Alnova Financial Solutions delivers high performance by industrializing banking operations

Banks today are under greater pressure than ever to achieve high performance. Since the financial crisis, the demands of the market have changed dramatically, altering the formula for success in an increasingly competitive and complex environment. With more economic uncertainty ahead, banks are keeping a keen eye on technologies that can help with increasing profitability and efficiency, and minimizing risks.

Today’s business imperatives include:

- **Flexibility and agility**: With increasingly demanding customers and rapidly changing technical environments, flexibility and agility are essential to achieving and sustaining high performance in the banking industry. Banks aiming for success must create more flexible and efficient businesses, IT and operating models, all with an eye toward achieving differentiation based on customer centricity.

- **Speed to market**: Banks must leverage a more industrialized and standardized development environment to bring new, innovative products and offers to market faster, in a more personalized way. Rapid development and tailoring of software and systems to new business requirements are essential.

- **Innovation**: As some services are commoditized, banks must continuously drive new means of generating growth.

- **Efficient operations**: From an operations perspective, banks must improve efficiency and reduce back-office costs through automation and the simplification of processes. It is critical to reduce total cost of ownership for systems and solutions while balancing discretionary and non-discretionary spending.

Accenture believes banks that successfully address these imperatives will be positioned to be tomorrow’s high-performance businesses. And although these winning banks may pursue widely differing strategic objectives, there is a common factor to their success – a robust core banking system capable of supporting the capabilities critical to high performance. For banks looking for high performance core banking systems on which to build their business, Accenture has the answer – Alnova Financial Solutions.

Accenture experience shows that Alnova Financial Solutions can help banks achieve leading cost-efficiency ratios: today major clients are averaging percentages in the low- to mid- 40s.
Alnova Financial Solutions helps banks transform core banking operations and safely navigate their journey to high performance. Designed based on Accenture's high performance banking processes model, Alnova Financial Solutions serve as technological building blocks to some of the most successful and efficient banking institutions in the world – providing the comprehensive system capabilities needed to navigate today's challenges to not only compete, but win.

Alnova Financial Solutions is a modular core banking application that offers banks broad functionality, anchored on Accenture's extensive knowledge of high performance banking processes. Backed by the Accenture's dedicated software business, Accenture Software, Alnova Financial Solutions supports real-time processing, integrated channel delivery and customer relationship management.

Developed for banks that want the convenience of an off-the-shelf solution with the flexibility of a fully custom system, Alnova Financial Solutions is one of the most complete technology platform solutions available.

Alnova Financial Solutions is field tested and proven. Installed at more than a hundred banks in more than 20 countries, Alnova Financial Solutions provides the functionality and reliability to help increase competitive advantage and the scalability to grow. Whether your journey includes a full system replacement or a phased modular approach, Alnova Financial Solutions helps provide the capabilities needed to chart your course to greater operational efficiency and agility, competitive total cost of ownership (TCO), and growth.

Delivering Business Benefits
Alnova Financial Solutions is helping drive measurable business benefits, including:

- Improved loyalty, faster time to market, reduced risk. Using proven capabilities, banks around the world are increasing customer acquisition and loyalty, reducing the time to market for new products or enhancements, improving their businesses and applying their brand management and multi-channel integration strategies to achieve high performance—all with reduced risk.
- Broad functionality based on leading practices. Alnova Financial Solutions is highly scalable and covers almost all aspects of universal focus in retail banking; it handles traditional business products all in an integrated, browser-based environment that crosses multiple delivery channels.
- Improved performance and new revenue streams. Our clients have been able to lower their cost/income ratios by approximately 10 to 15 percentage points over five years in addition to driving additional revenues through increased cross-selling and customer satisfaction.

A Flexible Framework to Support Different Change Journeys
Accenture understands that the needs of banks vary and Alnova Financial Solutions’ modular framework provides the flexibility needed to support multiple approaches:

1. Selective capability building—supporting banks’ efforts to revitalize selective capabilities aimed at achieving differentiation and growth or cost reduction. Examples of building selective capability to improve differentiation and growth may include providing digital deposits services or building or improving product bundling and fee factory capabilities.

2. Revitalization—eliminating legacy process and system constraints through gradual renewal of technology and IT application landscape, partially reusing existing process and systems and, typically, upgrading to a new generation of technology.

3. Replacement—delivering a new, end-to-end capability solution through core systems replacement, often pursued within a broad scope under an aggressive timeframe when seeking maximum transformational impact. Within each alternative journey, standard software or platforms and tools are available to help accelerate the journey.

