IT consolidation for the financial services industry

Journey to a more adaptive enterprise

IT departments at today’s financial services institutions face a greater array of challenges than ever before. The increasing speed of change makes it difficult to meet incessant demands to expand services while keeping costs in line. To meet these new challenges—as well as future demands—more institutions are discovering the value of IT consolidation.
As you restructure your existing environment, you need to adapt concurrently to future business requirements—whether they’re market-related, regulatory, or customer-driven.

Your challenge

To compete successfully in today's complex environment, financial institutions must achieve greater flexibility, efficiency, and agility. They must also deal with legacy applications that may not meet their current needs and meet escalating demands for faster access to reliable, enterprise-wide information.

In addition, various industry trends over the last decade have produced other challenges:

• Driven to cut costs, increase customers, and move into new markets, financial services companies have experienced an explosion of mergers and acquisitions, which often produce fragmented IT infrastructures.

• As governments pass new regulations for financial institutions, saddling the industry with new compliance requirements, additional IT and operational investments are required—investments that don’t save money or add customers.

• Improving operational efficiency is key to maintaining and growing profitability. This means not only automating manual processes and reducing staff, but also optimizing and integrating existing channels of customer interaction—brick and mortar, ATMs, call centers, and the Internet.

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Our solution

To confront these challenges, a company like yours needs an adaptive enterprise—one that can quickly respond to and capitalize on change to give you an edge over the competition. An adaptive enterprise provides your company with the agility and flexibility to speed up the development of new products and value-added services that improve both your competitiveness and your bottom line. It also enables you to manage change more efficiently while maximizing the return on your IT investment. An adaptive enterprise is the ultimate state of fitness for a financial institution, where business and IT are perfectly synchronized.

HP’s IT Consolidation Solutions helps customers achieve an adaptive enterprise. HP has extensive experience in helping financial services companies move toward this goal. The journey starts with a comprehensive evaluation of your existing infrastructure. Then we work with you to develop dynamic infrastructure capabilities—resulting in the simplification and increased agility you need to adapt to the demands of the market and stay ahead of your competitors.
Make your consolidation journey a success

The leadership edge
How can you minimize risk and ensure success in your quest for an adaptive enterprise? Choose the right guide—one who has worked with financial services institutions across the globe to consolidate and optimize their IT environments.

Without question, HP is the experienced leader in refining IT infrastructures to deliver greater business value on a global scale. HP will work with you to lower costs, improve service levels, and simplify infrastructure to improve the agility of your collaborative financial services environment.

We have extensive expertise in optimizing multi-vendor storage, software, and server infrastructures. HP consultants have successfully partnered with hundreds of financial services institutions on consolidation initiatives in open, multi-platform, multi-operating system environments. Our consultants help you utilize the technology that you’ve already deployed when possible and ensure that you get the business benefits defined in your IT Consolidation project plan. Our extensive client experience also enables us to help you build the business case for consolidating your IT infrastructure.

The partnership advantage
Another key to success is HP’s open approach to partnering. Our strong relationships with Microsoft®, SAP, Oracle®, Intel®, Cisco, PeopleSoft, CGE&Y, and many other vendors that you already work with, combined with our deep knowledge of the financial services industry, offers you the best blend of technology and industry specific expertise.

Achieving the Adaptive Enterprise
Through IT Consolidation solutions, you add dynamic infrastructure capabilities over time that result in the increased agility necessary for today’s financial services institutions to outpace the competition.

To move toward an adaptive enterprise, an effective initial step is a tactical audit of your infrastructure. HP technology enables you to gain insight into your entire current environment—networks, servers, storage, and mobile community—simultaneously. Armed with this data, HP works with you to design an IT Consolidation initiative. This approach ensures that adaptive capabilities are built into your consolidated environment, resulting in an infrastructure that becomes more agile over time, with improving performance, service levels, availability, and security.
Case study: Wells Fargo accelerates cash vault management

In 2001, Wells Fargo was having difficulty reconciling its cash vault transactions within the daily 24-hour window. According to Mario Martinez, Vice President, Systems Management, “Cash vault processing was taking longer, and small exception conditions were extending that 24-hour window for reconciling and generating reports.”

Wells Fargo’s proprietary cash vault management application was being run on an Intel®-based platform, supporting an IBM DB2 Universal Database. With a database that was growing 20-25 percent each year, the Intel platform could not accommodate Wells Fargo’s processing demands. Wells Fargo consolidated its cash vault management application and database onto two HP rp5450 servers and an HP StorageWorks E Disk Array of 180 gigabytes. Running HP-UX 11i and IBM DB2 Universal Database 7.2, this IT consolidation solution provides Wells Fargo with the processing speed and scalability demands needed to accommodate its size and growth.

