

## Going deeper

# IT transformation helps Grupo Bancolombia deliver a higher level of service to customers



### Abstract

Since 1998, Grupo Bancolombia S.A. has grown rapidly to become one of the largest financial conglomerates in Colombia and has also expanded regionally through mergers and acquisitions. But it grappled with a familiar problem: integrating its various legacy systems and applications. In turn, integration challenges made it even more difficult to effectively manage operations and transactions across its enterprise. As a result of its aggressive growth, the bank was not providing the high level of service it wanted for its retail customers.

As part of Bancolombia's IT platform transformation, Deloitte collaborated with bank leaders to implement SAP® enterprise resource planning (ERP) and SAP customer relationship management (CRM) systems, helping the bank provide a higher level of customer service and become more agile in responding to customer needs.

### Growing pains

Grupo Bancolombia offers a wide—and constantly expanding—range of products and services, including brokerage, investment banking, leasing, consumer finance, and insurance, to its 7 million customers in Colombia. Its vast regional network consists of more than 975 branches, 3,700 ATMs, and 1,170 banking agents. But as the bank expanded, it inherited legacy systems and applications that made it more difficult to offer a seamless and personalized customer experience with enhanced products and services.

For example, the bank wanted—but didn't have—a customer-centric view to better understand what its customers really wanted or needed. Banking employees needed a better, more easy-to-use front-end system to help them cross-sell and upsell products and services, improve onboarding, and retain customers. Marketing for new products and services was not as fast or efficient as it could have been. Bank leaders also sought more timely and accurate financial reports through advanced applications, as well as new ways to help them better deal with risk management and regulatory compliance.

As a result, the management team selected an IT transformation approach to renew the legacy systems landscape so the bank could improve its focus on customers—and develop deeper and longer ties with them.

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**Bancolombia embarked on the journey of transforming its IT platform with Deloitte as one of our key partners. We worked hand in hand with Deloitte to achieve a significant impact on the business through the deployment of SAP CRM and ERP solutions.**

—Juan Carlos Mora Uribe, Vice President of Corporate Services, Bancolombia

#### **Forging deeper ties**

In 2009, Bancolombia launched a comprehensive, multiphase IT innovation initiative that integrated a number of different systems and applications, including several SAP technologies. Bank leaders tapped Deloitte to help with planning, testing, user training, go-live launch and support that focused on customer-oriented functions. For instance, we helped the bank define its business and technical requirements, developed and designed an implementation strategy and work plan, and designed a solution to support the bank's business model based on SAP CRM 7.0 and the integration with SAP ERP ECC 6.0.

Working with several other providers, we helped integrate SAP CRM into the bank's legacy systems—a task that required a totally new, robust architecture. This new system facilitated data synchronization across applications throughout the organization. We also created a front-end system that permitted bank officials to manage commercial, customer service, and marketing processes through multiple communication channels. As a result, the bank can create and deliver marketing campaigns to its customers by phone and email and at events.

#### **The solution**

Deloitte helped design, configure, and customize SAP software to help Bancolombia better focus on its customer service and product offerings in Colombia and overseas branches. We developed customer-specific functionality, training for key users, go-live launch, and post-launch support. We also provided program management support.

We implemented the following functionalities:

- mySAP CRM 7.0 (NTW EHP1)
- Business Warehouse 7.0 (NTW EHP1)
- Business Objects XI 3.1
- Enterprise Portal 7.0 (NTW EHP1)
- SAP NetWeaver Process Integration 7.1 (EHP1)
- mySAP ERP ECC 6.0 (EHP4)

The new CRM system helped the bank improve in several areas:

- Executives can now better identify potential sales opportunities with the most qualified customers through an improved lead management practice.
- Executives can resolve customer claims and service requests more quickly and efficiently through any communication channel with the implementation of the customer interaction center.
- Employees can access a new knowledge database to provide consistent answers to customer questions.

We also helped build a flexible solution that effectively incorporated different types of financial products and services and reduced their time to market. This design helped bank leaders better manage their overseas operations, which conducted business in different languages and currencies. Plus, value-added tools—including content management, customer validation, pricing schemes, and workflow notifications and approvals—were integrated and customized for each product group.

In addition, we helped Bancolombia redesign the customer acquisition process to make it quicker and simpler. With new and optimized processes and automated functions, processing time—which normally took 25 minutes—was cut by 75 percent, improving customer loyalty and opening doors to new business opportunities for the bank.

## The results

The SAP CRM implementation was rolled out in five phases. During the first phase, Deloitte designed a set of commercial processes to enhance efficiency in areas such as marketing, sales, and the interaction center for the bank's 975 branches with 14,000 users in Colombia. Those same processes were rolled out to the bank's overseas branches in Panama, the Cayman Islands, Puerto Rico, and Miami, Fla., during the second phase.

Next, Deloitte helped add trade and credit card products for the bank's Colombian operations. The fourth phase involved redesigning the customer acquisition process to make it quicker and simpler, which was a five-month project completed in May 2013. Lastly, Deloitte is adding financial contracts for the bank's Colombian operations.

As a result, Bancolombia has become more efficient in its commercial processes, leading to greater accuracy in account origination and reducing the time to market for new products and services. Standardized processes also allowed the bank to essentially speak the same language and provide the same level of service over different communication channels. Plus, top management could generate better reports because SAP CRM consolidated commercial and back-office data. Bancolombia has also:

- Implemented more efficient business processes
- Developed configurable financial products based on customer needs
- Improved service-level agreements for the customer care center
- Exercised greater control over key operational indicators and made them more traceable
- Confirmed processes and integration between different areas of the company

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