

CASE STUDY

Tech Mahindra Drives 30% Faster COB Run Times for a Leading Financial Institution

Overview

In today's dynamic financial landscape, institutions struggle with outdated technology and operational inefficiencies in their attempt to build digital banking systems. They need to keep pace with innovations to meet customer expectations for a seamless and efficient digital experience.

Our client, a prominent European financial institution, faced these challenges and modernized its core banking operations with Tech Mahindra. We helped them implement the Temenos T24 solution and integrate advanced application programming interface (API) technology.

This initiative addressed legacy system inefficiencies, enhanced scalability, and supported rapid expansion. Key results included a 30% reduction in close-of-business (COB) run times, faster product launches, 24/7 availability, and significantly reduced processing errors.

Client Background and Challenge.

The client is a renowned European financial institution, headquartered in Vienna, operating across Central and Eastern Europe. With over 16 million clients in seven countries, they offer retail, corporate, investment, and private banking services and employs around 48,000 staff. In the process of modernizing their core banking operations, they found themselves grappling with several challenges:

- ▶ **Legacy System Limitations:** The client's legacy system was taking time to launch new products, along with high maintenance costs, significantly hindering its competitive edge in the market. The outdated system lacked essential features and integration capabilities necessary for modern banking operations.
- ▶ **Operational Inefficiencies:** Prior to the digital transformation, the bank needed help with the execution of end-of-day, end-of-month, and end-of-year processing. The legacy system lacked the capacity to support its robust customer base of over 900,000, managing an average of 10,000 daily teller transactions and fund transfers totaling €750,000.
- ▶ **Scalability and Agility Issues:** The existing core system couldn't scale, limiting the bank's ability to handle increasing transactions and customer interactions. The bank needed a robust and flexible system to facilitate rapid expansion and accommodate future growth.

Our Approach and Solution

Tech Mahindra spearheaded the transformation, implementing the Temenos T24 core banking solution, which involved a complete overhaul of the existing infrastructure, data migration, system integration, and deployment of new functionalities.

Key actions included:

- ▶ **End-to-end Core System Transformation:** Implemented Temenos Transact, and performed data migration, testing, integration, DevOps, and training.
- ▶ **API Technology Integration:** Integrated a state-of-the-art digital system with Temenos using API technology.
- ▶ **Infrastructure Setup and Management:** Took responsibility for the entire infrastructure setup and management.
- ▶ **Post-go-live Maintenance:** Engaged with the bank for multi-year post-go-live maintenance activities.
- ▶ **Comprehensive Support:** Provided 24/7 operations, including incident, change, and user role management, ensuring seamless daily operations and high system availability.

During the go-live phase, over 50 new interfaces and 25 additional systems were integrated, significantly expanding the bank's digital capabilities. This new setup ensured 24x7 high availability with a scalable technology architecture, seamlessly integrating with third-party systems and drastically minimizing COB run times.

Business and Community Impact

The transition to the new system enabled the client to consistently meet its service level agreements (SLAs) for end-of-month and end-of-year processing. The efficiency improvements achieved the goal of handling the bank's operational load without delays or system downtimes.

Key outcomes included:

- ▶ **COB Run Time:** Post implementation, the COB run times were significantly optimized, decreasing from six hours to four hours, achieving a 30% reduction. This improvement minimized disruptions in daily operations and ensured timely transaction processing.
- ▶ **Faster Product Launches:** The launches took place faster, enhancing the bank's responsiveness to market needs and improving customer satisfaction.
- ▶ **High Availability:** The new system operates 24x7 with scalable technology architecture, guaranteeing high reliability.
- ▶ **Reduced Errors:** Processing errors significantly came down with 100% of daily transactions processed on the same day, ensuring more accuracy and efficiency in banking operations.

To know more about our digital transformation solutions, please write to us at BFSScomms@TechMahindra.com



About Tech Mahindra

Tech Mahindra (NSE: TECHM) offers technology consulting and digital solutions to global enterprises across industries, enabling transformative scale at unparalleled speed. With 150,000+ professionals across 90+ countries helping 1100+ clients, Tech Mahindra provides a full spectrum of services including consulting, information technology, enterprise applications, business process services, engineering services, network services, customer experience & design, AI & analytics, and cloud & infrastructure services. It is the first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, which recognises global companies that are actively leading the charge to create a climate and nature-positive future. Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies. For more information on how TechM can partner with you to meet your Scale at Speed™ imperatives, please visit <https://www.techmahindra.com/>.

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