

BEKB delivers innovative digital services with flexible banking platform

Customer name: Berner Kantonalbank (BEKB)

Location: Bern, Switzerland

Industry: Banking & Capital Markets



Challenge

- Adapt to the needs of digitally savvy customers
- Deliver innovative digital banking products to better compete in the marketplace
- Reduce IT expenses and improve cost and income ratios

Solution

- DXC's IBIS4-Digital core banking solution for digital banking services
- Open banking solution via a modern ecosystem that leverages fintech startups and open-source components
- IT knowledge and regulatory expertise from DXC's Banking Service Center

Results

- Introduced modern digital solutions to current and future customers
- Improved business agility, reducing the time needed to create e-contracts by 50%
- Cut operating costs through automation, reducing manual responses to customer service incidents by 25%

As a leading cantonal bank with 60 branches in the cantons of Bern and Solothurn, Berner Kantonalbank (BEKB) wanted to expand its services to meet the growing needs of its digitally savvy customers. The bank adopted DXC Technology's innovative IBIS4-Digital core banking solution, which is delivering greater flexibility and allowing BEKB to expand digital offerings to its customers.

To retain existing customers and win new ones, BEKB wanted to modernize its banking ecosystem and sales through open banking, which enables enhanced financial transparency and improved customer service by encouraging the use of open APIs and other open-source methods. BEKB wanted a flexible solution that would allow it to provide new digital offerings and quickly adapt to changing customer needs. As a founding member of the Open Banking Project Switzerland (openbankingproject.ch), DXC is a leader in using an open, community-based approach to banking.

BEKB turned to DXC to transform its existing IBIS3G system into the modernized IBIS4-Digital core banking solution, which was developed to help banks and other financial institutions quickly respond to emerging trends. The IBIS banking system has been used by Swiss banks for over 30 years, and DXC has been responsible for the IBIS3G banking version since 2010.

"The modern and flexible architecture of the core banking solution IBIS4-Digital aims to give us the freedom and agility that our customers value in the new world of digital banking," says Mark Haller, member of the management board, head of Production and Operations at Kantonalbank of Bern. "This will enable BEKB to react quickly and flexibly to new customer needs."

Cutting-edge digital solution

Rather than migrating with a big bang, the transition to IBIS4-Digital has been a gradual process. The software architecture has been modernized, and banking modules were expanded step-by-step to introduce new functionality in a targeted manner. This pragmatic approach has allowed BEKB to maintain the security and stability of its core banking system.

DXC's IBIS4-Digital system operates in a state-of-the-art data center on a web-scaled, hyperconverged infrastructure solution, which provides a better approach to designing, building and managing banking data centers. Compared to the multitier-based infrastructures used in data centers, web-scaled infrastructures are simpler and provide greater business agility.

To facilitate the transition, BEKB relied on the expertise of banking and financial services professionals from the DXC Banking Service Center in Bern. The center is operated by hundreds of digital banking and IT specialists who work closely with Swiss banks to develop cutting-edge solutions. DXC provides expertise in multiple areas, such as technology infrastructure, customer experience and local banking regulations.

“Our customers will continue to benefit from modern and sustainable services in the future and view BEKB as a modern and customer-oriented bank.”

– Christoph Meinen, Innovation Specialist, BEKB

Increased simplicity, reduced costs

With the hyperconverged infrastructure, over 2,000 server instances and components were bundled and consolidated. Decreasing the number of components has simplified maintenance and the commissioning of new systems. In addition, DXC is applying automation to reduce infrastructure maintenance and operating costs, thus greatly reducing overall costs.

A key to the transition strategy was to develop a core banking system with open APIs. DXC's use of open source solutions and an ecosystem approach resulted in fast onboarding of solutions provided by leading fintechs and DXC partners. The approach has made it easier for BEKB to provide customers with new options for digital processing of transactions.

“This IBIS4-Digital approach is a low-risk and pragmatic way for banks to modernize their core banking applications to meet the requirements of digital transformation. This guarantees the security and stability of the core banking system at the same time,” says Marc L. Brogle, CTO of Banking in Switzerland at DXC.

Improved customer experience

The modern and flexible architecture of the IBIS4-Digital system gives BEKB the freedom and agility to provide new digital offerings to its customers.

“In the future, customer experience will be one of the decisive factors in winning new customers and retaining existing ones,” emphasizes Christoph Meinen, Innovation specialist at BEKB. “On the basis of IBIS4-Digital, our customers will continue to benefit from modern and sustainable services in the future and view BEKB as a modern and customer-oriented bank.”

One key innovation at BEKB is that customers can now access self-service kiosks in branches, described as “ATMs on steroids,” to conduct a variety of transactions. In 2019, BEKB launched an online customer portal that includes e-banking, a digital financial assistant and other functions being embraced by customers.

In addition to providing the technology infrastructure and digital transformation know-how, DXC is helping BEKB in areas such as regulatory compliance and risk management. BEKB is benefiting from DXC's partnerships with leading service providers and consultants to address compliance issues at the organizational and platform levels.

As a result of the transition, BEKB has seen a significant reduction in core banking system costs as well as additional savings through process improvements. DXC has also helped BEKB reduce the time it takes to create an e-contract by 50 percent. In addition, BEKB has achieved a 25 percent reduction in customer service incidents requiring a response.

By embracing open banking and improving its digital offerings, BEKB has stepped up to the next level. “As an innovation partner for digital transformation, DXC provides BEKB with comprehensive consulting that goes far beyond the core banking system IBIS4-Digital – from the IT infrastructure level to new digital services and business models,” says Dr. Brogle. “We are thus taking BEKB into a new era of digital banking.”

Learn more about DXC Technology’s banking solutions at www.dxc.technology/banking.

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