HSBC BANK CANADA

ABSTRACT

HSBC gets a clean view of customers using the Trillium Software System® on AS/400

PROJECT

Data Consolidation

Data Warehousing

CRM

INDUSTRY

Financial Services

CONTACT

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ENVIRONMENT

IBM AS/400

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THE COMPANY

HSBC Bank Canada is the largest foreign-owned bank and the seventh largest bank in Canada. It has more than 160 offices in Canada, 2 offices in the northwestern United States, and assets of over C$129 billion. HSBC Bank Canada is a wholly-owned subsidiary of HSBC Holdings plc, also called HSBC Group, headquartered in the U.K. Servicing more than one million accounts, HSBC Group is one of the world's largest financial services organizations, with over 6,500 offices in 78 countries, and assets of US$680 billion.

HSBC Bank Canada has been providing financial solutions since 1981 through a variety of financial services from daily banking to long-term investment offerings and funds management. The bank has built a strong foundation of global financial services by listening to customer needs and developing financial offerings to meet customer demands. As a result, the bank has added new services such as discount stock trading, full service brokerage, asset management, personal trust management and estate services to its rich financial services portfolio.

THE CHALLENGE

At HSBC Bank Canada, one of the most important requirements of the business strategy was the consolidation and analysis of information from the wide variety of application and data systems designed for specific product offerings. The bank needed:

- a greater understanding of customer relationships, products, and distribution channels in order to maintain its competitiveness in the marketplace

- to be able to understand and see "total" customer profitability, not just customer profitability, within a specific offering or service

- to understand relationships between different offerings and customers and how it might leverage them in the marketplace

HSBC Bank Canada needed new information architecture that supported the desired level of enterprise-wide analysis. The new architecture would also need to support data consolidation and advanced data reengineering and it would have to be simple to implement and maintain in a rapidly growing environment.

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THE SOLUTION

After carefully evaluating a number of solutions HSBC Bank Canada chose the Trillium Software System, which resides on an IBM AS/400 Advanced Server Model S30, running DB2 for AS/400.

Henry Koa, vice president of financial services systems explained, "We needed a system with advanced capabilities, but which was simple to administer and maintain. There was some initial skepticism within the bank as to whether the AS/400 could handle our sophisticated functionality and scalability requirements, but the AS/400 and DB2 for AS/400 have more than met our needs. We have been very pleased with the level of performance and scalability, and robust application support provided by the hardware and data base management system.

"Our implementation called for advanced data cleansing, sophisticated and complex customer consolidation and 'householding.' For this we chose the Trillium Software System. This product originally ran on a Windows NT platform and took more than 36 hours to complete processing. Once converted to the AS/400, the same data cleansing and consolidation processes now runs over three times faster." Koa stated. "Using the AS/400 platform is also consistent with our technology infrastructure, and we didn't have to hire additional technical experts."

THE RESULTS

So far, HSBC Bank Canada has implemented a series of applications for customer relationship management and cross selling. It now understands "the total present and future value" of each customer to the bank, what services customers use and what services might offer targeted marketing opportunities. HSBC Bank Canada can now extract valuable information in a real-time environment for improved marketplace awareness and internal decision making.

The new system provides accurate, more timely and actionable information

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>
> Henry Koa, vice president for financial services systems, HSBC Bank Canada

to the decision makers at HSBC Bank Canada. Reports and analysis that used to take weeks to prepare can be done now in a matter of minutes. Moreover, analysis can be done across a household, not just at an individual customer level, with both a high level summary and detailed backup information. These analyses were impossible prior to the data warehouse system implementation.

Product managers needed to have access to improved and reliable information that would allow them to manage product lines more effectively and understand customers better. Bank management needed to be able to anticipate and react to situations with better and more timely information and improved analysis of marketplace conditions.

HSBC Bank Canada also has provided its branch marketing personnel with access to appropriate portions of the data warehouse so they can optimally support customers. This is in line with a key corporate objective and key strategic differentiator: delivering the best possible customer service. The bank's data warehousing project has allowed it to do just that.

At HSBC Bank Canada customer relationship managers can now access complete relationship-wide customer financial information and provide

effective investment advice. Sales campaigns focus on customer segments most likely to respond, and derived "propensity to buy" recommendations are presented to the front line for potential cross sales at every customer touchpoint.

The results of HSBC Bank Canada's data warehousing program have been so encouraging that the HSBC Group has adopted the platform worldwide as a group standard for data warehouse and decision support systems, and the Group's subsidiaries in some 10 countries are already actively working on similar projects.

With more than 1000 customers worldwide, Trillium Software provides the industry's leading software solution for cleansing and standardizing global customer information in e-business, CRM and Internet applications.

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