



Ratnakar Bank Chooses Netmagic's Data Center Services to Accelerate Business Transformation

CASE STUDY

Kolhapur-based Ratnakar Bank, with about 70 years of heritage behind them, sought to completely transform their business in a bid to offer their customers a wider bouquet of offerings and to meet new age banking demands.

In 2010 Vishwvir Ahuja (former MD & CEO of Bank of America's India operations) and his team entered the bank with the goal of putting it on a firm growth path. As part of its growth plans, Ratnakar Bank wanted to completely transform its business right from expanding its offerings, enhancing its service efficiency to meet its internal and external customer demands and improving customer satisfaction – a business transformation strategy was in the charts.

Banking on IT

Technology at the Bank before the transformational journey was basic. Over 75 branches that were operational at that point in time were all connected to the central office via point-to-point connectivity. The Bank had Desktops in place for those who needed to be connected to the central systems for delivering banking services to their customers across the country.

At the central office, headquartered at Kolhapur (Maharashtra), was a server room that hosted a Core Banking Application Server. Other periphery applications include a shared mail and messaging solution, a functional Anti-Money Laundering (AML) solution and an Asset Liability Management (ALM) solution.

Challenges That Led to Transformation

All 3 critical parameters required a fresh look – People, Process and Technology.

There were many application and systems, which required to be implemented, and IT security framework had to be reworked from scratch. Basically the entire IT setup needed revamping.

Challenges related to stability of the IT setup, scalability, reliability and robustness were affecting the growth of the Bank. With legacy systems and need for employee training to embrace new technology, transformation seemed an uphill task.

What did they do to address these challenges? The Transformation Journey of Ratnakar Bank

The IT team decided to embark on a transformational journey that would put Ratnakar Bank at the cutting edge of technology – this was led by **Anup Purohit, Head of IT at Ratnakar Bank.**

The transformation had 3 key pieces to it:

1. IT infrastructure – build a reliable, robust and scalable infrastructure to run the bank's operations
2. Business Applications – implement latest in banking applications that align to goals of the transformational journey
3. People and Resources – hire skilled IT staff to run the next-generation of IT at the Bank

CASE STUDY

Phase 1: The Strategy and Vision

The first step was to put in place a centralized data center infrastructure – this was the most important piece of IT that Ratnakar wanted to address first.

The following were to be undertaken and put in place:

1. Plan, design and deploy a robust data center infrastructure to support business growth
2. Secure the core systems infrastructure from external threats – there were many extranets that needed to be clipped
3. Move away from broadband access from current provider to a more secured MPLS connectivity from branches to the data center
4. Authentication structure so as to allow entry for only authorized personnel
5. Active directories, proper email systems and storage
6. Necessary monitoring and management tools to ensure that the network and the data center are continuously monitored
7. Put in place a help desk, an incident response system and change management processes – so that all incidents are properly addressed and managed efficiently and effectively

“We needed a partner, who was as agile, flexible and innovative as our business is to our customers and cost sensitive at the same time. These were the four criterion or competencies, we had in mind while choosing a technology partner. Obviously the technical competency was a given. The idea was to provide seamless IT solutions to our internal customers so that they can serve their customers better,” **exclaims Anup Purohit.**

Phase 2: The Implementation

The Bank wanted to go live with the Internet Banking system by mid of 2011 – a key step towards being a new-age bank as a part of their business transformation strategy.

Says Anup Purohit, “at the time of go-live of our Internet Banking application, we faced some challenges in setting up infrastructure and database to enable high availability. Cost and/or timelines to help of several Tier 1 IT services companies that we reached out to did not meet our feasibility criteria.” “We contacted Netmagic to help us setup the infrastructure and database stack, within the planned timeframe,” he adds.

Netmagic successfully setup the infrastructure part in record time of 3 days. “Netmagic helped put the infra piece in just 3 days including the hardware setup, operating platform, storage and database setup in high availability mode, thus setting the stage for our application partner to deploy the Internet Banking application,” **shares Anup Purohit.**

It was Netmagic team’s expertise, agility, and flexibility in working out solutions to meet their needs that impressed Ratnakar Bank. **Says Anup Purohit,** “To start with, we decided to give them hosting and management for the infrastructure supporting our Internet based services. We also included Netmagic Solutions as one of the partners whom we were evaluating to help us in our transformation journey.”

Ratnakar Bank’s entire Internet banking services infrastructure including hardware, patching and database management is hosted and managed by Netmagic.

Netmagic helped in setting up the Bank’s IT infrastructure at their Data Center facility. They then moved all the application to the new data center. This also included setting up of active directory, mailing, centralized storage, monitoring of network, servers and other IT components.

CASE STUDY

Phase 3: The Next-Generation IT Plan in Action

The Core Banking Solution that the Bank had, remained at their server room at Kolhapur whereas the data center was setup at Netmagic's Data Center facility.

The Bank had been in process of evaluating Finacle Core Banking Solution. Netmagic helped Ratnakar Bank in building the infrastructure for its core banking application (on AIX platform with multiple LPARs) from scratch.

The solution as per the Bank's requirement was being setup and Netmagic helped implement the infrastructure to support the applications.

