

BANESE

BANKING ON NEW OPERATIONAL EFFICIENCIES

QUICK FACTS

Industry

Banking

Assets

US\$1 billion

Employees

1,200

Headquarters

Sergipe, Brazil

Web Site

www.banese.com.br

SAP® Solutions and Services

Financial and human resource management with the SAP® ERP application

Implementation Partner

Politec Ltda.

Key Challenges

- Support excellence by increasing efficiency of operational processes
- Enhance compliance with all regulations
- Prove benefits of back-office improvements to board of directors
- Phase out 30-year-old technology infrastructure and systems
- Mitigate risks of project deployment for new business software

Implementation Best Practices

- Created dedicated project office located away from operational facilities
- Staffed project team with business and IT experts
- Assigned project team exclusively to deployment of SAP® ERP application
- Adopted ASAP methodology for implementation best practices and guidelines

Financial and Strategic Benefits

- Projected payback in just 36 months
- Enhanced financial compliance and governance
- Reduced operating costs
- Improved management of corporate resources
- Achieved US\$430,000 in annual productivity savings
- Generated \$333,000 in annual IT savings
- Reduced general costs by \$952,000 per year

Why SAP Was Selected

- Complete, integrated business solution
- Demonstrated ability to meet needs of banking industry
- Strong partner ecosystem
- Enthusiastic customer references
- Scalable technology solution for dynamic business environment
- Ability to integrate with other technologies and software

Low Total Cost of Ownership

- Enhanced value of IT to business beyond that provided by legacy systems
- Deployed software on time, in just 7 months
- Deactivated 15 legacy systems
- Simplified implementation using ASAP methodology
- Conducted training based on preconfigured scenarios and best practices

Operational Benefits

Key Performance Indicator	Impact
Budgeting and planning productivity	+53%
Inventory levels	-40%
Annual production waste	-80%
Bidding/contracting productivity	+13%
Accounting productivity	+41%
Fixed asset management productivity	+45%
Tax management productivity	+58%
Accounts payable productivity	+54%
Payroll management productivity	+59%
General service productivity	+25%
Procurement spending	-4%
Employee overtime	-5%

Banco do Estado de Sergipe SA (Banese) – a state-owned retail bank in northeastern Brazil – has a passion for excellence. Having achieved superior profitability, return on equity, and equity growth, the bank sought to streamline operations and management. Using the SAP® ERP application, Banese realized dramatic productivity and operational benefits and boosted its reputation for professionalism among customers, suppliers, investors, and auditors.



”Banese senior management was thrilled that the SAP ERP deployment – which was designed to enhance our supporting functions – could also benefit the core business and enable the bank’s strategy.”

Rodrigo Corumba, Director of Operations and Technology, Banco do Estado de Sergipe SA (Banese)

Equity in Excellence

The enduring pursuit of excellence is an essential part of the business culture at Banco do Estado de Sergipe SA (Banese), located in Sergipe, Brazil. Despite being rated consistently as one of the most profitable banks in Brazil, the state-owned retail bank continually looks for opportunities to improve its strategy and operations.

Banese IT executives saw an opportunity to add business value by streamlining operations and the management of supporting personnel and activities. The bank decided to replace 15 legacy systems in its 30-year old IT infrastructure with an integrated enterprise resource planning solution.

After carefully considering the functional and technical features of several software solutions, while complying with strict state-mandated procurement requirements, Banese chose the SAP® ERP application as a foundation for higher productivity.

Credit for Change

IT management needed to gain commitment from business users. “We wanted to pave the way for the big change that we knew this project would bring,” says Rodrigo Corumba, director of operations and technology at Banese.

To manage the change effectively, project executives decided to deploy SAP ERP in phases. In the first wave, the bank implemented software for

finance, accounting, budget planning and execution, procurement, real estate, and the payroll and health and safety areas of HR.

To ensure that the project could be carried out with the required control and agility, Banese decided to locate the implementation team in a separate building, away from their responsibilities in bank operations. “Taking this step sent a clear message that the SAP ERP implementation was a priority for Banese,” explains Renato Dantas, CIO at Banese. “It allowed the team to focus on the project without distraction.”

Maximized Bank Assets

SAP ERP went live after only seven months – on schedule and within budget. Despite the dramatic changes in their business processes and systems environment, users quickly realized that SAP ERP delivers significant benefits. Because they are able to plan, not just execute, the business is running more efficiently.

Leaner, more automated business processes increased productivity in areas such as accounting, budgeting and planning, bidding and contracting, accounting, fixed asset management, and payroll. Banese also improved its governance and compliance, thanks to a simplified auditing process, greater transparency, and better adherence to regulatory mandates. The bank reduced operational risk through the elimination of manual, undocumented processes as well as a more formal segregation of duties enforced by the new process framework. The redesign,

integration, and automation of business processes throughout Banese enhanced its ability to manage corporate resources.

Soon, the bank will begin the second phase of the SAP ERP deployment, which will include the training, recruiting, and performance management functionality of HR. In addition, Banese will implement SAP software for auditing, travel management, as well as governance, risk, and compliance. Furthermore, the company plans to implement balanced scorecard and management cockpit features to help measure ongoing progress. A corporate portal as well as management and employee self-services will complete the deployment.

With demonstrated cost reduction, dramatic savings, and a projected payback of just 36 months, the SAP ERP project helped Banese recommit to its standard of excellence. What’s more, the bank boosted its reputation for professionalism and innovation among customers, suppliers, regulatory entities, shareholders, and stakeholders. “By successfully executing the SAP ERP deployment, we enhanced two of Banese’s most important assets: our credibility and our image,” says Corumba.

50 097 239 (09/10)

©2009 by SAP AG.

All rights reserved. SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects S.A. in the United States and in other countries. Business Objects is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies (“SAP Group”) for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.