CUSTOMER SUCCESS: UBS GAINS INFORMATIVE MARKET DATA

Global financial services company automates and centralizes IT and business processes using Redwood Cronacle® to improve business intelligence and reduce costs.

KEY POINTS

▲ Management needed to know exactly which product and service packages are profitable, and pinpoint areas of growth.

▲ Redwood Cronacle replaced 16 applications, allowing a single, comprehensive view of the business.

▲ Financial report production was cut from nine to five days, and there was a 30% reduction in cost of IT process solution ownership.

▲ Business and IT processes behind the data were unconnected, complicated and time-consuming – it took nearly 100 employees to tie disparate activities together.

SETTING THE FINANCIAL SCENE

UBS AG is a client-focused financial services company. UBS Wealth Management & Business Banking (UBS WM&BB) is its private banking, retail and corporate banking division. It generates more than one billion transactions per month, of which approximately 200 million accrue at the end of each month, requiring the company to handle 10 million postings per hour, managing and reporting on 500 million account balances.

UNCONNECTED MANUAL PROCESSES

UBS management reporting drives profitability while supporting service and compliance. To be successful, management must know exactly which product and service packages are profitable, and which business centers and market segments would support sustained growth. UBS used highly specialized financial and managerial accounting systems to deliver the information they needed. But these systems required significant manual effort to get results.

The business and IT processes behind the data were unconnected, complicated and highly time-consuming.

This approach demanded nearly 100 employees engaged in manual work to tie disparate activities together. At the same time, internal audit, information management and regulatory requirements – as required by US GAAP, IAS etc. – continued to increase demands on the reporting system. The number of IT systems involved caused the Total Cost of Ownership (TCO) to spiral upwards.

The situation was full of challenges, especially considering the volume of data involved. There simply wasn't a standard system on the market capable of handling the load – until UBS found Redwood.

FINDING A SOLUTION

To bring its processes together, UBS set up its own Global Environment for Accounting & Reporting (GEAR) system. This group developed a completely new accounting and reporting system for UBS WM&BB that would meet current and future requirements and facilitate flexibility and efficiency. The project was part of a wider program to upgrade the UBS IT infrastructure in Switzerland.

UBS partnered with Redwood Software, Accenture, Oracle, Elca, DataLizard and Business Objects to architect a solution. Redwood's Cronacle enabled UBS to control and connect many complex processes in the GEAR system's control center. This guarantees that UBS has seamless integration and coordination of all its key processes. It also increases the efficiency of the whole system.

More than 170 applications deliver data to UBS daily at 6 PM. Cronacle automatically picks this up and processes it overnight so it is available the following morning in the form of complete, up-to-date reports. The GEAR system processed more than 15 billion transactions in its first three quarters of operations. Redwood provides the engine and the coordination behind all that activity.

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> Redwood's Cronacle is the crucial process automation component that acts as the glue holding together the entire GEAR solution. We were able to count on Redwood's expertise, especially in the final weeks of the project. Thanks to their tireless cooperation we were able to meet the timeframe and budget.
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> —*Thierry Schafflützel, GEAR Project Manager, UBS*

COMPETITIVE ADVANTAGE

Industry experts say UBS's unique GEAR solution has given UBS a five year head start over the competition.

Cronacle replaced 16 applications, allowing a single, comprehensive view of the business. UBS's process chain is now highly optimized and getting faster every day. UBS realized immediate time and cost savings for its accounting and reporting processes. The TCO of IT process solution ownership also decreased by 30%.

With automation, financial information is more quickly available and controlled from one source. Management receives current market relevant data for the early identification and analysis of trends. UBS use this business intelligence to react faster, reduce risks and exploit opportunities. The bank can extract all management reports from a central database within five to 15 hours in a format suitable for business users. In addition, external reporting is now available five days after the period end close, a process that previously took nine days.