

# Beyond the Cloud – The Industrialization of IT Services in Sicoob

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Sicoob – Sistema de Cooperativas de Crédito do Brasil

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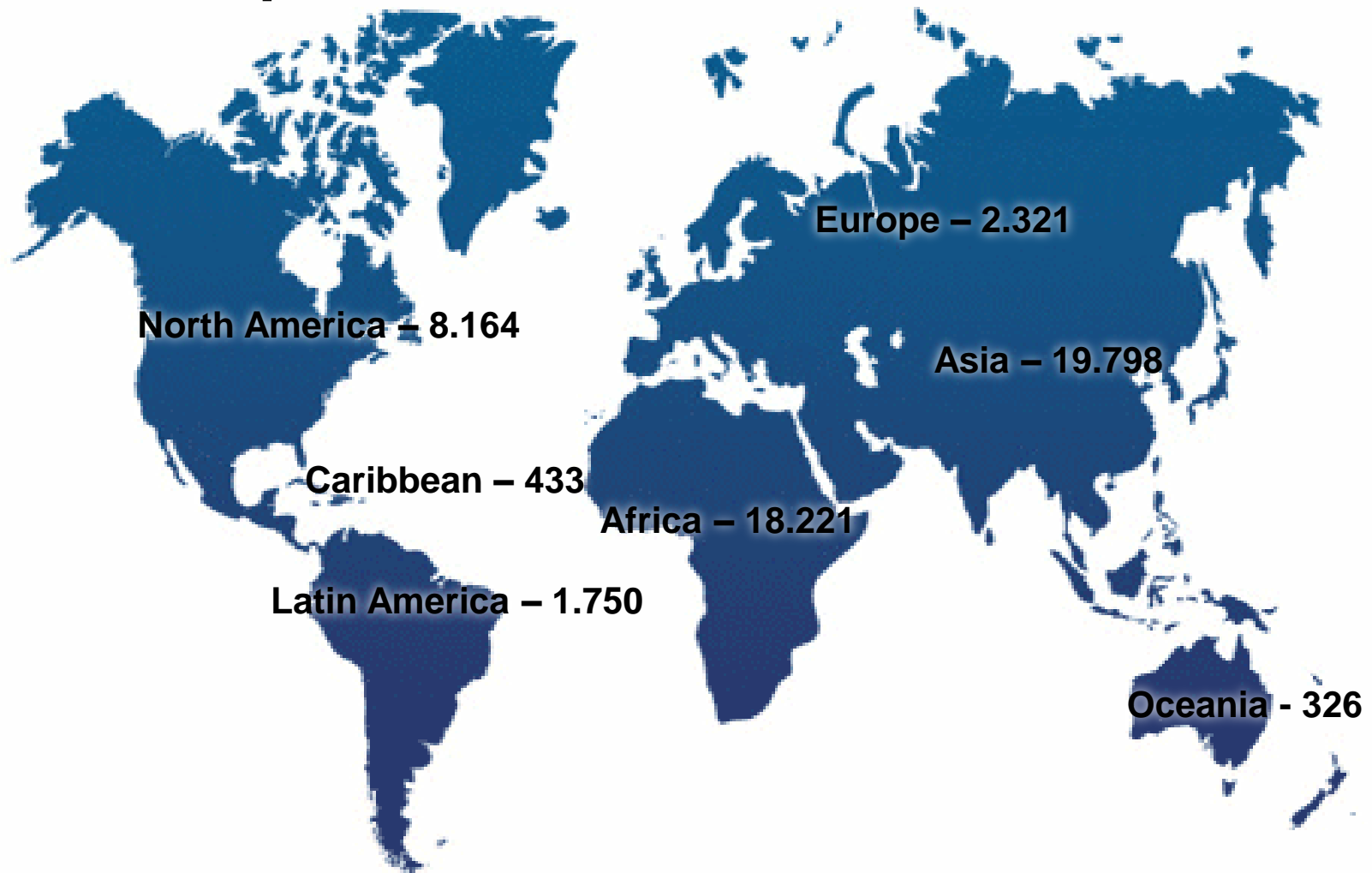
# Agenda

- Credit Cooperativism
- What is Sicoob?
- Brazilian Financial System
- Challenges
- Concepts
- Sicoob InserTI Project
- Efforts
- Reference Architecture

# Credit Cooperativism

- What is a Credit Cooperative?
  - It is an association of people who seek through mutual assistance, to make a better management of their financial resources.
  - The purpose of the Credit Cooperative is credit cooperation, to provide banking services to its members with more advantageous conditions.

# Credit Cooperativism around the World



# Credit Cooperativism in Brazil

- Credit Cooperatives in Brazil

In Brazil, Credit Cooperative is treated in the same way as any financial institution (Law number 4595) and all operations must be authorized and regulated by the Central Bank of Brazil.

