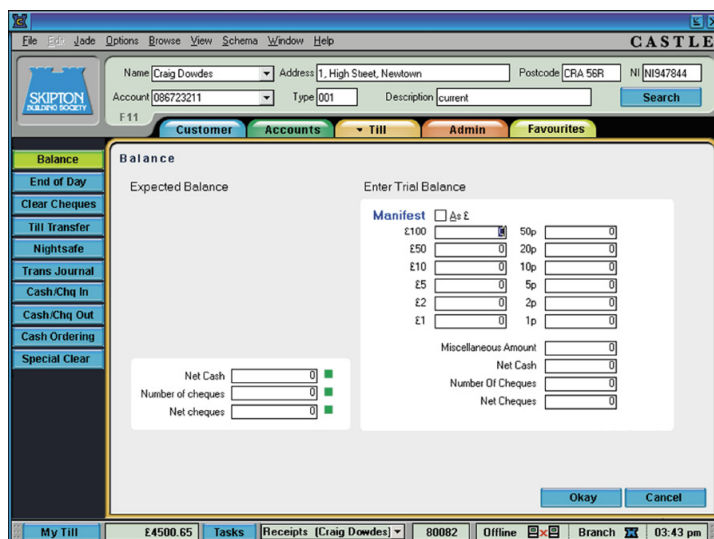




Original Solutions

Banking Case Study



CASTLE - the branch
automation system for
Skipton Building Society

BISHOP

Skipton's mortgage and investment administration system converted from LINC to JADE using the JET (JADE Enabling Transition) service. The system, which reduces costs and provides a flexible platform for the future, went live in April 2003.

CASTLE (Cashier, Sales and Transaction Ledger)

Skipton's new award-winning branch automation system built in JADE. This centrally managed system has significantly cut costs and increased efficiency. New deployments are made quickly to all branches using JADE Smart Thin Client.

CALL AGENT

Skipton's call center system. This provides Skipton with one view of a customer, a full communication history and enables new staff to learn the system in days rather than months.

SKIPTON BUILDING SOCIETY ADOPTING A SINGLE TECHNOLOGY PLATFORM

Skipton Building Society, founded in 1853, is the UK's seventh largest building society with 80 branches across the UK. The Skipton Group consists of 15 subsidiaries including Connells Estate Agency (160 branches), Callcredit plc (one of the UK's three credit reference agencies) and Homeloan Management Ltd, the UK's largest third-party mortgage administrator, managing on behalf of more than 30 different lenders (also running its core systems on JADE).

In early 2002, having already successfully implemented two major JADE systems; a customer relationship management system and mortgage application system, Skipton Building Society announced a major strategic decision to base all its future computer systems on JADE technology. Subsequently it introduced an award-winning JADE branch automation system and, using the specialist "JET" conversion service, transitioned its disparate and limiting legacy systems running on expensive mainframes to JADE, providing a robust flexible platform using cost effective commodity hardware.

The JADE systems are used to manage £26-billion under administration within the group servicing almost one million customers. Skipton Building Society is the first financial organization to base its entire operations on a single technology platform.



BUSINESS DRIVERS

While cost-reduction was Skipton's main business driver, customer satisfaction was also key. Fulfilling the range of needs and expectations of its diverse customer base, from those who insist on using a passbook to those who wish to do everything online, is just one of the challenges facing all financial institutions. According to David Cutter, Skipton Building Society's Operations Director, "When dealing with financial organizations, technology is probably the last thing on people's minds, until it goes wrong ... what customers expect is to be treated fairly, be listened to and for the organizations to deliver on its promises, which is what we want to do."



"The move to JADE on an open platform has taken us from a limited position, in terms of IT, to one of real flexibility and scope. The new system supports our business processes rather than dictating them. It also puts us on a platform that can provide solutions to meet the needs of our customers faster, easier and more cost effectively."

David Cutter
SBS Operations Director

The Society aims to make life easier for customers accessing its different services. To help ensure they receive a quick, effective service and all the information most relevant to them, Skipton required a system capable of uniting all its information from disparate sources to provide a single view of each customer. "This view should not just include transaction details but also any communication and interaction with a customer from every source, such as letters, phone calls, faxes, emails etc."

As well as reducing costs, getting the technology right helps Skipton provide optimum service to its clients, a key factor in retaining existing customers and generating new sales. "Getting the technology right is crucial for the building society's 65,000 residential mortgage borrowers and 500,000 retail investors", added David.

SKIPTON AND JADE SOFTWARE CORPORATION

Skipton was an early adopter of LINC technology, developed by Sir Gil Simpson, founder and president of Jade Software Corporation, and subsequently sold to Unisys Corporation. In the 1980s Skipton designed and built a mortgage administration system in LINC and sold it to Unisys.

In 1997-98 Skipton reassessed its long-term business strategies and IT direction. It looked into what Jade Software Corporation was doing at the time with JADE, but had concerns about changing its core systems without proof of the benefits of moving to JADE. So the company's strategy was to build a mortgage application system in-house using JADE. According to David, "We learnt a lot from this project and were happy to continue down this exploratory path to see if JADE would ultimately be a suitable technology."

