

CASE STUDY



BankMuscat introduce channel banking services to customers

In 2001, BankMuscat in partnership with CR2 began the implementation of an extensive project to offer channel banking services to their customers. This case study outlines how the bank has expanded the range of touch points through which they can provide services to their customers in conjunction with CR2's range of channel banking solutions.



CASE STUDY BankMuscat

Customer Profile

BankMuscat was founded in 1993 by the voluntary merger of two established banks - Bank of Muscat and Al Bank Al Ahli - which have been operating in the Sultanate since 1976. In 2000, BankMuscat merged with Commercial Bank of Oman creating the largest bank in the Sultanate of Oman. The bank has more than 90 branches spread across Oman, with 127 ATMs and an estimated market share of 35%.

The bank is a fore runner in value-added banking in the Sultanate, providing a range of financial products and advisory services to individuals, corporates, small and medium sized businesses, government agencies and institutions. It has also recently opened overseas offices and branches, and in 2001 was declared as the best bank in Oman by "The Banker", the business publication of the Financial Times in London.



Prior to the merger with Commercial Bank of Oman, both banks were customers of CR2 since 1988 and 1990 respectively and were using CR2's ATM software to link to 127 ATMs. The merger of the two banks involved a year-long project to merge the banks systems, of which CR2 was to play an instrumental role. By seamlessly integrating the two banks ATM systems with different configurations and host systems, CR2 ensured that BankMuscat customers could use their cards in either of the banks' ATMs. In 2001, having analysed other vendor solutions, BankMuscat again approached CR2 on another important project.

Challenge

To implement an integrated channel banking solution incorporating upgraded ATM services.

In 2000, BankMuscat began to put further plans in place to extend their services to customers. A pioneer in the use of technology, the bank had recently launched a 24-hour call centre offering automated banking facilities, with personalised banking currently available 13 hours a day, and had begun to put plans in place to offer Internet and mobile banking services. In addition BankMuscat wanted to upgrade the services they provided to customers over their ATMs.

The challenge for the CR2 and BankMuscat team was to incorporate new banking delivery channels such as online and mobile banking facilities in keeping with BankMuscat's vision for a technologically advanced bank.

"We have a clear vision for the future of BankMuscat. Over the past decade we have built a solid foundation and direct path for the bank's growth and development. Key to our progress has been the use of the latest technologies and developing strong relationships with solution providers such as CR2. In order to reach our customer base and drive cross-selling opportunities, BankMuscat selected BankWorld, as we needed a channel management platform that communicates with our multi-channel delivery systems, and provides our customers with a consistent view of their personal finances."

Mr. Abdulrazak Ali Issa, Chief Executive, BankMuscat

In addition to this, the bank also had a number of other objectives for the channel banking project:

Single View of Customers

To ensure that a multi-channel strategy was put in place, it was essential that the solution selected had the capacity to integrate additional touch-points as and when required by their customers. The solution would have to facilitate a single view of customers across all delivery channels.

Scalability

From a technological perspective, part of BankMuscat's criteria in selecting a solution was scalability for an increasing number of users as more clients sign up for online services. It was essential that the solution implemented would also be robust enough as the bank expands internationally and provides additional services.

Visible Return on Investment

The project would have to be cost-effective for BankMuscat with a visible return on investment.

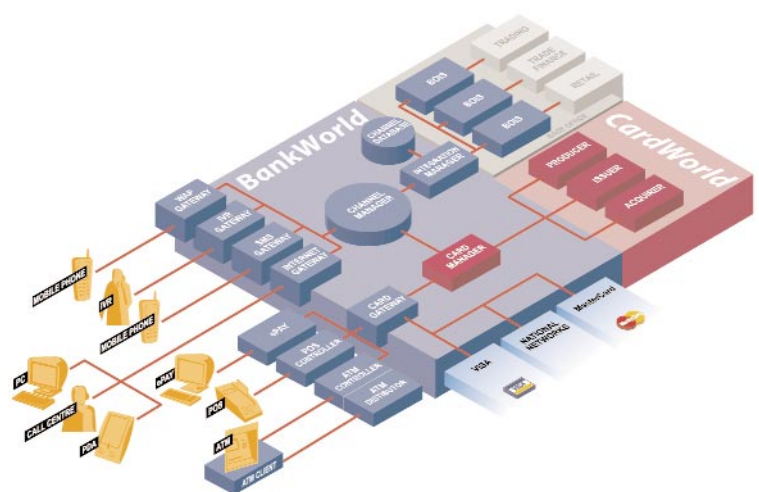
High Security Measures

The solution would have to ensure high security protection of customer data.

