

“The journey will transform the VME solution into a robust, next generation upgrade, ready for any future challenges in the financial industry. And, all the while, the relationship between Virgin Money and Fujitsu has strengthened.”

James McGlynn
Chief Information Officer
Virgin Money

Thanks to close collaboration with Fujitsu, Virgin Money now has a clear roadmap for transforming its critical banking mainframe to an ‘as a service’ model.

At a glance

Country: United Kingdom
Industry: Financial Services
Established: 1995
Website: virginmoney.com

Challenge

Virgin Money's VME mainframe was reaching its end of support contract, which provided the bank with the opportunity to consider its future mainframe strategy.

Solution

A close and deepening relationship between Virgin Money and Fujitsu convinced the bank that its best route forward was a VME ‘as a service’ solution, with Fujitsu taking responsibility for the management, support and development of the architecture.

Benefit

- Capability to scale up and provide processing power on demand
- Enhanced, long-term support and maintenance for the mainframe, through Fujitsu's ability to deepen and widen the pool of expertise made available
- Innovative technologies open data to new interfaces, such as RESTful APIs, which can be made available to mobile apps
- Enhanced business-critical security and reliability

Customer

With more than three million customers, Virgin Money is one of the UK's leading retail banks. Wanting to provide a new approach to banking, its corporate mission is to make 'everyone better off'. This philosophy dictates that the bank offers excellent value to customers, treats employees well, makes a positive contribution to society and delivers a profit to shareholders. It also drives Virgin Money to foster strong and deep partnerships with its most strategic suppliers.

Products and Services

- FUJITSU VME Mainframe
- FUJITSU Professional Services

Futureproofing the key banking platform

Virgin Money characterises its relationship with Fujitsu as more than just a 'supplier', choosing instead to describe it as a trusted partner thanks to years of collaboration between the two companies. James McGlynn, Chief Information Officer (CIO), Virgin Money says, "The Fujitsu team even signed up to run the London Marathon – sponsored by Virgin Money. Could there be a more literal definition of 'going the extra mile'?"

Marathon running is not obligatory for Virgin Money, but it does demonstrate how unique the partnership is.

"Virgin Money does things differently," says McGlynn. "The bank operates according to the principal 'everyone better off' (EBO). It means that customers, colleagues and corporate partners should all benefit from our actions. I wanted to instil EBO Virgin values amongst our suppliers, taking a longer-term view and encouraging collaboration."

Virgin Money's acquisition of Northern Rock in 2012 saw it inherit a critical mainframe provided by Fujitsu. Indeed, Fujitsu had a relationship with Northern Rock dating back over 20 years. One of McGlynn's priorities was to understand how Virgin Money and Fujitsu could work together more effectively.

VME is Fujitsu's key mainframe operating system. It forms the backbone of Virgin Money's operations, supporting not only 2,500 internal users but also the online customer interface. However, the platform would no longer be supported beyond 2020 under the existing licencing model. "We could see this was an issue that would figure highly in our long-term planning," says McGlynn.

Co-creating a service-driven solution

VME is also the engine that drives Virgin Money's savings and mortgage book. The platform is extremely reliable – consistently providing more than 99.9% availability - and its performance is also predictable, a vital attribute when dealing with millions of transactions and customers.

McGlynn wanted a flexible, cost-effective way to sustain the VME architecture, and, by working with Fujitsu to find a solution, he saw an opportunity to foster closer collaboration. It turns out he was pushing at an open door. "It was a meeting of minds," says McGlynn. "So, we invited Fujitsu to participate in our 'Red Hot' partner programme."

This programme is designed to create a closer cultural fit between Virgin Money and its suppliers, encouraging an EBO approach.

"In practise, this new approach, with a focus on partnership and collaboration, has given us a broader understanding of Fujitsu's capability across the organisation," says Darren Smith, Procurement Director, Virgin Money.

"This, in turn, quickly generated ideas on how we could evolve the existing solution while retaining the most valuable components."

Cost-effective, scalable and transformative

Virgin Money is planning the process of transitioning the maintenance and support of VME to Fujitsu under an 'as a service' model. This new approach hands responsibility for performance, availability and scalability of this core business platform to Fujitsu.

The move would not have been possible without closer engagement, says McGlynn. It promises to make the bank more efficient and more agile, and will help secure the bank's future.

"The journey will transform the VME solution into a robust, next-generation upgrade, ready for any future challenges in the financial industry," he says. "Not least with flexible pricing geared to demand and the ability to meet changing consumer needs. And, all the while, the relationship between Virgin Money and Fujitsu has been deepened and strengthened."

Virgin Money will simply pay for what it uses. It can flex according to demand, at pre-set rates without extra capital expense, and all within an evergreen, modernised environment.

"We are undertaking knowledge transfer and making hardware changes such as moving from disc-to-tape to disc-to-disc backup, which improves resilience and service readiness," comments Karen Corner, Head of Core Platforms, Virgin Money. "Essentially, Fujitsu will now run the mainframe and ensure our ability to support it longer term, which gives us peace of mind."

In addition to securing the future for Virgin Money's existing VME applications, closer engagement through the 'Red Hot' programme has encouraged collaboration around new projects. For example, Fujitsu has developed technologies for opening the bank's data to new interfaces, such as RESTful APIs, which can be made available to mobile apps. This provides a modern interface while also retaining business-critical security and reliability.

This work has been conducted against the backdrop of ever-closer co-operation between the two companies. The companies are developing a joint apprenticeship scheme to help school leavers enter the workplace. And, by running the London Marathon in 2017 and 2018, Fujitsu staff raised over £10,000 for Virgin Money's partner charities, Heads Together and the Teenage Cancer Trust.

"These add-ons may not look business critical, but they are really important to us," says Smith. "It's what differentiates Fujitsu from other suppliers – the team gets what we are really all about. Not only has Fujitsu provided a secure, scalable and flexible mainframe solution for years to come, it has embraced our corporate vision of helping everyone be better off."

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