



CHALLENGE

Provide a consistent and single view of the customer to all delivery channels (Internet banking, ATMs, voice-recognition phone system, agent assisted call centers, and branches) of a major bank through the realtime and batch integration of heterogeneous data from mainframe legacy applications into a customer-centric operational data store

INFORMATICA SOLUTION

- Informatica PowerExchange® and PowerCenter®

BENEFITS

- Implemented reusable data integration platform for multiple outsourcing engagements
- Reduced development and deployment time by 60 to 70 percent
- Improved customer satisfaction and reduced churn with timely, accurate data
- Built highly scalable, highly available data integration infrastructure

NUTS AND BOLTS

- Data Integration: Informatica PowerExchange and PowerCenter
- Source: 14 VSAM and DB2 legacy mainframe applications
- Target: HP NonStop SQL database
- Platform: AIX UNIX, IBM P570 server, 3 CPUs, 1.65GHz, 9GB RAM

EVERTEC Pioneers Outsourced Data Integration Services with Real-Time Customer Transaction Vault utilizing Informatica Data Integration Platform

“As an outsourcing service provider, EVERTEC has unique demands for data integration technology that meets both tactical and strategic objectives. Informatica PowerExchange and PowerCenter have proven hands-down to be the right choice in enabling us to rapidly implement a customer-centric data hub for our client, Banco Popular. They can handle millions of batch and real-time updates each day, while giving us a trusted platform that we can leverage across other customers and business opportunities.”

— Miguel Mercado Morales, Senior Vice President, EVERTEC

EVERTEC is the IT outsourcing and transaction processing subsidiary of Popular Inc., a 112- year-old financial holding company based in Puerto Rico, with more than \$44.4 billion in assets, 2005 net income of \$540.7 million, and operations in the U.S., Caribbean, and Latin America. EVERTEC employs 1,700 professionals and manages more than 866 million transactions each year through some 4,374 ATMs and 85,292 point-of-sale (POS) terminals in Puerto Rico, the greater Caribbean Basin, and the U.S.

The Challenge

EVERTEC was formed in 2004 as the result of the merger of GM Group, a financial transaction processing company, and Banco Popular de Puerto Rico operational and programming services. Upon its creation, EVERTEC was confronted with two related challenges that were both immediate and far-reaching—and pinned directly to its ability to effectively integrate and manage massive volumes of mission-critical data.

“One of the great advantages of Informatica was that we were able to integrate 14 legacy applications in just six months using three to five FTEs. We didn’t have anyone experienced with Informatica, but the learning curve was very short and we could start using it right away.”

— Miguel Mercado Morales
Senior Vice President
EVERTEC

Most immediately, EVERTEC’s challenge was to re-architect the legacy data infrastructure of Popular’s principal subsidiary, Banco Popular, which with more than \$23 billion in assets, 560 ATMs, and 192 branches is Puerto Rico’s leading financial institution. To continue to grow, the bank needed to modernize its backend data architecture to provide customers with a consistent and reliable experience across multiple channels— Internet banking, ATMs, voice-recognition phone systems, agent-assisted call centers, and in-branch.

The most pressing problem was the customer experience with Banco Popular’s online banking system. The bank’s Internet application relied on a messaging system to fetch customer information from some of the bank’s 14 legacy applications atop mainframe VSAM and DB2 databases covering deposits, withdrawals, transfers, credit cards, and other activity. Any problems in the mainframe affected the service the online banking customers were receiving. To address the problem, EVERTEC and Banco Popular blueprinted what would become TIP (Technology Infrastructure Project) Transaction Vault—an operational data store and enterprise data integration platform that could:

- Provide a single customer view through a consolidated data hub
- Supply flexible real-time and “right time” data updates
- Be rapidly implemented, configured, and optimized
- Reduce time and cost of custom-coding alternatives
- Enable improved call center responsiveness and cross-sell/upsell

The Solution

EVERTEC’s TIP Transaction Vault project got under way in late 2004 with the selection of Informatica PowerExchange and PowerCenter as the data integration backbone that would channel data from the 14 Banco Popular legacy applications to an operational data store (ODS) based on an HP NonStop SQL database. The ODS would serve as a hub of consolidated customer data to supply customers with timely, accurate account information across all channels, as well as enable improved customer service by about 130 Banco Popular call center agents. Once all delivery channels are connected to the ODS, Banco Popular will be able to identify and address sales and service opportunities consistently at the point of contact with the customer.

During EVERTEC’s selection process, PowerCenter’s ease of use emerged as a compelling differentiator, said Miguel Mercado Morales, EVERTEC senior vice president and enterprise system architect. “One of the great advantages of Informatica was that we were able to integrate 14 legacy applications in just six months using three to five FTEs,” Mercado said. “We didn’t have anyone experienced with Informatica, but the learning curve was very short and we could start using it right away.”

EVERTEC was also impressed with the ability of PowerCenter’s prebuilt adapters to read and extract complex VSAM file types, sequential files, and DB2 tables. For instance, Banco Popular’s core legacy system, which processes roughly 90 percent of customer transactions, is a 20-year-old homegrown application called Integrated Deposit Application (IDA) with an idiosyncratic data model based on VSAM and sequential files.

According to Mercado, PowerCenter proved to be “the right choice” for contending with the complicated data structures. In all, EVERTEC estimates that the Informatica platform helped it reduce the time otherwise required to custom-code integration between the legacy applications and ODS by six to nine months.