Solution - BankWorld

BankMuscat chose CR2's BankWorld solution to provide the bank with an interactive online service for their customers. Retail banking continues to be the most profitable of the bank's business lines and CR2's BankWorld solution provided the bank with the opportunity for consolidation and growth with a high proportion of retail customers interested in accessing retail services online.

In essence, BankWorld is a software solution that actively manages the delivery of financial services across the mix of channels available to banking customers. The solution combines e-banking and m-banking channels with the traditional mix of ATM, branch and call centre, enabling the bank to get a whole view of the customer relationship. In order to provide online and mobile banking services, as well as the means to implement a channel banking strategy and upgraded ATM services, BankMuscat decided to implement the following BankWorld modules:



CR2's complete software module set.

BankWorld Channel Manager

This module allows banks to actively manage their customers' experiences across each delivery channel. It presents a holistic view of the customer, with synchronised information across all channels giving the same complete and real-time view of transaction data and products and services used by the bank's customers. This enables the bank to execute a highly effective Customer Relationship Management (CRM) strategy to actively meet the needs of its customers, delivering appropriate content, products and marketing information to each customer in real-time.

BankWorld Internet



BankMuscat Internet Banking screen in Arabic

BankWorld Internet provides an integrated banking environment for secure and reliable Internet banking, 24x7. The solution supports a comprehensive range of banking products and services and enables banks to create and manage the delivery of personalised, tailored financial products and services over the Internet.

BankWorld Mobile SMS module

The BankWorld Mobile SMS module facilitates text messaging from the bank to its roaming customer base. The extensive notification and messaging services available through the SMS module enables customers to be automatically informed of any transaction activity associated with their accounts. Specific notifications can be defined by the customer to monitor and track account activity. The bank can also use the SMS gateway to 'push' personalised marketing messages to its client base.

BankWorld ATM

The BankWorld ATM channel solution is comprised of the browser based application BankWorld ATM Client that resides on each ATM; BankWorld ATM Controller is the ATM network controller for configuration, control, monitoring, diagnostics and management of ATMs, with BankWorld ATM Distributor, the software distribution tool for remote management of ATM software. BankWorld ATM can be deployed as a standalone ATM solution or as a fully integrated ATM delivery channel in a multi-channel banking environment. As BankWorld ATM Client is a browser-based solution, it is tightly integrated with other Internet channels.



BankMuscat's BankWorld ATM banking screens are available in Arabic and English

BankMuscat chose to upgrade to this module from CR2's previous ATM Sparrow module for a number of reasons. First of all, BankWorld ATM complies with the WOSA/XFS worldwide standard for financial services, allowing BankMuscat to be vendor independent when purchasing ATMs. Other benefits include the fact that BankWorld ATM is browser-based and has strong multi-media capability. The solution is also modularised and parameterised and the centralised distribution of the software allows the management of the ATM network and services to be better controlled. BankWorld ATM also has guaranteed access to ATM services 24x7.

"Following rigorous evaluation of several suppliers our decision to select CR2 was based on three factors. CR2's partnership approach and its seamless integration of our ATM systems, during the merger of BankMuscat and Commercial Bank of Oman, was evidence that we work well as a team. The BankWorld technology facilitates both the immediate and future needs of BankMuscat, while alternative systems reviewed from middleware and back office suppliers fell short on some of our requirements. It is a proven and well-advanced system."

BankWorld is one of the few solutions that provides rich functionality on the delivery channels together with integrated channel management capabilities in the back office, thereby leveraging our existing systems on customer financial activity. Lastly, the well respected knowledge and experience of CR2, not only in channel banking but also in the card payment business was a significant factor in our decision process."



Mr. Abdulrazak Ali Issa, Chief Executive, BankMuscat

Features of BankWorld Modules

International Banking Solution

The individual needs of different banking customers, customer types and geographic regions can be met using the same powerful solution. BankWorld is designed to support both local and international banking practice. BankWorld Internet is fully UNICODE compliant and enables the bank to offer their Internet banking service in any language or any combination of languages at the same time. This is ideal for BankMuscat who has begun to open offices overseas and has recently opened offices in Dubai, UAE and Bangalore, India.

Flexible Branding

Using standard web tools, BankWorld can be customised to match the bank's own brand and to suit as many different customer group profiles as needed. Different styles can be created for BankMuscat's retail, corporate, student, or high net worth individuals or for different regions and countries.

Support for Additional Online Delivery Channels

The bank's strategy is future proofed as BankWorld supports any Internet enabled device, for example PCs, Kiosks, PDAs and iDTV. This is in line with the bank's policy of being a technologically innovative banking institution.

CASE STUDY **BankMuscat**

Implementation

CR2 and BankMuscat segmented the project into multiple phases. Implementing in this manner has allowed the bank to spread their investment and also indicates a pro-active approach to their customers. The service is continuously being enhanced with new features and services added.

