



# CELERITI PROGRESSIVE MODERNIZATION

- Leverage Core Strategic Assets
- Reduce Complexity and Total Cost of Ownership
- Lower Modernization Risks
- Leverage Existing Investments
- Protect Custom Functionality
- Extend Delivery Channels
- Expand New Product Introduction Capabilities
- Increase Agility and Reduce Time to Market
- Modernize Applications, Technology and Infrastructure
- Remove Business Dependency on Mainframe Systems and Interfaces

## PROGRESSIVE MODERNIZATION OF CORE BANKING AND CARDS SYSTEMS

Core systems are the critical and central component in support of a bank's operations and customer information. As a result, most of the bank's systems, processes, applications and transactions are either integrated with or depend on the core system to some degree.

Increasingly, banks across the globe are realizing that their core systems are a strategic asset, and are leveraging these core systems to differentiate themselves in the highly competitive marketplace. Modern core systems provide opportunities for banks to grow their revenues, lower operating costs and improve time to market with new products and services.

Traditionally, the only option for modernizing core systems involved a high-cost and high-risk 'rip and replace' of the core system. In the major economies, banks are spending up to USD \$1 billion each to implement 'rip-and-replace' programs, often with unproven core processing solutions. Most 'rip-and-replace' programs lose the function-rich, end-to-end components of the original application. Due to the highly integrated nature of their core systems, few banks have been successful with this big bang approach and even fewer have realized a return on investment. Consequently, many institutions are searching for a lower risk, evolutionary core systems transformation approach to selectively lower their operations costs while they maintain and/or expand their reach in the marketplace.

## A NEW APPROACH

CSC's new Progressive Modernization approach allows customers to modernize their core Hogan® Banking Systems and CAMS II™ Card and Merchant System, enabling all of the benefits of modern core systems without the risks and costs of 'rip and replace'. For banks adopting Progressive Modernization in concert with a selective software reusability approach, customer feedback suggests the modernization and implementation costs are less than 50 percent of an outright system replacement.

Additionally, Progressive Modernization allows banks to align their IT transformation programs with their business priorities, and perform and deliver outcomes incrementally with less organizational disruption and lower risk.

The business benefits of the newly modernized system are significant, including expanded customer-centric processes and capabilities, and accelerated product delivery combined with more efficient and flexible operations and IT.





# PROGRESSIVE MODERNIZATION

CSC's Progressive Modernization approach provides a bank with the modern technology and framework for transformation of all applications, processes and delivery channels while maintaining the integrity of the existing core deposit, loans, customer information, card management and processing systems. CSC is committed to service-oriented architecture (SOA), and believes that a progressive approach brings tremendous value to banks looking to modernize their systems.

## BUSINESS DRIVERS AND BENEFITS

A modern core system can provide significant business and IT benefits to a bank including:

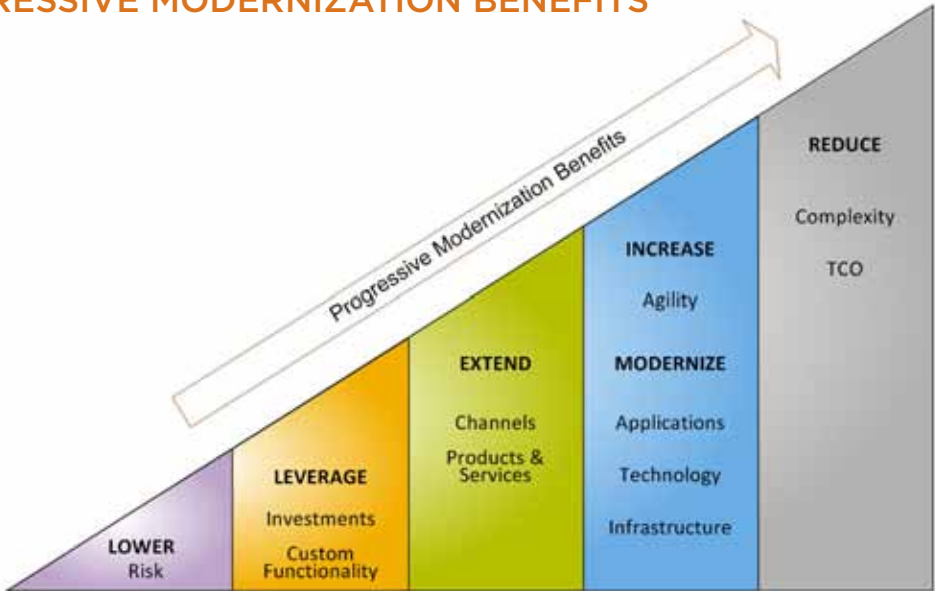
- Increasing customer satisfaction, customer acquisition and retention by delivering a richer experience, consistent processes and improved levels of service in the delivery channels
- Accelerating time to market with new products and services through the use of business process management and business rule management systems
- Lowering IT costs by simplifying integration, and lowering infrastructure costs through the use of hybrid operating environments
- Improving operational efficiencies, security and employee satisfaction through Web-based interfaces and portal. The elimination of green screen interfaces is a key operational benefit.

