Focus on improving member services

You can ask almost anyone in the banking industry and they'll tell you their core banking system is the beating heart of the business. Core banking handles nearly every aspect of serving customers, from transaction accounts to loans, mortgages, and payments. It's no wonder that Vancouver City Savings Credit Union, better known as Vancity, viewed modernizing its core banking environment like performing a heart transplant.

Vancity is the largest community credit union in Canada, with $25.6 billion in assets plus assets under administration, 59 branches and more than 523,000 members in the greater Vancouver region of British Columbia. It is a member-owned cooperative with a mission to support the communities in which its members live and work. The focus is on identifying and serving member needs, not the bottom line. After several decades running core banking on CGI's RFS Retail Banking application, Vancity realized RFS could no longer keep up with the modern needs of its members.

Objective
Modernize core banking to achieve greater flexibility in meeting member needs while ensuring reliable performance and stability for mission-critical banking services

Approach
Engage HPE as a strategic partner to advise on and deliver a complete Temenos core banking solution, including HPE servers with Intel® Xeon® processors, storage, management and support

IT Matters
• Achieves close-of-business processing 25% faster than anticipated
• Delivers stable high performance for resource-demanding Temenos core banking
• Provides scalable capacity to handle ongoing data growth

Business Matters
• Enables greater core banking flexibility to meet modern customer needs
• Ensures business responsiveness to achieve high level of customer satisfaction
• Supports business expansion with broader portfolio of banking services

Vancity modernizes core banking on HPE solutions with Intel® Xeon® processors
Ensures stable performance for resource-demanding Temenos core banking
“Our experience with HPE was really a model for how a strategic partnership should be. They worked with us every step of the way to understand our core banking goals, design an infrastructure platform solution to meet them, and keep it running.”

— Jeff Newton, Director of IT Infrastructure, Vancity

Upgrading core banking was essential for Vancity to deliver on its promise of “a differentiated member experience.” And the credit union identified Temenos core banking as the best fit to meet this objective.

Jeff Newton, Vancity’s director of IT infrastructure, remarks, “Our old core banking system was heavily customized over the years, and not very flexible. Our aim is, through interactions with members, to understand their needs and quickly react by developing products and services that meet those needs. The legacy system didn’t allow us to do that, but Temenos offered much greater flexibility with a rich set of features to build the products our members want.”

De-risking a complex modernization project

Overhauling core banking would take much more than simply replacing old hardware and loading the Temenos software. It was major surgery. Vancity has nearly 90 ancillary systems connected to core banking—everything from ATM and point-of-sale to mobile and online banking.

The challenge was disconnecting and reconnecting so many systems while modernizing the core banking infrastructure—all without harming the business.

“Upgrading a core banking system is complex and fraught with significant risk,” says Newton. “We were looking for a partner to help de-risk the infrastructure platform portions of the project—someone who could work with us to design and size the banking system infrastructure properly to ensure stability and performance. As a Temenos partner, HPE had proven success modernizing core banking for other financial institutions like ours, so that made them a natural choice to engage in a strategic partner relationship.”

He adds, “We only had one shot at getting this right because once ATM and point-of-sale transactions start flowing to the new banking system, there is no going back. HPE was a partner that could bring the right mix of experience and world-class technologies to deliver the outcomes we were after.”

The world-class technologies HPE brought to the table included Intel® Xeon® processor-based HPE servers and all-flash HPE storage.
HPE provides a complete core banking solution

Vancity previously ran RFS on HP Integrity blades in an HP-UX operating environment with EMC storage. However, the rest of its IT infrastructure was based on the Microsoft stack, so the credit union made a strategic decision to standardize on Microsoft for Temenos. After several months of design meetings between HPE solution architects and Vancity’s internal engineers, the team arrived at the ideal solution.

In production, Vancity now runs Temenos core banking on six HPE ProLiant DL580 Gen9 Servers with the Intel® Xeon® processor E7-4800/8800 v4 family. Vancity runs Temenos in a Microsoft Windows Server® operating environment with Microsoft SQL Server database. Due to the performance demands of Temenos, Vancity replaced EMC with all-flash HPE 3PAR StoreServ 8440 Storage.

“Temenos is about the most resource-intensive application I’ve ever seen, and performance was a big concern,” Newton observes. “We chose HPE 3PAR with all flash because it offers the performance and stability we need with plenty of room to scale. It also fit neatly into our budget, so we felt very comfortable with this decision.”

Vancity also deployed a second HPE 3PAR StoreServ 8440 array with a mix of flash, SAS, and nearline drives. This 3PAR array provides disaster recovery for the Temenos core banking application, and storage for development environments, replacing another legacy EMC system.

Since Vancity’s infrastructure is heavily virtualized with VMware, it uses Veeam Backup and Replication as the backup solution with HPE StoreOnce 3540.

HPE Pointnext provides Vancity with expert IT operational support through HPE Datacenter Care. Newton points out that it’s like having an extension of his own team. “HPE Datacenter Care is essentially a virtual Tier 4 IT team that we can leverage whenever we need them. HPE Pointnext brings their experience in handling other mission-critical Temenos environments, so we benefit from their insights and knowledge of best practices to keep our core banking infrastructure running at its best.”
Hits and surpasses critical performance targets

Modernizing core banking with Temenos has brought a whole new level of flexibility, enabling Vancity to tailor its services to the exact needs of its members. Instead of costly and time-consuming development required to code products in the old banking system, new products can be configured in the Temenos core banking system. Most important, Vancity gains these advanced capabilities while ensuring high levels of performance and stability in the underlying infrastructure.

“Temenos requires a lot of horsepower to take full advantage of its flexibility while maintaining acceptable levels of performance,” Newton advises. “The HPE infrastructure stands up to everything Temenos dishes out without missing a beat.”

He notes that Vancity set several key performance targets that the Temenos infrastructure had to hit without fail.

The HPE infrastructure powered by Intel® Xeon® processors not only hit the targets, but exceeded them. For example, Vancity’s critical close-of-business (COB) processes in which the day’s transactions are reconciled and posted had to complete within a five hour window. With Temenos running on HPE servers and all-flash storage, the COB process actually completes 25% faster than expected.

“Adopting a modern core banking solution like Temenos was an enormous undertaking for any organization,” Newton concludes. “It is a complex transformation project with significant risk, which is why we relied on HPE for much more than just a bunch of gear. Our experience with HPE was really a model for how a strategic partnership should be. They worked with us every step of the way to understand our core banking goals, design an infrastructure platform solution to meet them, and keep it running. That’s now allowing us to move forward as a business to better serve our members.”

Learn more at hpe.com

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