Alnova Financial Solutions has helped some of Europe’s top banks to:

- Cut cost-to-income ratios by approximately 10–15% over five years
- Achieve up to 19% increase in customer profitability in the first year
- Increase product-per-customer ratio (an average of four or more products per client, almost double that of U.S. banks)
- Increase cross-selling ratios up to 9% in the first year
- Increase the customer base around 4% in the first year

Alnova Financial Solutions: Proven Software, Proven Results.
Spanish savings bank. One major Spanish savings bank used the Alnova Financial Solutions as the engine for the replacement of its core banking system and for the migration to a new operating model involving process and product transformation. Also included was a back-office reengineering project that took business back-office operations staff down to 4 percent of total headcount. As a result, over six years the bank’s cost/income ratio was reduced from 72.2 percent to 42.6 percent.

International bank. Another leading international bank has implemented the Alnova Financial Solutions as a single, multi-country platform to support its international expansion. A single operating model for Latin American countries and new product development capabilities helped reduce time to market by approximately 75 percent to 80 percent. Its six-year cost/income ratio fell from 60.7 percent to 37.9 percent.

Bawag P.S.K. When Bawag acquired P.S.K. they recognized that a standardized information technology (IT) backbone was required. To help make this happen, Accenture assembled a team of specialists from more than 10 countries to implement the modular Alnova banking solution over several releases. With Alnova Financial Solutions, the company enjoys streamlined work processes, Basel II compliance support and better adaptability to new market conditions. Further, it has helped reduce IT maintenance costs and has enabled BAWAG P.S.K.’s postal banking channel to shift from a strictly centralized business model to a leveraged decentralized business model.

Key Features
Alnova Financial Solutions is recognized for its industry-leading breadth of functionality including:

- Flexible, highly configurable, open multichannel technical architecture aligned to advanced IT standards, including UNIX, Java and technical platform protocols
- Rich comprehensive front-end functionality industrializing the sales process while providing customers a seamless experience across all channels.
- SOA-based banking functionality for integration into portals and third-party front-ends.
- A dedicated banking customer relationship management solution that allows the bank to identify and focus on the needs of discrete client segments.

"By bringing [Alnova’s] powerful and flexible technology to [BBVA Compass], we can increase our focus on the rapidly changing needs of our customers, provide them with more personalized and innovative services, and increase the efficiency with which we deliver our products and services to market.”

Manolo Sanchez, CEO, BBVA Compass

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products such as Accenture Product and Fee Factory and Accenture Multichannel Platform extends software capabilities beyond our core banking engine, while easily integrating with Alnova Financial Solutions.

Backed by Accenture Software: Alnova Financial Solutions and related banking products are part of the Accenture Software portfolio of high-impact industry software solutions, leveraging the innovation and experience of more than 2,000 dedicated software professionals globally.

A unique combination of software and services: Alnova Financial Solutions offers a reliable and functionally robust core banking system together with Accenture’s industry, process and technology knowledge.

Accenture Software for Banking

Accenture Software for Banking includes flexible, pre-packaged solutions built on a modern architecture that can help banks differentiate and drive profitability in a highly competitive market, and achieve their customer-centric, cross-channel vision. Accenture Software for Banking leverages the proven Alnova Financial Solutions core banking solution while expanding its portfolio with stand-alone, pre-configured Java-based modules, such as Accenture Product and Fee Factory, and Accenture Multichannel Platform.

To learn more, please visit www.accenture.com/bankingsoftware.

In 2010, banking industry research firm Celent ranked Alnova Financial Solutions “among the best for its advanced functionality.”

1 March 2010 Celent report: Branch Automation Solutions for Large Banks - A Global Comparison Among Core Banking System Providers.

Enhanced Revenue Generation Services: Alnova Financial Solutions provides banks enhanced capabilities to help seize revenue-generating opportunities through such areas as personalized offerings and customized pricing, product bundling, cross selling and multichannel capabilities including mobility and Internet.

Lower total cost of ownership: Components of the overall platform can be purchased separately for quicker, lower-cost implementation. Solutions can be configured and implemented rapidly, and maintenance and upgrades are assured as part of the overall contract.

Why Alnova Financial Solutions

Credibility and predictable outcomes: Alnova Financial Solutions is a market-tested solution that helps banks to achieve predictable outcomes and supports business strategies at minimum risk. Employed successfully by more than 100 banks, Alnova Financial Solutions’ proven functional and technical accelerators help enable delivery success.

Flexibility and control: Alnova Financial Solutions delivers business services and business processes that can be integrated flexibly with legacy solutions.

Future evolution: Accenture continues to invest in its portfolio of banking software, making it continuously relevant to banks’ customer agendas and strategic visions. Most recently, the development of new portfolio
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 223,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com.

Accenture Software combines deep technology acumen with industry knowledge to develop differentiated software products. It offers innovative software-based solutions to enable organizations to meet their business goals and achieve high performance. Its home page is www.accenture.com/software.

For more information on Accenture Software for Banking, please visit www.accenture.com/bankingsoftware.