SAP BusinessObjects™

SAP Business Transformation Study
Banking, Financial Service Providers

NATIONAL AUSTRALIA BANK
DRIVING OPERATIONAL EXCELLENCE

QUICK FACTS

Industries
Banking, financial service providers

Revenue
Around US$14 billion

Employees
24,000 (Australian region)

Headquarters
Melbourne, Australia

Web Site
www.nab.com.au

SAP® Solutions and Services
Dashboard creation and visualization with SAP® BusinessObjects™ Enterprise software

Implementation Partner
SAP Consulting

National Australia Bank (NAB) Limited is a leading financial services firm serving over 10 million customers in Australia, New Zealand, the United Kingdom, Asia, and the United States. The strategy of NAB's business banking division includes having greater visibility into key operational metrics to optimize performance. Using SAP® BusinessObjects™ Enterprise software, the division created a secure, Web-based dashboard to give bankers more personalized, context-specific insight to make sound decisions.

Key Challenges
- Deploy a front-end information delivery system with a standardized, transparent view
- Enable personalized Web access to timely data on key performance indicators (KPIs)
- Meet security and data privacy requirements
- Gain immediate insight into lead indicators to enhance market agility
- Support fact-based decision making
- Drive behavioral change and accountability

Why SAP Was Selected
- Opportunity to leverage existing investment in SAP® BusinessObjects™ software, chosen as the corporate information delivery solution based on quality, price, and synergy
- Integration of SAP BusinessObjects business intelligence solutions to create a dashboard that presents bankers with a visual tool that has individual, context-specific information via Web-based reports

Implementation Best Practices
- Provided a best-practice approach to accelerate delivery of operational metrics
- Held a workshop to align key stakeholders, resulting in first KPI and reports in 6 weeks
- Used continuous improvement cycle to optimize solution
- Created data model for multiple sources
- Started with small pilot, which successfully led to full deployment

Low Total Cost of Ownership
- Completed project on time and on budget
- Retired paper-based, manual reporting
- Standardized reporting processes across all locations
- Reduced training requirement because of consistent dashboard format
- Leveraged existing investment in SAP BusinessObjects software

Financial and Strategic Benefits
- Lowered annual leave accrual by US$4.3 million
- Reduced risk-weighted assets by 6%
- Contributed to a capital reduction of 8%
- Improved the number of reconciled commitments from 57% to 92%
- Improved compliance with annual leave requirements from 62% to 72%
- Reached covenant compliance target level of 90% within 6 months

Operational Benefits
- Enabled rapid creation of a personalized dashboard to support the information needs of 3,200 unique business users a week
- Helped identify bankers to include in sampling for internal auditing by highlighting peer ranking and performance
- Incorporated dashboard into network's internal QA program to complete control checks by providing evidence of compliant behavior
- Linked individualized metric expectations to each banker's scorecard

nab

"We achieved a US$304 million capital reduction in the first four months of using our bankers' operational dashboard and an additional US$87 million reduction over the next six months, which is a fantastic result."

Rob Giles, Executive General Manager – Business Operations, Business Banking, National Australia Bank Limited

www.sap.com/contactsap

National Australia Bank (NAB) Limited traces its history back to the establishment of the National Bank of Australasia in 1858. Since then, NAB has evolved into one of Australia's leading banking and financial services firms, with over 10 million customers. Given the industry-wide pressures from the recent global financial crisis, NAB's business banking division realized it needed clearer insight into key performance indicators to optimize efficiency and maintain success.

"We needed to provide our bankers with a true picture of the state of their business – including the areas in control and those that needed attention," says Rob Giles, executive general manager of business operations. "Only then could we make a cultural shift from innate to fact-based decisions regarding which activities each banker should focus on day-to-day."

To provide this deeper business intelligence, NAB's business banking division deployed a new information dashboard based on SAP® BusinessObjects™ Enterprise software. The dashboard serves as a front-end delivery tool that provides tailored location- and product-specific customer information to each banker.

NAB had already deployed SAP BusinessObjects software as its corporate information delivery solution based on the software's quality, price, and synergy. The decision to also use SAP software for the banking dashboard allowed NAB to leverage its technology investment.

Driving Behavioral Change

On an annual basis, NAB's business banking operational dashboard now supports the information needs of 4,500 unique business users and 1.7 million report refreshes. But the dashboard does more than provide bankers with the right information at the right time. It actually drives behavioral change by defining expectations, setting time frames, and identifying targets within each banker's span of control, while permitting peer group comparison. It also delivers greater transparency around strategic business objectives and provides each banker with a level of accountability for achieving those objectives.

What Gets Measured Gets Done

By providing fast and consistent feedback on process quality adherence, the dashboard has proven to be a valuable tool for measuring progress and achieving business goals. It has been instrumental in enabling NAB business banking to decrease annual leave accrual by US$4.3 million and reduce risk-weighted assets by US$5.6 billion. In addition, it has provided the business intelligence needed for the bank to realize a capital reduction of US$391 million and optimize its compliance with internal regulations.

Key Success Factors

The dashboard was completed on time and on budget. Several factors contributed to this achievement. Specialists in SAP BusinessObjects software from SAP Consulting provided a best-practice approach to deliver a controlled pilot of 100 business users. The pilot allowed senior management to see the power of the tool quickly and invest the resources needed for its full implementation. Throughout deployment, the project team cultivated sponsorship for the initiative by continually supporting the business in exceeding expectations and focusing on key challenges. Meanwhile, the dashboard's intuitive operation, timely data, and consistent format across all metrics drove widespread usage among NAB's business bankers.

The Road Ahead

In today's banking environment, cost reduction and capital management are strategic objectives. Going forward, NAB's business banking division plans to further expand the opportunities afforded by its operational dashboard to meet these objectives, support a culture of accountability, and optimize success.

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