

HDFC AND INDUSIND BANK SELECT iCREATE FOR ITS BI AND RBI ADF PRODUCTS

Close on the heels of its win at Dhanlaxmi Bank for its Automated Data Flow (ADF) Solution for RBI reporting (see CRO August 2011 issue), Bangalore-headquartered banking business intelligence specialist iCreate has won two contracts for its Biz\$core ADF solution at HDFC and IndusInd Bank. The way automated regulatory reporting solutions market in India is shaping up, one cannot avoid comparing it to the excitement of core banking solutions selection by Indian banks a decade ago.

Then, in the beginning, domestic Indian banks were looking at foreign suppliers of centralised solutions such as Temenos, Kindle, Misys, System Access, Sanchez, Alltel/Fidelity, IMS, and FNS. But, except very few exceptions, only Flexcube from i-flex and Finacle from Infosys emerged as the solutions to choose from. It is not a coincidence that both these suppliers were headquartered in India. Even B@ncs from FNS gained acceptability among domestic banks only when Tata Consultancy Services acquired it. In fact, the reason why Finacle was selected by many Indian banks lies in its core functionality having been designed initially for Indian market requirements. With passage of time, installed base of foreign suppliers shrank, and was replaced by mostly Finacle and in some case by Flexcube.

In the automated regulatory reporting market space in India, iCreate is set to repeat what Infosys did in core banking market during last decade.



Harish Shetty

Founded in 2006, iCreate is a niche company focused on Business Intelligence (BI) and analytics solutions for the banking industry, primarily in the Asia Pacific (APAC) and Middle East region. The company's theme is Banking Intellisense, which defines its distinct approach to BI in banking. Their flagship product, Biz\$core is designed to integrate seamlessly with core banking platforms and deliver vital, actionable BI at a competitive cost.

In four years the company has acquired banking clients in the Middle East and Africa regions. It was selected among the top 25 emerging companies in India and by the Emerge Forum of NASSCOM (Emerge 50 -2010) among 50

emerging companies last year. HDFC Bank was looking for a ready-to-deploy solution to help address RBI's recent Automated Data Flow (ADF) compliance directive by enabling a straight-through processing of data directly from the bank to RBI. 'Our solution was selected against several competitors for an enterprise-class RBI ADF solution after a thorough evaluation process by the Bank,' says Amit Agarwal, senior vice president, and business unit head, APAC, SAARC & ME and head of data management & BI Centre of Excellence at iCreate. 'Bank's main criteria behind the selection was to adopt an ADF solution that will integrate seamlessly with its core banking and other transactional systems and enable a straight-through processing of the returns from the bank's systems,' he adds.

Responding to the question about the major drivers for HDFC Bank to implement the Biz\$core ADF solution from iCreate, Harish Shetty, executive vice president, IT, HDFC Bank says that 'regulatory needs were a major parameter for us to search for a viable solution which would meet all the requirements as specified by RBI vide their circular'. 'iCreate as a solution was a complete package that catered to our requirements and met all necessary parameters needed in a solution. Availability of a ready, off-the-shelf product was a key driver that prompted us to select iCreate as an ADF solution apart from other technical and functional parameters,' he explains.

Our BizScore is a comprehensive regulatory compliance solution which can be designed for quick implementation along with a low total cost of ownership, claims Agarwal. This was one of the key factors which helped the vendor to score over other vendors bidding for this contract, he says. 'We had circulated a Request for Proposal (RFP) and had evaluated various options including whether to go for a bespoke application or a product,' informs Shetty of HDFC Bank. 'Finally we decided to go for product for faster implementation. Key parameters on which we selected iCreate were: being off-the-shelf product, robust technology combination of data model, informatica ETL & MicroStrategy tools within the solution, readily available reports, and partner skills,' says Shetty.



Paul Abraham

One of the unique selling propositions of BizScore is the ease and speed of implementation. Traditional 'build' implementations of BI or ADF projects in banks would be multiple year efforts around different choices such as technology tools for different areas such as data integration, visualisation, data quality etc and executed by traditional system integrators and consulting companies. 'The productised and built-for-banking nature of our BizScore solution significantly reduces the complexity of implementation bringing down the implementation time to a few months,' says Agarwal.

How much time would it take to implement it in HDFC Bank? 'Selecting iCreate was a recent decision and the implementation timelines and project phases are being worked out and would be closed in due course,' remarks

Shetty. While iCreate works with an ecosystem of marquee partners who work together in implementing its BizScore product, we also have capability to address end-to-end implementations on our own, says Agarwal. 'Given the strategic nature of the engagements at IndusInd Bank and HDFC Bank, and this being our initial implementations in India, the implementation will be owned by iCreate directly. We have in the meanwhile built our partner ecosystem for India as well that we would leverage across other subsequent implementations, informs Agarwal.

