WHO USES WHAT, WHEN AND HOW MUCH?

"With everything outsourced we need to know that what we receive is the best the market has to offer."

DNB is one of the leading financial institutions of the Nordic region. It is Norway’s largest bank by a wide margin and it is a substantial player in the insurance and real estate sector as well. A couple of years ago a group of top people from its IT department began to look for new ways to create transparency between IT operations and costs. Enter SMT Data...

Olav Kvale and Bjørn Paulsrud are the tandem at the helm of DNB IT Services and they are always on the look-out for more efficient ways to face the challenge of providing the management with crucial information and insights into how various applications drive costs. When they learned about IT Business Intelligence from SMT Data the information they received was so consistent with the parameters they worked within that they scarcely hesitated to enter into concrete negotiations. It's early summer on the outskirts of Oslo where we sit down with Olav and Bjørn and Owe Østrem, Norwegian Country Manager for SMT Data, in DNB's IT headquarters to hear the story.

Olav Kvale remembers:
"With all of our service production out-sourced to EVRY, we need to be certain that everything we receive is as efficient and optimized as possible. That means having in place active control measures to ensure that what we receive is on par with the best of what's available in the market. So when our finance controller Gjermund Sælensminde came and described what SMT Data had to offer, we immediately realized that it could represent great value for DNB.

He said, 'we need to know who uses what, when and how much. And this ITBI thing seems to be able to tell us that'."

Bjørn Paulsrud:
"It all boils down to us needing to be able to control costs. That requires us to be able to exhaustively track fluctuations and variations in the operational flow. We used to rely on reports that were both historical and static, but IT Business Intelligence is so much closer to real-time tracking and insight. It is extremely dynamic and adaptable to our specific needs."

Olav:
"This is also a solution that allows us to use the information throughout the organization as a means to linking operational decisions to their specific consequences. We now have a tool that makes it possible to come up with actual cost per application in production."

Being able to bring precise information of the consequence of different design descisions is a vital advantage that Olav and Bjørn get out of their IT Business Intelligence solution from SMT Data. The tool gives immediate consequence feedback on applied changes to applications.

Olav:
"We are amassing experience that lets us narrow down possible scenarios for consequences. This enhances our analytic capability, although not to the point where our personal experiences and insights become insignificant. No tool is better that the expert who applies it. But the solutions give us captures per hour, per day, per month, per year – and they give us a solid background for future decisions."
Even if the solution has been cutting cost for already more than a year, there is still some internal marketing for Olav and Bjørn to see to.

Bjørn: "We constantly need to be able to demonstrate the potential of these tools. As we see it, there are two main usages: One is control – that is, spotting irregularities, and acting on them. If we see a batch job that shouldn’t have run at that time, or a loop, or an application which suddenly uses up more resources than it used to do – those are the kind of things, we’re on the look-out for. The other thing is a dialogue with the various business areas where we analyze their portfolio in order to adjust resources according to their precise needs."

Having an ITBI solution from SMT Data in the arsenal makes DNB – literally – a tough customer for an outsourcing provider such as EVRY. The normal logic would be that if you sell a commodity, the more you sell, the better you’re off. But when customers suddenly become savvy about using – and saving on – said commodity, it stands to reason that you would be losing business. There is, however, no conflict in this area, Olav and Bjørn assert.

Bjørn: "We are in control of our portfolio with EVRY. We track all variations and have the insight to speak up, if our consumption rises. But EVRY is every bit as interested in the highest level of professionalism as we are. They welcome the control and use it as a means to supplying us with the best possible product."

Olav: "It is simply natural that we should be able to ask the right questions in regards to all the installations and solutions. As the largest Norwegian financial institution I feel we have an obligation to be a highly demanding customer. We need all our suppliers to professionalize and those that do are the ones we have long-term working relations with."

Bjørn: "The simple truth is we’re dependent on the outsourcer to help us build up the foundation for this tool to stand on. This is not uncomplicated and there’s still a way to go. But they are up for it and we’re working on it right now."

Bjørn says there are three basic things that need to be put in place in order for the results to come:

"First, you need reports that you can trust. Second, you need an internal pricing or cost allocation model that is fair and just and allows dynamic adjustment to real-life variations. And third, you need to cooperate with all the levels that are able to report back to you on variations and make the necessary decisions accordingly."

At this point Owe Østrem takes a minute to express a thought that he think is an important part of the picture:

"Bjørn, you have been SMT Data’s day-to-day liaison throughout this project and I have to say that one of the factors in its success is the determination with which you have driven us. You have never settled for second best and that again has made us perform at the peak of our ability.
For that, we are thankful."

While Bjørn modestly says nothing, Olav answers:

**ABOUT DNB**

With approx. 13,600 full-time employees, DNB is Norway’s largest financial services group and one of the largest in the Nordic region in terms of market capitalization. The Group is among the world’s leading banks within shipping, energy and seafood. The Group offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for retail and corporate customers and the public sector.
“That’s where innovation comes from. And a project like this needs both maturity and innovation. And you guys would never have been happy with a complacent customer.”

Bjørn:
“One of the things I have liked about all this is the yearly Customer Council in Copenhagen. I always find it very interesting to share experiences with other IT people and in the long term we see it as an advantage for us that SMT Data reaches as broad a market as possible with their ITBI solutions. We don’t mind being innovative about a new supplier, but we also like to see that supplier grow and prosper, because that’s where innovation and product development come from.”

DNB AND IT BUSINESS INTELLIGENCE – A PROCESS OVERVIEW

DNB and SMT Data have worked together since the beginning of 2011. The goal is for ITBI to be in place on the company’s mainframe, UNIX and Windows systems. By the middle of 2012, this is a status:

1. Mainframe - completely implemented as far as the technical part is concerned. Applications are tracked on a daily basis and costs are reduced accordingly. Still some internal report formats to be customized.
2. UNIX - has been acquired through EVRY and is under installation. Normal operation expected by end of third quarter 2012.
3. Windows - negotiations are under way.