

Banking

Migrating a core banking platform to the cloud

BSG supported a leading South African retail and corporate bank in migrating the first of its core banking systems to the cloud as part of its strategic modernisation journey



Overview of the client's needs

- Migrate a core banking platform to the cloud as part of a strategic modernisation programme
- Modernise architecture and infrastructure in line with their digital strategy



Objectives of the engagement

- Use AWS best-practice to design and implement integration patterns for a software as a service (SaaS) platform for the bank's vehicle asset finance (VAF) business
- Enable migration of a core banking system to the cloud, ensuring full integration with all on-prem systems and the bank's data reservoir
- Ensure the needs of all affected business units and stakeholders are considered when designing the integration protocols



Benefits of the change

- Improved business agility and responsiveness to changing customer needs
- Increased flexibility and mobility, enabling the bank's staff to manage business requirements from anywhere via a secure web-portal
- Improved disaster management responsiveness
- Fully managed SaaS solution, resulting in increased stability of a core banking system
- Two-way data transfer between SaaS provider, the bank's data reservoir and on-premises systems, ensures cleaned data in the correct format is appropriately available across the bank
- Enabled a single view of customer across the bank's business units

BSG enabled the migration of a core banking platform to the cloud using AWS best-practice

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Engagement Overview

Having embarked on an enterprise-wide cloud journey, a leading South African corporate and retail bank is aiming to move 85% of its core systems into the cloud by 2024. As part of this initiative the bank's VAF business sought to migrate its 45-year old mainframe to a cloud solution. The overall modernisation programme resulted in platform, infrastructure and application modernisation initiatives launched across the bank's front- and back-office systems.

In line with that, the bank's vehicle asset finance (VAF) business contracted a software as a service (SaaS) partner to provide a solution to replace their legacy technology stack. As the SaaS provider utilised AWS cloud technology, BSG came on board to enable the design and implementation of the integration layer required to link into the bank's on-premises supporting systems. As this would be one of the first of the bank's core banking systems migrated to the cloud, and the fore runner in this space, the team had to ensure that all business, technology and data stakeholders were adequately engaged and consulted, and were comfortable with the function of the integration layer. Given the complexity of the bank's system landscape, significant investigations into business unit (BU) requirements and negotiations were necessary to ensure the integration solution met all BU requirements.

Solution

By moving to a SaaS solution, the VAF business no longer required independent infrastructure. It was therefore key that the integration layer should not require any additional on-prem hardware. To enable this, business, technology and data stakeholders across the bank were consulted to build a full view of requirements for the integration layer. BSG played a key delivery management role in this process, facilitating the negotiations between business units and ensuring best use of cloud services.

BSG, as an AWS implementation partner, ensured the design and management of the integration was done using platform-specific best practice and adhered to strict AWS quality standards. Key to the successful integration was BSG's understanding of the bank's complex systems landscape and holistic integration requirements.

By moving this core system to the cloud and reducing the time required to respond to changing market conditions, the bank's VAF business will improve its overall business agility. As the system can be securely accessed via web-portal, users have increased flexibility and mobility while leveraging the system. Through stringent data security protocols, the system offers increased security and real-time support from the SaaS provider.

In addition to the benefits enabled by the shift into the cloud, the integration layer ensures two-way data transfer between the SaaS provided AWS-backed system and the existing on-prem systems, as well as the bank's data reservoir. By providing two-way access to cleaned data, in the right formats, the implementation enables a single view of customer and real-time authentication.

BSG making a difference

This is the first core banking system to be successfully migrated to the cloud and will enable the roll-out of the VAF SaaS solution. This core platform modernisation is a big step in the bank's overall digital journey and will go a long way to ensure the ongoing relevance of the bank in a rapidly changing digital environment.

Additionally, being able to access the system securely via a web-portal means the bank's staff are able to manage the business from anywhere, significantly improving the service they can offer customers, particularly during times when they are required to be away from the office. Reduced time required to implement changes, enables the bank to manage business needs on-the-fly, significantly improving its ability to respond to disaster management situations. A fully managed SaaS solution ensures increased stability of this core banking platform. Furthermore, two-way data transfer between the SaaS solution and the bank's on-prem systems, results in clean data, in the correct format being securely accessible to the necessary personnel and systems across the bank. This will go a long way to enabling a single view of customer across business units.

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