# Credit Cooperatives in Brazil

**05**  
National Confederations

**38**  
Central Cooperatives

**1.273**  
Singular Cooperatives

**02**  
Cooperative Banks



**4.825**  
Service points

**56.178**  
Direct jobs

**5,8 Milhões**  
Customers



# Sicoob



# Sicoob

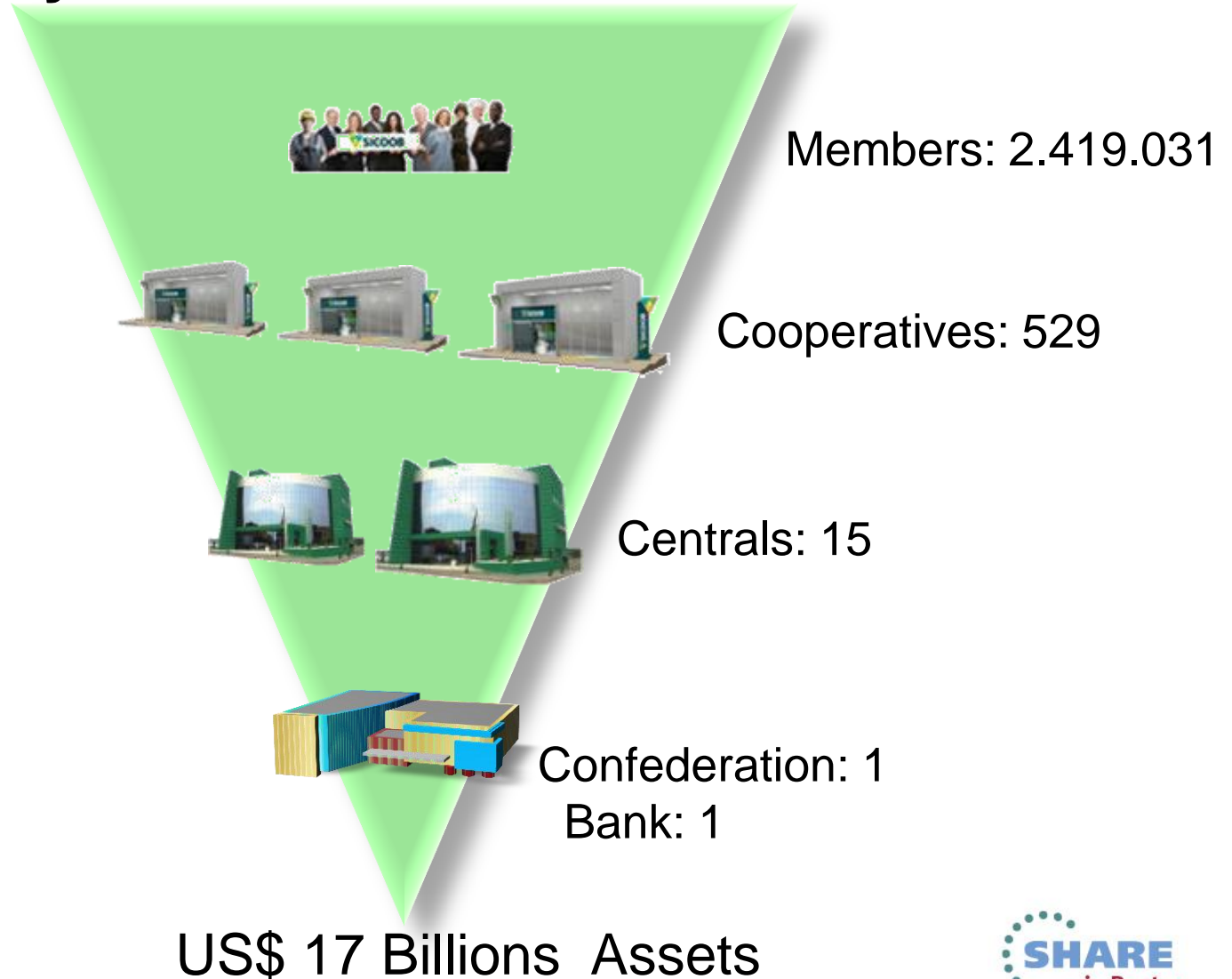
LOGGIA  
SICOOB  
PAÍS DA UNIÃO  
LOC. PORTUGUÊS  
LET. INGLÊS  
25.11.2012  
3' 44"

Area VFX  
Rua Cunha Gago, 700 - 4º andar - São Paulo - SP  
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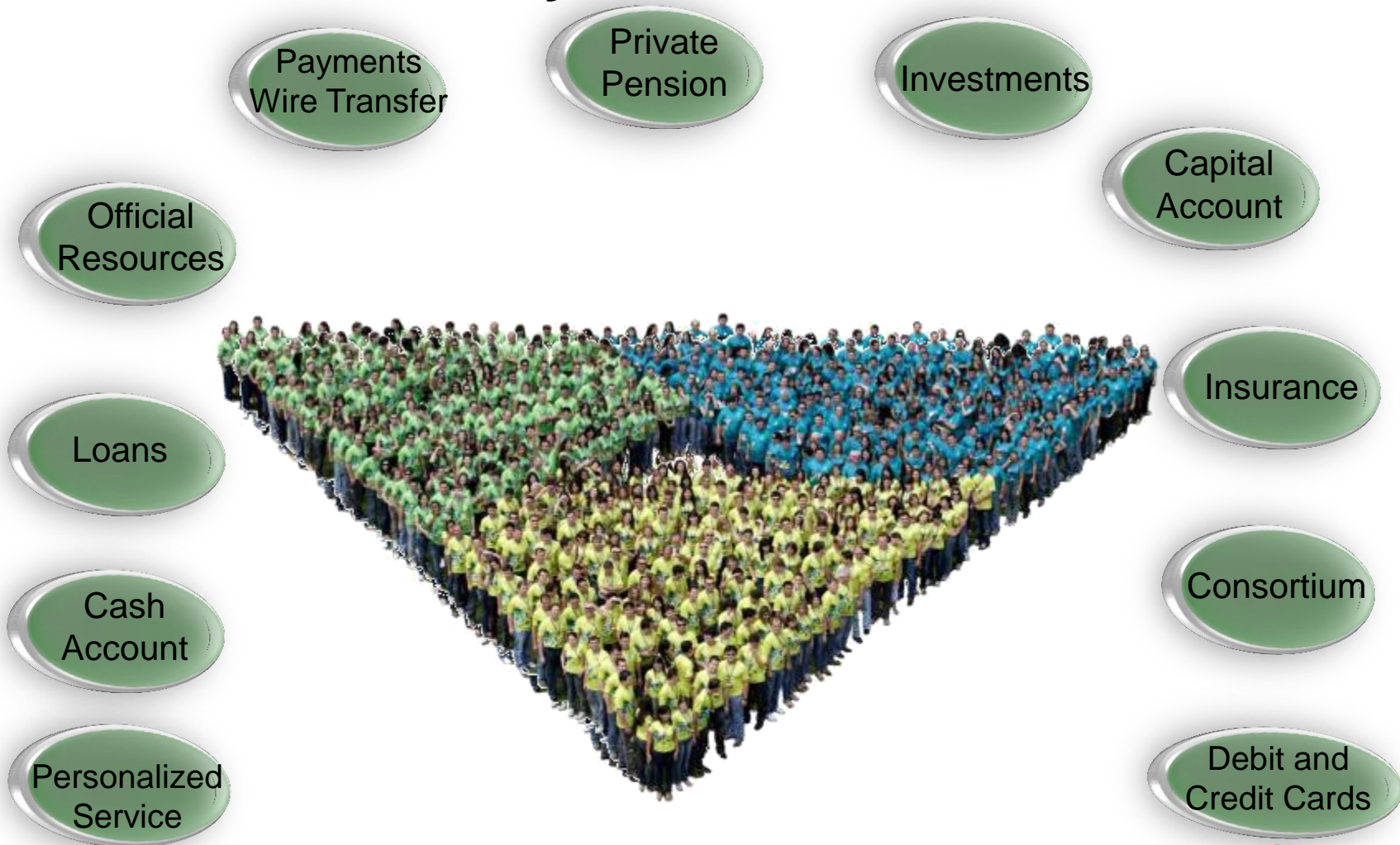




# Sicoob X-Ray



# Products Offered by Sicoob



# Major Banks in Brazil – Points of Service

Ranking	Institution	Number
1º	Banco do Brasil	6.910
2º	Bradesco	6.025
3º	Itaú Unibanco	4.721
4º	Santander <sup>1</sup>	3.942
5º	Caixa Econômica Federal	3.054
<b>6º</b>	<b>Sicoob</b>	<b>2.013</b>
7º	HSBC	1.268

# Overview of Sicoob's IT Infrastructure

- Primary Site



2 Mainframes z196  
2 Storages DS8700  
1 Tape Library TS3500  
5 High-End Intel Servers  
17 Middle Range Servers  
4 Directors SAN

- Secondary Site

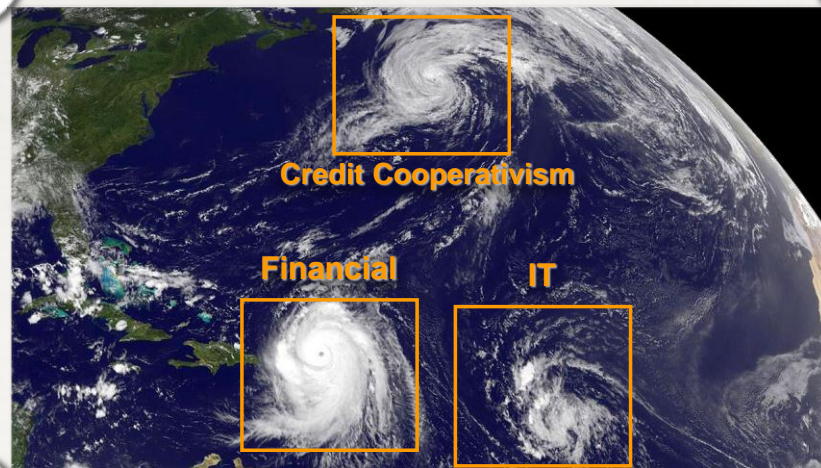


All systems and platforms  
that compose the major bank  
core systems are developed  
In-house.

