CASE STUDY

Switch Replacement

PHOENIX

Standard Chartered Bank Pakistan Limited (SCBPL)

Standard Chartered Bank Pakistan Limited (SCBPL) is the largest foreign bank in Pakistan, with over 200 branches all across the country. It is one of the most aggressive and dynamic banks, with strong focus on consumer banking. The bank understands the need and importance of information technology in today's banking.

SCBPL has been offering non-stop services to its accountholders and credit cardholders on multiple electronic delivery channels that include ATMs, POS, IVR, Call Center, Internet and Mobile.

Overview

Standard Chartered Bank Pakistan Limited (SCBPL) had acquired Union Bank in 2006 and went through the process of integrating the software systems of the two banks. After acquiring Union Bank in Pakistan, SCBPL had decided to move to a switch that can help it in the rapidly changing market dynamics of the country and to keep it market competitive in the cut throat competition among the banks.

It is worthwhile to mention that before the merger with Union Bank, SCB was using an older version of CR2's Sparrow whereas Union was using Phoenix to drive their e-Banking services. The bank had 3 options: To outsource the ATM switching functions to EuroNet where most of the countries in the group had been going. 2) If switch is to be in-house, upgrade Sparrow to its latest version. 3) To have Phoenix.

After evaluation and due diligence, SCBPL decided to use Phoenix as the ATM switching system and Transaction Platform for the combined bank. In the process, SCB successfully converted to eBBs as a single core banking system. Similarly, to ensure uniform services across the alternate delivery channels of the bank, SCBPL had opted for Phoenix amongst the two deployed switches (Sparrow and Phoenix). Phoenix was selected over the options, each of which are world class solutions, because of the flexibility Phoenix offers, the cost-effectiveness inherent to the local company, time to market the solutions and the functionalities of Phoenix. Besides serving as an ATM switch and an integrated delivery channel manager, the bank is benefiting from TPS' comprehensive monitoring solution, CMS and Reconciliation system.

TPS offered a clear and simple migration strategy from the existing environment, as required by the bank. Moreover, TPS stayed committed to its proposed new architecture in terms of it meeting the current and future needs of SCBPL. The alternate distribution architecture based on Phoenix offers a flexible growth path whereby new services and solutions can be seamlessly integrated within the framework of Phoenix Switching Middleware. Phoenix has a clear industry track record of offering maximum service uptime and reliability.

Challenge

- After acquiring Union Bank in Pakistan, SCBPL had decided to move to a switch that can help it in the rapidly changing market dynamics of the country and to keep it market competitive in the cut throat competition among the banks.
- For switch replacement, migration of data to the new system was required; which involves both the card data and customer profiles.
- During the switch conversion, SCBPL wanted to retain both cards as well as the PINs, so that the process remained transparent and seamless to the bank's customers.
- Maintain continuity of e-Banking services at the bank so that the customers do not face disruption during the conversion process.

Solution

- After evaluation and due diligence, SCBPL decided to use Phoenix as the ATM switching system and Transaction Platform for the combined bank.
- TPS offered a clear and simple migration strategy from the existing environment, as required by the bank.

TPS had been working closely with SCBPL Systems Integration Team for over 18 months prior to the migration and had quite a good understanding of the requirements and the environments of SCBPL and ex-Union Bank.

The Challenge

Switch replacement is a multi pronged activity divided into several stages. The major concern and a pain point during the replacement is the migration of data to the new system; which involves both the card data and customer profiles. SCBPL decided to migrate the host of ex-Union to eBBs that was already running in SCBPL prior to the merger as well.

In the first phase of this complex integration, core banking had been successfully converted and eBBS become a single core banking system for ex-Union accountholders. One the greatest challenges in the switch conversion was the requirement to retain both cards as well as the PINs that are associated to the cards, so the process of switch conversion remained transparent and seamless to the bank's customers. During the migration, TPS had a challenge to maintain continuity of e-Banking services at the bank and existing alternate delivery channels.

The Solution

Realizing the power and potential of Phoenix and the value of money it offers, Standard Chartered Bank (Pakistan) took the initiative to pursue expansion of its e-Banking services and has decided to migrate from its existing switch, Sparrow to Phoenix.

TPS stood up to the challenge and took up the critical project of switch replacement.

Replacement Strategy

TPS after evaluation of the challenge in hand presented to SCBPL two switch replacement strategies.

Re-Carding

This suggested Re-Carding of the entire existing customer through ACCeSS, TPS' card production system. This would mean that new cards will be produced and sent to all of existing customer along with the printed PINs.

- Besides serving as an ATM switch and an integrated delivery channel manager, the bank is benefiting from TPS' comprehensive monitoring solution, CMS and Reconciliation system.