- ▶ Virtualization of all Windows and Linux based platforms using VMWare – to ensure faster setup turn-around
- ▶ Consolidated and centralized database architecture
- ▶ Centralized storage architecture
- ▶ Complete monitoring and management of the data center infrastructure

The new data center was the backbone of the Bank's IT. It served multiple solutions such as:

- ▶ Complete network was terminated at the DC with MPLS connectivity to the branches
- ▶ Mail and messaging (including blackberry services)
- ▶ Authentication system
- ▶ Monitoring and Management tools
- ▶ Oracle, SQLdatabases
- ▶ Centralized storage
- ▶ Core banking, Internet banking, Corporate Internet banking, Mobile platform
- ▶ Other Applications: HR system, credit rating solution, AML,ALM, commodity based funding, alerts and statementing, cash management system, workflow system, etc.

Netmagic also supports and manages firewalls, network links from multiple service providers connecting all branches of the bank across the country, and servers (OS and DB) spread across its datacenters for Ratnakar Bank.

Ratnakar Bank set up a DNOC (Dedicated Network Operations Center), which is managed 24x7 and monitored using BMC Patrol solution, with real-time alerts and integrated with ticketing system.

Explains Anup Purohit, "The Dedicated Network Operations Center (DNOC) team manages and monitors the bank's critical IT infrastructure and provides technical support to the bank with respect to incident management and change management."

Ratnakar Bank implemented desktop virtualization using technology from Citrix – all of 150 branches have dumb terminals and completely eliminates data leakage at the branch level.

Why did Ratnakar Bank close on Netmagic Solutions to become their technology partner?

One of the key reasons for choosing Netmagic as the preferred partner was the response and solution strength that the provider was able to showcase. "Netmagic was responsive and flexible to our needs and understood our transformation journey very well," **claims Anup Purohit.**

Flexibility of the partner was a very important aspect for the Bank. Netmagic has been able to tweak solutions, put together customized system architecture and service delivery models for Ratnakar Bank.

SOLUTION SNAPSHOT

- ▶ Core banking infrastructure is hosted on the AIX platform with multiple LPARs as per application requirement in high availability environment
- ▶ IDC & Managed Hosting - Automated and Scheduled Centralized backup(Electronic Backup), Leased Line, Dedicated Servers, Firewalls, Load Balancing, Ethernet, Dedicated NOC, Switches, Routers
- ▶ Mail & Messaging –Enterprise class Messaging,Mail Security, Microsoft SPLA
- ▶ Infrastructure Management Services - Infra Manage, Infra Monitor
- ▶ Managed Security Service – Comprehensive Network Attack Monitoring

CASE STUDY

Another key factor was Netmagic's quick turnaround time. Their ability to demonstrate scalability and robustness of their Data Center facility was in line with the needs of the Bank.

Committed SLAs, reliable infrastructure, speedy delivery of projects, mutual business understanding, committed delivery of infrastructure, and the trust factor between the two companies were conducive for the deal. **According to Anup Purohit**, "Our experience with Netmagic has been fantastic. I look at them as a partner in our future growth and expansion plans."

Benefits

Two key benefits that Ratnakar Bank has been able to reap with the new data center infrastructure that is hosted at Netmagic's Data Center facility at Mumbai are scalability and security.

"I am now able to provision infrastructure for newer applications in a few days which otherwise would have taken weeks or months to do," **claims Anup Purohit**.

Ratnakar Bank has been able to successfully reduce time to provision infrastructure for newer applications from 6-8 weeks down to 2-3 days. For example, the IT team can now set up environment for newer applications within matter of days. Quoting some applications that they have done recently are:

- ▶ Loan-Against-Gold solution
- ▶ Warehouse Funding application
- ▶ Workflow system
- ▶ Imaging and Scanning solution
- ▶ Corporate Banking and Mobile Banking Solutions
- ▶ Branch automation solutions and CREST (Corporate Real Estate System)

As Ratnakar Bank built its IT infrastructure from scratch; it also wanted to control costs. Netmagic worked out a cost structure where the Bank spends on IT on an OpEx model.

Says Anup Purohit, "We have worked out a model with Netmagic where our spend on IT is not only cost efficient but also gives us the flexibility to manage our cash flows. We adopted a linear way of allocating IT spends where we do not have to provision for a huge CapEx initially and we only pay for what we use."

Ratnakar Bank has realized significant business benefits out of the present engagement with Netmagic Solutions. The bank does not have to worry about the availability and management of its banking infrastructure.

Netmagic's round the clock support, maintenance and technical expertise ensures faster turnaround times (TAT) and improved performance levels for Ratnakar Bank.

A dedicated 19-member Network Operations Center (NOC) team manages and monitors the bank's critical IT infrastructure and provides technical support to the bank with respect to incident management and change management.

Netmagic has also provided the bank with L1/L2/L3 technical support across domains viz. Windows, Network, Linux and AIX.

Conclusion

In partnership with Netmagic, Ratnakar Bank has created a state-of-the-art infrastructure setup that is future-ready, continuously upgrading and on the path of increased reliability and robustness to face growth and market challenges. "We have been able to prove that IT Transformation can lead Business Transformation at the Bank and are now on a fast track path to being the new-age Bank that was the original vision," **sums up Anup Purohit**.