2 Storages DS8700  
1 Tape Library iScalar  
1 High-End Intel Servers  
3 Middle Range Servers  
4 Directors SAN

# What about Cloud?

- Before talking about the cloud project at Sicoob we have to explain the environmental forces which affect our strategies. These 03 driving forces:
  - Changing Global Financial System
  - Changing National Credit Cooperativism
  - IT Trends

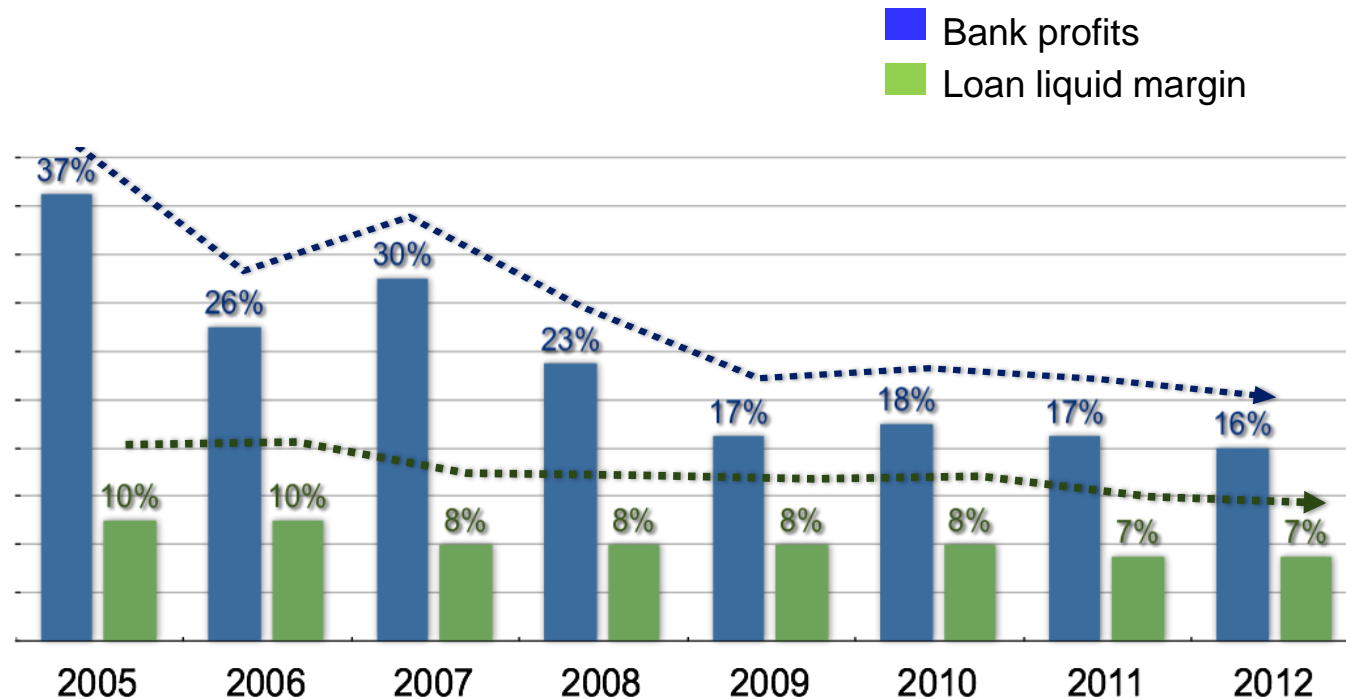




# Brazil Financial System

- Today's snapshot – Market Retraction

The profits of brazilian banks has decreased in the last few years generated by a fall of interest rates and default growth.





# Perspectives of Brazilian Financial System

- Government pressure on credit offerings.
- Operational profit margin reduction trend.
- Expand of Products and Services portfolio.
- Bringing in new customers.
- Expansion of service network.
- Reduction in operational and administrative costs.
- Intensification of new technologies used in product creation and delivery.
- BASEL III regulatory framework

# National Credit Cooperative System

- In the last 10 years the cooperative movement has faced a large growing.
- Nowadays, the system is challenged to foster another big wave of evolution and to become more competitive in the banks's market place.

# Cooperativism Challenges

- 1** Customer fidelity
- 2** Enhance the range of action in Metropolitan areas
- 3** Systemic attitude
- 4** Offer a competitive wide range of products and services

# The Big Challenge... and a Great Opportunity

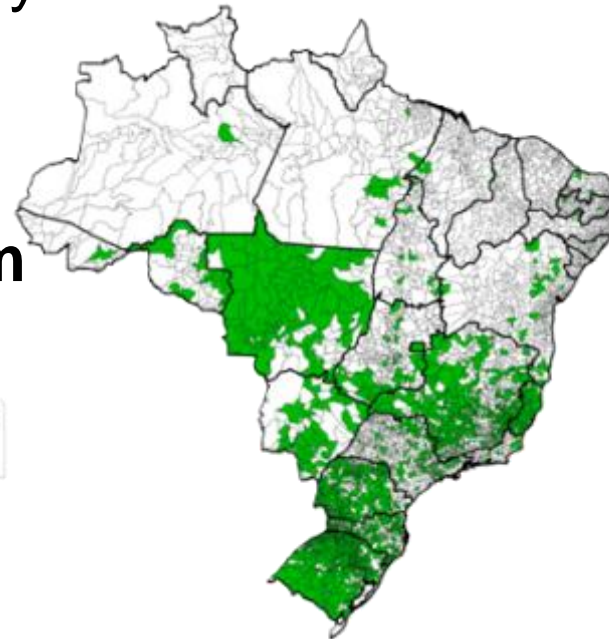
“To advance and make a difference as a system in the cooperative world as well as in the National Financial System it is important to practice the preamble of Complimentary Brazilian Law concerning the creation of a National Credit Cooperatives System.”



**National Credit  
Cooperatives System**

Rede ATMs dos 4 Sistemas

■ Com cobertura	(1647)
□ Sem cobertura	(3815)



# Cloud Computing



# Executive Point of View – Sicoob

“IT isn’t anymore a cost center but an investment line. Invest in IT and collect benefits and direct revenue.”



