

FINANCIALS TRANSFORMATION - DELIVERED INTERNATIONALLY

Global financial services group implements one of the world's largest PeopleSoft financial solutions to empower its banking business units



CREDIT SUISSE | GROUP

The issues

As Credit Suisse Group has grown and diversified, its information needs have become more business-specific, demanding and complex. The over-stretched, centralised in-house systems - developed over 30 years - were simply unable to meet new business requirements effectively.

The approach

A strong management team was established that included senior professionals from Credit Suisse Group and its business units, IT departments, Atos KPMG Consulting and the software vendor - PeopleSoft. This team worked in collaboration to manage a complex, challenging implementation in a multi-lingual, multi-cultural environment.

The benefits

Credit Suisse Group has achieved more accurate and timely financial and management information. The business now has a flexible, "future-proof" platform, utilising the latest technologies and a market leading software solution.

Credit Suisse Group (CSG) is one of the world's leading financial services organisations. The Group comprises four major business units, Credit Suisse Financial Services (CSFS - retail banking, insurance and personal finance), Credit Suisse Private Banking, Credit Suisse Asset Management and Credit Suisse First Boston (investment banking). CSG is headquartered in Zurich, employing approximately 80,000 people worldwide. Global revenues for 2000 were 37,231m CHF and assets under management 1,417 billion CHF.

The issues

CSG has moved into new markets and geographies over the last few years, but its ambitions to increase the autonomy of its business units were being hampered by centralised financial systems developed in

the 1970s and 80s. Each business unit needed the freedom to run its business independently, while maintaining the same centralised controls and system efficiencies, but the legacy systems were outdated, inflexible, slow and costly to adapt.

The existing architecture was extremely complex and interwoven, with the general ledger being fed by more than 70 feeder systems, which in turn fed some 40 downstream systems. As the system was comprised of bespoke applications, modifications often took many months to implement.

Business units were keen to improve their accountability while increasing accessibility, reliability and financial reporting capabilities, but they had to share the same chart of accounts, reports and management information applications.



'The over-stretched legacy system could not meet the requirements of the expanded business'

Urs Oberholzer - ERP & IT programme director, CSFS

A very real need emerged to replace and reengineer the system and streamline the component applications with consistent data formats based on a new technology platform. This would empower the business units, while managing the complexity of the front and back office systems - placing CSG on the map for internet-enabled back office applications.

The approach

The approach was based on several key principles that included:

- clear scope
- phased implementation
- strong commitment and collaboration among the CSG business units, IT departments, PeopleSoft and Atos KPMG Consulting as lead implementation partner
- strong management and design leadership
- high quality, multi-disciplined teams
- clear target go-live date, with interim milestones.

CSG and Atos KPMG Consulting established a joint responsibility and accountability approach, ensuring close working relationships on all major project

workstreams. Any issues covering functionality, applications and technology were therefore solved by consultants working with their counterparts from CSG. The key was to optimise the integration of process and content, whilst maintaining quality.

The overall project team peaked at 150, with Atos KPMG Consulting providing senior partner and director level commitment as well as professionals from the UK, Switzerland, Germany and the US. The multi-language, multi-cultural environment across business and IT disciplines was supported by close working relationships at all levels.

The scope covered four major activities based around a structured methodology for analysis, design, construction, testing, implementation and post-implementation:

- feeders (standardise data formats)
- data transformation (enrich and map data)
- information management, reporting and inquiry (utilise market-leading general ledger functionality)
- technology infrastructure implementation.

An overall functional application and technical architecture, that was broken down into detailed components, was used

to manage the overall complexity. A number of functional and technical prototypes were developed. Cross-business unit workstreams were formed to address common issues and optimise business processes.

A major benchmarking exercise was undertaken to ensure that volume and performance targets could be met.

A new technical architecture and IT infrastructure that included best-of-breed third party tools was implemented.

A best practice testing approach was adopted involving extensive coordination between mainframe, Unix and NT environments. Clear acceptance criteria were used to measure go-live readiness.

Extensive multi-language and multi-format end-user training was performed.

Two parallel system runs with full production data were performed prior to go-live. This was a significant investment that facilitated a smooth 'big-bang' implementation.

Multi-skilled support teams were established to support the business units through the go-live process and the first month end cycle.



The benefits

The new financial system at CSG and its banking business units (comprising retail, investment and private banking and asset management) went live on time.

The new system processes up to 2 million transactions on average each day, from around 70 front and middle office feeder systems. This extends to nearly 10 million transactions at month end. More than 2,000 business unit reports are produced at month end. The project has also given CSG an opportunity to bring some smaller business units onto the new PeopleSoft IT platform.

This is the first major implementation of third party software applications operating in an Oracle/Unix/NT environment for CSG in Europe. The project is also one of the largest global implementations of its kind and has already delivered significant benefits. Most importantly, it has met business units' need for greater control and ownership of their part of the organisation.

More accurate financial information is now available faster, and the quality of data consistency has significantly increased.

Financial and management reporting has improved across CSG, resulting in more transparent data. The organisation also has a framework to support US GAAP disclosure reporting.

The month end closing process is better supported and daily reconciliations (front and back office systems) across the business are more timely. At the same time, operational risk has reduced because the business is now based around a flexible, "future-proof" platform utilising the latest technologies and applications.

The new solution facilitates easier integration with new applications, maintenance and customisation and, as a result, provides the potential for long-term cost savings.

Running parallel to the project, an ERP IT Competence Centre has been established, which provides an excellent framework for future initiatives, including the integration of other business units, such as Winterthur.

'The business is now based on a flexible, "future-proof" platform, utilising the latest technologies and a market-leading software solution'

Stefan Hilber - programme & business director, CSG

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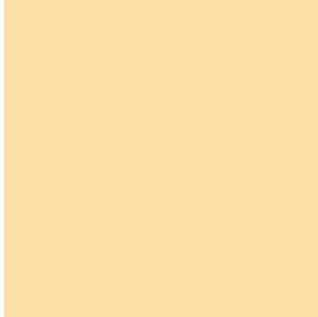
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'We are already seeing the business benefits of more accurate, more timely information coming through the systems'

Stefan Hilber - programme & business director, CSG

The client's viewpoint

"This project proves Atos KPMG Consulting's ability to deliver large implementation programme support for a major financial services organisation in Europe," said Stefan Hilber, programme and business director of CSG. "We are already seeing the business benefits of more accurate, more timely information."

The implementation partnership - covering the banking organisation, PeopleSoft and Atos KPMG Consulting, delivered a high quality solution that brought the business units and the IT function together as a strong, focused and motivated team.

"The initiative for change came from the business units, and as they took a major role in all stages of the implementation, the project was able to deliver what was required," said Stefan Hilber.

"Financial information can now be captured via standardised transactional accounting applications and then aggregated, based on specific business unit requirements. The implementation also enabled us to move away

from outdated legacy systems to state-of-the-art technology. The complexity of this cannot be underestimated." said Urs Oberholzer, ERP and IT programme director, CSFS.

User feedback has been very positive and the overall solution is stable and meets expectations. The infrastructure now provides a robust platform for future development.

Atos KPMG Consulting has been selected as the implementation partner for a further PeopleSoft Financials programme. This will build on the backbone of the new financial solution to enhance functionality and deliver further benefits, such as addressing the business requirements to meet new VAT regulations and improving information on cost/management accounting, as well as fixed asset management.

The programme will also entail the implementation of PeopleSoft 8. This will transform the existing general ledger into a 100% internet-based solution, representing one of the largest e-general ledger implementations in the global financial services industry.