Result

- Seamless switch migration was performed.
- A successful switch replacement migration resulted in an even stronger relationship between SCBPL and TPS, and both have mutually benefited from this partnership and have grown together.
- Phoenix ensured that the bank's customers do not face disruption in the services during the cutover from Sparrow to Phoenix.
- The smooth migration brought the alternate delivery channels of ex-Union and SCBPL together; creating one single real-time financial transaction processing system, and giving to the customers a single and unified view of the entire SCB's alternate delivery channels.
- SCBPL customers enjoy a wide and innovative array of e-Banking services, using traditional or emerging channels.

Data Migration

The second strategy was to migrate data from the existing switch and import it into Phoenix and ACCeSS so that no card would be required to be reissued to old customers.

The bank opted to this strategy of Data Migration in order to avoid any inconvenience that could be caused to the customer in card reissuing.

Implementation

TPS took the task step by step. In the first phase, Phoenix of ex-Union was successfully connected to eBBS, routing account specific inquiries and authorizations to eBBS that Phoenix receives from various channels deployed at ex-Union Bank. After eBBS become a single core banking system for ex-Union accountholder, Cards and PINs issued through Sparrow was migrated from Sparrow to Phoenix, so Phoenix becomes a single switch and its CMS (ACCeSS) got all the bank's debit cards. One the greatest challenges in the switch conversion was the requirement to retain both cards as well as the PINs that are associated to the cards, so the process of switch conversion would be transparent and seamless to the bank's customers. The last and the most tedious step before cutover was that Sparrow's Card and PIN files needed be processed by and imported into Phoenix Card & PIN database securely and without losing data integrity.

Migration of ATMs

All ATMs connected on the Sparrow were migrated to Phoenix. As Phoenix was already capable of handling NCR ATMs, no change was required. Only new ATMs need to be added in Phoenix.

Results

A successful switch replacement migration resulted in an even stronger relationship between SCBPL and TPS, and both have mutually benefited from this partnership and have grown together.

Phoenix ensured that the bank's customers do not face disruption in the services during the cutover from Sparrow to Phoenix. The smooth migration brought the alternate delivery channels of ex-Union and SCBPL together; creating one single real-time financial transaction processing system, and giving to the customers a single and unified view of the entire SCB's alternate delivery channels.

Phoenix, implemented as a unified ATM controller and a debit card switch, is acting as Debit CMS, Visa debit cards issuer, acquirer of Visa and MasterCard cards and ATM controller and the integrated channel manager. It's scalable, modular design enabled the bank to integrate the ATM channel onto a single platform — and add various new services and delivery channels as and when required — while managing the ever-increasing transaction volumes.

Today, SCBPL's customers enjoy Pakistan's widest, most innovative array of e-Banking services, using traditional or emerging channels.

Opting for Phoenix and undergoing an infrastructure revamping exercise, Standard Chartered Bank also gains the following benefits:

- Capitalizing on existing systems and interfaces, guaranteeing early to market and reliable systems, while reducing cost
- Early to market. TPS has introduced various innovative services in local financial sector and continues to expand its portfolio of e-Banking related products and services. SCBPL can be amongst the early technology adopters and can quickly close the technology and service gap that exists between it and other financial institutions
- Local support. SCBPL benefits from strong local support of TPS which will not only prove to be more cost effective in long term but also enhances the operational stability
- Local development. TPS has pioneered many indigenous products and service. The business domain knowledge and strong development team of TPS will always be behind SCBPL to develop and introduce new and innovative services on SCBPL alternate channels
- Support for Bill Payments. TPS has support for multiple utilities already, that can allow the bank to offer bill payment services on its ATMs and CDMs in a relatively shorter time and with high reliability
- Relevant Experience in Switch Migration. TPS has assisted many institutions to migrate to Phoenix with minimal disruption in service and minimal cost of change

Services currently offered on SCB ATMs:

SCB/ex-Union Visa Debit Cardholders

Services on Own ATMs
- ATM PIN Change
- Balance Inquiry
- Mini Statement
- Cash Withdrawal
- Funds Transfer (own account)
- Funds Transfer (third party account)
- Funds Transfer (inter-bank)
- Statement Request
- Chequebook Request
- Credit Card Payment (details to be discussed)
- VISA SMS Acquiring
- MasterCard Acquiring
- Mobile Top up
- Utility Bill Payment

Services on POS
- Purchase/Sale
- Void of Sale

Services on IVR
- Balance Inquiry
- Mini Statement
- Debit Card PIN Generation
- Credit Card PIN Generation
- Funds Transfer (own account)
- Funds Transfer (third party account)
- Funds Transfer (inter-bank)

1Link Debit Cardholders

Services on ATMs
- Balance Inquiry
- Cash Withdrawal

Non-SCB Visa Cardholders

Services on ATMs
- Balance Inquiry
- Cash Withdrawal

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