

HP Open Bank Data Model

A solution brief from HP



A blueprint for a comprehensive enterprise-wide data foundation helps banks reduce their risk while increasing revenue and enhancing responsiveness and customer loyalty.

Today retail banking customers interact with their financial institutions via multiple channels—ATM, branch, call center, and the Internet—while intense competition from traditional and non-traditional sources fuels their expectations of responsive, accurate, and consistent customer service. Unfortunately, each of these channels—from the customer-facing front-end applications to the back-end systems of record—has generally been implemented in an isolated, monolithic fashion that prevents the bank from achieving a comprehensive view of each customer's interaction across all channels.

The ongoing industry trend toward consolidation through mergers and acquisitions only exacerbates the situation. A single bank may find itself with three or four ATM systems, several different call centers, and multiple core banking systems—each of which maintains information independently of the others.

In addition, increasingly complex regulatory requirements—Sarbanes-Oxley in the U.S. and Basel II globally, for example—mandate the timely reporting of accurate, comprehensive financial and transactional information, often with stiff penalties for non-compliance. The need for a comprehensive view of all pertinent data from across all lines of business poses an enormous technical challenge for financial institutions with disparate and/or fragmented information systems.

In order to succeed, banks need to:

- Increase customer loyalty and retention through accurate, timely, and consistent customer service and transaction execution across all service delivery channels
- Increase revenue by acquiring more customers, cross-selling more products and services, and converting single-product accounts to multiple product relationships
- Improve operational efficiency by eliminating cost, rework, and waste from business processes
- Effectively manage risk while meeting the compliance requirements of new regulations

The HP Open Bank Data Model provides a blueprint that specifies the organization, details, definitions, and relationships for business-critical data across the entire financial institution.

The common denominator for all of these challenges is the need for accurate, comprehensive, consistent information about the bank's customers and their interactions with the institution—across all service delivery channels and interchangeably across all lines of business.

The HP Open Bank Data Model

The HP Open Bank Data Model provides a blueprint that specifies the organization, details, definitions, and relationships for business-critical data across the entire financial institution. The solution consists of a suite of data models:

Enterprise data model

The enterprise data model incorporates the integrated data requirements of a best-of-breed financial services organization based on in-depth analysis of the banking industry's common functions, business areas, data relationships, terminology, and business rules. It is the primary design tool for:

- Strategic planning
- Requirements definition and project scoping
- Systems and data integration planning

Business area data models

This suite contains 18 business area data models that detail the information and relationships for each of the functional areas found in a retail banking environment. The data models provide the extended data content required for data warehouse, data mart, and application development, as well as detailed systems integration and consolidation initiatives. They contain the greatest level of detail in the model set, while maintaining consistent definitions across the entire model suite to ensure an interoperable and extensible data foundation for the entire enterprise.

Data warehouse model

This model defines the integrated data requirements to support the analysis, reporting, and decision-support needs of the entire organization. It is derived from the associated enterprise model with additional detailed data integrated from the business area models to form the core of a corporate data warehouse. The data warehouse establishes a "reporting blueprint" for the entire organization, which is designed top-down in a flexible, modular architecture.

Data mart models

Data mart models are derived from business area models to address specific organizational analysis and reporting requirements related to product profitability, marketing, and customer analysis, among others. Implementing data marts within the larger framework of an overall enterprise information architecture ensures that information in the data marts will be consistent and can be integrated with other data marts within the organization.