On the target side, EVERTEC took advantage of PowerCenter’s richly flexible transformation environment to format source data into a form optimized for the NonStop SQL ODS, including normalization into the customercentric data model. PowerCenter’s robust toolset for aggregations, joins, format conversions, and other functions enabled EVERTEC to develop and deploy a tightly focused integration platform.

EVERTEC will also leverage PowerCenter realtime load capabilities to feed mission-critical transaction data 24/7 from IDA to the ODS as the data is changed. EVERTEC will reengineered the IDA application into DB2 tables suited for real-time delivery, with PowerCenter real-time and changed data capture technology in place to synchronize 3 million records per day into the ODS.

PowerCenter also provides real-time extraction and load from a customer information system that stores demographic and customer relationships information. Data from other batch applications, including check processing, mortgages, and loans, are extracted and transformed in 54 daily batch loads totaling some 4.5 million records. The system physically moves data between 14 applications in the mainframe and the ODS with PowerCenter delivering flat files and IBM MQSeries control messages via FTP across a TCP/IP network, as well as logging and verifying the integrity of data transfers. Other highlights include:Service-oriented Architecture: PowerCenter supplies data integration services in a broader service-oriented architecture that, as it evolves, will streamline interoperability among Banco Popular applications and reduce development and maintenance of complex point-to-point connections. PowerCenter’s built-in support for such Web services standards as XML, SOAP, and WSDL positions it to function as both a consumer and provider of data services.

- Enterprise Data Warehouse: PowerCenter is also being implemented to extract data from the legacy applications and load it into an Oracle-based data warehouse. Approximately 150 Banco Popular sales, marketing, and product analysts will use a Cognos query and reporting tool for customer segmentation, product and profitability analyses, cross-sell/upsell opportunities, and more.
- Outsourcing Industry Leadership: From a broader perspective, EVERTEC’s implementation illustrates industry leadership in the fast-growing business process outsourcing market, which analyst firm IDC predicts will grow at a 10.9 percent compound annual rate, to \$641.2 billion worldwide in 2009. With its Banco Popular deployment, EVERTEC joins the bellwether of service providers to build sustainable outsourcer/customer relationships on an enterprise data integration platform that excels at universal data access, standardization of disparate data from multiple sources, flexible real-time or batch delivery, and enabling customer visibility and control.

According to Mercado, PowerCenter proved to be “the right choice” for contending with the complicated data structures. In all, EVERTEC estimates that the Informatica platform helped it reduce the time otherwise required to custom-code integration between the legacy applications and ODS by six to nine months.

The Results

Reusable Data Integration Platform for Multiple Outsourcing Engagements

As a service provider, EVERTEC views its selection of Informatica data integration technology as a strategic investment for cost-effective reuse and extensibility across future outsourcing engagements. "It's our vision to extend Informatica for other projects," Mercado said. "For any project that requires data integration, instead of coding each project from scratch, we can leverage what we've already built." To that end, EVERTEC is establishing a "Center of Excellence" to centralize and share data integration resources, best practices, common services, and technology standards. The objective is to add new outsourcing customers in a predictable, low-cost, low-risk framework--a model that will help enable EVERTEC to aggressively compete for business based on shorter ramp-up times and lower priced service offerings.

A 60- to 70-percent Reduction in Development and Deployment Time

Prebuilt functionality and access to disparate sources (in particular complex VSAM data and sequential data) featured in PowerExchange and PowerCenter helped EVERTEC reduce by 60 to 70 percent the man-hours required to develop mappings, transformations, and workflows between the legacy applications and the ODS. Mercado estimates the savings to be between \$700,000 and \$800,000

over one year compared to custom-coding alternatives. Ease of use enabled a small team of three to five FTEs to deploy the integration in just six months--less than half the time otherwise expected.

Improved Customer Satisfaction and Reduced Churn with Timely, Accurate Data

The TIP Transaction Vault is a crucial element in transforming the Banco Popular backend from a batch-driven processing environment into a real-time, on-demand infrastructure that meets customer expectations for timely, accurate information on account activity across any channel. The Informatica platform is the foundation for a data hub that helps ensure customer satisfaction and reduce churn, as well as reduce the bank's administrative costs in fielding customer inquiries and complaints. With its implementation, EVERTEC helps to validate the industry-wide trend towards extending data integration technology beyond its roots in data warehousing into a mission-critical platform for integrating data across all enterprise systems.

Highly Scalable, Highly Available Data Integration Infrastructure

As the core customer-facing system, EVERTEC engineered the TIP Transaction Vault with robust, fault-tolerant capabilities for high availability and disaster recovery to ensure 24/7 continuity across multiple customer channels. High scalability and performance of the data integration platform was also a must. According to Mercado, PowerCenter more than capably handles the extraction and transformation of 4.5 million records every day. As EVERTEC evolves the system, it plans to explore a new High Availability Option available in PowerCenter 8 with advanced capabilities for resilience, failover, and recovery of data integration services.

INFORMATICA[®]
The Data Integration Company™

Worldwide Headquarters, 100 Cardinal Way, Redwood City, CA 94063, USA
phone: 650.385.5000 fax: 650.385.5500 toll-free in the US: 1.800.653.3871 www.informatica.com

Informatica Offices Around The Globe: Australia · Belgium · Canada · China · France · Germany · Ireland · Japan · Korea · the Netherlands · Singapore · Switzerland · United Kingdom · USA

© 2008 Informatica Corporation. All rights reserved. Printed in the U.S.A. Informatica, the Informatica logo, and The Data Integration Company are trademarks or registered trademarks of Informatica Corporation in the United States and in jurisdictions throughout the world. All other company and product names may be trade names or trademarks of their respective owners.

First Published: 2006

6720 (09/16/2008)