IBM

The rise of a financial tiger

An intelligent platform puts State
Bank of India customers first

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10-minute read

India's economic power is steadily rising on the horizon. It's driven by its people—a critical force in companies around the world. India's people now have a growing wealth that is creating new opportunities for them and their communities.

"India is the world's largest democracy," reports the World Bank. "Over the past decade, the country's integration into the global economy has been accompanied by economic growth. India has now emerged as a global player."

For more than 200 years, State Bank of India (SBI) has been the country's largest public sector bank, and its financial foundation. As many of the bank's customers grew their wealth in recent years, the bank saw that people had new financial freedom and sought new opportunities. It also knew that this growth could empower India's future as a global financial force.

But the key to that future is digital, especially now. "Digital financial inclusion was a development priority before the COVID-19 emergency; now, it is indispensable for both short-term relief and as a central element of broad-based, sustainable recovery efforts," the World Bank reports.

"In India, 60% of the population is less than 35 years old," says Amit Saxena, Global Deputy Chief Technology Officer at SBI. And every day, he says, that population goes online to shop.

So, SBI formed a vision of something more than a digital bank—it envisioned a comprehensive online platform with four
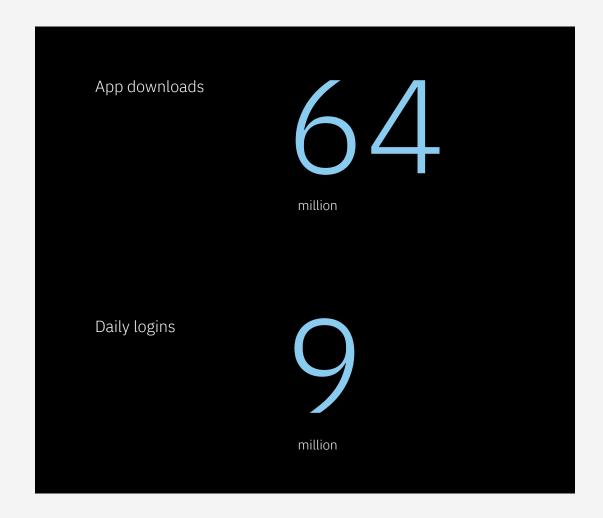
pillars: a digital bank for convenience, a financial superstore offering investments and other financial services, an online marketplace with lifestyle products from partners, and an overall digital transformation with analytics that connected these options end to end.

 "We wanted a customer experience transformation, and we called it 'YONO,'—'You Only Need One,' " Saxena says. YONO would give the bank an enormous market advantage, combining services, products and features into one mobile app with a platform that could integrate data across third-party products and streamline the customer experience.

But first, the bank needed to do some work behind the screens—it needed to align several systems to support millions of screens.

The bank has 491 million customers. It has 260,000 employees; 22,500 worldwide branches administered by a headquarters; 17 local head offices; 101 zonal offices and 208 foreign offices in 36 countries. "Around 76 business units were part of the discussion when we started building YONO," Saxena says.

"It was a humongous thing when we started—to try a digital transformation like this, for a legacy bank like us. I still get goosebumps when I think about the start."

App downloads

64

million

Daily logins

9

million

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Amit Saxena
Global Deputy Chief Technology Officer
State Bank of India

A leap forward

To truly create a mobile financial marketplace serving millions of customers, the bank needed a proven partner with exceptional capabilities.

"After a lot of consideration, we wanted to partner with IBM to get the benefit of the global expertise and the technology stack—we have used the latest and the best available from the treasury of IBM," Saxena says. "We cannot bring in a partner who needs to learn on our project and from our understanding."

With a focus on insights and expertise from real people, the IBM and SBI team brought together a comprehensive group of stakeholders, including client partners, IBM partners, agencies and consultants.

To go beyond banking and serve a range of customers with various intersecting needs, the bank applied the agile, user-focused IBM Garage™ Methodology, working closely with IBM Garage designers, architects and analysts to collaborate on all aspects of the project. Stakeholders participated in an IBM Garage Enterprise Design Thinking™ workshop that turned each customer path into a "journey." Then the methodology

quickly took the journey from strategy through design thinking, agile development and scaled delivery.

"The first day, you talk about what you want to achieve," Saxena recalls. The next day, the team designed the solution, completing the UI/UX on Day 3. The team evaluated dependencies on Day 4, presented it on Day 5, received approval on Day 6 and finally built it on Day 7. "So, most of the Garages—apart from the complex journeys—would only take seven days."

The IBM Garage journeys captured key banking tasks such as transferring funds, paying bills or taxes, and analyzing spending. Customers could even plan a "cardless ATM withdrawal"—YONO gave them a 1-time code that they could enter at an ATM to withdraw cash without using their card—perfect for giving family members cash, even if they live far away.

But the journeys also captured loan tasks such as applying for a home, car, school or agricultural loan. They captured financial service tasks such as purchasing insurance, mutual funds or securities, and other tasks for managing credit cards and checks. They

even captured marketplace tasks such as shopping, filtering products and finding special deals for YONO users.

