SDC

> "We are saving double digit figures in annual operating costs so the solution has already paid for itself. Mobile banking has become the most popular form of transaction but the Fujitsu PRIMERGY platform has easily met the rising demand with no extra costs."

Jacob Canto Hallager
Executive Director of Sales and Account Management, SDC

SDC has dramatically reduced costs by migrating its core banking functions from a mainframe to a Fujitsu NetCOBOL environment.

At a glance
Country: Denmark
Industry: Financial Services
Founded: 1963
Employees: 780
Website: www.sdc.dk

Challenge
SDC was faced with the increasing costs associated with mainframe computing. It wanted to find an alternative environment that would reduce expenditure without compromising functionality or performance. It also wanted to meet rising demands for mobile banking without incurring additional costs.

Solution
SDC used Fujitsu NetCOBOL compiler to migrate 12.1 million lines of code to a new .NET platform, which can scale easily to meet rising demands.

Benefit
- SDC is now saving double digit figures every year by replacing the mainframe with the Fujitsu solution

- Ensures high availability to support the 200 million transactions performed per month, including over 130 million mobile requests

- New approach allows for better performance and more flexibility, allowing SDC to introduce services quickly and easily

shaping tomorrow with you

FUJITSU

Customer

SDC provides an all-round service for small and medium-sized financial institutions in Scandinavia. Its core business is the development, maintenance, operation and joint purchase of IT solutions for the financial sector. It has a workforce of 780 and its clientele is made up of 120 Danish, Norwegian, Swedish and Faroese financial institutions.

Products and services

■ FUJITSU NetCOBOL Compiler

Challenge

The IT infrastructure at SDC supports the delivery and management of 5.8 million accounts at 120 Scandinavian banks. This infrastructure was originally hosted on an IBM mainframe, however, as the company grew and transactions increased, costs multiplied, leading to SDC processing 9.5 billion instructions per second (MIPS) and being charged accordingly by IBM.

The company needed to find a solution that would reduce processing costs without compromising performance, security or stability. It also anticipated that the advent of mobile banking would lead to an exponential increase in transactions and balance requests, thus adding to the potential processing costs.

"We wanted to take our core banking solution from the mainframe and host it more cost-effectively in a server-based environment. After an evaluation process, we decided that a .NET platform would be best in terms of cost and functionality," explains Jacob Canto Hallager, Executive Director of Sales and Account Management, SDC. "The challenge then was to find a way of migrating the applications without disrupting the business. We also wanted to future-proof the system to handle an increase in mobile transactions."

SDC discovered that the only true .NET COBOL compiler on the market is Fujitsu NetCOBOL for .NET, which would allow the company to instantly compile 80 percent of its existing mainframe software. However, with over 12.1 million lines of COBOL code running on the mainframe, it would not be a straightforward task.

"These are real business critical services we are providing so we can't take time off to perform the migration," adds Hallager. "We needed to find a way in which we could phase the project so as to avoid any system downtime."

Solution

SDC worked with Fujitsu and Microsoft to design a three-stage plan for the successful migration from mainframe to .NET. The first stage was to move application code for 14,000 COBOL programs from the mainframe and execute it on the .NET platform. The team then worked to migrate 2,500 transactions, such as mobile banking, bill payment, bank transfers and log-on procedures. Finally, the database itself was transferred to the Microsoft Application Platform.

"We began to design and test the solution, which ran in parallel with the mainframe until the implementation was complete. It's innovative because this is the exact same source code running in a completely different environment," continues Hallager. "Fujitsu and Microsoft have collaborated to configure the new infrastructure so that it ensures high availability and stability."

Initially, the new solution ran in parallel with the mainframe to avoid any disruption to the business while SDC and Fujitsu gradually transferred operations from the old environment. Critical to the success of the project was the caliber of the Fujitsu professionals.

"The Fujitsu team is absolutely top notch and we were delighted to work with them. They took a collaborative approach to ensure that any issues that arose were dealt with quickly and efficiently which is vital to such a complex project as this," comments Hallager. "For example, the Fujitsu compiler had never before been exposed to so many transactions and, as a result, it initially struggled. But the Fujitsu team quickly developed a fix to ensure the compiler could handle everything we threw at it." With the database now fully migrated to the new infrastructure, SDC has switched off the mainframe services completely.

Benefit

SDC has reduced its mainframe operating costs by 80 percent courtesy of the new Fujitsu-Microsoft solution as it is no longer tied into a tier-one IBM contract. "We are saving double digit figures in annual operating costs compared to the previous mainframe, which we did not anticipate, so the Fujitsu solution has already paid for itself," says Hallager. "Mobile banking has become by far the most popular form of transaction and the Fujitsu NetCOBOL has easily met the rising demand with no extra expense. Had we remained on the mainframe, the MIPS rate would have increased exponentially along with the costs."

SDC also enjoys the economies of scale provided by this new approach. The stability matches that of the mainframe but the application actually has access to more data power. This makes for better performance and more flexibility.

"Fujitsu's NetCOBOL compiler has proven instrumental in transitioning our business from a mainframe to a server-based environment, allowing us to make significant savings while increasing the flexibility and agility of our organization," concludes Hallager. "We are now well positioned to attract new business and introduce new innovations such as mobile banking to maintain our competitive edge. The next step is to modernize our development environment, in which Fujitsu will play a key role."

FUJITSU