## PROGRESSIVE MODERNIZATION

CSC's Progressive Modernization approach delivers a series of new components that can be applied incrementally to an existing customized version of a Hogan Banking System or to the CAMS II Card and Merchant System. Progressive Modernization provides banks with many advantages over a 'rip-and-replace' approach.

- It can be performed on an incremental basis, providing enormous flexibility with regard to the time frames in which the new components are deployed and allowing banks to balance costs, risks and time.
- It can be applied to customized or older versions of Hogan Systems or CAMS II Card and Merchant System without the need to upgrade to the latest versions of the software. In some cases, banks may decide to upgrade to the latest release of Hogan or CAMS II as part of their progressive modernization journey and many banks have successfully leveraged CSC's Accelerated Upgrade Process (AUP) to accomplish this.
- Deployment of the new components can be aligned with business priorities thereby achieving a faster ROI. For example, implementation of a new teller system can be accelerated by leveraging the SOA Business Processes and Web Services components.
- Disruption to the organization is minimized. The new components can be deployed and can coexist with the existing capabilities, allowing gradual cutover to the new capabilities. For example:

## PROGRESSIVE MODERNIZATION BENEFITS



- SOA Business Processes and Web Services can coexist with the existing forms of integrations such as Platform Automation System and Hogan System Integrator. This enables a bank to introduce the new SOA Business Processes for one delivery channel and then incrementally extend it to the other channels and the enterprise as the business desires.
- Web Portal can coexist with the existing user interface allowing the bank to roll out the new user interface incrementally across the organization.

## NEW CELERITI COMPONENTS

CSC's Celeriti™ delivers a series of new components that can be applied incrementally to an existing customized version of a Hogan Banking System or to the CAMS II Card & Merchant System. These include:

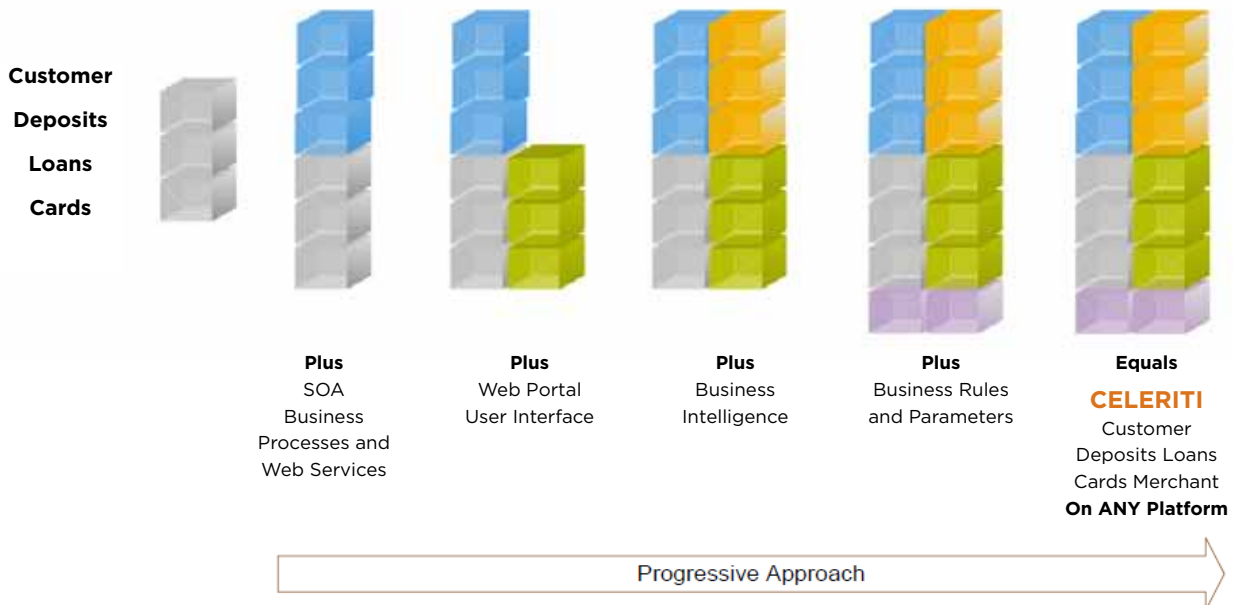
- Web Portal — Improves ease of use, access to information and front- and back-office efficiency. Also allows role-based configuration of the portal view and enhanced role-based security.
- SOA Business Processes and Web Services — Standardizes business processes across the delivery channels and enterprise that improve overall customer experience and operational efficiency.

