

## SAP Customer Success Story Banking



**Deutsche Zentral Genossenschaftsbank (DZ BANK AG)** is the central bank of the cooperative banking group formed by the merger of two cooperative central banks: GZ-Bank and DG BANK. Following the merger, one of the group's first steps was to develop a forward-looking IT strategy, choosing the SAP for Banking portfolio of solutions to provide a uniform, future-proof platform for the companywide IT infrastructure. The SAP® Business Partner component is one of the main pillars of DZ BANK's new IT infrastructure and serves as a reliable service interface for all application areas and subsystems.

 **DZ BANK**



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### DZ BANK GOES ON THE OFFENSIVE WITH OPTIMIZED IT PROCESSES AND REDUCED IT OPERATING COSTS

#### GERMANY'S SIXTH LARGEST BANK

DZ BANK AG of Frankfurt am Main is the central bank for around 1,300 credit cooperatives. It is a modern commercial bank geared toward international (particularly European) customers. DZ BANK provides continuous support and services to local and regional cooperative banks (Volksbanken and Raiffeisenbanken) in all product and service areas relevant to corporate and private bank customers. DZ BANK is also responsible for liquidity equalization between cooperative banks and provides them with refinancing funds. As the sixth largest bank in Germany, DZ BANK employs 3,936 people and recorded total assets of €184.8 billion on its balance sheet as of December 31, 2002. DZ BANK maintains branches, subsidiaries, and representative offices in key financial centers and economic regions throughout the world.

#### SAP AS PART OF AN AGGRESSIVE IT STRATEGY

Increasing costs, shrinking margins, and insolvency among both private and corporate customers have put a major strain on financial markets worldwide. In an effort to improve competitiveness, DG BANK and GZ-Bank merged to become DZ BANK AG in September 2001. The merger promised large synergies and significant savings for both institutions, but a high-performance standard solution and cutting-edge IT infrastructure were needed to keep IT operating expenses under control. With its open system architecture, SAP for Banking soon became a main pillar in the bank's IT strategy. SAP for Banking was chosen to help the group efficiently manage constantly changing legal requirements and financial information – an absolute must for finan-

cial institutions. According to Gregor Roth, head of operation services for DZ BANK, the company is “concentrating on SAP’s standard software and will only implement custom solutions where it makes economic or strategic sense.” The decision to implement SAP for Banking solutions brought the successful collaboration between SAP and DZ BANK to a whole new level.

#### **TWO IN ONE WITH SAP® BUSINESS PARTNER**

The system for managing business partner data is the central nerve of any banking organization. It contains all master data on customers and business partners, and all bank applications and subsystems use the information stored in this system. After the merger, DZ BANK was left with two main business partner systems and separate databases. This prompted a number of highly complex migration projects, involving the integration of two

**“The SAP solution is a flexible and effective instrument, and it helps to significantly reduce IT costs as a proportion of process costs.”**

Gregor Roth, Head of Operation Services, DZ BANK

separate IT platforms and two vast, heterogeneous databases. The SAP® Business Partner component took on a key role during migration. A uniform, central, and consistent database was built up in SAP Business Partner both to harmonize business processes and to comply with banking regulations.

#### **FLEXIBLE SAP SOLUTIONS**

The project team was under a great deal of pressure to meet the supervisory authority’s reporting deadline. Given the help of SAP’s industry know-how and the active support provided by paricon AG, SAP Consulting, and GAD, the migration was completed on schedule and by the deadline. The original DG BANK central information system is temporarily being supplied with data from the central SAP Business Partner component. Tina Lutz, project manager at DZ BANK, comments: “We all worked toward the same goal. We were able to meet demanding deadlines and to stick to the budget largely thanks to the customizing options and the flexibility of SAP solutions, the tools provided, and the active support from SAP.”

#### **INTUITIVE AND EASY TO USE**

Acceptance of the new system is very high. “The menu is intuitive and easy to use,” says Lutz. “Today, every clerk can instantly conduct ad hoc reports and credit ratings with just a few mouse clicks. Before, time-consuming custom programming was necessary for almost every statistic. The data is selected in SAP Business Partner and then transferred to standard office applications for graphical editing. So far, everyone is pleased.”

#### **DZ BANK ESTIMATES 70% SAVINGS IN IT PRODUCTION**

With this step into the SAP world, DZ BANK significantly reduced its IT vertical integration. The group expects to enjoy cost-savings benefits by 2003. “According to the figures available today, we have reduced production costs by 70% using SAP solutions,” says Burghard Oppenberg, head of information and organization for DZ BANK. Results like these are certainly enough to set other financial institutions on the defensive.