



SERVICE WITH A SONRISA

EVERTEC enables single customer view for Banco Popular de Puerto Rico



Customer statement: We achieve satisfaction for our customers and earn their loyalty by adding value to each interaction. Our relationship with the customer takes precedence over any particular transaction.

Innovation statement: We encourage the constant search for new solutions as a strategy to enhance our competitive advantage.

A PRECIOUS VAULT

TIP started as a senior management review of performance issues with the Internet channel of Banco Popular de Puerto Rico (BPPR)—Popular’s banking subsidiary and EVERTEC’s largest client. The investigation led to a stunning revelation: The problem lay not in the application itself, but in the underlying infrastructure that provided services to the Internet channel application.

“Every time a bank customer signed on to the Internet channel, related information had to be retrieved from multiple back-office applications,” recalled Mercado. “Obtaining that information involved a very complicated messaging architecture. In addition, any problem with the mainframe that hosted those

INSTITUTIONAL VALUE STATEMENTS ALWAYS sound impressive, but translating them into action—and linking them directly and visibly to positive results—can prove challenging. This is not the case, however, with Popular, Inc., and subsidiary EVERTEC. The company’s groundbreaking Technology Infrastructure Project (TIP), three years in the making and in the middle of production rollout on the HP NonStop server, puts a clear and credible

face on the underlying corporate philosophy.

Miguel Mercado is in charge of making the project a success. “Our job in the Enterprise Systems Architecture division is to design systems that enable our customers to transform strategic goals into operational realities,” he said. Mercado is senior vice president of EVERTEC, Popular, Inc.’s transaction processing and IT outsourcing subsidiary.

applications meant that the Internet channel was not available to the customer.”

The team decided to create a data model with all customer information, centralize it on an HP NonStop server, and connect all channels of the bank to that system. The ultimate goal was to create a single and consistent view of the customer across all channels, providing superior service as well as expanding opportunities for up- and cross-selling by service representatives. The team also created a customer-centric data model in the NonStop system environment. Every day, information from the batch applications on the mainframe—and some online, real-time applications—are fed into this data model. Information is updated in an operational data store (ODS) known as the “Transaction Vault.”

First into production was the voice recognition unit (VRU) channel, followed by online banking. The plan is to integrate all channels into the Transaction Vault, including the branch offices, agent-assisted call centers, commercial lending units, ATMs, and POS terminals. “Once TIP has been fully implemented, all these requests will be serviced locally by the Transaction Vault,” said Mercado. “We won’t have to go to the mainframe to get the information. And if the mainframe decides not to be available, the customer will not see any interruption in service.”

ADVANTAGES IN PLACE OF ISSUES

TIP is built on the Open System Services (OSS) version of the NonStop platform. “A lot of people didn’t believe the NonStop system was open enough to create the new infrastructure, but we have proven



them wrong,” stated Mercado. “We’re using CORBA as the transport for XML messages between the channels and the Transaction Vault; C++ is used for the business logic modules; and WebSphere MQ provides the communications between the Transaction Vault and the mainframe. The ability to use open standards was important to us, in terms of both resource availability and ease of development.”

Also important were the mixed-workload capabilities of the platform—even loading millions of records a day does not degrade the response time to online queries—in addition to its hallmark availability

and scalability features. TIP runs on a six-processor NonStop S88000 server with NonStop SQL, fully replicated to an identical server using GoldenGate software.

Previously, the Internet channel could retrieve the account balance from ACI BASE24, but it was getting yesterday’s transactions from the mainframe. In order to balance the online statement for customers, the channel application had to perform specific arithmetic functions. “With TIP, we can now present the detail of all transactions in near real time,” said Mercado. “If customers perform a transaction at an ATM or POS terminal and then

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Miguel Mercado, senior VP, EVERTEC



Support from the top

Popular, Inc.'s Technology Infrastructure Project (TIP) is the realization of a dream for visionary CEO Richard Carrión, whose late-'70s PhD thesis at the Massachusetts Institute of Technology was titled "A Decision Framework for Consumer-Oriented Electronic Funds Transfer Systems." Under Carrión's leadership, Banco Popular de Puerto Rico was one of the earliest users of ACI BASE24 software; the bank has run its mission-critical EFT applications on the HP NonStop platform for nearly a quarter-century.