Skipton wanted to upgrade to a much more customer-focused call center system than the green-screen system they were using, which had been taking up to six months to train staff to use efficiently. The Society chose to install JADE's call center/CRM package, Call Agent, which, according to David, "Very much achieved and met our business needs in terms of being an easy to use product, building communication histories and providing a seamlessly integrated, single customer view."



SKIPTON'S BRANCH AUTOMATION SYSTEM

Skipton had a branch automation system it needed to change because it was costly to support and was holding back their operations. JADE's developers created a system, CASTLE (Cashier, Sales and Transaction Ledger), which met the Society's specifications and was developed in less than three months. In June and July 2002, following user acceptance testing, it was deployed to all 80 branches in 30 days. The new system avoids the need for branch servers with their related issues and costs and enabled the organization to centrally manage all aspects of its branch network using JADE Smart Thin Client technology. David explains, "There are three strategic advantages to the system. Cost of ownership is reduced because there is no need to have a server in the branch. It's far quicker to change and deploy applications via our centrally run JADE application server, we can easily do it overnight to meet changing compliance and introduce new products, which is vital in our highly regulated industry. We also have greater control by seeing transaction journals from all branches in real time, which helps with balancing problems, customer queries or suspected fraud."



The JADE systems are used to manage £2.6-billion under administration within the group servicing almost one million customers.

SKIPTON'S CORE BANKING SYSTEM

In April 2003, Skipton went live with its new mortgage and investment processing application, called BISHOP, built in JADE technology and processing on Microsoft Windows 2000 Datacenter.

Skipton's decision to use JADE for its core banking systems was not made lightly. From its analysis of the market at the time, Skipton had four main options for the core banking systems; to stay with LINC on the mainframe, to see if LINC would operate on an open platform and change to a different hardware environment, to redevelop its core system onto a lower cost platform, or to take the existing code and convert it to JADE code on a lower cost platform. The Society's preferred option for its core systems was to convert to JADE. "The JADE option maintained our existing system's functionality and allowed us to test before making the final transition," David explains. "It would also prove to be the lowest risk option and, because of that lower risk, allow us to concentrate on mitigating other risk areas such as choosing data center services and server hardware and planning how to get all the programmers trained on JADE."

Combined with its new branch automation system, CASTLE, Skipton predicts data processing cost reductions of 65% in annual IT operating costs. David explains, "This has been made possible by transitioning disparate and limiting legacy systems running on expensive mainframes to JADE, a robust flexible platform from Jade Software Corporation using cost effective commodity hardware. As well as cutting costs on hardware we are saving time and costs by not having to switch between or connect disparate technologies for programming, developing or deploying our database or applications. We have put the Society on an open platform, which is more future-proof, is more easily Internet enabled and gives us a development route map and which allows the Society to return to having a single database that can be viewed throughout the business."



KEY BENEFITS

Skipton predicts data processing cost reductions of 65% in annual IT operating costs from the combined effects of moving from core legacy systems on mainframes to using JADE running on more cost-effective hardware and using the new efficient, centrally managed branch automation system, CASTLE.

By moving to an open platform, Skipton has greater options when selecting its preferred operating environment and it is now easier and more cost-effective to integrate external systems to their core business. JADE can run on commodity hardware, ranging from laptops to powerful processors under Windows or Linux.

Using JADE will also help Skipton improve its Internet focus, key for both the business-to-business and consumer markets, allowing valuers, solicitors, credit reference agencies and prospective customers to interact with its core mortgage and savings systems.

The new software environment assists staff serving customers with consistent efficiency across a number of different channels and locations as they now have a single view of the customer.

The JET conversion process enabled the Society to begin the process of integrating all its applications into a single customer-centric system at the heart of the business – and not bolted-on like other customer-relationship management systems.

FUTURE

Skipton Building Society is committed to serving its customers and, by adopting JADE, it can now address its changing market utilizing technology that lowers the risk of delivering information systems in the short term, and ensures a better fit to its business in the longer term.



“The JADE option maintained our existing systems functionality and allowed us to test before making the final transition.”

David Cutter
SBS Operations Director



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The screenshot shows the Skipton JADE software interface. At the top, it displays 'FOCUS - SKITCORE on SBSALPHA3 [BUS07D]' and 'Wed 16 Feb 05'. The main window is titled 'Customer Search' and contains several input fields for account and customer information. Below this is a 'Customer Details' section with tabs for Personal, Company, Marketing, Voting, and Relationship. The 'Personal' tab is active, showing fields for Name (MR FRED BLOGGS), NINO (XX999999X), DOB (02/06/1969), Sex (Male), and various other personal details. There are also sections for 'Customer contact details' (Phone, Evening, Mobile, Email) and 'Customer address' (Street, District, Town, Country/County, Postcode). The interface includes buttons for 'New', 'History', 'Details', 'Info', 'Trans', 'Acc History', 'Tower', 'Re-Focus', 'Clear', and 'Search'. At the bottom, it shows 'Last Amended' and 'Changed by SARAH LAYCOCK'.