

## Knowledge Bank Case Study

# Banca Transilvania



### Hyper-growth – How Misys helped Banca Transilvania transform from a local bank to a national financial institution in just one year.

Recognising the business opportunity presented by rapid, local market growth, Banca Transilvania spotted the potential for a Romanian bank that combined cutting edge banking services with a traditional and friendly attitude. The executive team set about organising the bank for a step-change in performance. In the restructuring exercise that followed, the bank separated out the retail banking business from the rest, created a strong technology framework and a new partnership with Misys.

Beyond profitable growth, the project had a clear set of targets which would:

- Streamline the way in which the bank serves its customers by opening more branches and agencies, introducing more ATM capability and point of sale technology
- Realign the operational flows to:
  - Improve customer service
  - Quickly adapt to new Romanian and international regulation
  - Reduce costs

## The challenge

At the start of the project, every branch in the Banca Transilvania network was operating virtually as a bank in its own right. Although the bank tried to offer consistent products, service levels and pricing across the network, in practice, technology limitations made this very difficult. Changes to rates and new product introduction were hugely challenging to handle. Fresh legislative reporting demands, common in a rapidly emerging economy, were also very difficult to meet with such a distributed approach. A single view of the customer was almost impossible to achieve, laying the bank open to, not just lost revenue opportunities, but also a greater exposure to the risk of fraud.

## The answer

There was only one option – a centralised system. By physically separating the processing of the bank's transactions from the customer-facing operations:

- Every transaction was made visible to every appropriate department
- Interest rates are now set in one location and rolled out instantaneously across all the branches
- Settlements between customers are instantaneous - not slow, error-prone and labour-intensive
- Branches can be structured as pure customer service centres, simplifying the demands on staff, but also on equipment, technology and physical infrastructure.

For a bank like Banca Transilvania with aggressive growth plans, that means the ability to set up, staff, and technically enable new branches faster than ever before. In fact the IT infrastructure for a new branch can now be in place in less than twenty-four hours.

## The project

The bank formed a project team – nine members of the bank's IT team under the creative leadership of Marius Ursuti, who comments: "When we set up the implementation team, initially, just nine people, we also added an external consultant, Ronald Hoekman. That way, throughout the exercise, we could rely on an independent view."

Why Misys? "Initially", says Marius Ursuti, "we chose Misys and specifically Bankmaster Plus because of the scope of its functionality – it did everything we needed, but it was also clear that it could accommodate our ambitions for the bank. But in the end, we also came to value the sheer strength of the organisation itself. Misys is the biggest international banking software vendor and our being one of 450 retail banking customers means that the product will continue to grow and incorporate the best ideas not just from the bank or even the country, but across the globe."

## A remarkable success

How successful has the project been? The numbers speak for themselves, a near doubling in clients, assets and branches in a single, remarkable twelve month period.

At the turn of the millennium, Banca Transilvania was simply a strong local player, today it is a recognised national bank with branches the length and breadth of Romania.

The final word on the bank's remarkable success goes to Nicolae Ploata, Chief Operating Officer for Banca Transilvania: "It has been an extraordinary year for the bank – we have doubled in size on almost every measurement. Of course that success comes from more than just technology – we have a strong strategy, a great market opportunity and talented, committed people. At the same time, we are certain that we could not have achieved this success without the right technology upon which to build. Misys has proved more than a supplier, but a partner that has shared our commitment to making the project a success and now shares the pride we feel in our success."