

Bank Antar Daerah Seizes New Opportunities To Transform with IBM Solution

Bank Antar Daerah is a veteran player in the Indonesian banking industry. Headquartered in Surabaya, East Jawa, the bank was founded in 1958. Today, it serves around 26,000 retail customers through a network of 23 branches in six cities and towns in Jawa, Bali and Lombok.

Eight years ago, Bank Antar Daerah chose IBM to power its core banking infrastructure. The solution worked well. As the bank's business grew and the number of customers increased, so too did transaction volume a new solution was needed.

An IBM Express offering seemed the natural choice as it consists of a portfolio of products and services specifically designed, developed, and priced for organisations such as Bank Antar Daerah. Additionally, the Express bundle offered more than a simple infrastructure upgrade -- it provided a solution the bank could use to handle its growing transaction volume as well as improve communication between its branches, enhancing customer service and efficiency.

Growing Business Demand

In 1995, Bank Antar Daerah acquired an IBM AS/400 Model 500 to run its Alpha BITS core banking application. Although the solution was extremely reliable, eight years of growth later, the server had enough horsepower to support only 13 of the bank's 23 branches.

In the remaining branches a number of PCs were used to capture all the business transactions.

A more powerful infrastructure was also needed because during peak periods--usually at beginning of the month -- response time could slow down to three minutes per transaction. Clearly, most customers would find such delays intolerable. Additionally, the bank's end-of-month report took a long time to complete. "We were never able to deliver the report on time," recalled Robert Adrianto, IT/EDP Manager of Bank Antar Daerah.

There were unplanned, non-hardware related downtimes too. When this occurred, the data would have to be restored. The computing cycle then had to be reallocated to this process, which might take up to three hours, and customer services would be severely disrupted.

"End of year report was also a sad time for us in the IT Division," recalls Robert Adrianto, IT/EDP Manager of Bank Antar Daerah. "Normally, we would be lucky if we could complete our end-of-year report on the evening of January 1st, and our families would have to celebrate New Year without us."

Bank Indonesia, the central bank, has also announced that it would require every commercial bank in the country to submit a daily report called “*Laporan Harian Bank Umum*” or LHBU. The report would have to be submitted using a system based on Web services offered by Bank Indonesia.

It was obvious that Bank Antar Daerah required not only integrated but also an affordable solution to tackle all these tasks and bring the response time up to speed.

IBM Express Solutions for Bank Antar Daerah

Bank Antar Daerah evaluated solutions from other vendors but ultimately decided on IBM because of previous positive experiences with the company. But the Bank had some apprehensions that cost would be prohibitive.

“While we were confident in IBM’s capabilities, we had some apprehension about cost,” said Robert.

Those apprehensions melted away when IBM proposed an Express offering which consisted of:

- IBM eServer iSeries 810 and eServer xSeries 235 for data warehousing server and business intelligence, and bundled with Integrated x-Series Adapter (IXA) for the purpose of security systems.
- DB2 software for Database and LTO Ultrium tape for data protection;
- Websphere for communication portal between branches; and
- Linux mail system (SuSE Linux Version 8.0) on IBM iSeries 810 -- Bank Antar Daerah is the first bank in the country to run Linux applications.

The implementation took only two weeks, which included the parallel running with the old server to ensure that everything worked properly.

Enjoying the benefits

One of the benefits immediately experienced was enhanced communication. “We use our limited VoIP facility for communications between the head office and the branches, and now we are optimizing the use of e-mail as well. Instead of using fax machines, branches could communicate with each other more quickly and efficiently through e-mail,” said Robert.

Bank customers benefitted as well. Account updates, which used to take up to a minute in the past, now took less than a second to complete.

“That is not all. Last year, after the new IBM’s solutions was installed, I had for the first time the chance to celebrate New Year’s Eve with my family,” beamed Robert. IBM’s total solutions made it possible for his team to complete the annual year-end report in two and a half hours instead of three days.

For the future, Bank Antar Daerah is considering acquiring the Websphere Applications Server for communicating between branches.

Robert agrees that his team has a lot of homework to do. He said: "We still have to learn to optimally use all the features for our solution." He is confident that IBM solutions will enable his bank to develop new products and services that will address the specific needs of their customers.

Furthermore, the Bank will consider Linux as the platform for client access, and this is an area where further savings can be realized.

"Business Intelligence is also another area that we are looking at. IBM is a true partner that understands our business; additionally IBM helps us to uncover new and unexpected opportunities," concluded Robert.