Benefits

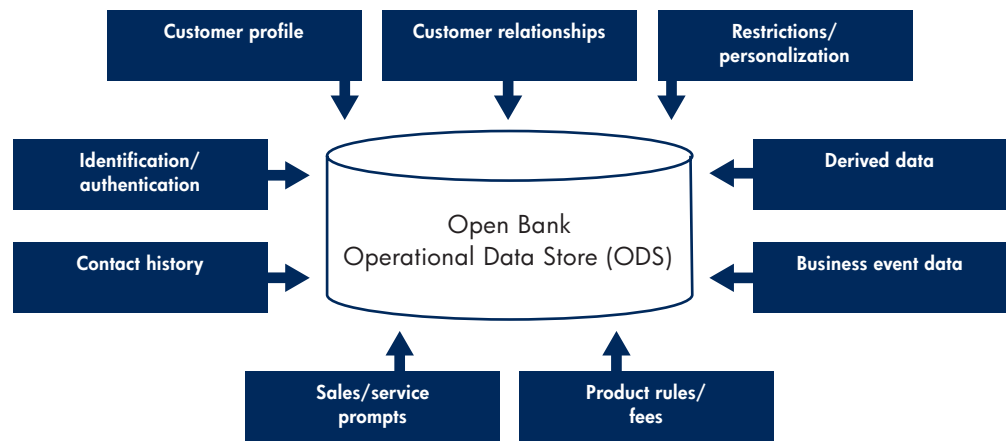
Reduced risk

Faced with such burning issues as compliance with stringent new industry regulations and the need to improve customer service to stay competitive, financial institutions urgently need a flexible, comprehensive data architecture that gives them true business agility. But the time-consuming, costly, and unpredictable path of building such a data architecture is fraught with risks. The Open Bank Data Model provides an immediately available alternative: banks can purchase it virtually "off the shelf" with the assurance that they are gaining a complete blueprint based upon industry best-practices that can be customized and extended to meet their organization's specific business requirements.

Rapid time to results

Most large companies have found that it takes a team of analysts and data modelers 12 to 18 months to analyze and construct a comprehensive enterprise data model—with no guarantee that the result will be a good match to the institution's specific business requirements. Meanwhile, dissatisfied customers may choose to take their business elsewhere. And if reporting deadlines aren't met due to inability to consolidate the relevant data from across the enterprise, significant and very public penalties can result. The Open Bank Data Model provides a highly extensible, pre-built solution that is typically about 85 percent complete and does not require a large, lengthy, and risky consulting engagement before realizing a return on investment.

Figure 1: Enabling a single view of the customer



Enhanced revenue and customer loyalty

Industry experts point out that selling more products to the same customer is much more efficient, effective, and profitable than trying to acquire and retain new customers. More products with a single customer translates to more relationships with that customer—and enhanced loyalty. The Open Bank Data Model solution provides the blueprint for the Operational Data Store—a comprehensive, enterprisewide data repository—which within the Open Bank solution framework, enables banks to leverage a real-time, comprehensive customer view across all channels to capitalize on opportunities to cross-sell and upsell. The dual payoff from this competitive advantage is enhanced revenue and customer loyalty.

Features at a glance

- **Industry best-of-breed design**—The logical data models comprising the HP Open Bank Data Model solution have been developed from client engagements and in-depth analysis of the financial services industry’s common functions, business areas, terminology, data relationships, and business rules.
- **Fully defined entities and attributes**—The solution’s comprehensive meta-data dictionary includes approximately 5,000 pages of detailed descriptions, in clear business terms, of all the entities and attributes in the data models.
- **Immediate availability**—The HP Open Bank Data Model is a pre-built solution that is typically 85 percent complete “off the shelf” and does not require a large, lengthy, and risky consulting engagement before realizing a return.
- **Predictable costs, time to delivery, and ROI**—The Data Model reduces resource costs for data modeling tasks; jumpstarts and shortens project timelines in planning, analysis, and design phases; and increases ROI for projects via faster turnaround for management decision support.
- **Reduced disruption to the organization**—The comprehensive and integrated nature of the data model suite allows companies to focus on delivering value-adding projects secure in the knowledge that they will not be contributing to the “silo” problem.
- **Accelerated functional analysis activities**—By licensing detailed data models, taking advantage of the knowledge contained therein, and customizing only the areas that need to be changed—quickly and efficiently—the project will be able to see far in advance a near-complete approximation of what will be achieved.
- **Operating system-agnostic**—HP implements the HP Open Bank Data Model solution using HP data management technologies on the financial services institution’s operating system and database of choice.

The HP advantage

The HP Open Bank Data Model solution is part of the HP Open Bank framework, which enables an agile retail banking institution by delivering a complete, 360-degree view of the customer's interaction with the bank across all service delivery channels.

HP has a rich heritage in the financial services industry that goes back more than three decades and is reflected in a significant presence in all of the top 200 banks, all of the top 50 brokerages, all 100 of the world's major stock and commodity exchanges, and all of the top 25 insurance carriers.

HP's market presence places it among the industry leaders

- HP powers 130+ exchanges, including 18 of the world's largest exchanges.
- HP supports 95 percent of the world's securities transactions.
- HP is a leader in handling credit card transactions and electronic funds transfers.
- HP has deep industry domain knowledge in each industry segment.

As change sweeps across the financial services industry, HP answers with a standards-based portfolio of Adaptive Enterprise products, applications, and services that empower financial institutions to respond rapidly to changing market conditions.

HP Services provides the technology, consulting, integration, and services capabilities to implement solutions faster and more effectively, while planning for future needs. They are backed by the unsurpassed global experience of 65,000 HP service professionals in 185 countries worldwide. Wherever in the world financial institutions operate, HP technology, consulting, and support continue to be at the forefront of innovation.

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