TIP is built on the HP NonStop server-based Real Time Financial Services (RTFS) framework. Through the use of HP's Real Time Enterprise architecture—which underpins the RTFS solution—the company will focus on enabling its critical design objectives:

- Real-time transaction processing, with 24x7 availability of customer information
- Consolidation and organization of customer data by customer (not by application) to enable a single customer view

With TIP, Carrión fully expects to change the landscape of how financial services business is done. "The idea is to migrate the operations little by little to this new environment," he explains in an article in the business magazine *Negocios*. Progress is steady, with full channel integration slated for 2009.

bring up their Internet account immediately afterwards, they will see the details of the transaction that was just completed."

POWERFUL SYNERGY

Key partnerships helped ensure the successful creation and deployment of TIP. HP played an integral role—first with comprehensive exploration services to identify business objectives and understand how HP technology could meet them, and then in designing the system itself. The design was then handed off to Opsol Integrators for development.

Because Mercado planned to utilize the full scope of HP's Real Time Enterprise (RTE) architecture as the basis of the solution and because Opsol Integrators has been actively engaged in such implementations since 2001, there was a natural synergy between the two companies. "We do the custom programming to connect all these systems," explained Opsol CEO Yash Kapadia. "All the server-side programming on the NonStop system to build the ODS, create the data model, feed data into the data model, handle incoming requests from the channels, pass them to the single customer view, come back with the rules, pass it to the mainframe—we do the programming for all of these aspects." Having much of the infrastructure in place via the

Opsol RTFS Hub made it possible to accelerate the project schedule while still containing costs.

Informatica PowerExchange and PowerCenter form the data integration backbone of the TIP system. This leading extract, transform, and load (ETL) technology proved to be the right choice for contending with the complicated data structures, according to Mercado. In fact, he estimates that the Informatica platform helped reduce the time required to custom-code integration between the mainframe-based legacy applications and the Transaction Vault by six to nine months.

ADAPTIVE ENTERPRISE

With the implementation of TIP, EVERTEC has become even more adaptive in responding to BPPR's needs. One example is the Vault Access Channel (VAC) project, which enables branch-based customer service representatives to display check images in response to a customer request. In the past, the agent had to type the request into a mainframe system. The request went to somebody in the back office, who made a photocopy of the check and sent it to the customer. It took days for the customer to get the requested copy.

The bank wanted the ability to provide a copy immediately to the customer at the branch, but

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Miguel Mercado, senior VP, EVERTEC



The TIP team (from left): Luis Muñoz, Heriberto Matos, Herminio De Jesús, Patricia Crumley, Juan Pruna, Aurea Sánchez, Lorraine Reyes, Glorimar Ripoll, Miguel Mercado.

implementing the application in the mainframe environment was problematic. For one thing, the personal computers used at the branches were not powerful enough to handle the resource demands imposed by the mainframe-based application.

EVERTEC was able to leverage TIP to provide an effective solution. “We took the service created to present images in the Internet channel and simply replicated it for the VAC,” said Mercado. “Because it’s a Web-based application, we did not have to install anything new at the branches; the existing PCs can be used to access the Internet. We gave the bank the capability of looking at the images with the new application in just two hours. This was something powerful that we were able to do very fast for the bank.”

In general, locating the Transaction Vault between the channel applications and the core back-office applications enables the bank to add a new channel—or a new back-office application—with a single connection. “We wanted to separate what we call the relationship bank from the transaction bank,” said Mercado. “This will

allow us to adapt to changes in the market and be more competitive.”

MARKET LEADER

TIP is a multiyear, multimillion-dollar project with strong management commitment (see “Support from the Top”). “We definitely see the NonStop systems as strategic for us,” said Mercado. “We feel that what we have created—the single customer view—will give the bank a significant competitive advantage over its competitors.” In the future, TIP will allow the bank to identify and address service and sales opportunities (for example, credit card promotions) at the point of contact with the customer.

“BPPR is the largest bank in Puerto Rico, so it has to be the leader,” concluded Mercado. “The bank invests a lot in innovation, because it has to be the first to bring new services to the market. BPPR strongly believes that TIP will provide many advantages over institutions that lack a single, consistent view of the customer. It will bring to reality one of the core values of the bank: that the customer is treated as a relationship, not as a transaction.” ♦

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FOR EVERTEC AND BPPR, NONSTOP SYSTEMS:

- Centralize customer data and bank channels for a single customer view
- Deliver real-time, 24x7 availability of critical information
- Offer scalability to accommodate growth
- Support an adaptive infrastructure, so new services can be brought to market quickly