

Online success

In 1999, Don Koch held the post of CIO at a brand new venture, ING DIRECT Australia. His main responsibility was to set up the systems and operations to create Australia's first online-only bank. Eleven years later, ING DIRECT Australia has become the fifth-largest retail bank in Australia, with 1.45 million customers, \$22 billion in deposits and \$36 billion in mortgages. As with the other ING DIRECT businesses around the world, ING DIRECT Australia keeps its overhead costs low by conducting business online and over the phone, and passes the savings onto its customers in the form of competitive rates. ING DIRECT Australia further differentiates itself from competitors by offering simple products, equitable pricing plans and exceptional levels of customer service.

The strategy works. According to both Nielsen Financial Services Monitor and Satmetrix's Net Promoter Score, customers are more likely to recommend ING DIRECT Australia to family and friends than any other bank in Australia. As for Don Koch, he's now the bank's CEO, and ING DIRECT Australia's continued growth is still being powered by the system that Koch selected at the outset – the Core Banking solution from TCS BANCNS. On the occasion of the tenth anniversary with ING DIRECT Australia, Koch commented on the longevity and strength of the bank's relationship with TCS Financial Solutions: "Throughout our existence, there have been a number of systems in play at ING DIRECT Australia. In the dynamic world of IT and banking, innovation is a key focus area for our business. The TCS BANCNS Core Banking solution is one of the original systems still in place since we launched. Sure, we have gone through a number of facelifts and changes to the system; however, TCS has helped us with many of our enhancements and they are a good partner with sound technology."

ORANGE EVERYDAY

The relationship between ING DIRECT Australia and TCS Financial Solutions continues to be a productive one. In February 2010, after an initial trial period with employees and existing customers, ING DIRECT Australia launched the "Orange Everyday" account to the public. This transactional account works entirely through virtual channels – Internet, mobile, ATM and contact centers – and the company's savings from not having to operate a branch infrastructure are given back to the customer. "Orange Everyday is quite differentiated in the Australian market, which tends to be a fairly high-fee regime with monthly administration fees and per-transaction fees," says Anne Myers, Chief Operating Officer, ING DIRECT Australia. "Orange Everyday supports our value proposition by offering



BLUE NUMBER STUDIOS

ING DIRECT Australia *launches transactional banking product with TCS BANC'S Cards*

By Colin Sword, Country Head – TCS Financial Solutions, Australia



Don Koch,
Chief Executive Officer



Anne Myers,
Chief Operating Officer

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our customers real choice in banking.”

Instead of charging fees for withdrawals, Orange Everyday reimburses customers for withdrawals over \$200 from any bank’s ATM, and even pays customers \$0.50 for every cash-back transaction of at least \$200 at the point of sale. “We’re making money on that transaction, and so we share it with the customer,” explains Myers. “That’s our philosophy – if we’re earning income, we’ll share it, and where we’re bearing costs, we’ll try to cover it when we can.”

The biggest challenge in launching the Orange Everyday product was that ING DIRECT Australia’s previous product lineup was geared toward savings accounts and mortgages, and these tend to have transactional activity on a monthly or semi-monthly basis at most. The intense processing demands of Orange Everyday called for a major technology upgrade. “Moving to an everyday-type banking account, you’re looking at an average of five to ten transactions per month, minimum. We had to scale up the physical infrastructure of all of our systems to be able to meet that potential demand,” relates Myers. “The project was quite massive, including a complete data center move and refresh of our hardware.”

On the software side, the major IT challenge was to create a robust cards infrastructure. The previous system was supporting just 25,000 mortgage customers, and it lacked the scalability, flexibility and power to enable the launch of a fully transactional product. Yet when the time came to select an IT solution and implementation partner, ING DIRECT Australia’s optimal choice was clear: TCS Financial Solutions. “It was very easy for us not to go out into the general market for card systems,” explains Myers. “The TCS product fit within our existing IT architecture, and fit from a cost perspective. Plus, we knew we could rely on the great relationship that we have with TCS Financial Solutions to help us deliver the project quickly, while also addressing the challenges in developing what was quite an innovative product.” Furthermore, the bank knew that it wouldn’t have to change one key part of its architecture: TCS BANCNS Core Banking. “We were quite comfortable that TCS BANCNS had the scalability to support the required volumes,” says Myers. “After all, the same product runs some of the biggest banks in India and China.”

