OpenLegacy

Financial Services
Global bank uses OpenLegacy to launch a Global API,
the foundation for customer experience innovation - within days

"My problem is not budget, or need - every group in the bank, across every channel, is asking for API integration and services. My problem is the ability to scale up and execute at the velocity of what we need to achieve in the short and long-term."

Bank Executive

Celebrating its 160th birthday this year, this global banking group is the 37th largest public company in the world, serving hundreds of millions of customers in Europe, North America, Latin America, and Asia. Retail banking is at the core of the group's operations, driving about three quarters of its revenue.

True to its core, the bank has always focused on providing a best in class consumer experience. It aims to "make banking life easier by providing convenient and smart ways to spend, save, and manage your money... in a friendly and caring manner." In the past, it had won numerous awards for its various services. Technology has always been front & center for the bank. In 2010, it announced an investment of close to $300 million in a new technology center for research and data processing, with more than 8,000 employees.

In recent years, the bank has realized that new customer experiences such as mobile applications, new bundling of consumer products and services, and new payment options are all essential to its continued success and positioning as a customer-centric bank. Competition in banking is fiercer than ever, with traditional banks, fintech startups, and other newcomers all vying for attention from savvy consumers.

The Challenge
To create this seamless, personalized, modern customer experience, the bank is running two races. The visible race is the effort to expand and enhance digital channel capabilities: Supporting new and exciting experiences like new apps, biometric authentication, mobile payments, and online loan approvals. The underlying goal of this, from the bank's perspective, is to create simple, frictionless experiences that today's consumers have come to expect in all aspects of their lives.
The second race is behind the scenes, invisible to consumers. This race involves the world of business analysis and enterprise architecture, and is focused on re-building core operational processes to enable the rapid deployment of enhanced digital experiences. In short, enabling digital innovation to support rapidly-evolving consumer needs.

To win in these races, the bank had realized the need to open up their various IT platforms and applications so they can share data and integrate business processes. The end goal is creating a global API that connects multiple systems, geographically and across core applications running on multiple backend systems like Mainframe and AS/400, through APIs and micro-services. The global API would enable the bank to innovate and create new products, services, and offerings.

To that end, the bank has worked with one of the world's largest legacy transformation vendors, spending dozens of millions of dollars a year and working with large teams on generating and delivering APIs encapsulating legacy transactions.

Time to market was of the essence - the bank designed a 5-year plan for achieving its vision of a global, open API with hundreds of microservices. However, after one year into the plan, it was already a year and a half behind, and had a huge backlog of unimplemented services.

The Solution

The bank turned to OpenLegacy to approach creating APIs in a simpler and faster way. The process of qualifying an SME credit application was chosen as the first service to implement. Before OpenLegacy, the qualification process was lengthy and manual, with more than two business areas involved in the gathering, verification and evaluation of documentation. The interaction between these two areas was not fully automated, so a few manual processes had to be run in order to complete the application, documentation, and approval. These manual processes and consequent handovers between areas led to an unacceptable response time, delaying credit approval for days.

When starting to work with OpenLegacy, the bank described the overall SME credit approval cycle and related 23 transactions. This initial, one-time discovery process took a few days. The team then chose five transactions to be implemented and exposed as micro-services as part of the initial part of the project - including queries for retrieving customer information, and consolidated queries for retrieving account information and balance. The goal was to test whether these queries could be quickly implemented as APIs that can be exposed externally.

Once the initial discovery process was complete, the project team delivered new APIs encapsulating these queries as micro-services daily, completing all five APIs in three days - Tuesday to Thursday.

Results

The speed of automation. Within days, the bank started making a dent in their API development backlog. Time to market for new applications and consumer experiences is now significantly shorter, paving the way to ramping up the creation new innovative consumer applications.

Simplicity that leads to speed and dramatic TCO reduction. As a leading analyst commented when vetting OpenLegacy's technology, "your simplicity is brilliant." OpenLegacy generates standard, lightweight code for microservices, and does not require any modifications to the backend Mainframe applications. OpenLegacy's architecture does not involve any middle layers such as ESBs and MQ, thus shortening the development cycle and leading to significant cost savings: Both in labor and in direct costs. Compared to the cost of creating one API using the previous vendor, OpenLegacy is 8x less costly. And the more APIs one generates, the more cost-effective OpenLegacy becomes.

Significantly lower cost of development with a minimal risk solution. For application developers, OpenLegacy is a game-changer. The simple, elegant OpenLegacy platform allows any Java developer within the organization to call mainframe business workflows directly in order to add new functionality or expose existing one to external applications. There's no need to go through layer upon layer of connectors, ESBs, and middleware, to re-write COBOL code, or create a new legacy environment. Deployment is also a breeze with OpenLegacy, freeing up expensive DevOps resources: OpenLegacy automatically and instantaneously deploys new versions - compared to the current environment that requires over a week to deploy. By relying on the newest open standards, OpenLegacy's solution reduces risk and supports all security requirements and regulations that are mandatory for a large, global finance organization.

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