



Bringing It All Together

Jul 01, 2005

URL: <http://www.banktech.com/showArticle.jhtml?articleID=165600013>

Known for its global reach, Sumitomo Mitsui Banking Corp. (New York; \$101 billion in total assets) has branches across the U.S., Asia and Europe. Commercial customers often conduct business with the bank through multiple locations. However, disparate operating systems often created redundant and erroneous customer data.

Each region of Sumitomo's operations managed its own processing systems and customer databases. In addition to processing redundant data, these disparate, manual systems exposed the bank to customer identification errors and impeded customer service, according to Rise Zaiser, VP of business applications, JRIA (Sumitomo's New York-based IT organization).

For example, during the bank's customer intake process, service executives manually completed documents and handled transactions. Besides being subject to errors, the process was not standardized on a global level. "Every application within each country had its own system to identify each customer," explains Zaiser. "If a customer deals with multiple branches, they could end up with a unique code within each location."

A lack of standardization also made compliance challenging. For example, adds Zaiser, "Basel II requires us to identify our customers on a global level, calculate credit reserves and report credit risks. However, our systems did not support this global situation."

Sumitomo began a search in January 2003 for an automated, Web-based business process management (BPM) solution that could integrate with its existing Oracle (Redwood Shores, Calif.) database platform, centralize customer data and electronically deliver it to account officers during transactions. "Our ideal solution would capture our customer information, create a unique user code and automate the fact-checking process," Zaiser says.

Quick Response

Sumitomo invited a number of vendors to conduct a proof of concept of their BPM software.

"Metastorm came back with a solution in two days," Zaiser relates. "The others got back to us two weeks later and still did not have a solution ready." She declines to name the other vendors.

In March 2003, Sumitomo bought Metastorm's (Columbia, Md.) e-Work BPM solution, and the vendor's maintenance and support agreement. E-Work interfaces with Sumitomo's multiple processing systems and an enterprise customer data warehouse that consolidates all customer information into a single repository. The solution is accessible via Sumitomo's corporate intranet.

As an account officer logs onto the system with a secure password, e-Work moves a customer's application through various stages, including OFAC verification, customer identification program requirements and PATRIOT Act certification requirements. Once the data and regulatory requirements are satisfied, the customer's information is added to the bank's Oracle database with a unique customer ID number.

Since account officers in the international banking division began using the application in October 2003, the bank's manual input operations have decreased, improving efficiency, and PATRIOT Act screenings are automated, Zaiser reports. More important, e-Work helped Sumitomo achieve Basel II compliance. "The solution allows us to increase our ability to comply with regulatory requirements and improve our audit and tracking of compliance," Zaiser explains. "That has helped us save a lot of capital."

In 2005, Sumitomo updated the new customer information process and has begun to apply the BPM solution to other processes, including travel expense reimbursement and the new supplier process. Zaiser says Sumitomo may use e-Work to manage its change management processes in the future. "This would play a role with Sarbanes-Oxley compliance," she explains. "It can track changes, how long ago they happened and keep us abreast of any remediations to accounts." She did not reveal plans for a pilot.

Snapshot

Institution: Sumitomo Mitsui Banking Corp. (New York).

Assets: \$101 billion.

Business Challenge: Consolidate commercial customer data systems.

Solution: Metastorm's (Columbia, Md.) e-Work BPM solution.