RESHUFFLING THE CARDS

ING DIRECT Australia brought in on-site resources from TCS Financial Solutions to work directly with its own in-house development team. “We didn’t want to completely outsource the development to TCS, but rather supplement our own team with people who have expertise on the TCS BANCNS Cards solution,” explains Myers. “That worked very well for us, as it ended up being a more complex implementation than we had intended.”

The entire project, including the move to a new data center and hardware refresh, took approximately two years. Upgrading the card management system to TCS BANCNS Cards itself required almost an entire year. “TCS Financial Solutions was helpful to us not only in looking at how we needed to use the new system, but also in analyzing the complexity within the existing system,” says Myers. “Having been in place for 10 years, the previous card system had been used for some things that perhaps it shouldn’t have been used for, and so we had to rebuild and redeploy several capabilities and functions.” Because these business issues arose after the start of development, ING DIRECT Australia relied on the depth of the TCS team to ensure that the project remained on track despite the increase in scope. “TCS was very flexible, and ensured smooth transitions when we had to swap resources in and out,” notes Myers. “TCS’ managers were very responsive to our calls.”

Furthermore, the combination of in-house and on-site resources worked exceptionally well. “ING and TCS literally worked beside each other in an extremely collaborative manner, which ensured that most issues were resolved quickly and efficiently,” relates Myers. The combined team was able to draw upon additional resources from TCS Financial Solutions as required. “We were provided with direct channels to subject matter experts working at various client sites around the world so that issues could be discussed, analyzed and settled promptly,” says Myers. “During a particularly complex and challenging phase of the project, TCS even flew down two of the designers of TCS BANCNS Cards to provide technical oversight and assist the project team. “This level of support was greatly appreciated.



ING DIRECT

It's your money

KEY STATISTICS:

ING DIRECT Australia

- Employs over 900 staff in Australia.
- Headquartered in Sydney and operates a 24 hour contact centre in Tuggerah, NSW.
- Awarded the Best Industry Service Award at the Australian Mortgage Awards 2008.
- Received Silver awards for Best Term Deposit (Short and Long Term) in the Money Magazine 'Best of the Best' 2008 Awards.
- Committed to customer service and consistently achieves among the highest customer satisfaction ratings in the market.
- Launched in Australia in 1999, ING DIRECT pioneered branchless banking in Australia. By doing business online and over the phone, ING DIRECT Australia keeps its overhead costs low and passes the savings onto its customers in the form of competitive rates.
- From a zero base, ING DIRECT Australia is now Australia's fifth-largest retail bank, with approximately \$22 billion in deposits, approximately \$36 billion in mortgages and more than 1.45 million customers.



Don Koch, Chief Executive Officer, ING DIRECT Australia; Colin Sword, Country Head-TCS Financial Solutions, Australia; Anne Myers, Chief Operating Officer, ING DIRECT Australia

NEW DEAL

With TCS BOINCNS operating at a new data center, ING DIRECT Australia is ready for Orange Everyday to become another one of its highly-recommended products in the Australian marketplace. "We're starting to get some volume for Orange Everyday, and have already exceeded the card base that we had before, at higher transaction rates," says Myers. "Scalability was probably the most important piece of the project for us, and we've had no issues at all.

Also, the modular, plug-and-play design of TCS BOINCNS allows for easy expansion. "Since the launch of Orange Everyday, we've run another project to upgrade our cards to chip cards, using the same platform," relates Myers. "That project was completed successfully in a relatively short time.

The ten-year relationship between ING DIRECT Australia and TCS Financial Solutions has yielded reciprocal benefits. "TCS BOINCNS has helped ING Direct Australia to grow from a startup, and it has also worked the other way around," says Myers. "We're very often a reference client for TCS, and we're very happy to do so based on our strong, long-term relationship with TCS Financial Solutions and our positive experiences with the TCS BOINCNS solutions."

"It has been more than 10 years since ING DIRECT Australia implemented TCS BOINCNS Core Banking solution," Myers adds. "This system has proved the test of time; it has assisted our business to become the leading online only bank in Australia. Since implementing the solution, we have achieved powerful, solid growth. TCS BOINCNS has provided ING DIRECT Australia with a highly functional and innovative core banking solution. I am delighted to state that both the technology and the people from TCS play a key role in our success and future." ■



ING DIRECT AUSTRALIA BUILDING PHOTOGRAPHED BY BLUE MANDERS STUDIO