With such comprehensive data integration, the bank made the new system's security a top priority. "Security was most important," Saxena says. "And because we were embarking upon a new transformation journey around a new technology stack, that was a very big concern for us. Let me be very clear."

Dynamic strength

As the bank developed customer journeys with IBM Garage, IBM also worked with SBI to design intelligent workflows and build a robust system of security and stability to support the solution. Intelligent workflows now apply technologies such as AI, automation, blockchain, 5G, advanced analytics and cloud to change the trajectory and very nature of SBI work, adding greater visibility, real-time insights and the power to remediate problems across multiple business functions.

To establish a proven security and data integration platform across dynamic systems, the bank selected the IBM® DataPower® Gateway solution. YONO data is hosted on scalable IBM Cloudant® distributed

databases, and IBM DataStage® software handles data extracts, transfers and loads across multiple systems.

To help ensure that YONO can access enormous volumes of distributed data while delivering the performance customers expect, the bank taps into the IBM Cloud® Application Performance Management solution.

The final piece of YONO is dynamic data integration and analysis behind the scenes. That's powered by the IBM Cognos® Analytics solution, with insights and pattern detection from IBM SPSS® Statistics software and analysis storage in a purpose-built IBM Db2® Database. With these analytics, YONO helps SBI target customers with more effective and relevant offers.

But the true potential of YONO lies in people—not only the growing financial freedom of India's population but the partners outside the bank who build new apps and capabilities on the YONO platform. IBM WebSphere® Application Server provides the core platform where developers can create, connect and optimize their apps, while IBM FileNet® Content Manager offers low-code tools for building the new cloud-based apps. To intuitively connect these

apps in a security-rich environment, the IBM API Connect® solution provides purpose-built power to monetize APIs and it uses IBM App Connect with MQ for assured delivery.

When the infrastructure for YONO security and stability was ready, the IBM Garage team used an agile approach to deliver a minimum viable product (MVP) for the banking services pillar first—in a surprisingly short amount of time.

"We launched the digital bank mobile marketplace end to end in three months' work," Saxena says. "It would've been impossible to do this if we did not have the IBM Garage methodology."

The team continued to iterate and scale its initial MVP. Because the IBM Garage focuses on user-centered design and SBI prioritizes the customer experience, the team spent weeks conducting user testing and incorporating user feedback.

Once the team released the full YONO marketplace of financial and consumer products, it was time to see the power of people bring the system to life. Ultimately, this intelligent platform empowers SBI employees to work smarter and deliver an exceptional customer experience.

The power of everyone

People have responded.

The vision of YONO has connected with people throughout India and beyond, and a strong initial launch gathered even more power over time:

- 100+ digital customer journeys implemented since the YONO launch, giving people a vast range of online banking, financial and consumer options
- More than 64 million YONO mobile app downloads, including 5.23 million downloads in the first five months
- More than nine million YONO logins per day
- More than 10 million cardless ATM withdrawals
- 650,000 mutual fund transactions through YONO
- More than seven million bank account openings through YONO
- 400,000 life insurance policies sold through YONO

"It's such a pleasant experience for our customers," Saxena says. "They met it with open arms."

Plus, e-commerce partners have helped expand the YONO ecosystem of intuitive products and services further. More than 100 partners across 21 categories are developing important apps, services and YONO user discounts that fuel the mobile platform's

success. "To retain a customer, you have to keep them excited, keep them engaged and keep offering something new. So, that's why YONO has been such a great product," Saxena says.

The power of new financial options is part of why SBI continues to count on its alliance with IBM. "Every month, IBM helps us build new journeys for our customers, which helps keep them engaged," Saxena says.

"We have a lot of partners," he continues. "They have been a great support during this—but IBM is different from any of them. IBM has extended all the support that we have asked from them." SBI has worked with IBM to redefine its business workflows and processes as it transitioned them into

digital YONO experiences. New IBM Garage journeys are simpler because they build on existing information. And, as more processes moved into online journeys, the bank eliminated redundant steps and traditional paperwork.

The digital transformation at the foundation of YONO facilitated a strategic collaboration between SBI and IBM. As a strategic ally, IBM has offered data-driven expertise that uses advanced analytics to help drive billions of dollars in business value for YONO and the bank overall.

"Today, YONO has a valuation of USD 40 billion to USD 50 billion—and we have built that in three years' time with the help of a partner like IBM," Saxena says.

About State Bank of India (SBI)

SBI is a multinational public sector banking and financial services firm based in Mumbai, India. The bank was first formed as the Bank of Calcutta in 1806. Today, it has 491 million customers, 260,000 employees and 22,500 branches around the world, with an annual revenue of USD 52 billion. SBI includes subsidiaries that offer investment, credit card and life insurance products.

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Solution components

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- IBM Cloud® Application Performance Management
- IBM® Cloudant®
- IBM Cognos® Analytics
- IBM Consulting
- IBM DataPower® Gateway
- IBM DataStage®
- IBM Db2® Database
- IBM FileNet® Content Manager
- IBM Garage™
- IBM SPSS® Statistics
- IBM WebSphere® Application Platform