

YBS enhances customer experience on the net

The Yorkshire Building Society wanted to allow customers to purchase products in the branches and online with ease. HP and its partners are now helping it build a robust, highly available Web site

Yorkshire Building Society (YBS), the UK's fourth largest building society has a total of 1.5 million account holders. It has recently embarked on an innovative project with HP to revolutionize customer service. The first phase of the project, which is already underway, is to develop an online mortgage and savings capability. Subsequent phases include the development of a new Internet-enabled call center, and a fully integrated CRM solution. By fully integrating all delivery channels – from the Web to the telephone and the branches – YBS can ensure that customers experience a consistently high level of service, no matter how they contact the organization.

Like many financial institutions, YBS is constantly thinking of new ways in which it can engage with its customers. It recognises that people want to handle their accounts in a variety

of ways – be it over the phone or through the Internet. "We believe that many people will continue to carry out financial transactions in our branches," says Paul Welsh, information system manager at YBS. "But we also think that people will want to carry out transactions from the convenience of their home by using the Internet. Financial products like mortgages and savings accounts lend themselves very well to this approach. The new services will also allow us to expand further outside our geographical area."

Delivering added value to the customer

In the longer term, the company hopes that the Internet will allow its branch staff to focus less on executing individual transactions and more on providing value-added customer service. "Some products, particularly mortgages, are very complex products, so we feel that there should still be a place where customers can >>

Yorkshire Building Society's headquarters (pictured right) in Bradford, UK



Eontec enters the fray

Dublin-based Eontec (www.eontec.com) has been setting the pace in Enterprise Java Beans (EJB) component-based solutions and tools for banks and building societies since 1994. Eontec's customers include some of the most prestigious financial institutions both in Europe and North America and is beginning to read like a who's who in the banking market.

BankFrame™ from Eontec provides a set of reusable Banking Processes that can be used across any delivery channel, including wireless, the Internet, call centers and traditional branches. Based on a multi-channel architecture, BankFrame allows Banks to achieve a consolidated view of any customer across all channels and facilitates the faster development and deployment of new products and channels. Delivered through 'JavaBanking.com', the world's first Web portal for banking software developers, Eontec provides a full suite of tools and resources to help Banks and System Integrators roll out products and delivery channels that are faster to market, and result in reduced costs and improved profitability.

BankFrame Banking Processes can be 'plugged' together to form a complete portfolio of Banking solutions including: on-line mortgage systems, call center, Internet banking, branch/teller systems, wireless/mobile banking, ATM and the emerging digital TV channel. Eontec holds the world's largest repository of EJB based reusable Banking Processes.

>>talk through those products face-to-face with a member of staff," says Welsh. "Over the next two to three years we see our branches developing into advice-orientated centers rather than transaction-orientated locations."

Focus on the customer

YBS has been thinking about adopting this type of approach to selling its products for some time. A year ago, David Anderson, its CEO, decided that the company needed to integrate its call center and Internet operations to deliver superior levels of service to its customers. The first step in achieving this objective was to build a tailored customer-centric database based on Oracle technology. The legacy systems of most financial services institutions are organized around product lines, making it almost impossible to gain a single view of the customer. In contrast, YBS' solution contains a complete, three-dimensional picture of each customer and their purchasing history.

The next step was to find a company that could construct a new corporate Web site and was capable of integrating the solution into the company's existing back-end systems. The Web site had to integrate into the organization's existing IT infrastructure if it was to get a rounded view of customer activity across different retail channels. "Our business strategy is focused on integrating all points of customer contact within the company. We want all channels to be readily available to our customers and backed-up with a high quality of service," explains Anderson. "We were looking for a company which could allow us to integrate all sides of the business at the back-end to fulfill these objectives. That was a critical concern for us."

After looking at a number of companies, YBS decided that Hewlett-Packard should be its main solution partner. Over the last four months, HP and its partners have been helping the company define its business objectives and pick suitable products for its online venture. HP has also provided consultancy and integration services. "We realised that there would be a considerable degree of technical integration involved in pulling the whole solution together," explains Welsh. "We felt that Hewlett-Packard had a particular strength in that area. It also understands what companies need when it comes to e-commerce." Kevin Taylor, HP sales manager for retail financial services said, "This is a great success for HP. We are now making major inroads in e-commerce in the retail financial services marketplace."

A secure solution

HP is also providing a range of products to manage the new services. The organization will use HP's network and system management solution, OpenView, to manage the hardware behind its solution. It will use HP's VirtualVault Web server platform to ensure that the solution is fully secure against hacker attacks and will deploy HP's Web QoS solution to prevent the overload of Web servers and ensure consistent response times across the server network. YBS will also use a variety of Unix and NT servers from HP to manage its mortgage applications.

In addition to Oracle, HP is also working with channel partners BEA, Cisco and Eontec to complete the solution. Eontec is providing the company with an on-line mortgage system based upon scalable, EJB banking processes that will allow it to check customer references and monitor the status of its on-line mortgage applications.

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David Anderson
chief executive officer
Yorkshire Building Society

These components will be installed directly by HP Consulting. Jim Callan, CEO, Eontec says: "In order to compete effectively, banks must be able to rapidly implement new business processes which enable them to deliver products to customers via a variety of channels such as WAP phones, interactive TV and ATMs. Thanks to Eontec's reusable banking processes, YBS can pick and choose the processes which will provide an immediate solution and pave the way for long term success."

Cisco Systems will be providing a range of Web infrastructure technologies, including hubs and routers. BEA's transaction monitor solution, BEA Tuxedo, will ensure that all Web transactions are handled correctly. "BEA Tuxedo makes sure that all transactions are verified properly," says Welsh. "If a customer makes a transaction over the Web and we don't receive the details the system immediately notifies us."

Increased personalization

YBS is also using BEA's WebLogic Server. The server contains a full suite of Java-based modules including catalog, shopping cart, inventory management, order entry, order management and shipping components as well as a sophisticated product recommendation engine that learns about customers' behaviors over time. "It also allows us to personalize content to a greater extent," says Welsh. "So if we know that a customer has a particular interest in mortgages, we're able to e-mail them with details about specific policies."

YBS' rebranded site, or portal, which is due to launch in the second half of 2000, will tell visitors why they should buy products from a mutual building society. Unlike a bank, a mutual

organization is not accountable to shareholders and rather than paying a dividend each year, can use its profits to reduce internal costs and pass on the benefit to customers by providing them with competitive products and services. "We want our site to reflect our philosophy of providing customers with good value backed up with excellent customer service," says Anderson.

One thing is sure – the new site will change the way in which customers purchase financial products. For the first time, YBS's customers will be able to go through the whole process of obtaining a mortgage – from filling in an application form and having their details checked by a credit agency to getting approval from the society – via the Internet. This is an approach which the organization is keen to adopt through every conceivable electronic channel. It recently teamed up with UK digital television operator Telewest to offer a fully interactive service to customers and has plans to roll out Wireless Application Protocol (WAP)-based services, which will allow users to purchase policies from their mobile phones.

About Yorkshire Building Society

YBS was created in 1982 following the merger of the West Yorkshire, Huddersfield and Bradford Building Societies. Today it is the UK's fourth biggest building society and last year made a pre-tax profit of \$88 million (US).

YBS offers a wide range of mortgages including flexible and variable rate policies. It also provides customers with monthly savings accounts as well as individual savings accounts (ISAs) and tax exempt special savings accounts (TESSAs). Offshore savings facilities are also an option.<>



David Anderson, chief executive officer, Yorkshire Building Society