

TietoEnator™

# TietoEnator



## Business Problem:

The need to leverage the company's mainframe platform, yielding lower costs with greater developer productivity.

" The availability of new production strength platforms extends to smaller banks, which means new areas are opening up for us, such as extending to UNIX, Linux and Windows market arena. We now have the technology to reach platforms that are suitable for smaller organizations, and there's no stopping technology going that way. "

[Einar Clementz, Head of IT, TietoEnator]

customer success

TietoEnator

# Improving Cost Effectiveness and Developer Efficiency

## Product Solution

### Micro Focus Studio

- Mainframe Express® Enterprise Edition

## Overview

TietoEnator Banking and Insurance [TietoEnator] is one of the leading providers of IT services to the banking, insurance and finance industries. The company operates in more than 13 countries and has over 400 customers throughout the world.

TietoEnator produces core banking and payment solutions for customers such as Nordea, FöreningsSparbanken, DnB NOR, Sampo, If Insurance and Handelsbanken. International customers include Barclays Bank, Royal Bank of Scotland, Halifax Bank of Scotland and HypoVereins Bank.

## Challenge – Reducing the Cost of Mainframe Hosting

In financial services, legacy COBOL is the backbone of many business critical systems running today. IT systems in the banking sector are not only complex and largely based on a mainframe environment, but regularly have to adjust to new legislation and business opportunities, on both a national and international level. Developing and maintaining these mainframe systems is expensive, for both internal IT departments and external consultants who develop and deliver banking solutions, like TietoEnator.

Tier-one banks, in particular, have special needs because they execute millions of transactions a day. Banks with mainframe-based systems are generally used to keeping complex interest calculations, account transactions and the service up and running for each customer account.

TietoEnator needed a solution that would keep up with the changing pace of technology while keeping their developers efficient. The company decided to leave the mainframe as the deployment platform and looked for a solution to extend mainframe work to a more cost effective platform. They selected Micro Focus and its Leverage and Extend solution because its tool sets allow the core systems, intertwined by many subsystems, to be changed, refined and undergo new development outside the mainframe world. These scaleable application tools enable mainframe COBOL to run efficiently on the PC platform.

"It is very simple basically," said Einar Clementz, head of IT. "For a majority of our customers it's most important that we offer banking functionality, and that's what we do, in COBOL, with Micro Focus. COBOL is delivering results every day, and that's what's important to us." TietoEnator has partnered with Micro Focus to leverage its mainframe platform, yielding lower costs with greater developer productivity.

## Solution

In 1994, TietoEnator began using Micro Focus PC-based technology for development and testing. Using the latest Micro Focus Studio technology, TietoEnator has shifted all development work from the mainframe to the PC, which allows application development and deployment on several different platforms. Now applications can run on the mainframe, UNIX and Windows, allowing developers to make changes rapidly and efficiently.

Importantly, TietoEnator now only uses approximately 50 MIPS annually to test applications, a dramatic decrease from the mainframe. Had TietoEnator kept the mainframe for testing, the MIPS usage would have been much higher.

"The immediate cost reduction when starting the migration in 1994 was 2/3," said Clementz. "We saved 12,500 NOK per developer per month (equivalent to \$23,000 USD or €19,000 EUR per developer per year) by moving the development and maintenance from the mainframe to the PC platform. That was in the initial phase, and since then we have had a steady decrease in mainframe utilization. In 2005 alone we have had a decrease of 10-15 percent of mainframe usage."

"Testing is the costly part of the mainframe and here the Micro Focus solution really works wonders. At this point we are using on average 50 MIPS annually, and that is not much for an organization doing development and testing with 100 programmers and testers on major COBOL applications to several hundred large customers," explained Clementz.

## Results

The result has been a positive increase in production of application code and a 2/3 reduction in costs annually, which has helped TietoEnator maintain a competitive edge while handling COBOL in a more versatile way.

"TietoEnator Banking and Insurance made a 66 percent reduction in costs by moving development off the mainframe computer in 1994. And since then the cost has been reduced by up to 15 percent on a yearly basis," said Clementz.

In addition to gaining advanced development tools, another benefit of using Micro Focus' latest technology was that more than 90 percent of application testing was done more efficiently in the PC environment, and this increased efficiency in testing meant higher quality for the final result. The project took approximately two years to complete, and even further efficiencies are projected.

"Quality is very much measured in error reporting. Compared with last year, this year we are between 25 to 40 percent better in terms of errors reported. This is a result of more focus and better structure in testing, and Micro Focus tools have helped us do this," said Clementz.

"The availability of new production strength platforms extends to smaller banks, which means new areas are opening up for us, such as extending to UNIX, Linux and Windows market arena," he continued. "We now have the technology to reach platforms that are suitable for smaller organizations, and there's no stopping technology going that way."

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## Micro Focus – Unlocking the Value of Legacy™

Micro Focus is a leading provider of legacy development and deployment software for enterprise platforms. Micro Focus enables organizations to reduce costs and increase agility with minimal risk by reusing their legacy applications with contemporary architectures and Web services. Founded in 1976, Micro Focus is a global company with principal offices in the United Kingdom, United States and Japan. For more information, visit [www.microfocus.com](http://www.microfocus.com).

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