CASE: SWEDBANK BALTIC BANKING

HIGH DATA QUALTY EQUALS LOW COST

Swedbank Baltic Banking used Platon to create a clear business case as well as a direction forward, in the bank's ongoing Master Data Management development.

Alvar Pihlapuu is Head of IRM (Information Resource Management), Group IT/ Common Business Technology in Swedbank Group. But in 2008, he was Head of Data Warehouse in Baltic Banking. The movement - from Data Warehouse to Head of group level IRM - perfectly illustrates the development in the bank's approach to data quality.

Swedbank Baltic Banking had a clear understanding of the need to raise the overall data quality.

- Based on the bank's business needs for consolidated data, we initiated a Business Intelligence process in 2006. It took us some time to realize that a bottom-up process, executed by the IT organization, wasn't the solution.
We thought our Data Warehouse was the problem, but after a couple of years trying to fix our presentation layer, we realized our problem was outside the Data Warehouse and was of a general nature, Alvar Pihlapuu tells.

So Swedbank Baltic Banking began looking for experienced consultants to help them. Fortunately they attended the Gartner conference on Business Intelligence.

- Here we met Platon and quickly got a sense of the company's knowledge and experience within the field of data quality and Master Data Management. So we asked them to evaluate our MDM maturity level and make a gap analysis, Alvar Pihlapuu tells.

- Before Platon we had struggled to gain traction for MDM. But when Platon arrived they insisted we took a vital step: They involved the board of the bank and raised the issue of data quality from being an IT problem to being a mindset problem with consequences for the entire business.

The business case showed that Swedbank could reduce its costs by millions of Euros per year, if the bank raised the over-all data quality and if data was under control.

- Alvar Pihlapuu, Head of IRM, Group IT/Common Business Technology, Swedbank Group

In the spring 2009 three consultants from Platon checked in and ran an 8 weeks strategy process.

A SIGNIFICANT COST REDUCTION

When Platon arrived, the consultants delved into the banks systems and processes. Once they had a thorough understanding of the data mapping, Platon evaluated the bank's maturity level and got an overall view of the potential benefit of improved data quality: Based on the current situation, Platon established a business case, and using conservative numbers it was estimated that the bank could reduce its costs by millions of Euros per year by raising the data quality of customer and product data.

- One issue we needed to address was the time taken to update our assorted systems. But another was the spread of data across many systems hampered our ability to monitor the profitability of clients and to assess our portfolio of risk, Alvar Pihlapuu says.

Further Platon drew out a data governance strategy laying out directions for data ownership and sketched a roadmap with milestones and a final goal for a future change process.

ABOUT SWEDBANK

Hansabank and FöreningsSparbanken created the Swedbank Group in 2006. The history of the bank dates back to the year 1820 when the first savings bank of Sweden was established in Gothenburg and the year 1991, when Hansabank was born in Estonia.

Swedbank is the leading bank in Sweden, Estonia, Latvia and Lithuania. Swedbank offers a full range of financial services for private individuals, corporates and organisations. Outside the home markets Swedbank operate in Denmark, Finland, Norway, Western Russia, Luxembourg, Ukraine, USA, China and Japan.

INVOLVING MANAGEMENT AND BOARD

- Before Platon we had struggled to gain traction for Master Data Management. But when Platon arrived they insisted we took a vital step: They involved the board of the bank and raised the issue of data quality from being an IT problem to being a mindset problem with consequences for the entire business. Alvar Pihlapuu says.

By asking for input from the board and by making presentations to the bank's top management Platon made it clear that changing the situation and realizing the potentials of better data quality demanded a change of mindset. This gave us the essential Data Governance sponsorship at board level.

The fact that the board as well as top management got a clear understanding lead to creating a new Data Government organization with the responsibility of defining rolls and ownership in relation to Master Data Management and data quality issues.

PLATON – EXPERIENCED AND PROFESSIONAL

- Platon was clearly very experienced, with a thorough methodology and a professional approach. Based on this they gave us valuable insight and presented us with solutions to problems, we had identified, but not solved ourselves. Throughout the process Platon empowered us to make giant strides forward, giving us the structure and project guidance to support our data owners, Aivo Adamson, previous Baltic Banking CIO and present Head of Infrastructure and Operations in Swedbank Group IT adds.

In January 2010 Swedbank started implementing One Group IT and Alvar Pihlapuu himself, Head of Information Resource Management, now spends his time defining Best Practices using the Data Governance process that Platon suggested. We are on the way to realizing the potentials of Master Data Management.

The MDM work in Swedbank Baltic Banking has lead to general awareness on MDM issues within the Swedbank corporation and is seen as a pilot for a widespread MDM process in Swedbank.