

## CASE STUDY COMARCH BUSINESS INTELLIGENCE

# AT DNB NORD POLSKA SA

## ABOUT **DNB NORD POLSKA S.A. BANK**

DnB Nord Polska SA Bank offers companies individual service packages, including an array of possibilities in the scope of servicing international transactions. It has been active in the Polish market since 2002, servicing large and medium companies. In 2006, the bank assets value exceeded PLN 2 billion.

## ABOUT **THE PROJECT**

The DdB Nord Polska S.A. bank used the unique capabilities of the Microsoft® SQL Server 2005 platform,

thanks to the comprehensive BI solution created by Comarch, including controlling, budgeting and reporting.

The contemporary banks are very affective at recording transactions, calculating interest and generating mandatory reports. Interpretation of facts, drawing conclusions therefrom, and all the more modifying processes on the basis thereof – these phenomena are still not completely mastered. The problem is neither accessibility of tools nor lack of the banks' will. It is the competence gap in the field of ability to use the existing tools for problem solving. The DnB Nord Bank, which was operating in Poland for several years,

faced the problems and... succeeded. The management information system implemented in the bank, based on the Comarch Business Intelligence system, provides coherent data simultaneously to all the in-



terested parties: accountants, financial analysts, risk analysts, product managers, bank management and owner-banks. All the users acquire the data from a single source, yet their scope and method of interpretation is adapted to the needs of individual categories of recipients. Moreover, the system users can view the data in three perspectives: factual, factual against plan/budget and forecast. Acquisition of such an effect within half a year was possible thanks to combining the competence of the employees of the DnB Nord Polska SA bank controlling department and the specialists from Comarch S.A.

## Situation

The DnB Nord Polska S.A. Bank began its activity in the Polish market in 2002. Until the end of April 2006, it operated under the brand of NORD/LB Bank Polska SA, and currently it is a member of the DnB NORD Banking Group, created by German bank NORD/LB

Norddeutsche Landesbank Girozentrale and the largest Norwegian bank – DnB NOR. The group started its activity in early 2006, servicing customers situated in the Baltic countries – Poland, Denmark, Finland, Latvia, Lithuania and Estonia. The Group included, e.g., banks which used to operate under the brand of NORD/LB in these countries. Origin of the Group caused increased demand for controlling and reporting. The board of the DnB Nord Polska SA Bank decided that it was a good opportunity to implement a comprehensive solution for controlling and reporting. The project was coordinated by the Management Information Team Manager, employed particularly for this purpose. Konrad Juszczyk joined the DnB Nord Polska SA Bank with nine years of experience in development and implementation of controlling systems in banking, both domestically and in the Western Europe. „This project was quite a challenge, as we had to develop the entire concept of controlling from scratch – from the general framework to small details. From my perspective, this was at the same time a great advantage of the project, for it allowed me to accomplish my business ideas which performed well in various past project, as well as my own deliberations – explains Konrad Juszczyk, Management Information Team Manager at the Strategic Development and Controlling Department of DnB Nord Polska SA Bank.

An additional challenge was the time range of the project. The board of the bank provided six months for the entire enterprise, from planning to completion and launch. Bearing the deadlines in mind, we decided to use the Comarch Business Intelligence platform, functioning in the bank, based on Microsoft SQL Server 2005, which, incidentally, were well suited for completion of this task. I also wanted to use the experience of an outside provider, who knew the specificity of the bank and did not have to learn it from scratch. I chose Comarch SA – I was supposed to provide coherent premises, whereas the partner was to precisely translate them into technical solutions” – says Konrad Jaszczuk.

## Solution

Definition of requirements took a significant share of the time provided for the project. The enterprise began formally in August 2006, but the programming works were started for good only in October. This time was needed for the comprehensive concept of the MIS system to get in synch, as it was supposed to be applied by users with different IT needs and different requirements concerning the level of detail and the extent of data processing. „The accountants needed a solution which would allow them to make reports in any scope, without the need of processing data in calculation sheets. The analysts and managers, in turn, needed highly detailed data, in order to be able to draw conclusions about the actual development of situation in individual markets and for individual products. The needs of the board included managerial accounting and decision-supporting elements, as well as integrated risk analyses. Each shareholder



bank required reports, sometimes more precise than the content of the analytical account in the ledger of the bank” – lists Konrad Jaszczuk. Despite the vast range, a coherent conception of the system was cre-

## Customer's perspective

**KONRAD JUSZCZUK,**

**MANAGERIAL INFORMATION TEAM MANAGER AT THE STRATEGIC DEVELOPMENT AND CONTROLLING DEPARTMENT OF THE DNB NORD POLSKA SA BANK**

*Every fact in the data warehouse – contract, transaction, etc. - is fitted with a code product. Moreover, the facts are marked with accounting codes and risk codes. Therefore, the same data are visible in three dimensions: accounting, analytical and risk perspective.*

ated. The key to its development was innovative approach to applying typical mechanisms provided by the BI platform.

