

Shinsei Bank Relies on MySQL and SugarCRM to Radically Accelerate Enterprise Application Deployment



Financial Services

"MySQL and SugarCRM are the foundation of our modern web-based architected so that we can develop and deploy business-critical applications in months vs. years."

Pieter Franken, General Manager, Information Technology Division, Shinsei Bank & CIO, APLUS Co., Ltd.

Shinsei Group Overview

Shinsei is a leading financial institution in Japan. They are focused on two business segments; Individual (retail and consumer finance) and Institutional Banking (commercial banking).

The bank's existing IT systems were antiquated, making it difficult to deliver new functionality faster. Like traditional large financial enterprises, Shinsei's predecessor, LTCB, relied on mainframe systems and packaged software applications that were costly, inflexible and took years to deploy.

The challenge for Chairman Yashiro was to get the organization ready with the tools to execute his vision for its future. This included the launch of a new Retail Bank and the expansion of its institutional activity to include investment banking products and services. He had set very aggressive timelines for this work to be completed. Moreover, since this was a bank with limited financial resources, the work had to be done at a very low cost.

In 2000, Dhananjaya ("Jay") Dvivedi joined Shinsei Bank as their new CIO. Chairman Yashiro assigned him the daunting challenge of transforming the entire foundation of the bank and building the new capabilities it would need. His task was compounded by the fact that as a bank, Shinsei was highly regulated. He had to devise an approach that would preserve the 50-year history of the bank while ensuring that the transformation would not impact daily operations, staff or customers. To accomplish this, Jay brought a new innovative approach to IT.

Jay focused his approach on breaking down the problem into parts and applying standard off-the-shelf components to each part. All components became part of the greater solution and Jay focused on reusing these components again and again. If there wasn't an available component for a particular part, then and only then could a new element be chosen. The criterion was the same; it should consist of off-the-shelf elements with a focus on ensuring that everything was built using a few clear standards. For example, all transport of data, voice or video was provided using the public Internet. To connect all of its locations, including ATMs, Shinsei used the Internet without any dedicated or point-to-point network connections. By eliminating the need to set up dedicated connections, Jay's execution time was greatly reduced and the process simplified. Furthermore, he planned for failure and worked to identify all of the ways each component could fail, then built in strategies to mitigate these failures.

To implement the transition, Shinsei stopped relying on mainframe computers and began using open source software, commodity hardware and commercial off-the-shelf components to build a modern system that would scale as the company grew.

Shinsei has now standardized on MySQL and SugarCRM for their customer relationship management (CRM) system and developed a unique "path-based" approach to developing and deploying applications which give them the flexibility to modify the system as business requirements changed. As a result, Shinsei successfully developed an entirely new enterprise system in one fourth the time and at a savings of 90% of the cost of using legacy mainframes and proprietary packaged software.

The Business Challenge

Financial services organizations have traditionally relied on mainframe systems and proprietary client/server packaged software for their businesscritical applications. The problem with this approach is that it's extremely expensive, takes years to deploy a solution and the resulting systems are very rigid, locking customers into a single vendor's technology. To contain costs, these software applications are only deployed to individual departments making it difficult for the rest of the organization to benefit from any productivity improvements. In addition, they become obsolete once they get into production because they are based on business requirements that were defined several years before.

The MySQL Solution

Flexibility of Open Source

To overcome the traditional challenges with deploying enterprise software, Shinsei Bank chose open source software because it is low cost, high quality, readily available and provides the latest cutting-edge technology. It also reduces risk for Shinsei by eliminating their dependence on a single vendor's technology and provides them the freedom to choose best-of-breed open source software products for the task at hand.

Innovation using a Path Based Approach

By implementing a simplified webbased architecture that uses reusable software components rather than relying on large monolithic systems, Shinsei was able to develop a more flexible "path based" approach to application development and deployment. Shinsei realized that not all requirements are fully understood during the project design phase and unexpected requirements could emerge even when the application is in production. Their innovative approach gives them the flexibility to continuously improve their systems well after they have gone live. As a result, Shinsei is able to innovate faster than its competitors, delivering new functionality in months vs. years.

Developing a Single Customer View One of the goals of its consumer finance business, run by its subsidiary APLUS, was to create a Single Customer View that could be leveraged by all employees, across multiple segments. To achieve this goal, Shinsei migrated over 10 million customer records, including transaction information, from their mainframe to MySQL.



"MySQL and SugarCRM provide Shinsei Bank with a scalable, highperformance platform to manage all of our customer transactions across 36 locations and call centers."

Pieter Franken, General Manager, Information Technology Division, Shinsei Bank & CIO, APLUS Co., Ltd.

Furthermore, in order to help employees fully leverage and manage customer information and communications, Shinsei is deploying SugarCRM as their CRM system across all 36 company locations and call centers. This was a radical move, yet by migrating their customer data to MySQL and SugarCRM running on low cost Intel-based hardware, it enabled APLUS to improve customer service and increase sales by crossselling additional products and services to their customers.

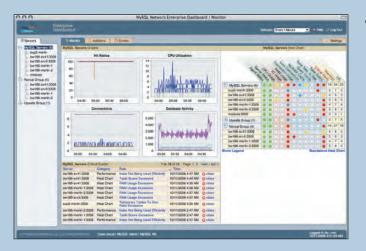
Conclusion

Shinsei's new enterprise system, based on MySQL and SugarCRM, is a cost-effective modern platform that's running its business-critical distributed customer service application. The flexibility of this new platform is enabling Shinsei to revolutionize parts of Japan's banking industry.

MySQL Enterprise

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About MySQL

MySQL is the most popular open source database software in the world. Many of the world's largest and fastestgrowing organizations use MySQL to save time and money powering their high-volume Web sites, critical business systems, and packaged software. At **www.mysql.com**, Sun provides corporate users with commercial subscriptions and services, and actively supports the large MySQL open source developer community.

About Shinsei Bank

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 12.5 trillion yen (US\$118 billion) on a consolidated basis (as of June 2008) and a network of 36 outlets that includes 34 Shinsei Financial Centers and 2 Platinum Centers in Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders.



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