



Rabobank

Overview

The need

With nimble competitors on the rise, Rabobank aimed to maintain its leading market position by outsourcing non-core activities—but how could it manage a growing trading partner base cost-effectively?

The solution

Rabobank created a scalable, secure and resilient platform to support its electronic data interchange (EDI) with all its trading partners, based on IBM® Sterling Commerce® solutions.

The benefit

Today, Rabobank onboards new trading partners easily, helping grow its EDI connections by 400 percent in three years, avoid 30 percent in management costs and enable the business to focus on core competencies.

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Enhancing competitiveness with simple, cost-efficient management of five times more trading partners

As consumer preferences for consumption of banking services shift from bricks-and-mortar branches to digital devices, it has never been easier for new, disruptive players to enter the marketplace. For established banks to remain competitive, they must adapt their offerings with the agility of nimble startups without sending operational costs spiraling out of control.

Get lean to stay competitive

Rabobank, a leading international financial services provider based in the Netherlands, decided to tackle these new challenges head on.

Carsten van den Bogert, Middleware Specialist, Rabobank, explains: “In the Netherlands, we have won a market-leading position by offering our customers a one-stop shop for all of their wholesale, retail and private banking needs. As banking moves online, there are new opportunities to build innovative commercial and retail services to delight our customers—but at the same time, it opens us up to new threats from agile competitors.”

Building an outsourcing strategy

He continues: “To maintain our industry leadership, we aim to redirect investment to our core competencies such as product development and customer service. Outsourcing non-core functions such as printing bank statements and creating credit cards to specialist trading partners is a powerful tool to achieve this objective.”

“Our EDI migration has been a great success, thanks in large part to the expert assistance we received from IBM. I would recommend that businesses embarking on similar projects engage IBM architects early on in the design process; their guidance really is invaluable,” says Carsten van den Bogert, Middleware Specialist, Rabobank.



Solution components

Software

- IBM® Sterling B2B Integrator
 - IBM Sterling Connect:Direct®
 - IBM Sterling Control Center
 - IBM Sterling File Gateway
 - IBM DataPower® Gateway
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“We realized that achieving our goal would mean dramatic growth in our trading partner base. In the past, onboarding new partners was a complex and time-consuming process that took up to three weeks to complete. Crucially, our previous system for electronic data interchange [EDI] lacked the scalability we needed to support the targeted message volumes—especially the projected increase in traffic between internal and external web services.

“With our trading partner base growing rapidly, we were looking for a gateway that could manage our edge-of-network activity for file and FTP transfers in a secure, efficient and cost-effective way. Ease-of-adoption was essential, and we targeted a solution that would enable us to rapidly migrate our existing partner integrations and onboard new partners.”

Selecting IBM Commerce solutions

To solve the challenge, Rabobank decided to build a fresh approach to trading partner integration by standardizing its partner connections and automating its onboarding process, and selected IBM Sterling Commerce solutions to support the new way of working.

“In addition to high-performance EDI processing, one of the key requirements for our new B2B integration platform was availability,” recalls Carsten van den Bogert. “We knew that many integrations—especially with payment processors—would require nothing less than 24/7 uptime. And because of the sensitive nature of some of our messages, we targeted a platform that would make it as easy as possible to comply with stringent regulatory requirements.

“Of all of the vendors we considered, the IBM team’s proof of concept demonstrations impressed us the most. As well as enabling us to achieve the levels of availability and performance we were looking for, the IBM solution was fully interoperable with our IBM Sterling Connect:Direct® application landscape—an important strategic requirement for the business.”

Working together with an expert team of consultants from IBM, Rabobank deployed IBM Sterling B2B Integrator as its platform for EDI message processing, with IBM Sterling File Gateway to manage its FTP requirements. To enable effective monitoring and management of the end-to-end trading partner integration solution, the company implemented IBM Sterling Control Center and IBM DataPower® Gateway.

Carsten van den Bogert comments: “Our retail banking organization now uses the IBM solution for everything from higher-risk transactions—such as ordering cash for ATMs and ordering new credit cards—to lower-risk transactions such as bank statement printing.”

“Our IBM B2B integration platform is helping us to drive our outsourcing strategy, focus on core banking competencies and ultimately deliver higher-quality services to our customers around the world.”

— Carsten van den Bogert, Middleware Specialist, Rabobank

Explosive trading partner growth

Today, Rabobank has achieved the scalable, secure and resilient platform it needs to outsource non-core functions to its trusted partners, and focus on developing new services to hone its competitive edge.

“In just a few years, we have grown from 40 trading partners to more than 200—and our IBM platform has enabled us to accommodate that expansion almost effortlessly,” says Carsten van den Bogert. “Today, we are transferring on average around 18,000 EDI messages and 300,000 Connect:Direct files per day on the IBM platform—and we are confident that the system will provide us with sufficient capacity to serve our needs for at least the next three years without scaling up.”

Assured availability

Rabobank’s IBM solutions are helping it to onboard new partners rapidly, with the assurance that its critical connections are available around the clock.

Carsten van den Bogert comments: “We can now onboard new trading partners in just one week—66 percent faster than before. In fact, setting up new partners using the IBM solution is now so straightforward that we predict that we will be able to reduce our onboarding times down to just one working day before the end of the year.

“Better still, we have complete peace of mind that our B2B integration platform is available 24/7; since the IBM solution went live, we have experienced no unplanned downtime.”

Cost-effective compliance

Rabobank is now using its new B2B integration platform to reduce the cost and complexity of regulatory compliance.

“The IBM solution offers a number of powerful features that are helping us to streamline our compliance processes,” says Carsten van den Bogert. “For example, IBM Sterling B2B Integrator can enforce long SSL keys by default. This ensures that all of our partners adhere to the most stringent regulatory standards, and eliminates the need to check each trading partner configuration manually.

“Before IBM Sterling B2B Integrator, we needed to check and reconfigure our systems manually to guarantee that each partner was using the correct certificates and encryption according to National Institute of Standards and Technology [NIST] security standards—a lengthy process that required at least 80 hours per year. Because the IBM solution automatically validates NIST security standards, we can now eliminate all of this work at the touch of a button.”

Ready for the future

Carsten van den Bogert adds: “With IBM solutions driving our B2B integration process, we can manage five times the number of trading partners while almost keeping our costs flat. We estimate that scaling out our previous system to support the number of trading partners we support today would have increased our operational spend by 30 percent—a figure that we have successfully avoided to date.”

He concludes: “Our IBM B2B integration platform is helping us to drive our outsourcing strategy, focus on core banking competencies and ultimately deliver higher-quality services to our customers around the world.”

About Rabobank

Founded in 1972 and headquartered in Utrecht, the Netherlands, Rabobank is a full-range financial services provider that operates on cooperative principles. Today, the bank is active in 40 countries worldwide, employs more than 48,200 people and serves more than 8.8 million clients.

To learn more about Rabobank, please visit rabobank.com

For more information

To learn more about IBM B2B integration solutions, contact your IBM representative or IBM Business Partner, or visit the following website: ibm.com/software/products/en/category/b2b-integration



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