=



Ricardo Antônio  
CIO  
Sicoob



# Sicoob IT Servicizing and Industrialization Project

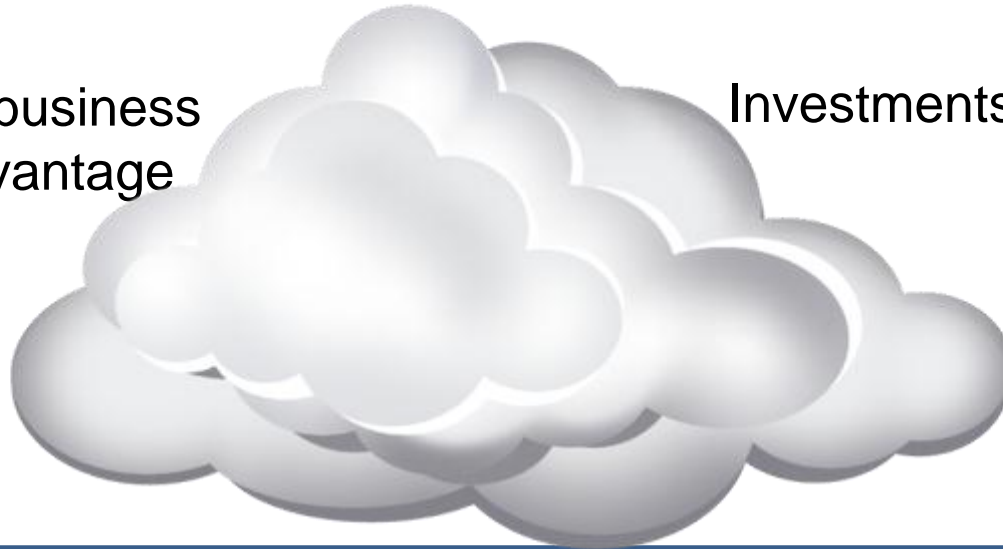


**Insert** a new concept of IT management, and a new organizational culture based on maturity of processes, focusing in quality improvement, in order to prepare Sicoob for the future, achieving high levels of businesses and services delivered in the financial world market.

# Cloud Based

## RESULTS

Alignment with business  
Competitive advantage  
Time to market  
Efficiency  
Innovation  
Mobility  
Flexibility



Investments rationalization  
Performance  
Availability  
Scalability  
Agility

## Pillars of cloud

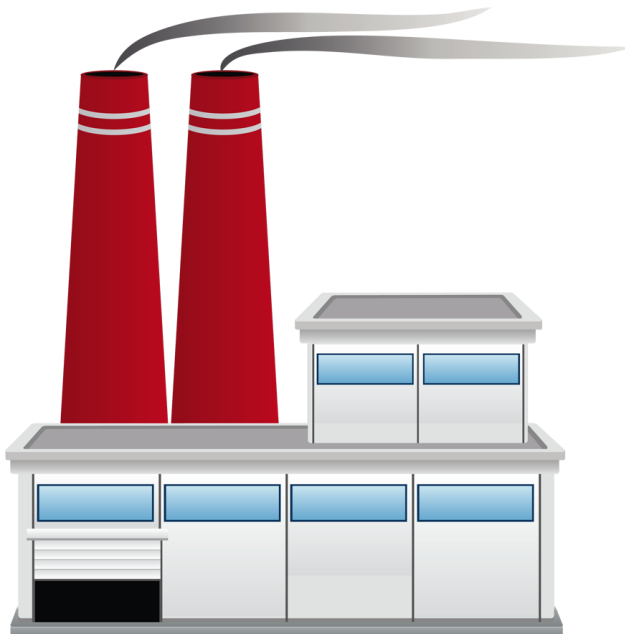
Security  
Privacy  
Automation  
Governance  
Virtualization  
Standardization  
Metering and Control

Self service  
Automation  
IT as utility  
Fast elasticity  
Pay as you Go  
Sharing resources  
Measurable services

# Industrialization

“Standardization of IT services through a highly automatized pre-defined and pre-set solutions, repeateable, scalable, reliable to meet the needs of the organization.”

**Gartner.**



“Industrial models require  
The abolition of pure artistry  
of technology and move into  
a business engineering  
mentality.”



# Servicizing

“**Servicizing** is a transaction through which value is provided by a combination of products and services in which satisfaction of customer needs is achieved by selling the **function** of the product rather than product itself, or by increasing the service component of the offer.”



WIKIPEDIA

**Servicizing** philosophy involves the concern about the quality, the client service, the customization of operational attitudes seeking new clients fidelity and customer satisfaction.



# Sicoob Efforts

## Server Consolidation and Virtualization

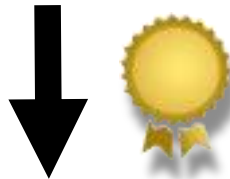


90% of Virtualized servers (1200 VMs)

95% of Consolidation

(310 physical servers to 36)

95% of standardized environment



This project won a prize for social environmental contribution - CO2 reduction 270 tons/year and economy of 6.134.400 Kw/year of energy consumption.

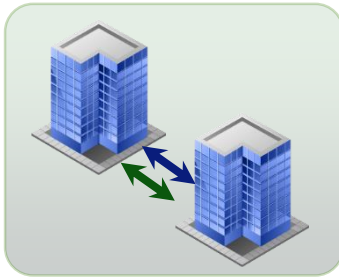
**US\$ 1.500.000,00**

economy by year

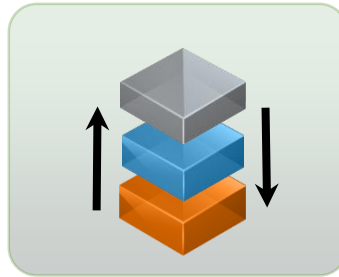


# Sicoob Efforts

Geographic  
Contingency



ILM &  
Tiering



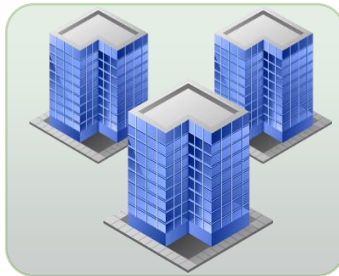
Mobile



Social  
business



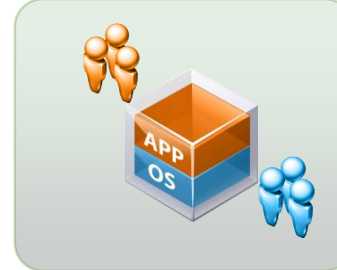
3th Data Center



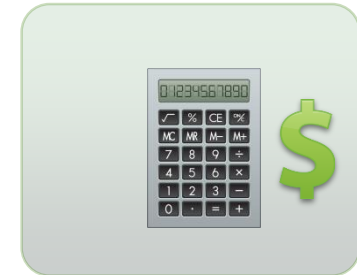
Business  
Intelligence



Hosting /  
Collocation



IT Services  
pricing and billing





# Objective: Be a Provider



# IT Transformation – Business

## System of Record (SoR)

- Traditional systems
- Business support
- Optimized for integrity and performance
- Doesn't differentiate the company in market