“We purchased these platforms to sustain us through three years of growth. In terms of scalability, the migration path offered by HP fulfills any future needs Wells Fargo may have beyond three years, and IBM DB2 on HP-UX is exceeding expectations,” commented Martinez. “Now, when an exception condition occurs, we can correct the condition and rerun an entire day’s business in just three hours—well within the 24-hour window. The excess capacity has also enabled us to enhance application functionality with features that give us a competitive advantage.”
Steps in the IT consolidation journey

First step: Collocation
Some of today’s most successful enterprises have architected regional, distributed infrastructures tuned to their business models. Others may have a distributed environment that can’t keep pace with the fast-changing business needs of their organizations. They may lack a uniform infrastructure to support failover and the ability to secure and monitor multiple servers in multiple locations, leaving them open to lapses in data integrity and availability. They may have under-utilized capacity in one area, while surges in demand in another significantly increase response times, leaving them with dissatisfied customers and lost sales.

HP will work with you to collocate your infrastructure—that is, to reposition widely distributed systems into fewer, centralized locations—enabling you to address any or all of these critical business issues.

Second step: Hardware/data integration
Autonomous operating units often have a mixture of applications, ranging from legacy mainframe platforms to current solutions. Application suites that support the business fall into these three segments:

• **Core** applications are resident in each department and have been identified as “standard” solutions; often these are transaction-based applications like ERP or Financials.

• Nearly every department uses **common** applications that perform some business function, which can vary widely from department to department.

• **Custom** applications are clearly one-off versions unique to the operations; for example, quality assurance or process control analysis tailored to specific operational needs.

A hardware/data integration initiative involves designing and implementing an IT architecture that uses partitioned servers and storage arrays, as well as consolidated file and print servers, allowing departments to share technology resources. As part of this initiative, you can simplify management and reduce costs by:

• raising the core to a consistent revision level,

• identifying common applications across locations and migrate them to a core level, and

• considering custom applications as candidates for application layering on a single server.
Third step: Application integration

Your organization relies on multiple applications as well as multiple data sources, significantly increasing IT complexity. At the same time, your IT department, already working with reduced staff and tightened budgets, is faced with increasing demands for higher service levels and better security.

Integrating common applications eliminates redundant servers and makes enterprise data available and consistent across all entry points, while increasing security, improving service levels, and reducing costs.

Integrating applications provides an enterprise view of your customer information, so you can identify and focus on your most profitable customers.

Application integration provides an enterprise view of your customer information, so you can identify and focus on your most profitable customers. Integrated customer information gives your company a clearer understanding of current customer service levels and where to focus enhancements for increased customer retention. You can clearly see where you’re making money and where you’re not, so you know where to make changes to increase profitability.

Fourth step: IT utility

In the final step, you use resource components of specifically configured servers and storage that can self-configure to address changing business needs, achieving the ultimate destination on the consolidation journey.

IT utility is an advanced stage of computing in which resources are available as needed, on demand. In this new world, high service levels are guaranteed, resources are instantly reallocated as business needs require, and organizations pay only for what they use. With utility computing, IT can help you move away from computer-centric environments to a place where information technology capabilities are provisioned, delivered, managed, and metered as services. Adopting utility computing allows you to trade resources globally—optimizing existing resources to meet future demands. Utility computing helps maximize working assets by keeping technology investments off the balance sheet, matches timing of expenses to project benefits, and results in usage-based payments. IT utility provides the ultimate agility your business needs for its adaptive enterprise journey.

Build a roadmap for consolidation

Every consolidation journey is unique, and HP has helped businesses worldwide determine the optimal ways to begin their journeys. You may want to start by centralizing your potentially isolated automation points into a standardized system. We can also work with you to streamline applications and databases to eliminate redundancies, or help you to achieve seamless, secure connectivity between your customers, suppliers and employees that speeds time-to-market and operational efficiency.

Outsourcing is another approach you may want to examine as a strategic alternative for some—or all—of your operations. HP offers a complete portfolio of outsourcing services, from core data center, server, and network infrastructure services to comprehensive user systems management and help-desk capabilities. Any service in the HP portfolio can be deployed separately, or a combination of services can be implemented across your entire IT environment.

No matter which route you choose, HP will help you create a roadmap for IT consolidation that keeps you ahead of the competition. That roadmap—HP’s detailed approach to consolidation—is outlined in detail in the Best Practices and Products Guide. The roadmap sequences your consolidation projects to accelerate their contribution to your overall business objectives. This proven approach and our experienced consultants help reduce the time it takes to complete a consolidation project—and to reap the benefits. Then you’ll be ready to engage in and manage truly collaborative relationships.
Case study: UBS cuts costs through consolidation

UBS is a leading bank both in its home market of Switzerland and on a global scale. The creation of UBS was the result of the merger of two major Swiss financial institutions. As a result, the new organization inherited a large number of diverse file and print servers, covered by a variety of maintenance contracts. It was a costly arrangement that offered little flexibility for the future.

HP (then Compaq) worked with UBS to consolidate about 1,300 servers with just 950 of the same model, the HP ProLiant ML530. Within just 14 weeks—which included a successful pilot—all of UBS’ branches had migrated to the new hardware platform with minimal or no disruption to the bank’s day-to-day operations.

The benefits of this new approach were immediate and far-reaching. UBS has reduced the number of server types it uses from nine to one and achieved a 20 percent reduction in the number of file and print servers. As a result, server availability has increased substantially and total cost of ownership has declined.