

Case Study

State Bank of India

»We are currently handling 150,000 cheque instruments per day at approximately double the previous capacity. This has resulted in a significant enhancement in customer satisfaction and better retention.«

Mr. LM Mishra, Assistant General Manager, Information Technology Services Department, State Bank of India



The customer

The State Bank of India (SBI) is an Indian multinational providing public sector banking and financial services. Headquartered in Mumbai, it is a government-owned corporation with assets of US\$388 billion and 17,000 branches, including 190 foreign offices, making it the largest banking and financial services company in India by assets. The bank traces its ancestry through the Imperial Bank of India to the founding, in 1806, of the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent.

The challenge

SBI had been operating a distributed independent architecture comprising 20 distinct IT siloes across its vast geographical range – one for each local head office. This was both inefficient and reaching peak performance. The bank wanted to streamline and centralise its cheque truncation system in order to more quickly process cheques and thereby deliver better customer service.

“Managing and collecting data from multiple siloes was difficult and time-consuming and the infrastructure could no longer cope with the rising volume,” explains Mr. LM Mishra, Assistant General Manager, Information Technology Services Department, SBI. “We needed a new approach to the underlying technology but this was uncharted territory for us so a partner that could provide the requisite expertise and experience was crucial to the project’s success.”

SBI was looking for an IT specialist that could demonstrate tangible experience in similar projects as well as the local presence to deliver in the region. Following a tender process, it selected a number of tier one vendors to handle various parts of this comprehensive upgrade. Fujitsu was qualified through the bank’s process to streamline the core clearing system in conjunction with NCR, which provided the application layer.

“Fujitsu had the necessary feet on the ground as well as demonstrable success in leading comparable programmes,” adds Mishra. “This made it the ideal partner to provide the core clearing system, which is the backbone of cheque processing.”

The solution

Fujitsu consolidated the 20 disparate siloes into one centralised data centre, which automates the collection and processing of data. The data centre runs on a combination of clustered Fujitsu ETERNUS storage and Fujitsu PRIMERGY servers in tandem with Symantec backup and Brocade switches.

The customer

Country: India
Industry: Banking and Financial Services
Founded: 1922
Employees: 222,000
Website: www.sbi.co.in



The challenge

SBI’s earlier installed base was operating in a distributed architecture spread across multiple locations which used to take days to clear each cheque instrument while information was not readily available centrally.

The solution

The bank engaged Fujitsu, along with application vendor NCR, to centralise this system into one data centre that provides near instant cheque clearing combined with total data visibility of its inventory.

The benefit

- Over 100,000 cheque instruments per day are now processed 50 per cent more quickly, boosting customer satisfaction and reducing the number of complaints
- Data can be scrutinised and analysed in real-time, allowing SBI to react more quickly to market changes and make smarter business decisions
- Internal users have become more productive, courtesy of the added efficiency introduced by the solution
- Thanks to Fujitsu systems, SBI has total reliability with no downtime yet recorded
- The centralised data centre has contributed to the improvement of the management of the cheque truncation system and enhanced productivity

"We spent one month designing the data centre and two months installing and configuring it," says Mishra. "At the same time, NCR handled the data and process migration so we were ready to go live within a relatively short period."

Now cheques are scanned and synchronised at each branch and all data is managed centrally. This removes the need for the instrument to physically be sent to local head offices for processing, thus reducing the time involved dramatically. In addition to the data centre, Fujitsu has deployed 1,600 PRIMERGY servers in key local branches for local cashing. This entire infrastructure is underpinned by authentication access software for optimal security.

"Fujitsu arrived on-site to install the hardware and train the internal team in terms of how it works," continues Mishra. "It engaged with us from HQ-level down to the data centre floor which helped make the transition seamless."

The benefit

Whereas previously, processing individual cheques could take several days due to the postage required, now it happens near instantly. This builds customer satisfaction and retention levels while attracting new customers. In addition, the management of data is much simpler, freeing up internal resources and enabling higher volumes to be processed daily.

"We are currently handling over 100,000 cheque instruments per day at approximately double the previous capacity. This means customer complaints have declined significantly while our customers have become happier," says Mishra. "It has also led to improved user productivity and more profitability."

Products and services

- Fujitsu high-end PRIMERGY Servers & ETERNUS Storage solutions along with backup, integration services and 24x7 onsite support for three years

The new system also allows for enhanced data analysis, real-time reporting and total visibility. This enables SBI to make smarter business decisions and react to market changes more responsively.

"We can manipulate the data in three or even four dimensions which we simply couldn't do before because all the information was scattered across the business," comments Mishra. "So we know exactly where we stand and our precise market share in a one billion dollar sector at the touch of a button."

SBI has also been impressed by the performance of the hardware, which to date has not experienced any downtime. This reliability provides peace of mind for the IT team and reinforces the best possible customer service.

Conclusion

SBI now has a robust, flexible and high-performing core cheque clearing system that has introduced efficiency and boosted customer satisfaction while, in turn, attracting new customers. With this infrastructure in place, the bank is well placed to continue its modernisation programme and hold its place at the forefront of Indian financial services.

"Fujitsu's contribution to the new data centre has made our processes faster and more accurate while enabling us to analyse huge volumes of data in order to become more agile as a business."

Mr. LM Mishra, Assistant General Manager, Information Technology Services Department, State Bank of India

In collaboration with

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2015-09-22

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