

LABORAL Kutxa

Bank's digital transformation safeguards business continuity and achieves 80% boost in both performance and operational cost savings.

Who is LABORAL Kutxa?

LABORAL Kutxa believes there is another way to do banking, by building a transparent and trusting relationship with its 1.1 million clients. This unique and personal philosophy drives the bank's decisions and the way it conducts business.

Growing Demand for Modernization Calls for Effective Teamwork

When it comes to technology, Joseba Maruri, Director of Technology and Systems at LABORAL Kutxa, is clear that the bank had work to do: "With our Fujitsu mainframe infrastructure we felt stuck in the 20th century while the

world was changing all around us. Our regulators were asking for more detailed and more frequent reporting and our clients were demanding a multi-channel approach where they could seamlessly connect to their banking affairs by mobile. Our platform was becoming obsolete and there wasn't room to grow within it. However, it had given us stability for over 30 years, so although everyone talked about digital transformation and the flexibility this provides, we were worried about making a fundamental change to our business-critical systems."

However, with system performance declining and difficulty in attracting developers with suitable mainframe skills, LABORAL Kutxa started to investigate its options. Management within the bank was concerned about single vendor lock-in, rising mainframe support and maintenance costs, and overall platform governance and security. Once executive support was secured, Maruri was focused on finding the right partners for the modernization project: "We needed a trusted team, with experience and integrity. We found this in Micro Focus as our technology providers, HPE as implementation and system integration partner, and Deloitte as project managers. This decision was the key to our success. There were no separate teams, there was just one team working together, communicating openly, and totally focused on our desired outcome."

"In the Micro Focus-powered environment, one batch process was reduced from 2 hours to just 12 minutes. Others that used to take over 100 minutes are now completed in only a minute. The efficiency of our systems improved by over 80 percent overall, while select processes improved by more than 90 percent."

JOSEBA MARURI

Director of Technology and Systems
LABORAL Kutxa



At a Glance

- **Industry**
Banking
- **Location**
Spain
- **Challenge**
Increase infrastructure and development flexibility while providing enhanced digital banking services, improving system performance and reducing operational cost
- **Products and Services**
Micro Focus Enterprise Server
Micro Focus Enterprise Developer
- **Critical Success Factors**
 - + 80% performance improvements
 - + 80% operational cost savings and on-budget delivery
 - + Improved team collaboration and productivity
 - + Vastly enhanced disaster recovery process
 - + Flexibility to manage changing conditions, such as during COVID-19
 - + Improved adoption capabilities for new products and services

“The teamwork between Micro Focus, HPE, Deloitte, and our own team gave us a path to application modernization and digital transformation while safeguarding our business continuity. The professional partnership delivered within budget and ahead of our planned timescale, saving costs, and enabling great innovation.”

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Enterprise Developer Improves Team Collaboration and Productivity

Following a period of planning the new architecture, the team leveraged Micro Focus Enterprise Developer and Micro Focus Enterprise Server to create a test environment. It was decided that the final move from the mainframe would be done in a ‘big bang’ fashion, so it was essential that the new environment was proven fully functional beforehand. Every night, millions of transactions were initiated into the mainframe and new open systems environment, with automatic comparison run between them, to check for consistency. It was reassuring and boosted the team’s confidence to find that all transactions replicated perfectly.

Meanwhile, the LABORAL Kutxa developers familiarized themselves with Enterprise Developer. They were delighted to discover the power of DevOps, automated compilation tools, and the convenience of creating a test environment at the click of a button. Different development teams can collaborate effectively, as the new environment supports any programming language, i.e., COBOL, .NET, Java, etc., which helps attract new development talent for further innovation. The database in use is SQL Server providing much better functionality and interoperability than the native mainframe database. This means it can be integrated with relevant business intelligence (BI) tools to enable fully data-driven decision making for the bank.

80% Performance Improvement and 80% Operational Cost Savings

The project progressed smoothly and within budget. The switch-over of the systems was

planned a couple of weeks ahead of the original deadline date for a weekend, to minimize business disruption. “The whole team came together for the changeover and we were fully prepared to stay the entire weekend to deal with any difficulties,” says Maruri. “Imagine our surprise when everything went smoothly, and we were all home again by lunchtime on the first day. This is a real testament to the depth of experience within the team, and the level of preparation and risk mitigation to guarantee business continuity. The move was entirely transparent to our customers.”

Once the transition was completed, a new world opened up for LABORAL Kutxa. “The first thing we noticed were performance improvements,” comments Maruri. “In the Micro Focus-powered environment, one batch process was reduced from 2 hours to just 12 minutes. Others that used to take over 100 minutes are now completed in only a minute. In addition, our digital banking customers saw their homepage loading in just 2–3 seconds, instead of 6–7 seconds previously. The efficiency of our systems improved by over 80 percent overall, while select processes improved by more than 90 percent.”

LABORAL Kutxa initiated this project to become more flexible and responsive to its clients’s needs. However, the cost savings were a welcome benefit, according to Maruri: “When we consider straightforward license, maintenance, and support costs, moving away from the mainframe has saved us over 80 percent of our operational IT costs. Add to that the electricity consumption savings, supporting our green values, and the reduction in our physical

footprint, and the savings will be even higher. We have not reduced our IT budget: instead we are redirecting these savings to investments in cyber security and advanced analytics, which will directly benefit our business and our clients.”

Digital Transformation Pays Dividend during the COVID-19 Pandemic

It was a stroke of foresight that LABORAL Kutxa prepared itself so well for what was soon to come. When COVID-19 struck the world in March 2020, the new platform managed the sudden increase in online banking without any performance degradation or upgrades required. It also enabled development teams to smoothly transition to remote working practices while still fully collaborating with each other through modern development tools. The open infrastructure gives LABORAL Kutxa room to grow and the flexibility to go in any direction, including cloud deployment. Flexible hardware allocation has also immeasurably improved disaster recovery capability.

Maruri concludes: “This project was all about people and communication. The teamwork between Micro Focus, HPE, Deloitte, and our own team gave us a path to application modernization and digital transformation while safeguarding our business continuity. The professional partnership delivered within budget and ahead of our planned timescale, saving costs, and enabling great innovation. We are more agile and can respond faster to ever-changing market conditions.”