The primary assumption, resulting from the needs of the managerial staff and the owners was to transfer the entire ledger, as well as detailed data from all transaction systems operated in the bank, to the data warehouse. After standardization and initial transformations, the data were to be sent to domain data models, which were allocated as per banking product categories. Separate models were also made for credits, deposits, current accounts, securities, as well as costs. The structure of the models in the data warehouse is essential for the entire system. “Every fact in the data warehouse – contract, transaction, etc. - is fitted with a code product. Moreover, the facts are marked with accounting codes and risk codes. Therefore, the same data are visible in three dimensions: accounting, analytical and risk perspective. At the same time, each group of codes is managed independently by those directly interested” – explains Konrad Jaszczuk. Tables in the warehouse permit use of numerous independent measures in each dimension, which allows to retain flexibility in interpretation of information after it has been transferred to the multi-dimensional structures. „Thanks to numerous measures we are able to make analysis for average values,

extracted for periods of different length, as well as for values “per day”, and cumulated values. This has a fundamental impact on readability of the data analysed – we know whether the values represent a trend or if they are caused by a temporary anomaly. This is of crucial importance for decision-making” – explains Konrad Juszczyk.

Exactly the same mechanism allows the bank to provide its owners with analytical data with much greater level of detail than it would result from the ledger. „The reports let the owners know what is the value of working capital facilities granted in the given period, divided into various kinds and types, dates of maturity, risk profiles attributed to them, acceptable concentration factors, etc.” Making of such reports in Excel would take weeks” – says Konrad Juszczyk. The Comarch Business Intelligence data warehouse created at the DnB Nord Polska SA Bank also has an entire array of various properties, which are not to be found



in other systems of this sort. One of them is automatic generation of information on accomplishment of plans and budgets. „The budgeting system does not

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*Specialists in the field of analytical systems engineering attentively listened to me and understood me. I believe that this understanding of nuances, as well as willingness to follow an unconventional train of thought are a great advantage of cooperation with Comarch.*

have to be separate system with its own database. This only makes the work more difficult, for we move amid the same data that go to the analytical systems. Comarch Business Intelligence and SQL Server 2005 allow to perform budget analyses as an element of a typical controlling process. Budgeting references are saved in an additional dimension, which simplifies the entire analysis. In the same simple manner we carry out forecasting” – explains Konrad Juszczyk.

It is also worth to mention how the DnB Nord Polska SA Bank defined the product glossary. Contrary to the common habit of MIS system architects, it is not a hierarchical tree, but a list of “atomic” actions, from which a banking product is completed. „Such structure of the product glossary gives us an extraordinary flexibility. The products may evolve in terms of range, or other parameters, which still does not influence the rules of their analysis. Thus, the analysts can observe the effects of product modifications against the background of coherent historical data. The benefit is significant and it consists in the fact that modifications of product definitions no longer occur in the technical layer, but rather in an easily-modifiable layer of term interpretation” – says Konrad Juszczyk. An important aspect of implementing the MIS system at the DnB Nord Polska SA Bank is skilfully designed process of generating and interpreting managerial information.

This provided the bank managers with a flexible tool for sales management, which also allowed them to dynamically control the cost allocation.

## Benefits

Thanks to the fact that the corporate reporting system was implemented the way it was, the DnB Nord Polska SA achieved numerous benefits:

- By combining the accounting and analytical perspective with risk assessment, the bank gained a comprehensive look at its current operations, as well as tool for correcting the same in accordance with strategic assumptions
- The data warehouse included in the solution is the main „source of truth“, which in no way decreases the flexibility of its use as a source for more advanced analyses and managerial reports
- The central catalogue of products created as part of the project provides the marketing and sales departments with flexibility in defining of their scope and automatically reflects all changes in the layer of analyses and reporting
- Despite high level of automation, the system allows introduction of manual corrections into the data warehouse by the 5th day of the following month. Therefore it simplifies the bank settlement processes, without forcing repetition of long-term operations of closing a month or a quarter
- The shareholder banks have access to reports on the DnB Nord Polska SA Bank in the scope they expected, despite the fact that it was not possible based purely on information from the ledger

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- The system includes an interpretation layer, separate for controlling, accounting and risk analysis. The dimensions and measures in each of these three areas can be controlled independently by those directly interested, in accordance with their own needs: accountants, analysts, product managers, etc. This allows to introduce major changes to the organization and offer

of the bank (and to track their impact on activity) without the need of modifying the general architecture of the system.

By combining three looks at the same business facts in a single system, the bank gained one more important benefit. „In our solution, re-

ports for the owners are generated directly from data collected in the warehouse. Thus, the accountants are those who assure consistency of the data which are the source for managerial analyses. In the long run, this is one of the most important achievements of this implementation“ – says Konrad Jaszczuk.

### Comarch SA

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