

Croatian Postal Bank (HPB)

A quantum of risk prevention



Business overview

The Croatian Postal Bank Inc. Zagreb (Hrvatska poštanska banka d.d. HPB) was founded in October 1991 as a universal banking organization authorized to conduct all types of banking operations both domestically and abroad. The bank's business strategy focuses on developing its business retail network and channels of distribution. It is thus seeking to strengthen its position in investment banking and the SME segment, develop its range of products and banking services for the general public, and create an image of a modern, commercial, and highly efficient bank which is the most easily accessible anywhere in the Republic of Croatia. HPB provides all types of banking and financial services and employs around 900 people. It generated revenue of around 86 million euros in 2007.

In order to increase its efficiency and customer focus, HPB decided in 2006 to improve its document management system.

Challenges

Electronic support for document and process-based applications

In order to ensure a smooth introduction of the entire system, HPB enlisted the system integrator Senso IS d.o.o. for implementation. Senso IS is part of the EMC partner network. It has a large portfolio of clients and has installed many systems in Croatia based on the EMC[®] Documentum[®] platform. The company has won the respect of many users from various business sectors such as banking, insurance, government, and telecommunications.

Work to implement the system started in January 2007 in the retail and corporate banking departments. "In September, we had all requirements in place and the solution finally went live in January 2008. This was not the usual timeframe for such a project. The delays were due to the fact that we had to spend a lot of time specifying the business processes and defining the key persons authorized to confirm these processes," said Albin Jurkovic. "However, the decision to split the responsibility for the various tasks among three teams—one process, one testing, and one development team—has proven to be the best approach in achieving our goals." Senso IS played an important role in this process by assisting with the definition of business processes and the organization of work.

EMC solution

In January 2008, HPB began using EMC Documentum software, which is made up of four parts. The EMC Documentum Content Server governs the EMC Documentum content repository and provides customers with an extensive set of content management services and a comprehensive infrastructure for all content applications. EMC Documentum Process Builder (formerly known as the Business Process Manager) makes it easy for users to implement process models and deploy them for execution by the Documentum Process Engine. EMC Documentum Administrator enables the operator to configure and manage the essential aspects of the Documentum platform, and EMC Documentum Webtop provides a browser-based user interface which allows the user to access the EMC Documentum repository and core content management services. The entire solution is rounded off by the EMC Centera[®] storage system.

“Today, around 100 users are working with EMC Documentum and we keep adding more solutions and users. For each application, we had a separate training session that each user had to attend. At the beginning, we were faced with a change management issue. However, after only a short period of time, the users who were initially skeptical could no longer deny the advantages which Documentum offers for their daily work,” said Albin Jurkovic.

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An ideal platform for risk management

One of the major projects based on the new system was the “risk-based products for corporate banking” project which HPB set up in January 2007. The aim of the project was to provide the necessary support for the loan business process for corporate plans. A number of project goals had been defined, namely the standardization of the allocation process for risk-based products such as loans or guarantees, the standardization of all process documents, and the monitoring and analysis of the loan process in order to increase its efficiency. The business process was optimized by analyzing the work process in order to improve its quality and reduce the time taken to implement processes.

The project was based on existing bank resources that include applications for general client documentation—for example, loan documentation and signed client’s cards. These are executed using the EMC Documentum platform as well as the existing IDS Scheer ARIS infrastructure. A special department within the bank in charge of process definition developed appropriate process models based on the ARIS platform. The defined processes were then transferred to the EMC Documentum platform via an ARIS-Documentum connector. The models included 28 main bank processes involving 13 bank sectors.

All processes defined through the processing of a specified product are further classified according to the type of processing, type of placement, and form of the request. Depending on the type of placement, there are, for example, three alternatives: placement expressed in domestic currency (kuna); placement with a currency clause; and placement expressed in foreign currency. In addition, a number of alternatives have been defined depending on the form of request, namely new placement, prolongation, reprogram, and changes or amendments.

The processing of the risk-based product can be subdivided into the following eight main steps:

- Receiving the client’s request, entering data, and scanning
- Processing the request and preparing the proposal
- Analyzing both the client’s business and its request
- Decision making by the credit committee and other qualified persons
- Concluding the contract if the credit is granted
- Bookkeeping
- Calculating the fee
- Utilizing the placement

“The application for risk processes was structured by adapting EMC Documentum Webtop. The interface had to be changed considerably owing to the complexity of the forms used by our employees. These could

not be developed using the standard EMC Documentum Forms Builder tool,” explained the product manager. By entering data into forms, all documents that are necessary for the processing of risk-based products are created automatically, on the basis of templates from repositories adopted by the bank. In order to facilitate the user’s work while entering the data, the system enables the operator to preview the generated document at each specified moment.

Summary

Operational risk drastically reduced

By introducing Documentum, HPB has considerably increased its operating efficiency and optimized key business processes. Overall, the introduction of the system has created many advantages for the Croatian Postal Bank at all levels. Heads of business relations, for example, supervisors, are now able to preview and control all requests that are processed at any given moment. All documentation is processed much faster using the new procedure—from the time when the request is received until the placement is completed. By implementing the whole process, the operational risk of the bank has been drastically reduced as the process “leads” employees to perform their tasks.

There is an updated record of all business activities which provides a basis for detailed reports and audit control. The process has been adapted by carrying out a high-quality, long-term analysis of the process and its weak points. The process has been successfully adapted by the employees working with the ARIS platform. All these changes are automatically synchronized via the ARIS-Documentum connector with the processes running on the Documentum platform, and are used in further work.

The entire users’ documentation is categorized in one virtual file by setting up the application and integrating it into the existing archiving application. The fact that documents are generated from templates ensures that they have a standardized format. All documents are at one site, in standardized form. They are accessible to all authorized employees.

Better service quality and greater client satisfaction

All the advantages mentioned above have significantly speeded up the loan process. Crucially, they have also improved services and increased client satisfaction. All these criteria clearly help to set the Croatian Postal Bank apart from other related banks.

“Ever since we deployed the system, it has been evident that the project would bear fruit for our bank only if the processes were set up correctly. Senso IS assisted us by speeding up time-to-market of our products. On a strategic level, it also helps to improve the flow of information. All in all, the products, support, and the local partners are all great,” summarized Albin Jurkovic, product manager at the Croatian Postal Bank (HPB).

About EMC

EMC Corporation (NYSE: EMC) is the world’s leading developer and provider of information infrastructure technology and solutions that enable organizations of all sizes to transform the way they compete and create value from their information. Information about EMC’s products and services can be found at www.EMC.com.

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