

BANK AUSTRIA CREDITANSTALT



**Bank Austria
Creditanstalt**

“THERE WERE TWO BASIC COMPONENTS THAT WE NEEDED FROM THE IMPLEMENTATION OF COGNOS: FIRST, THE ABILITY TO CREATE STANDARD REPORTS EVERY QUARTER FOR OUR ACCOUNT MANAGERS, BRANCHES AND REGIONS; AND SECOND, THE ABILITY TO GENERATE MONTHLY DATA CUBES FOR THE PURPOSE OF DETAILED ANALYSIS.”

GERNOT SCHWARZ, SALES CONTROLLING DEPARTMENT, BANK AUSTRIA CREDITANSTALT.

Bank Austria Creditanstalt is the clear market leader in the Austrian banking sector. With total assets of approximately €145 billion, it is virtually twice the size of its nearest competitor. One in five Austrian citizens is a customer of the bank, and with its 429 branches, Bank Austria Creditanstalt is represented in every area of the country and in a great many sectors of the economy. Four out of five large-scale businesses in Austria and 25% of all SMEs hold accounts with the bank, making Bank Austria Creditanstalt the leading player in the business banking market with around 34,000 companies among its customers. The bank offers a range of services, including property-related finance, lease financing, export and trade-related finance, asset management services, private banking and online banking.

Bank Austria Creditanstalt is extremely well placed to benefit from the eastward expansion of the EU. As a result of its merger with the Hypo Vereinsbank in 2001 it took over a number of additional banking operations in the new EU accession countries. Today, Bank Austria Creditanstalt is one of the leading banks within Central and Eastern Europe, with nearly 900 offices in 11 countries.

CREDIT MANAGEMENT LEADS THE WAY WITH COGNOS

With the ARTUS project back in 2000, the Credit Management division within the Creditanstalt organisation was the first unit within the group to implement Cognos solutions. The aim was to meet the many and varied evaluation and analysis requirements

associated with strategic credit risk management. Following the subsequent merger between Creditanstalt and Bank Austria, the existing toolsets were successfully rolled out within the new group.

Under the new parent company, HVB, this area of work has taken on even greater importance with the demand for information growing exponentially. To meet the varied needs of all of the employees involved, the ENIGMA project was launched (‘ENIGMA’ being an acronym for ‘unified risk management’ in German). This involved the implementation of a new credit risk database together with a broad set of Cognos solutions.

Cognos Architect centrally manages the metadata used by the risk database. This provides the basis for the comprehensive standardised reporting facility and the development of data cubes. A total of more than 200 users, based both in strategic and operational units of the Credit Management division, now have access to the data via the Cognos UpFront web portal. And thanks to the efficient use of the business intelligence solutions Cognos Impromptu Web Reports and Cognos PowerPlay Web, both portfolio analysts and locally-based risk managers have access to the specific data they need in the most appropriate form.

DEVELOPING THE FK CUBE

Within the Business Banking division, the Sales Controlling department has been involved in developing the FK CUBE since 1999. This is the principal management tool used by those units that deal with business customers.

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It was created on an Intel/Windows-based system with the aid of Cognos UpFront, and with Cognos PowerPlay Web as the web application. As Gernot Schwarz of the Sales Controlling department explains, two basic components were needed here: "First, the ability to create standard reports every quarter for the account managers, branches and regions; and second, the ability to generate monthly data cubes for the purpose of detailed analysis. The focus was on income figures, risk, and the representation of aggregated data."

There are more than 600 users, ranging from account managers, branch managers, regional managers and regional auditors, to head office-based and regionally-based marketing and product managers. The reports had to be accessible within approximately three weeks of quarter-end and allow for a standard starting point for the analysis. It was also important that the application was easy to pick up and user-friendly, even for the non-IT experts within the team. The aim was to have time available to spend on analysis and not, as previously, on the preparation of the data.

The bank therefore needed an application that could be used to run user-specific analyses that still had a standardised structure and through which data could be aggregated at the level of the customer, account manager, branch, region, or even division. It was also important that the information could be displayed graphically, and analysed in a multi-dimensional way, printed out, sent electronically, and downloaded to the familiar Excel environment.

A key benefit is that all users can now run ongoing analyses (as standardised reports) themselves, while any special requests are handled by the Regional Auditor (as the OLAP data cube specialist for the region) or by a colleague from the Sales Controlling department. Internal training sessions are also held as part of a continual professional development process.

As well as the reports outlined above, the Fit For Sale project (launched in 2004) has enabled OLAP data cubes to be updated on a daily or weekly basis so that the actions initiated under the project can be evaluated in a timely fashion.

DETAILED ANALYSES ON SPECIAL TOPICS

As well as the monthly and quarterly standard reporting functions already mentioned, a number of other analytical options and data cubes need to be created at short notice, as and when required. The ease of transferring data using the Cognos suite has meant that this requirement could be rapidly fulfilled.

Before Cognos was implemented, the required data often had to be obtained from the host system for further processing by a long-winded process of typing in the requirements, or else by means of special evaluation jobs run against the host system. This resulted in extended waiting times for answers to any detailed enquiries. Furthermore, the SELECTA host system only allowed for paper-based analytical reports, and produced these only in a limited quantity. Thanks to the Cognos Business Intelligence solution selected, however, all the relevant data can now be efficiently analysed and prepared using practically oriented data cubes.

FUTURE PROSPECTS

In 2004, the two existing sales controlling systems – VERDI (the MS OLAP application used on the private customer side) and the FK Cube (the Cognos OLAP application used for business customers) – were made accessible via a single web page, thereby reflecting the changes seen in the management structure of the organisation. Bank Austria Creditanstalt is now also considering the incorporation of Microsoft OLAP data cubes with the help of the Cognos PowerPlay Web application. The first tests carried out in this regard showed highly promising results.

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(06/06)

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