

AS/400 Data Warehouse Case Study



HSBC Bank Canada - Vancouver, Canada

HSBC Bank Canada is a wholly-owned subsidiary of **HSBC Holdings plc**, headquartered in the U.K. It is the largest foreign bank in Canada, and the seventh largest bank overall, in the country, with over 130 offices nationwide, and two in the western U.S.A., assets of over C\$25 billion, and over a million accounts. The HSBC Group is one of the world's largest financial services organizations, with over 5,500 offices in 82 countries, and assets of US\$480 billion.

HSBC Bank Canada (www.hkbc.com) has been providing financial solutions to Canadians since 1981. They provide a variety of financial services from daily banking to long-term investment offerings and funds management. The **Bank** has built a strong foundation of global financial services by listening to customer needs and developing financial offerings to meet customer demands. As a result the **Bank** has added new services like discount stock trading, full service brokerage, asset management, personal trust management and estate services to their rich financial services portfolio.

At **HSBC Bank Canada**, one of the most important needs in support of their business strategy was to be able to consolidate and analyze information from the wide variety of application and data systems designed for each specific product offering. They needed a greater understanding of customer relationships, products, and distribution channels in order to maintain their competitiveness in the marketplace. They needed to be able to understand and see "total" customer profitability, not just customer profitability within a specific offering or service. They wanted to understand relationships between different offerings and customers and how they might leverage these in the marketplace. Their previous information architecture did not allow this level of enterprise-wide analysis. They also needed a system which would provide for advanced data consolidation, supported advanced data analysis tools, and was simple to implement and maintain for a rapidly growing environment.

After carefully evaluating a number of solutions they **chose the AS/400 Advanced Server Model S30, DB2 for AS/400, Trillium Software, RODIN and Business Objects**. Henry Koa, Vice President of Financial Services Systems says *"We needed a system with advanced capabilities but which was simple to administer and maintain. There was some initial skepticism within the Bank as to whether the AS/400 could handle our sophisticated functionality and scalability requirements, but the AS/400 and DB2 for AS/400 have more than met our needs. **We have been very pleased with the level of performance and scalability and robust application support provided by the hardware and data base management system.**"*

"Our implementation called for advanced data cleansing, sophisticated and complex customer consolidation and "householding" and for this we chose Trillium Software(Harte Hanks). This product originally ran on an NT platform and took over 36 hours to complete processing. Once converted to the AS/400, the same data cleansing and consolidation processes now run over three times faster. We also found that RODIN (Coglin Mill) was one of the most advanced three tiered data warehouse managers in the marketplace. This product allowed us to develop an "active" data warehouse environment that can easily be extended to include new applications quickly and easily and also be extendable to incorporate enterprise wide needs. Using the AS/400 platform is also consistent with our technology infrastructure and we didn't have to hire additional technical experts."

So far, **HSBC Bank Canada** has implemented a series of applications for customer relationship management and cross selling applications. They now understand "the total present and future value" of each customer to the bank, what services they are taking advantage of and what services can be targeted marketing opportunities. They can now extract valuable information in a real-time environment for improved marketplace awareness and internal decision making.

The new system provides accurate, more timely and actionable information to the decision makers at Hongkong Bank. Reports and analysis that used to take weeks to prepare now can be done in a manner of minutes. Furthermore it can be done across a household, not just at an individual customer level, with both a high level summary and detailed backup information. This simply was not possible prior to the data warehouse system implementation. Product managers also needed to be able to have access to improved and reliable information to allow them to manage their product lines more effectively and understand their customers better. Bank management needed to be able to anticipate and react to situations with better and more timely information and improved analysis of marketplace conditions.

They also have provided their branch marketing personnel with access to appropriate portions of the data warehouse so they can support their customers in the best possible fashion. At **HSBC Bank Canada** one of their key corporate objectives and a key strategic differentiator for the Bank is to **deliver the best customer service possible**. Their data warehousing project has allowed them to do just that.

Their customer relationship managers are now able to access complete relationship-wide customer financial information and provide effective investment advice. Their sales campaigns are now focused on customer segments that are most apt to respond and derived "propensity to buy" recommendations are presented to the front line for potential cross selling at every customer touch point.

The results of the **Bank's** data warehousing program have been so encouraging, that the **HSBC Group** has adopted the platform worldwide as a Group standard for data warehouse and decision support systems, and the **Group's** subsidiaries in some ten countries are already actively working on similar projects.