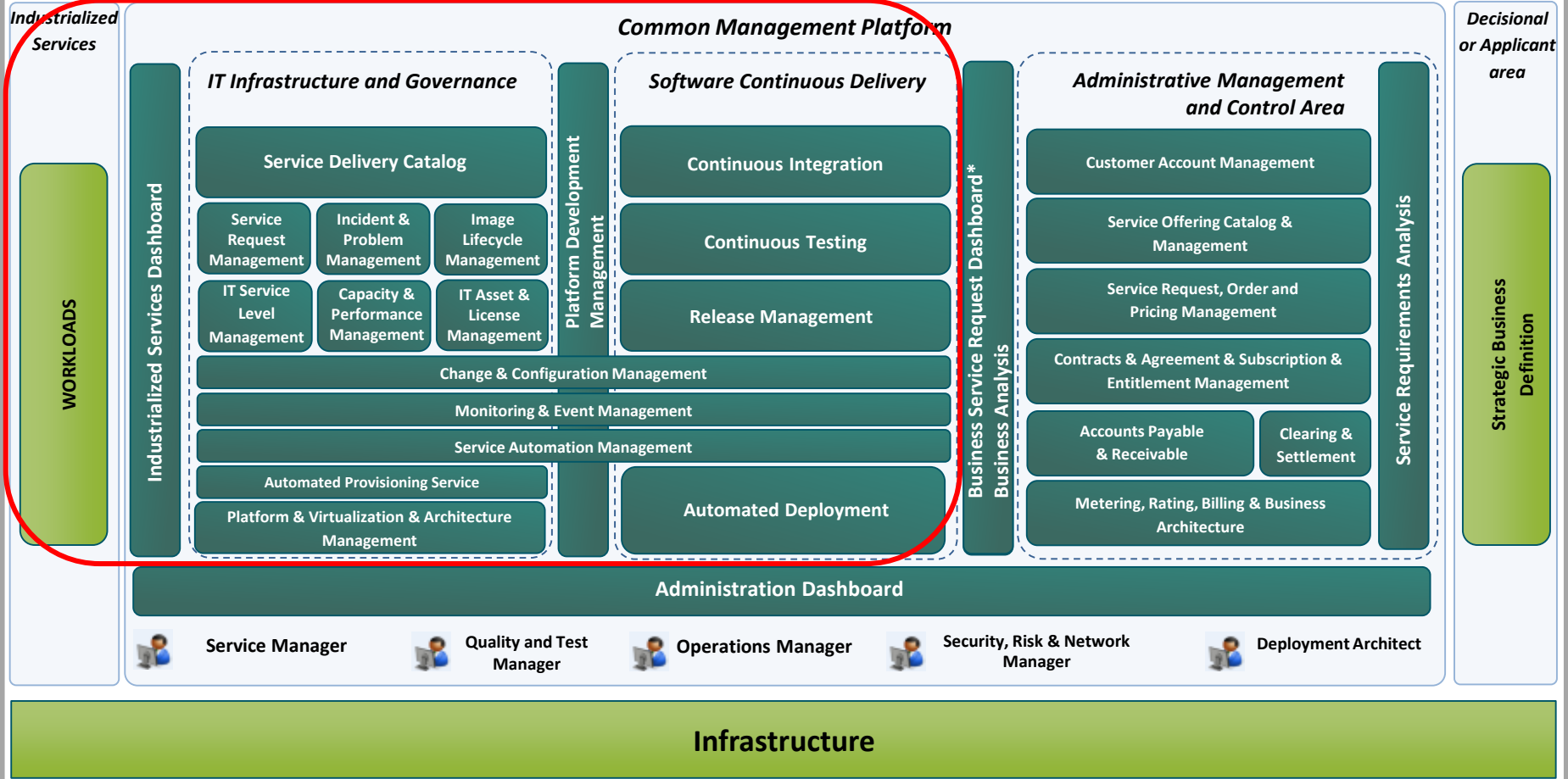
## System of Engagement (SoE)

- To attend final customers
- Innovation appeal
- Optimized for evolution velocity
- Makes a market differentiation

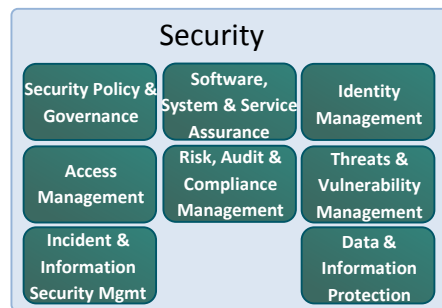
**Servicizing**

**Industrialization**

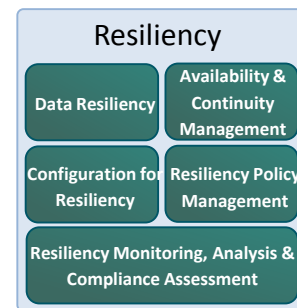
## SICOOB – Industrialized Architecture Environment



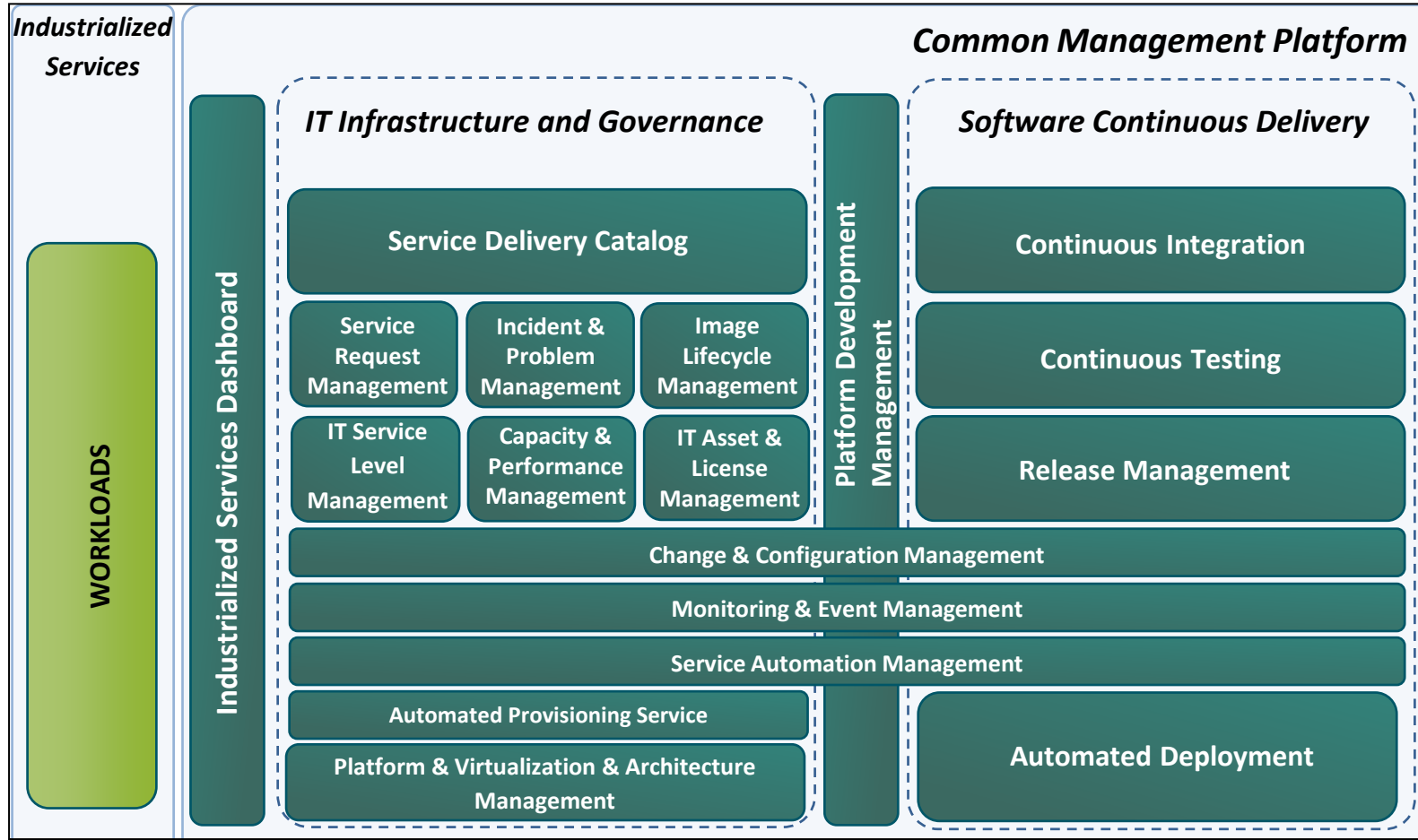
Agility, Self-Service, Performance, Services Flexibility and Usability