The IFX-based Web services simplify integration and environment complexity, lower IT maintenance and support costs, and improve IT responsiveness to the business by providing reusable business processes and Web services.

- Business Intelligence and Data Warehouse — Supports integrated reporting based on a rich repository of customer, product and transaction information in an IFX-compliant warehouse. The Business Intelligence and Data Warehouse component can also be used for analytics and decisioning for customer needs, behaviors, relationship, compliance and risk management.
- Business Rules and Parameters — Improves time to market for new products and changes to existing products, and compliance with regulatory requirements through an integrated business rule management system.

For multinational banks that need in-country processing, Celeriti allows one globally applicable product suite and code base to be deployed to different operating platforms. Celeriti lowers support costs and simplifies the bank's global environment by not requiring different software products from different vendors for each market.

## PROGRESSIVE MODERNIZATION APPROACH





## PLATFORM MIGRATION OPTION

For a bank wanting to align its operating platform to its institutional size, business scope and technical needs (i.e., costs, security and availability), a migration to a distributed platform is a deliverable option.

CSC's approach is broadening the technology platform choices available to mid-tier and even smaller financial institutions, and by focusing on creating products that can be used globally, CSC is simplifying a bank's technology environment.

The new Celeriti Distributed Platform Architecture component provides the foundation for the new platform, and this approach requires implementation of all Celeriti components as well as migration to IBM DB2. As stated earlier, these can be deployed incrementally in any order and aligned to the business case.

## ADVANCED TECHNOLOGY

CSC's Celeriti has leveraged IBM technologies as the foundation for all of the new Celeriti components including IBM® WebSphere® ESB, IBM WebSphere Process Server, IBM Cognos® Business Intelligence Suite, IBM WebSphere ILOG® and others.

As a result, Celeriti has been validated in all four domains (Customer Care and Insight, Core Banking Transformation, Payments and Securities, and Integrated Risk Management) of the IBM Banking Industry Framework.

Benefits of using the IBM Banking Industry Framework include the abilities to:

- Integrate information and processes across banking units leading to greater efficiencies, better customer services and reduced data requirements
- Leverage software technologies to solve different business problems ranging from improved customer service to better risk management
- Maximize re-use of existing software assets
- Accelerate solution deployment with foundational and module-specific software extensions and accelerators.

Our future direction is to expand the range of available deployment options from current on-premise to flexible, scalable and rapidly provisionable capabilities delivered through a trusted cloud environment.

CSC's new product line also gives banks greater choice in deploying the technology. CSC not only offers In-house implementation, but the software also forms the

basis for premise-free banking and cards processing, allowing banks to take advantage of SaaS, cloud-based infrastructure and business process outsourcing services.

## SUMMARY

Because each bank is different and has different priorities, CSC will work with you to develop your own customized Progressive Modernization Roadmap.

The CSC process involves reviewing the current state environment, desired future state and then developing interim middle states that take advantage of the Celeriti components.

These middle states consider business priorities and other in-flight projects in the context of future state destination.

CSC's Progressive Modernization is a new approach to modernizing that has significant advantages over 'rip and replace'.

CSC has already started the process with a number of banks across the globe. We would be happy to engage with you further and share more about our fresh approach.

**To learn more about Progressive Modernization and Celeriti Banking, Cards, Payments and Lending, call 800.345.7672, send an e-mail to [inforequests@csc.com](mailto:inforequests@csc.com) or visit [www.csc.com/celeriti](http://www.csc.com/celeriti).**

## ABOUT CSC IN FINANCIAL SERVICES

CSC provides mission-critical business solutions, consulting and outsourcing services to leading financial services firms around the world.

We bring more choices to the industry. We help clients plan for business and technology change. We create software, tools and processes to address specific business needs, and we continually enhance those solutions by collaborating with an extensive network of client communities and technology partners.

Our global outsourcing operations give us real-world insight into business and IT processes that deliver the best results for our clients. More than 1,200 major banks, insurers, and investment management and securities firms rely on the experience, ingenuity and leadership of more than 10,000 CSC employees focused on financial services.

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