



Targeting operational excellence at Rabobank



“We had previous experience with SWIFT Services and because of our good relationship SWIFT’s team was not afraid to ask us critical questions. At the same time, we could also ask similar questions to SWIFT.”

Ton Versteeg

Vice President Market Infrastructures at Rabobank

Rabobank turns an infrastructure challenge into an opportunity to improve operational excellence with help from SWIFT Services

Rabobank Group ranks among the largest financial institutions, active in 40 countries and with 444 locations outside the Netherlands. Based in Utrecht in the Netherlands, Rabobank aspires to become the most customer-oriented cooperative bank in the Netherlands and the leader in food & agriculture worldwide.

Business challenges

Operational excellence has become a key concern for financial institutions following the financial crisis. The increased regulatory burden placed on institutions comes at a cost and at the same time customers are demanding better services at a competitive price. In an intensely competitive banking environment, any downtime experienced by a financial institution could have serious repercussions in terms of reputational risk and regulatory censure. Most banks have therefore invested heavily in their IT infrastructures; however ensuring they have the right skills, processes and procedures to support such infrastructure is crucial.

Infrastructure outage

Following several smaller incidents and a serious infrastructure outage in 2014, Dutch multinational banking and financial services cooperative, Rabobank, knew it had to act to ensure the highest levels of availability for its clients by implementing its business continuity plans. The outage occurred during a critical time. Following the incident, the local regulating authority required Rabobank to explain what had happened and how the bank would ensure its availability going forward.

Rick de Jong, Manager Market Infrastructures at Rabobank says: “The requirements of regulators were the catalyst for us to act, but our main focus is our users. We realised we needed to give them the best availability possible. We had to go to a higher level.”

“SWIFT was already a strategic partner and they knew the infrastructure of the bank very well,” says Mr de Jong. “In our efforts to improve our infrastructure, we wanted to use SWIFT’s knowledge – not only about Rabobank’s infrastructure – but also its external knowledge.” Pieter Pepijn van Zuidam, Manager ITNL DevOps Interbank Networks, at Rabobank adds: “SWIFT has a great deal of information about our peers and about best practice in the industry.” An in-depth exploration into the bank’s infrastructure was therefore initiated in partnership with SWIFT Services, to provide the bank with a variety of options in order to reach its target infrastructure.

Reviewing Rabobank’s infrastructure

In partnership with SWIFT, Rabobank reviewed and evaluated the bank’s operational excellence framework supporting its SWIFT infrastructure. The study was “a deep dive into the furthest reaches of the bank”, says Joyce Verschaeren, Head Operations Control & Services Development at Rabobank. It included a review of the bank’s resilience and recovery times, benchmarking, governance, business continuity, management tools used to support the governance of these activities and crisis management model. In early 2015, the scope of the review was agreed on, following which a study



was conducted. Joyce Verschaeren, adds that “Our involvement in the study was very wide and included the majority of the bank’s departments including wholesale and retail operations people in the Netherlands and the IT departments.” This broad-based approach was “very well supported” by the bank’s senior management.

Findings and SWIFT’s solution

One of the issues revealed was that the bank did not have a good overview of all of the applications running on it and that the outage had been caused by a failure in the generic infrastructure. As the bank expanded into new territories and met evolving regulatory requirements, further pressure was put on the infrastructure.

In commissioning SWIFT Services to conduct the study, Rabobank also asked SWIFT for advice about what its infrastructure should look like over the next three to four years. SWIFT Services provided Rabobank with:

- Different infrastructure scenarios with indications of the related cost and effort
- A design framework for a future operational model
- Strengthened and optimised BCM and crisis management processes and procedures
- A set of recommendations on an improved governance and support model
- Guidance on state-of-the-art tools that will support the operational model

These recommendations were classified in ‘quick wins’, requiring minimal effort and rapid implementation through to more tactical and strategic recommendations with a three-to-five-year implementation plan providing higher returns.

Mr. van Zuidam adds that “We learned a lot about how to use SWIFT packages, including setting up configurations and making better use of the infrastructure to ensure business continuity in the unlikely event of a failure within the infrastructure. The study provided a great deal of information, which made it easier for us to choose the direction in which we wanted to move over the next five years.”

10 years of Consulting

SWIFT has a dedicated team with deep and broad expertise that offers end to end services of the highest quality in consulting. Our consultants deliver technical, standards, integration and business-operations consulting projects globally. Team members average 15 years of relevant industry experience and have direct access to 1,800 specialists who can help you with:

- Reducing costs
- Optimising SWIFT operations
- Preparing for new market initiatives and regulations
- Implementing standardised messaging best practices
- Sourcing valuable market insight and benchmarking

“The benefits of operational excellence will be most clearly realised by the bank’s customers. As a result of the review, we expect to be able to achieve higher availability and also faster time to market for our customers. This is important in the global environment and also in our aim to further improve our customer experience in Asia, Europe and North America.”

Joyce Verschaeren

Head Operations Control & Services Development at Rabobank

On the road to operational excellence

Rabobank’s experience demonstrates that what could have been a serious setback can be solved with the right partnership. “We turned the outage into a positive opportunity to support our strategy to become the number one bank for the Food & Agri industry globally,” says Mr de Jong. “Something that initially had a bad outcome has now become something that will add customer value.”

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Rabobank’s newly defined roadmap and target architecture for its infrastructure will be executed over the next two years. Ms Verschaeren says SWIFT helped the bank to focus on “the right things”, an important factor in a world that is constantly changing. “We hope that with our new target infrastructure we will be better equipped for the future and be able to react quickly – and in the right way – to the changes that are taking place.”

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