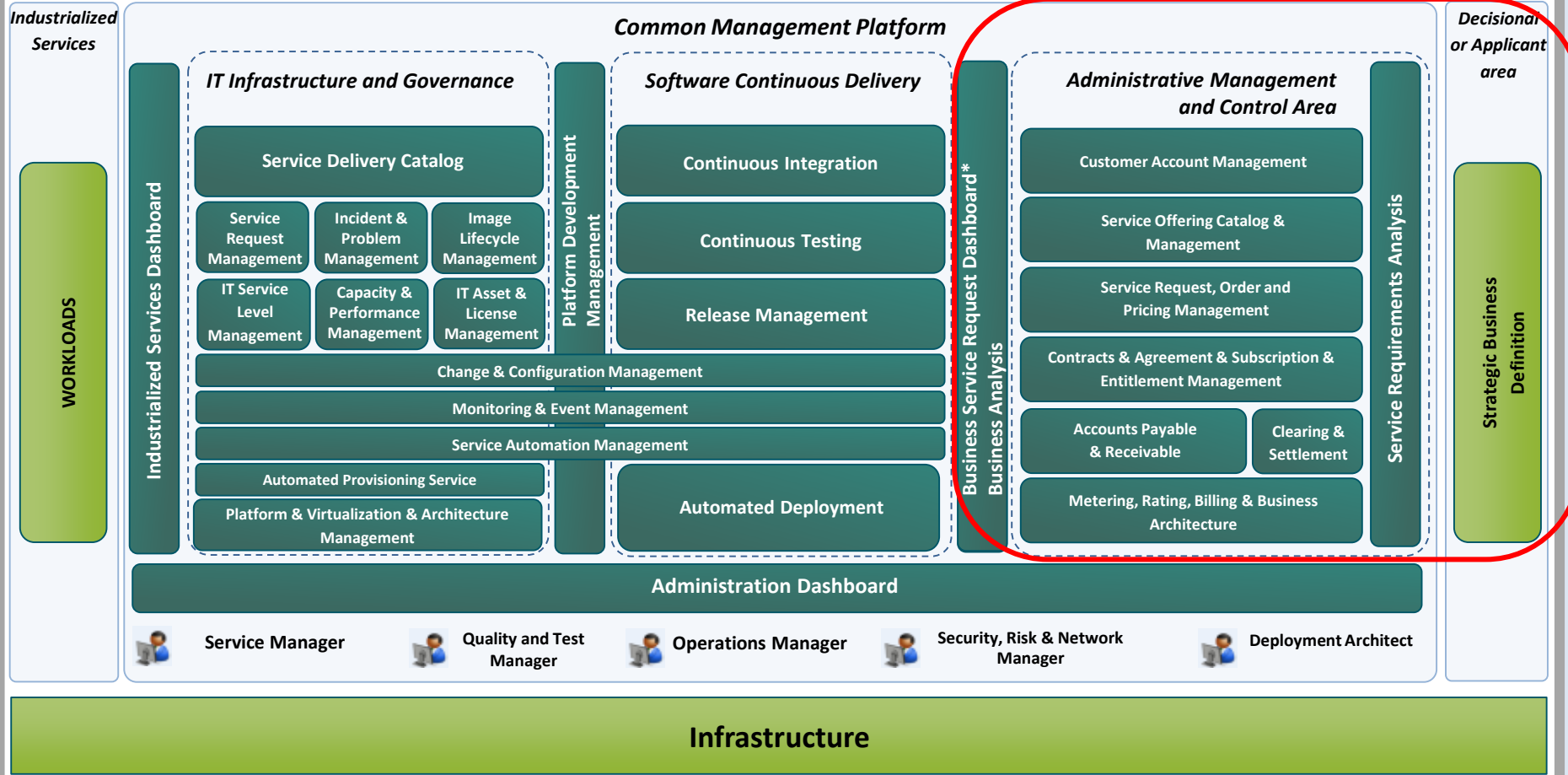
Corporate Governance



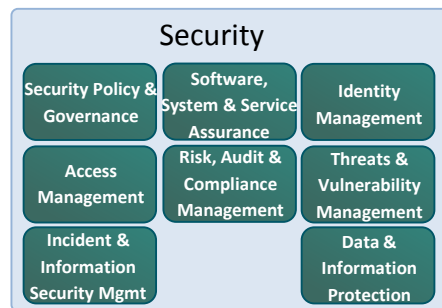
# Reference Architecture



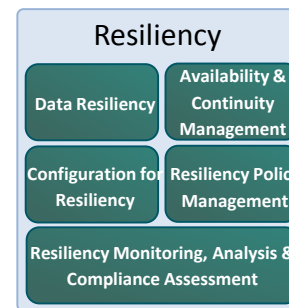
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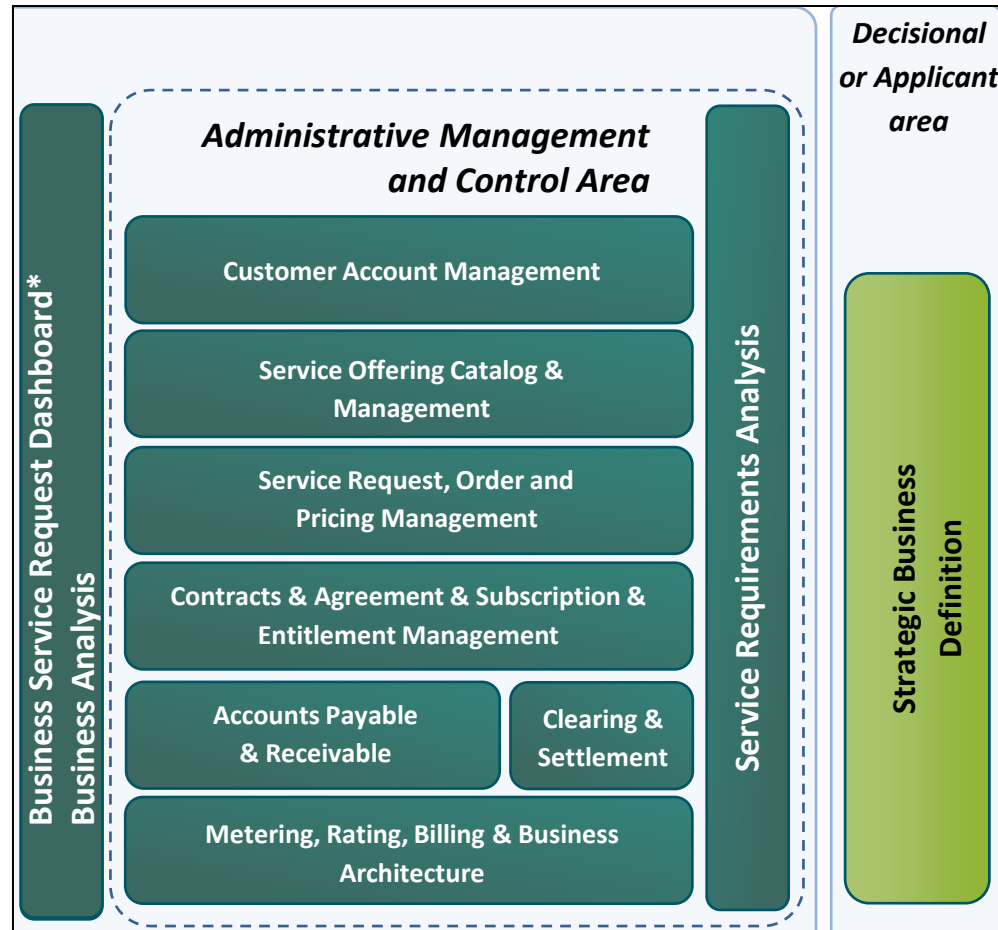
Agility, Self-Service, Performance, Services Flexibility and Usability



