



Standard Chartered Bank China

Micro Focus helps Standard Chartered Bank meet Chinese regulatory requirements

Challenge

When Standard Chartered Bank set up a new branch office in China, compliance regulations meant that it had to host customer data in China. The problem was that the system was hosted on an expensive mainframe environment.

Solution*

- Micro Focus Enterprise Developer
- Micro Focus Enterprise Server

Highlights

- Over 3000 COBOL programs and 800 screens moved from IBM mainframe to Linux in five months
- Improved batch processing times – one three hour job reduced to three minutes
- Low risk approach retains COBOL, CICS, and JCL and delivers better performance

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 Head of Retail Technology Solutions Delivery, Standard Chartered Bank

STANDARD CHARTERED BANK

Listed on the London, Hong Kong and Mumbai stock exchanges, Standard Chartered PLC ranks among the top 20 companies in the FTSE-100 by market capitalization. The bank offers a range of services across consumer, wholesale and SME banking plus Islamic banking, online banking and a private bank for high net worth individuals. As a global enterprise, Standard Chartered Bank strives to build a sustainable business over the long term as well as have a positive impact on the economy and lead the way in the markets where it operates.

Opportunities present challenges

The Chinese market is an important one for growing businesses and Standard Chartered Bank took the decision to set up a new branch office in China. One of the bank’s core applications, its Retail Loan System (RLS), resided on a mainframe in Hong Kong. However compliance with Chinese government regulations required the bank to host all Chinese customer data on the mainland. This substantial undertaking had to be completed within a very short timeframe to meet the targets of the Chinese regulatory body.

An innovative solution

Rather than incur the expense and inconvenience of replicating a new mainframe environment in China, Standard Chartered looked for a solution that would enable it to deploy the application on a lower cost platform than the mainframe. This was a significant undertaking and involved moving over 3,000 COBOL programs and 800 screens from the IBM mainframe onto Linux. The bank found the answer in technology from Micro Focus designed to migrate applications from the mainframe onto alternative platforms with minimal change.

“The selection of Micro Focus tools and technology was central to the success of the project,” explains Ramesh Narayanaswamy, Head of Retail Technology Solutions Delivery at Standard Chartered Bank. “It meant we could make the platform change without having to make major changes to the application source code and design, and only minimal change to existing programs.”

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Drawing on Micro Focus experience to overcome multiple challenges

The project was the first implementation of its kind for the bank, and there was no expertise or technical knowledge within the bank to draw on. As Project Manager for the Retail Solutions Delivery at Standard Chartered Bank, Ananth Gopal explains that the project presented a number of challenges. “Initially we thought it could be plug and play, but parts of system were old legacy COBOL and there were a lot of COBOL statements that had to be reengineered.” Finding people with the right skills presented further challenges. As Gopal says, “We had a group of people with mainframe expertise, and a separate group of people who know the Linux world. Finding people with a crossover skillset was impossible and we faced a steep learning curve to acquire these skills ourselves. The Micro Focus solutions architect allocated to our project was invaluable in helping us speed up the process.” Ensuring that security standards were retained was a further consideration as the mainframe security had to be emulated on the new platform. Micro Focus’ extensive experience of more than 500 successful migrations proved invaluable to the Standard Chartered Bank team and helped it overcome the challenges within an impressive five month timeframe from proof of concept to go-live.

Minimizing change presents a low-risk strategy

The decision to migrate the application and adopt the Micro Focus approach proved a winning combination for Ramesh Narayanaswamy, who values the low-risk approach to the delivery. “We retain the same COBOL, CICS and JCL that we had on the mainframe. This made the migration much easier and faster than any alternative solution.” He continues, “In addition, we now benefit from better performance and an architecture that we can scale up quickly for relatively little cost, simply by adding more processors and storage as these become necessary.”

Impressive performance improvements – today and in the future

The project has returned performance improvements across the system. Batch performance is significantly faster as there are fewer countries sharing the resources. “When we moved to the Micro Focus stand alone system from the shared environment it ran extremely quickly and in fact gave use greater processing capacity than on the mainframe,” explains Gopal. “The new Intel-based Linux server also gave us an opportunity to reengineer some aspects of applications, which resulted in faster execution of batch jobs than on the mainframe.” Performance improvements were impressive. One overnight batch job ran three hours faster and one batch job that previously took three hours could now be run in three minutes.

The migration has also opened up new technology directions for Standard Chartered Bank. “Now we can integrate rapidly with other systems through exposing rehosted functionality as web services,” says Narayanaswamy.

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A model for future development

As well as enabling Standard Chartered Bank to meet the pressing challenges presented by the Chinese legislation, in a remarkably short timeframe, the other benefits delivered by the project have been widely recognized across the bank. The implementation has been a big enabler for Standard Chartered Bank. A number of other countries have seen the success of the project and want to repeat it by moving their data centers to reside locally. Ananth Gopal explains that the “approach we took with Micro Focus will be the model for this. Especially as we have learnt so much while we carried out the first implementation. We will know what will take the time, where the pitfalls are likely to be and where to concentrate activity for the best return.”

About Micro Focus

Micro Focus, a member of the FTSE 250, provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization, Testing and Management software enables customers’ business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk.

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* Micro Focus Enterprise Developer and Micro Focus Enterprise Server are the current names for products used in this project