Core banking system

PostFinance lays the foundation for the digital future

After adapting more than 60 applications and hundreds of interfaces, simulating tens of thousands of test cases over many months and rehearsing the go-live around the clock several times, the moment of truth finally arrived at Easter 2018 – PostFinance introduced its new core banking system.

> Thanks to our committed team and careful planning, the implementation was extremely successful.

Beat Jaccottet
Head of Business Development

In 2018, PostFinance completed the largest project it has ever undertaken: the replacement of its core banking system. This means that an important foundation stone for the digital future is now in place. In the age of digitization, ongoing development of IT infrastructure is key to every company. For this reason, PostFinance decided some years ago to replace its tried-and-tested – albeit ageing – core banking system with state-of-the-art standard software.

The financial institution is thus investing specifically in its capacity for performance and innovation and has established the framework that will allow its customers to benefit more quickly from digital products and services in the future.

Open-heart surgery
For a financial institution, a replacement of the core banking system during ongoing operations is like open-heart surgery: all functions must continue to run seamlessly, and the changeover should go completely unnoticed by customers. PostFinance chose Easter weekend 2018 for the changeover because it fell at the end of a quarter and because, with four days free of transactions, it also had enough time to put the new solution into operation securely, stably and with the necessary reserves.

Meticulously prepared
More than 60 applications and 450 interfaces had to be adapted, and more than one billion data records had to be migrated correctly. To ensure the smoothest possible operation for its customers, the teams responsible at PostFinance prepared meticulously for the changeover in the months leading up to implementation. They simulated more than 50,000 test cases and rehearsed the changeover four times in real time in the preceding months. More than 3,000 employees were trained on the new systems, undergoing intensive, practice-oriented training cycles. On the evening of Maundy Thursday came the moment of truth: working around the clock over the next four days, some 400 employees completed 3,000 tasks in a well-defined sequence.

To ensure that it was well-prepared for the first weeks of operation, PostFinance also established an "Early Life Support" team with the capacity to respond quickly to any errors occurring after implementation.

Thanks to careful planning, a highly motivated team, professional work on the part of everyone involved and clear support from top management, PostFinance implemented the major project at Easter 2018 within budget and on time, marking the successful completion of the largest project the bank has ever undertaken. An achievement that PostFinance can be proud of.

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Interview

"PostFinance is increasingly becoming a technology company"

During the modernization of the core banking system, Business Development and IT worked hand in hand. Beat Jaccottet and Markus Fuhrer, the heads of these two units, take stock.

Beat Jaccottet
Head of Business Development

Markus Fuhrer
Head of Delivery Factory IT & Operations

What were the success factors in the introduction of the new core banking system?
Beat Jaccottet: The key element was the team, which needed experienced employees who could rely on each other. Everyone knew what they had to do and focused on their tasks. The CEO and top management created the operating framework we required by setting clear priorities and giving a high level of attention to the project – and by demonstrating a great deal of trust in the project team. Professional project management, with realistic planning and the will to adhere to milestones, is of course also an essential factor for success.

Where did you encounter the biggest challenges?
Beat Jaccottet: At the same time as introducing the new core banking system, PostFinance also converted its payment transactions to the new ISO 20022 financial center formats. By coordinating the two projects and closely supporting and assisting our customers, we were able to carry out these challenging migrations on time and to a high level of quality. Because things can go wrong with major projects, it was important for us to anticipate difficulties. We prepared meticulously for the introduction, put our heart and soul into it, tested it intensively and simulated the start of operations several times with military precision, because we wanted the changeover to run as smoothly as possible for our customers.

What are the benefits of the new core banking system?
Markus Fuhrer: At the end of March 2018, we replaced a system with outdated technologies and a heterogeneous application landscape. With the new core banking system, we are at the cutting edge in terms of technology and architecture. This allows for a flexible expansion of new products and services and lays the foundation for PostFinance's transformation into a digital powerhouse. The system has been running very well since the stabilization phase – immediately after its introduction – and it copes easily with our retail banking business as the number one in payment transactions in Switzerland.

How do you see the role of IT in PostFinance's transformation?
Markus Fuhrer: IT is an important technology and development partner for new products and services. It is therefore crucial for the success of the company that it can rely on IT's ability to deliver. To achieve our goal of becoming the leading digital bank, we use the latest technologies, which are particularly exciting for young IT professionals. PostFinance is increasingly becoming a technology company. As part of this transformation, we are converting the company into an agile, project-based operation. Our IT unit is a driving force behind this trend. Employees at IT are therefore playing a major role in shaping the future of digital banking in Switzerland.

With the new core banking system, we are at the cutting edge in terms of technology and architecture.

Markus Fuhrer
Head of Delivery Factory IT & Operations