



#### DERBYSHIRE BUILDING SOCIETY

Leading British financial services organization with assets of more than £3.6 billion and 53 branches located in the Midlands area and beyond.

**Industry:** Financial Services  
**Geography:** United Kingdom

#### Deployment Summary

- Phased implementation covers three clearly defined business processes:
  - Home loans redemption process: 3 months
  - Additional advance process: 9 months
  - Pre-completion: 6 months.
- Ongoing project integrates all home loan processes with other business processes, such as insurance, purchasing, and financial reconciliation.

#### Benefits

- Home loan processing time is reduced by more than 50 percent.
- Systems become more usable; The Derbyshire develops platform for continued process integration.
- TIBCO's solution reduces the dependency on specialist staff and eliminates backlog.
- Derbyshire Building Society can manage software as services and reduce ramp-up time of new applications.



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**Keith Pattison, Head of e-Business, The Derbyshire Building Society**

## Streamlined Processes Pay Dividends for The Derbyshire

The Derbyshire Building Society operates in a highly competitive market. Thanks to its competitive products, attention to customer service, commitment to serving the community, and forward-looking IT strategy, it maintains a strong position as a leading British building society. Smart use of web and call center technology enables the society to build and maintain strong customer relationships.

Service differentiation is key to customer retention. However, the company's reliance on three disparate core business systems in its home loans division restricted flexibility in launching new channels and introducing new ways of working with partners. Its key home loans applications consist of an ICL mainframe-based Omnia/VME account management system, a Lynx Financial Systems mortgage application package, which is based on the Microsoft® Windows NT® operating system, and a Fineos™ customer relationship management (CRM) suite.

"Our systems had become very silo-based, so the aim was to get everything working together without throwing out the investment we had made," says Keith Pattison, head of e-business at The Derbyshire. "It was a question of extending the life of the

systems and getting maximum value for money, while continuing our strategy of implementing best-of-breed packages." This goal resulted in the launch of its e-business "Endeavour" business integration initiative in 2001.

#### Creating the Case

The Derbyshire assembled a team of 25 consultants as well as IT and business professionals to identify six business-critical areas that might be integrated in order to improve efficiency and reduce operational costs. These areas are home loans, savings and investment, insurance, purchasing, internal fiscal reconciliation, and business-to-business (B2B).

"We put our business case to the board of directors based on the cost reductions we felt we would get from improving performance as a result of implementing a full end-to-end home loans process," says Pattison. The team took into consideration the cost of developing individual point-to-point interfaces between the core systems and the long-term cost of maintaining those interfaces. The business case demonstrated a strong return on investment (ROI) combined with incremental benefits based on developing fresh, integrated processes.

Following board approval, Pattison's team spent the remainder of 2001 creating a specification for what it already knew to be a complex and ambitious project. TIBCO provided a three-day overview and spent five days training the team on TIBCO's business integration solutions because The Derbyshire wished to be self-sufficient early in the implementation phase. "Early skills acquisition was important so that we can drive technical projects at our pace," Pattison says.

### Managing Home Loans

Although it seems to be straightforward, home loans frequently need to be customized for individual circumstances. "You cannot run a business based solely on the main service," Pattison says. "Each customer is different and we consider it essential to differentiate the Society by providing customers with exemplary service, regardless of their needs and circumstances."

Pattison's team determined the best way to create an integration framework was to break down the overall home loan process into sub-processes and manage the project in bite-sized chunks. "On each of them, we spent about a third of the time on requirements analysis, a third on design and development, and a third on testing. And each time you do one, you need to review what you've done and try and improve on that," Pattison says. At the system level, the Endeavour team considered the core applications to comprise three essential elements. The Derbyshire team built the presentation layer, which provides an end-to-end view of each business process

or sub-process. The business logic was implemented using TIBCO's products. TIBCO Adapters™ hooked the systems' core engines together and to third-party systems such as the Equifax® consumer credit information service. In addition, the account management, mortgage application, and service center customer management systems were integrated as part of the overall project.

### Solving Problems

During the course of the project, The Derbyshire decided to decommission the mainframe and replace the Omnia/VME account management applications. The company is currently in the process of selecting a new system and plans to combine the Endeavour initiative with the mainframe migration project. "We believe our business integration project will make replacement easier. TIBCO currently treats Omnia as a service and it will treat the new system in the same way, which means we won't have to develop new interfaces," Pattison says. "We should be able to unplug the old one and plug in the new one, and while it's never quite as easy as that, TIBCO will make data conversion and integrating functionality into working practices much easier."

### Money Talks

The Derbyshire views Endeavour as a long-term investment based on the cost savings it could obtain from streamlining its business processes and eliminating such technical tasks as writing interfaces between systems. TIBCO products are actively helping achieve this objective by providing the framework needed to achieve incremental benefits.

Although the integration is not fully complete, the building society has already seen savings from reducing processing time by more than 50 percent. These savings allow The Derbyshire to cope with increased workloads or redeploy staff onto other tasks. Departmental backlog, a critical obstacle to efficient customer management, has been eliminated. "The new home loans process has given the business more flexibility and reduces our key-person dependency. But it's also given staff an opportunity to have a broader experience of different processes without needing to have a detailed knowledge of the systems," Pattison says.

For example, when handling mortgage redemptions in the past, staff members had to work their way through 40 screens and two systems, while they now have only seven browser-based screens and do not need to know where the screens reside.

"TIBCO's solution pretty much does what it says it does out of the box. It doesn't need much maintenance or looking after, and we've also had excellent service from TIBCO on the rare occasions that we've needed it," Pattison says. "While we've already started to see real benefits from this business integration project, we definitely expect more to come over the next two to three years. This is a strategic project that will drive further efficiency over time."



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