directly into the rebuilt DIMS, avoiding time-consuming data re-keying.

Both systems were run in parallel for around three weeks before the old system was switched off. “Once we turned it off there was no going back,” said Eagles. “But, as expected, there were no issues then and still aren't. It hasn't faltered.

*“Watching the new database being populated, seeing the results of the user acceptance testing and watching the e-forms work was all so exciting,” he continued. “It represented such a change in our workload. We had a few drinks the afternoon the first e-form came through. It was a great time.”*

### **Increased efficiency and productivity**

Streamlining manual processes and workflows has led to dramatic efficiency increases for the draft incident team. Using e-forms to populate the database has reduced data re-keying and lessened the time taken to file a report from 35 minutes (not including transit time in the internal mail) to less than one minute.

“We estimated we could increase productivity by 30 to 40 per cent once we had the new system up and running,” said Eagles. “When we did a project review following the implementation, we found productivity had increased by 45 to 50 per cent.”

The revamped DIMS was rolled out to the helpdesk team’s desktops. This meant they could deal with any branch queries, allowing draft incident investigators to focus entirely on solving customer enquiries.

The result of this improved workflow and productivity meant fewer staff were required to manage draft incidents. The two temp staff were no longer required and one of the three full-time employees was relocated to another area of the bank. This represented an enormous cost saving in salaries for the department.

### **Improved customer service**

More efficient processes and fewer manual workflows mean turnaround and case resolution times are much faster for clients. It used to take two or three days to log a report and get a response to the customer – now customers receive a response on the same day.

“Same-day service is incredibly important in this business,” said Eagles. “A draft incident can’t be investigated until a trace has been logged, so a faster start means a faster result.”

Case management is now more reliable, with no case forms being lost in transit from the branch to the draft incident office. Now, if a customer comes into a branch to request information about the status of a case or to update information, branch staff can phone the helpdesk and provide this information or update the case while the customer waits.

### **Reliable information tracking**

The new system enables the bank to ensure better, more reliable information tracking.

“Now, we have no storage problems and no data volume problems,” said Eagles. “Because the system can handle larger volumes of data, we’re not worried that information will get lost or drop off if the queue is full.

“The functionality of the new system and the improvements Mercury made mean we can log and store more information, so the quality of information recorded is more detailed and gives us a far better record for when the branch or customer has an enquiry.”

### **Stable and secure system**

Disaster recovery features are part of the system’s infrastructure. When building the solution, Mercury leveraged the disaster recovery capabilities of Lotus Domino.

Draft incident information is backed up to a separate datacentre to ensure its safety and security.

“The new system has given us business continuity,” said Eagles. “Previously, it didn’t exist. The server sat there and that was it – if anything had happened, all the information would have disappeared.”

### **Future plans**

The bank is now looking at working with Mercury to extend the solution to allow branch staff to easily view the status of draft incidents. Using a unique branch identifier, bank staff will be able to immediately assess the status of drafts without needing to call the helpdesk. Branch staff could also add their own comments, update cases or request follow-ups or further investigation, eliminating the need for additional forms to be sent.

This will further reduce the workload of helpdesk staff and enable every person involved in the case to see its status.

“Throughout this project, Mercury Solutions Centre was so confident in what they were doing and selling,” commented Eagles. “You can only sell the level of service and dependability they do if you have complete confidence in the technology that supports you.”

**For more information**

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