

PostFinance

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Four-year Master Plan
culminates in
core banking
replacement and
market-wide
ISO 20022 adoption

FAST FACTS

PostFinance is one of Switzerland's leading retail financial institutions and the number one provider for Swiss payment transactions.

PostFinance has over 2.9 million customers, including 40 percent of Swiss citizens.

PostFinance Ltd is a fully-owned subsidiary of Swiss Post Ltd, regulated by the Swiss Financial Market Supervisory Authority (FINMA).



AT A GLANCE

Company: PostFinance

Headquarters: Berne, Switzerland

Business Challenge:

Core banking transformation in parallel with marketplace adoption of ISO 20022

Solution: TCS BaNCS for Core Banking, TCS BaNCS for Payments

PostFinance, one of Switzerland's leading retail financial institutions, holds accounts for around 2.9 million customers, meaning that almost 40 percent of Swiss citizens are PostFinance customers.

As a government-owned entity, PostFinance has the obligation to provide payments services to consumers and companies throughout Switzerland, and currently processes over 1 billion transactions per year, making it the largest payments provider in Switzerland.

Apart from payments, PostFinance also provides customers with investment solutions including mutual funds, retirement funds, and structured products. In recent years, customer assets at PostFinance have quadrupled to its current level of CHF 120 billion, making PostFinance one of the major financial services players in Switzerland. PostFinance started its relationship with TCS in 2011, using TCS BaNCS for Securities Processing to manage its funds administration, foreign exchange, and money market products.

In 2014, PostFinance launched a four-year "Master Plan" initiative to complete the core banking transformation onto TCS BaNCS, including full support for the ISO 20022 standard for payments. The Go-Live was scheduled for Easter weekend starting at the end of March 2018.

case study



Dr. Beat Jaccottet,
Executive Board Member
and Head of Strategy &
Business Development,
PostFinance Ltd

"We handle over one billion transactions per year for a broad variety of customer requirements and configurations," says Dr. Beat Jaccottet, Executive Board Member and Head of Strategy & Business Development, PostFinance Ltd. "It all needs to work together perfectly to ensure stable and efficient payments throughout Switzerland."

The first step, which PostFinance and TCS completed in October 2015, was to facilitate rapid adoption of the full set of messages in the ISO 20022 standard.

"We were the first bank in Switzerland to go live with a fully-compliant implementation of ISO 20022," says Jaccottet. "This demonstrated to the market that the joint teamwork of TCS and PostFinance was working well and delivering quickly."

By being first to market with ISO 20022, PostFinance was first to explain the importance of the ISO 20022 standard to its business partners and customers.

"Our sales force and our product management team put significant effort into explaining to our customers what was changing, why it was changing, and what it meant for their systems," says Jaccottet. **"The good aspect of being first is that we were able to demonstrate our knowledge and capabilities in the payments area by helping customers through their migrations."**

PostFinance IT, operations, and product management and sales teams, along with resources including TCS subject-matter experts, guided customers through their migrations with frequent consultation and collaboration. By the end of 2017, virtually all PostFinance customers were successfully migrated to the ISO 20022 standard. With this milestone, an important pre-condition for the Easter Go-Live had been met.

Easter Go-Live

As the Easter weekend in April 2018 approached, PostFinance prepared internal and external stakeholders for the switchover.

In January 2018, PostFinance held a press conference, including statements not only from the bank's CEO, Hansruedi Köng, but also from N. Ganapathy Subramaniam, COO of TCS, as a demonstration of TCS' high-level commitment to the success of the project.

In the weeks leading up to the go-live, PostFinance held workshops for business customers, sent notifications to retail customers, and conducted hands-on testing with two additional dress rehearsals.

"We ran dress rehearsal migrations exactly as we planned the go-live weekend, together with business users, end users, IT personnel and partners in order to gain the required proof that the new solution was working," says Jaccottet.

Meanwhile, PostFinance and TCS worked together to complete the full core banking transformation. For PostFinance, the core banking transformation was a project with broad complexity beyond what it had seen before. The required changes prior to the go-live involved over 60 systems, over 450 interfaces, over 15,000 requirements, and over 50,000 test cases. On top of that, PostFinance had to conduct training to onboard over 3,000 users onto the new platform, to make sure things were working smoothly after the go-live. On Easter weekend, about 400 people were involved in the go-live effort, working intensely, day and night over several days to ensure a seamless go-live.

"TCS demonstrated full commitment from top management to all its employees in this important exercise," says Jaccottet. "At all times, members of the project were working together, solving issues swiftly, and helping each other to make things possible — an effort which made us feel very proud of the team delivering such a performance."

With PostFinance being one of the major banks in Switzerland and responsible for ensuring the majority of payments on a day-to-day basis for Swiss citizens, SME's and corporations, the transition was a very



PostFinance executives visit India to celebrate the Easter 2018 Go-Live.

high-profile event. "Everybody was quite aware that PostFinance was going to change its core banking over the Easter Weekend," says Jaccottet. "We even made the national evening news on the Thursday before the go-live, which put everybody on their toes."

Given the extent of the preparations, the go-live weekend itself was actually "very calm," says Jaccottet. "People knew exactly what they needed to do, and it worked extremely well."

Looking back on the entire project, Jaccottet regards trust as being the key element to success.

"When we first started this project, some people doubted that it was going to work," says Jaccottet. **"Our approach was to talk to everyone involved—PostFinance people went to Bangalore to make sure TCS understood what was important to us, and we made sure we understood what was important to TCS."**

"Everyone was professional, showing that they were ambitious toward achieving our joint goals, which contributed to building overall trust," he adds. **"As people started to believe in the project, more and more people wanted to be a part of it."**

Success breeds success, and early wins created momentum for larger achievements later in the project. "Although we were running the ISO 20022 software releases and the core banking transformation in parallel streams, our organizations proved themselves capable of managing this complexity," says Jaccottet. "Together, we were able to hold to our Go-Live release dates while sticking to our budget and avoiding any bad press."

"I am very proud of this joint TCS-PostFinance team effort," he adds.

Three Clicks, Three Minutes, No Paper

Looking ahead, PostFinance is now positioned with TCS BaNCS to build the future of the customer experience for financial services in Switzerland. PostFinance's vision is to build customer experiences that pass a simple test: In the digital, information-rich economy, conducting a transaction should happen with no more than three clicks of a button, in no more than three minutes, and with no paper.

"Customer-facing banking services need to be radically simplified," says Jaccottet.

For example, you should be able to open a new account with three clicks, in three minutes, without having to sign and mail paperwork. Or, you should be able to download a new digital payment card onto your mobile device through a similarly streamlined process.

This simple goal – three clicks, three minutes, no paper – requires the sophistication and capabilities of a modern core banking solution like TCS BaNCS. "It's very easy to build cool customer experiences from scratch, but if you put a nice customer experience in front of messy legacy solutions, it won't be a good solution," says Jaccottet. "With TCS BaNCS, we have established the necessary foundation for our next wave of digital transformations."

PostFinance also plans to expand its investment offerings, drawing both upon the Securities Processing solution of TCS BaNCS along with access to highly-scalable human resources through the broader TCS organization. **"We can make use of existing functionality in TCS BaNCS to increase our speed to market," says Jaccottet. "Based on our good experiences working together with TCS in the past, we can count on TCS' commitment as we grow into new business areas."**