

BGL BNP Paribas (BGL BNPP)

Effective partnership delivers enhanced flexibility and substantial cost savings.



Overview

BGL BNPP is the market leader in financial services for professional clients and SMEs, and the second largest for individual clients. It is active in retail banking, wealth management, and corporate and investment banking.

Challenge

BGL BNPP had run its main banking features in a mainframe environment for many decades and over this time the IT infrastructure, with the mainframe at its center, had expanded to include about 3,000 MIPS, 15 million lines of code, 20,000 JCLs, and 2,000 DB2 databases. With great customization included it was hard for the BGL BNPP teams to have clear visibility into the applications, maintain them

and respond quickly to business requests for change. Modern banking demands mobile and Web technologies and for this BGL BNPP had started Java development. However, new solutions still needed to integrate with the core applications back on the mainframe which posed a problem.

At the same time, cost pressures were mounting as well. Legislation in different countries led to amnesties of expatriated capital leading to a loss for Luxembourgian bank clients. Cost reduction directives came down from headquarters in a bid to remain competitive.

Jean-Jacques Dubois, Chief Technology Officer for BGL BNPP, summarizes the issue: "We realized we needed to save costs and increase our flexibility towards the business. At the same time, our core business applications contain a wealth of information and we need to interface to them with our new, digital banking, initiatives."

Solution

Initial thinking was to replace the mainframe solutions with a packaged application and several options were explored. However, the customization required made this cost-prohibitive as it was estimated an entire year's IT budget would need to be spent on this option. Moving the solution onto a more fit-for-purpose platform was an attractive alternative for BGL BNPP, as



At a Glance

- **Industry**
Financial Services
- **Location**
Luxembourg
- **Challenge**
BGL BNPP needed to maintain business intelligence held in its core, mainframe-based, systems, while addressing a mandate to reduce costs and increase its flexibility. Complexity of the environment made all evolution difficult, expensive and slow.
- **Products and Services**
Enterprise Developer
Enterprise Server
Enterprise Analyzer
- **Results**
 - + 20% online performance improvement
 - + Improved team collaboration
 - + Significant cost savings realized—ROI within two years
 - + Streamlined processes in a stable environment
 - + Drastic batch performance improvement
 - + Recovery of 'lost systems knowledge'

"This is an outstanding project. There was real synergy between BGL BNPP, HP, and Micro Focus (now part of OpenText), and we appreciated the involvement and engagement of all parties. It was a very complex and risky project, one of the top five projects in a career."

PHILIPPE STERNO
Chief Information Officer
BGL BNPP

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JEAN-JACQUES DUBOIS

Chief Technology Officer
BGL BNPP

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JJ Dubois explains: “After some guidance from Gartner we knew we needed an effective and professional partnership, someone who was willing to share responsibility for the ultimate success of this project. Our parent company BNP Paribas already worked with Micro Focus (now part of OpenText). We engaged with HP Professional Services, who in turn recommended Micro Focus (now part of OpenText) for the modernization project.”

A number of reference visits to other OpenText customers followed and, once BGL BNPP felt assured that HP and OpenText were the right partners, the project got underway. This was a good opportunity to analyze the code of the 40-yr old IT infrastructure. OpenText® Enterprise Analyzer® gave some great insights into the workings of the system and the team was able to optimize this for the new Linux-based platform.

Over the course of 18 months the code moved to the new operating platform, and a cultural change was happening within BGL BNPP as well. JJ Dubois: “We needed to convince people that a distributed environment would perform just as well and provide the same stability as the mainframe had for so many years. This required a real effort from all the partners involved. We had Micro Focus (now part of OpenText) Consulting, Support, and Product Development heavily involved and everyone was focused on making this a success.”

OpenText Enterprise Developer® and OpenText Enterprise Server® formed the basis for the new Linux environment.

Results

Following the successful go-live in the distributed environment, BGL BNPP was pleased to report that the stability of the system was equal to that of the mainframe. Its primary objective had been to save costs and this too was met, as JJ Dubois states: “We estimate that the Micro Focus (now part of OpenText) solution in a Linux environment runs at 10-20% of the original IT operating costs, so a saving of 80 to 90% of the mainframe costs, which translates to full ROI within two years.”

A thorough code analysis has meant that performance improvements have been realized as well. JJ Dubois: “Some of our batch programs are completing in minutes instead of hours, and our online performance has improved by more than 20% which is great news for our online banking clients. We have also noticed that this project has brought our development and operations teams much closer together which will be a great benefit for future projects.”

Philippe Sterno, Chief Information Officer at BGL BNPP, concludes: “This is an outstanding project. There was real synergy between BGL BNPP, HP, and Micro Focus (now part of OpenText), and we appreciated the involvement and engagement of all parties. It was a very complex and risky project, one of the top five projects in a career.”

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