'We do not expect to be doing too much customisation in the base BizScore product given the inherent extensibility features we provide as well as the vast number of pre-built reports and dashboards provided with the product. In addition, the BizScore self-service layer allows banks to

create their specific reports and dashboards. We will however be performing site specific data integration work for integrating data from the multiple source systems at each bank into our target data models,' he says.

While HDFC Bank has opted for only RBI ADF solution of iCreate, IndusInd Bank has selected it for both its BizScore BI solution as well as RBI ADF. 'This solution would help HDFC Bank to meet RBI regulatory needs only. The internal reporting requirements of the Bank are met through our Data warehouse solution,' clarifies Shetty.

In an interview to CRO which appears in this issue, Paul Abraham, chief operating officer (COO), at IndusInd Bank, who is responsible for all the support functions including IT of the bank; traces the course of initiatives taken at the bank after its change of management in 2008. One of the key changes that he talks about is the decision to replace its core banking solution from Misys with Finacle. Among other reasons, cost was also an issue: 'I think our real issue with Misys was because of their low installation base in India and their ability to respond to India-specific requirements was getting compromised. For Finacle, India's specific requirements are part of the standard offering because it is a multi-bank requirement. For Misys because of the low installation base, an India-based requirement became a customisation request, which adds to the cost'.

That explains the low total cost of ownership that Agarwal claims for his product. 'For business intelligence and the reporting

functionality, we had a system called Actuate which is a Singapore-based firm but it was fairly rudimentary and has not evolved over the years,' informs Abraham.

Actually the decisions to take Infosys' Finacle for core banking and iCreate's BizScore for business intelligence and reporting were taken almost simultaneously by IndusInd Bank, and both are in implementation phase right now. 'We should launch the iCreate solution in another 2 months and Finacle will most probably go live in the second quarter. The project has already commenced so business requirement definition, training, current phase is the customisation phase,' says Abraham.

'BizScore is a strategic solution for banks to put in place a unified information management platform to address operational, tactical, strategic and regulatory MIS and analytical needs. The insights generated by BizScore would help the management team at IndusInd Bank across functional areas and levels of hierarchy to identify opportunities to take advantage in areas such as cross-sell, managing profitability or branch performance,' informs Agarwal. 'Solutions from BizScore suite would help IndusInd Bank derive benefits in areas such as retail and corporate banking analytics, enable 360 degree views for executives and branches.'

Abraham says that 'we have taken it for both RBI automated regulatory reporting and to create the entire business information MIS and intelligence'. 'We evaluated a couple of vendors offering to build a customised solution, and also looked at a



Amit Agarwal

couple of other big international vendors, which we felt, had quite advanced offerings but for a bank of our size it was going to be an over-investment.

The iCreate product offered us value for money,' comments Abraham on why his bank selected iCreate. He puts it very succinctly through the example of a mobile phone instrument. 'Even the large banks that have the money to spend on these solutions, have to ask themselves whether they really need all those functionalities. When I go to buy a phone, I want to buy a phone with every feature, and then when I use it, I use two very basic features. So invariably it is a case of over-investment. We pay all that money and then do not use it adequately.'

He also finds the iCreate solution for RBI automated reporting very comprehensive and easily scalable. 'Some of the critical

parameters in the selection process were: extent of productisation of the solution, scalability of the solution to span other strategic information driven solution banks might want in the future, banking domain expertise, knowledge of banking transactional systems, implementation timelines, and total cost of ownership,' informs Agarwal whose company has won against several prominent vendors which were in the fray.

Commenting on the future roadmap for BizScore, Agarwal informs that 'we are developing BizScore to be a complete packaged analytics solution for the financial services industry serving both the internal as well as the regulatory needs'. 'We are working on solutions for IFRS, Basel 3 and capital efficiency. In the near term, we are releasing a solution soon to enable banks in India to streamline activities around Reserve Bank of India inspections and track and report progress taken for the rectification of inspection findings. On the analytics side, we are actively working on developing cross sell propensity models for retail banking products especially retail wealth and risk mitigation. We are also working on credit decisioning models for effective credit delivery.'

The supplier is focused on emerging markets like ASEAN, SAARC, Africa, the Middle East and Eastern Europe. 'With our base in India, we see the Indian banking market as our home turf and have high levels of focus on India,' asserts Agarwal. With three major wins in as many months, iCreate has acquired the early lead against other players in the RBI ADF market in India. ■