Corporate Governance

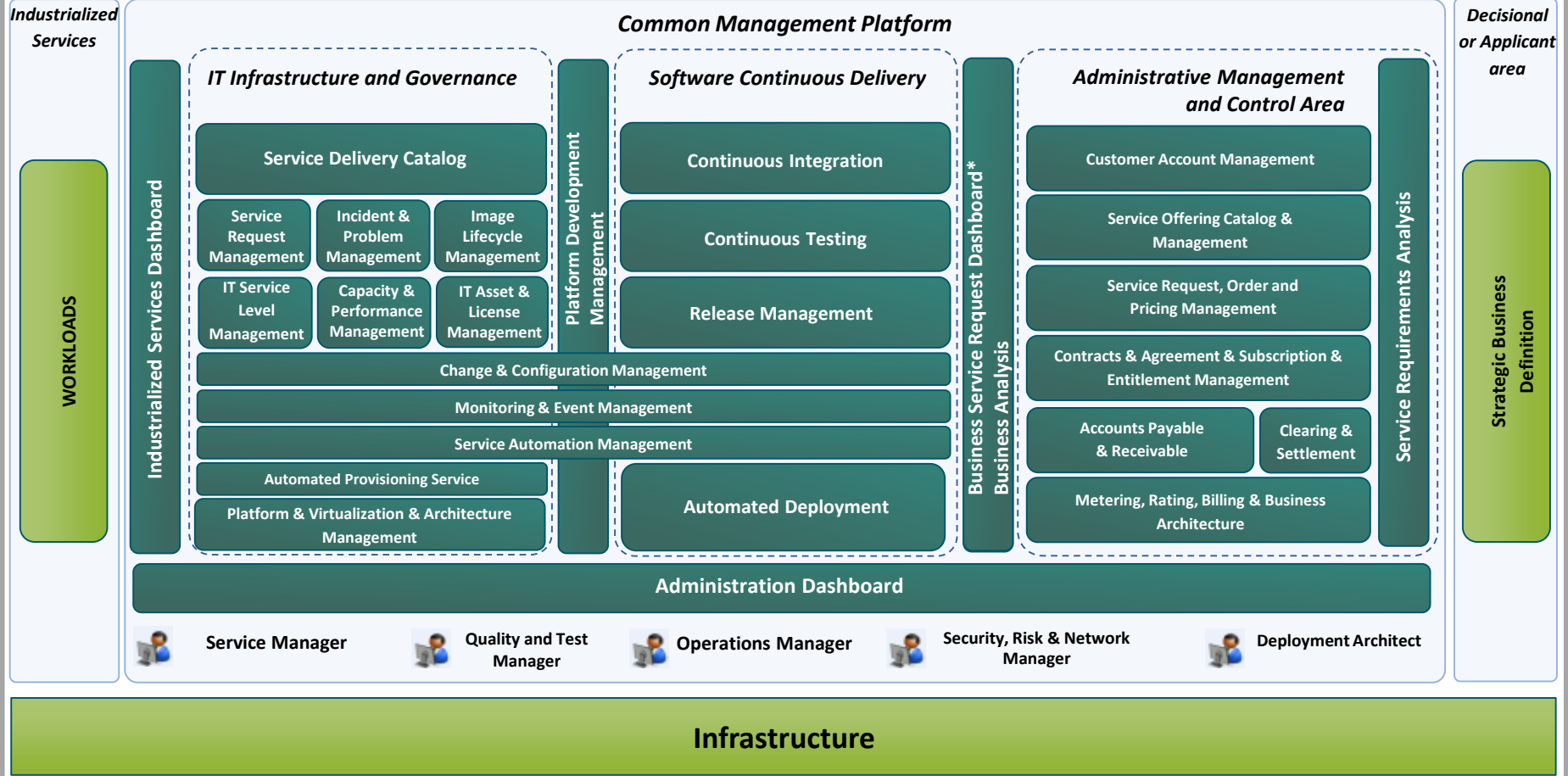


# Reference Architecture

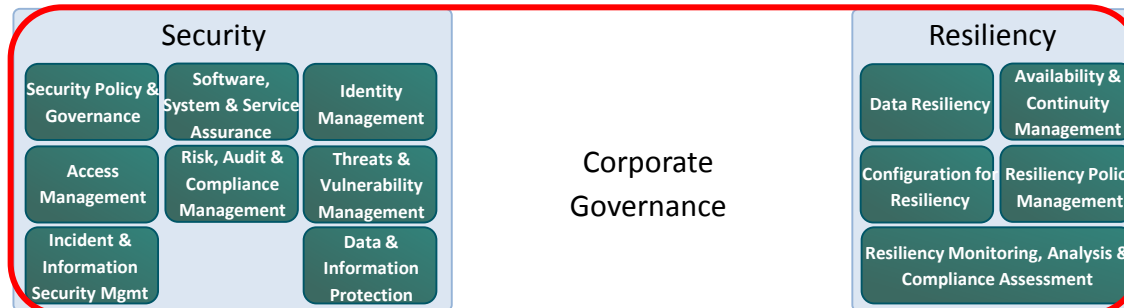




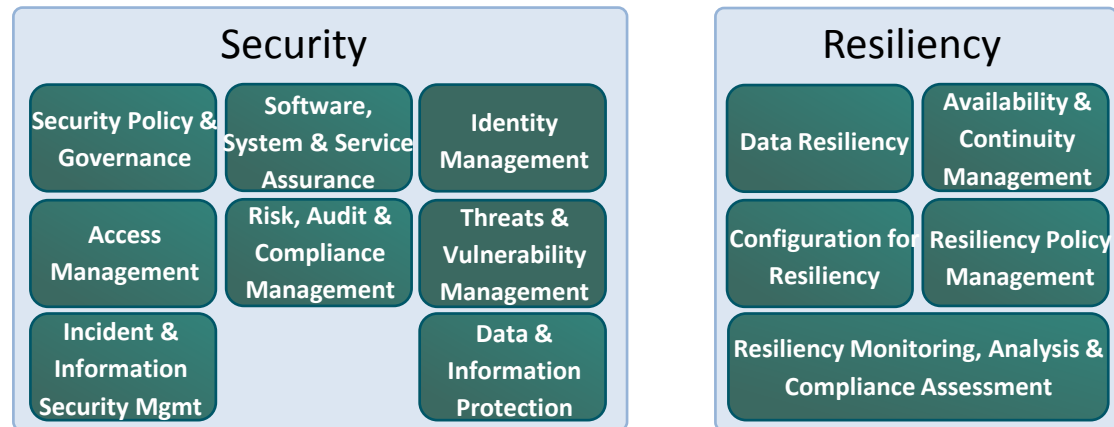
## SICOOB – Industrialized Architecture Environment



Agility, Self-Service, Performance, Services Flexibility and Usability

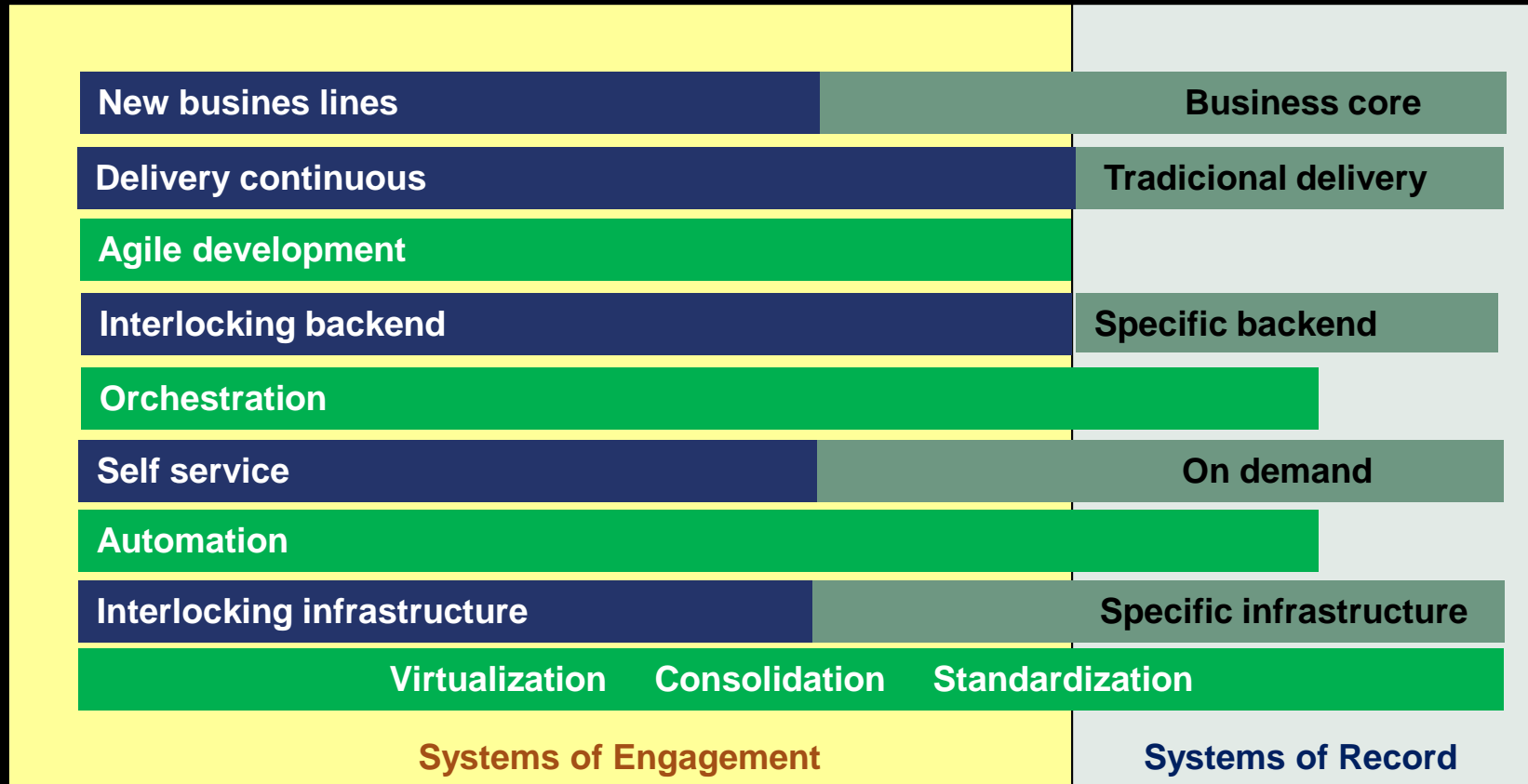


# Reference Architecture



# Business Technology

## Business Technology



# Oportunities

- To serve banks and other financial institutions with banking core systems as a service
- To offer new services using new concepts and trends of technology and create new customer experiences leveraging new businnes based on inovation.
- To generate revenue through new products and services making use of new technologies and market trends.
- To offer mapped services as social business, VDI, files storage, eletronic document management, SaaS, PaaS, IaaS etc.
- To centralize de IT of a National Credit Cooperative System straightening the cooperatives systems migration and offering that system as a service.
- To bring the Basel III framework as an oportunity to offer services transforming CAPEX investments in OPEX for those institutions or cooperatives thar are tryng to equalize de contability and liquidity.

# Thank You!

We are delivering in the present and constructing the future  
of our cooperatives!

