

Core banking transformation in the African market

Introduction

The need for core banking transformation is well understood across the globe. Many articles have been published on the rationale behind such a strategic investment. The need to be flexible and responsive to the rapid changes in the bank's ecosystem, the rising costs of maintaining legacy systems, the need for real-time customer-centric information, "Big" data and the huge costs for regulatory and compliance programmes are but a few forces that drive the investment cases for these major core banking replacement programmes.

The purpose of this document is to share the Deloitte Africa Financial Services Industry value proposition to de-risk the implementations and ensure success to our clients on the African continent.

Core banking transformation (CBT)

Deloitte has a well-established global CBT practice, and is instrumental in implementations and transformation programmes across EMEA, North and Latin America and Asia Pacific. Our Deloitte Africa Technology practice has delivered a number of successful core system implementations across Africa.

With the integration of the East, West and Central African practices with the South African practice, in conjunction with our global team, a unique value proposition has been developed for our existing and prospective clients in Africa.

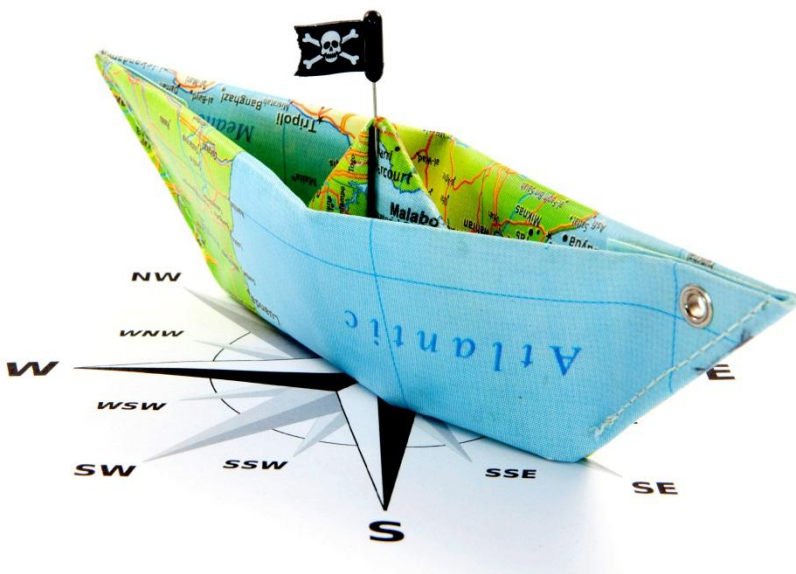
A number of major changes are occurring in the African banking environments. The consolidation of banks in East and West Africa, the expansion of major banks' African footprint, like Standard Bank Group (operating in a number of countries as Stanbic Bank) and Barclays Africa, and the availability of advanced technology and infrastructure in certain African countries are all shaping the banking industry across Africa.

Our value proposition

As a trusted strategy and innovation advisor to clients across the globe, we are well positioned to provide a differentiated service to our clients. The key lessons learned across global transformation programmes are well researched and published.

Our unique value proposition has been defined to address these fundamental challenges and lessons to ensure success:

- An end-to-end value proposition across the CBT programme to drive accountability and strategic partnerships
- Definition of the CBT strategy aligned with the enterprise strategy, including an implementation strategy designed around the key drivers for change
- "Embedding the change" or "transforming the organisation" from a people, processes and technology perspective (as opposed to a technology replacement initiative)
- An integrated Programme Management Office (PMO) offering across Business and IT projects to ensure an integrated view of all initiatives and interdependencies to enable the management of issues and risks and the monitoring of the integrated investment case
- Development of the integrated investment case with a benefits-tracking process and methodology (well beyond the lifespan of the CBT programme)
- A technology capability to assist with the IT architecture solution designs, the selection of the best-suited core banking



system, the implementation, testing, as well as the post-implementation support of the core banking systems

- Strong Organisation and Process design and reengineering capabilities to ensure roles are aligned to the new optimised and reengineered processes
- A unique integrated information and data management (IIDM) capability adapted to the challenges in Africa, including data profiling, data quality assessments, data scrubbing, reverse engineering of logic and the availability of well-tested data migration routines. With the focus on "Information as a Service", we understand the requirements for business intelligence, client value analytics, statutory and regulatory reporting and strategic balance sheet management. Data is at the heart of your transformation programme, and Deloitte offers a differentiated IIDM service.
- An in-depth understanding of the various African countries and regions from an infrastructure, technology, telecommunications and compliance/regulatory perspective to ensure that the systems are designed/built with the correct data inputs to ensure "cost-effective" compliance downstream
- Delivering innovative solutions to market ahead of the competitor, taking the specific country dynamics into account
- Unique risk/reward pricing models which revolve around a strategic partnership between Deloitte and our client. These partnerships are adapted to the local market and the structure of the client engagement agreement

How is this enabled?

- Access to experts from the Africa and Global Deloitte Consulting practice across multiple disciplines
- Strategic relationships with key partners/vendors
- Our central African Core Banking Transformation Centre of Excellence
- In-country presence from our Deloitte Africa practices in East, West and Central Africa, with strong regional expertise and local partnerships

Conclusion

The Deloitte Africa CBT capability and proven value proposition have been designed to fit the African market. We have an in-depth understanding of the African continent with its unique challenges and opportunities and are strongly positioned to partner with you, wherever you and your banking operations are in the African region, to ensure your successful CBT journey.

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