Implementing in phases has also meant that the service was up and running quickly which gave the bank quick time to market during which time the development team at CR2 was already preparing enhancements for the next phase.

Mr. Abdulrazak Ali Issa, Chief Executive, BankMuscat continues,

"BankMuscat was confident, given CR2's service methodology and approach on past projects, that the fortified professional team of CR2 would deliver and perform in line with our ambitious and aggressive roll-out plans for our growing bank. CR2 worked closely with our own IT representatives employing project management principles, which clearly defined the critical paths for progress and delivery. The brisk launch of this new BankMuscat infrastructure, in a relatively short timeframe, is testimony to the strong synergy between our teams and organisations. We are looking forward to the benefits that this new technology will support, empowering BankMuscat to be an innovator in the financial services market in the Sultanate of Oman."

Phase 1

BankMuscat's new online service was delivered to User Acceptance Testing within five months. This gave the bank quick time to market. After the first phase of implementation, the bank has gone live with BankWorld Channel Manager, BankWorld Internet and BankWorld Mobile.

The bank is now able to offer their customers the following online services:

- **Funds Transfer**
- **Pay a Bill**
- **Credit Card Payment / Settlement**
- **Cheque Book Request**
- **Lost Card Reporting**
- **Demand Draft**
- **Create a Term Deposit**
- **Rollover of a Term Deposit**
- **SMS Notifications**

In addition, customers can carry out full enquiry services including account details, statement history and messaging.

Phase 2

The second phase of implementation will augment the existing ATM infrastructure to the latest XFS based technology, with central management in a pseudo branch environment. Phase 2 will also see the full implementation of the bank's objectives with the integration of the bank's delivery channels so it can have a single view of all customer transactions and activities. This will involve extensive utilisation of BankWorld Channel Manager to integrate the bank's branch, ATM and call centre systems.

Integration with the Host System

The installation of BankWorld at BankMuscat involved integration with the bank's legacy back-office system, MIE. The second phase will involve integration with Lasersoft's Pro-banker back-office system. This will be the first time that CR2 has integrated to this back-office system, a relatively new system on the market, yet it is anticipated that integration will be a relatively rapid process due to CR2's knowledge and expertise of integrating with host systems.

CR2 has developed standard API's, which are open and flexible with Back Office Integration Services (BOIS) developed by third parties for specific back-office type integration. This approach allows for quick and easy deployment and gives the bank a choice as to whether the integration work is carried out by the bank itself, CR2 or a third-party.

The second phase will also involve integration with the bank's Servion call centre system and with CR2's BankWorld ATM solution, enabling the bank to have a single view of their customers as they carry out transactions over the Internet, by SMS, through the call centre or ATMs.

Further phases of integration currently under review by the CR2 and BankMuscat team involve linking the bank's point-of-sale and trade finance systems.

Achievements

Provision of New Online and Mobile Channel Services to Customers

BankMuscat can now offer their customers an unprecedented level of service and convenience through their new Internet and mobile banking facilities. These services will complement existing branch services and will maintain a personal banking touch with customers. In addition to full enquiry services including account details and statement history, customers will have the ability to carry out active transactions online such as funds transfer and bill payment.

Enhancement of the Bank's ATM Services

By implementing CR2's ATM software in 1988, BankMuscat was able to substantially increase its business, with their ATM network increasingly becoming an invaluable and convenient touch point for customers. In keeping with its spirit of innovativeness, the bank has continuously upgraded its ATM services and chose to upgrade to CR2's BankWorld ATM solution due to the benefits the new solution would bring. Upgrading the bank's ATM services will increase the bank's profile and marketing agility by providing additional services and ultimately revenue opportunity. BankMuscat will soon be able to offer their customers guaranteed access to services 24-hours a day.

Implementation of an Integrated Channel Banking Infrastructure

Employing a channel banking infrastructure provides operational efficiency as BankMuscat can put duplicate staff to better use, improve the quality of information they have on their customers and, very importantly, easily introduce new products across all channels in a cost effective manner.

Once this infrastructure has been put in place BankMuscat will be in a better position to make the most of their CRM strategy. A consolidated view of their customers' affairs allows them to see all transactions over all channels. This presents them with a 360-degree view of the customer allowing BankMuscat to be more responsive to their customers' needs and present more targeted products and services.

The Way Forward

The launch of BankMuscat's channel banking strategy was one of the major initiatives undertaken by the bank in 2002 as part of their business vision of becoming the most technologically advanced bank in the Sultanate of Oman. The roll out of subsequent phases of the project will be undertaken in the forthcoming months and will see the CR2 and BankMuscat team make available further comprehensive services to online customers as well as an improvement of the bank's systems infrastructure.

For further information about CR2 or the BankWorld and CardWorld product ranges :

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