



- Trade margins are shrinking
- Innovation can bring in new customers

# OUTSOURCE TO COMPETE

With shrinking trade margins, Australia and New Zealand Banking Group (ANZ) was challenged to improve service levels and increase the scale of operations without adding costs to provide clients with high quality customer service. CGI performed a major part in this process.

The challenge for ANZ was to improve the level of service cost-efficiently and without jeopardizing the strength of its relationships. In addition, ANZ committed to helping its clients streamline financial supply chain inefficiencies wherever possible. Automation and process enablement play key roles in delivering the required productivity and cost efficiency enhancements.

### The strategy

ANZ reengineered its business processes, at the centre of which was a wholly owned trade processing subsidiary called TradeCentrix. In addition, ANZ designed a high performance operations architecture supported by a robust trade finance technology solution, Proponix, developed and delivered by CGI. As a key component of the new architecture, TradeCentrix is using Proponix to support its global trade finance business.

The move to a bank-wide common platform was driven by the bank's decision to centralise its transaction processing into the 24-hour TradeCentrix operations centre located in Australia, and to outsource the centre's supporting technology to CGI.

ANZ's then head of trade service delivery, trade and transaction services, Chris Mouat, highlights the importance of CGI in the process: "ANZ is driving up customer satisfaction levels and offering trade transaction processing services to other banks over the CGI Proponix platform. Proponix is an important element in our expansion plans, helping us to achieve significant efficiency improvements."

ANZ is one of very few banks across the globe that has separated trade business processes from the technology. Working with CGI to migrate to the managed Proponix Trade Finance Platform, TradeCentrix was able to reduce risk through a phased global rollout. Proponix also allows operations to be distributed across any number of physical locations, enabling TradeCentrix to further develop an operations architecture that maximizes cost benefits.

CGI is responsible for all aspects of operating the Proponix service, including technology and operations support, help desk operations, software development and maintenance,

and general management of the data centres. Leveraging the centralised nature of the Proponix Trade Finance Platform, TradeCentrix and CGI have a development and release strategy that includes frequent software upgrades tailored to ANZ's particular needs.

### The results

By outsourcing the maintenance and management of the trade operations technology infrastructure to CGI, TradeCentrix achieved significant reductions in operations costs. In addition, ANZ derives several other business benefits, including:

- **Superior customer service.** After 70% of trade transactions had been migrated to Proponix, TradeCentrix achieved a 10% increase in customer satisfaction. In 2006, ANZ was consistently rated Australia's number one trade finance bank, taking ten first place awards.
- **New revenue opportunities.** Proponix has enabled ANZ to drive new revenue opportunities by offering new products and capabilities such as export finance and by marketing third party processing to other financial institutions.
- **Transaction processing efficiencies.** Through tight integration of all applications, fully integrated imaging and workflow, and process automation, the Proponix platform has significantly improved scalability by increasing transaction processing throughput by at least 30%.
- **Predictable operating costs.** The Proponix platform is hosted and provided as a service by CGI. This ensures that IT operating costs remain stable, predictable and in-line with business volumes, while new capabilities are implemented.

By decoupling trade services business processes from the underpinning technology, ANZ is improving efficiency, increasing customer satisfaction, and laying the foundation for the planned growth in its trade volumes without significantly increasing operational costs.

### Leading light down-under

Australia and New Zealand Banking Group (ANZ) is one of the world's leading trade finance banks, delivering trade services for 10,000 customers across 29 countries and processing transactions worth 25–30 billion Australian dollars annually. ANZ emphasises the importance of a profitable trade services business as an integral part of a global transaction services offering that also includes cash management and clearing services.