



## Nationwide Building Society transforms its core banking, service and business capabilities

*“Axxiome is a leader in its market, specialising in the configuration and development of SAP banking solutions.”*

**Phil McCabe,**  
Divisional Director, Core Platforms,  
Nationwide

Engaged by Nationwide Building Society to provide specialist expertise around SAP for Banking solutions, Axxiome played a vital role in the delivery of a major five-year core banking transformation project.

Axxiome brought its in-depth experience of SAP for Banking solutions to help Nationwide meet its business objectives, covering both the back-end and the multi-channel front-end aspects of the solution.



## NATIONWIDE'S BUSINESS AMBITION

- To launch new flexible products to increase its share of the UK current account market
- To improve the levels of agility and capability in the organisation to support future growth
- To transform core banking practices to enable greater speed, efficiency and agility
- To preserve customer-satisfaction leadership throughout major transformation programme

## NATIONWIDE'S CHALLENGES

- Existing core banking systems were a major constraint and had to be replaced in order to realise their ambition

## SOLUTION

Nationwide:

- A transformation programme that improved multiple channel front-end user experience and back-office functionality, with a capability fit for future growth
- First UK SAP Transactional Banking applications from the SAP for Banking suite of solutions
- Appointed Axxiome as the global expert in SAP for Banking solutions delivery, to ensure the solution would deliver the desired business outcomes

## BENEFITS

- Nationwide launched two market-leading current accounts, making the Society a serious challenger to UK banks and increasing its market share
- Nationwide maintained its lead in customer service over competitors throughout the transformation programme
- **Flexibility** – Ability to launch new products tailored to meet demand –
- **Service** – Stretched customer satisfaction lead over the nearest competitor
- **Growth** – Enabled main UK bank account market growth to 650,000 accounts, from 6 to 10 percent, a 67 percent improvement

## BUSINESS OUTCOMES

- IT is now a facilitator of business outcomes rather than a brake on innovation
- Decision-making in the sales process is more streamlined, making it better for customers and more intuitive for staff
- Implemented into a multi-tier environment while contributing to enhanced customer service
- Introduced real-time banking capabilities across multiple customer service channels for an improved customer experience

## NATIONWIDE IN NUMBERS

- World's largest building society
- UK's second-largest savings provider
- UK's third-largest mortgage provider
- In 2012 helped 20,000 borrowers buy their first home
- Employs around 15,000 people and operates around 700 branches

## THE BUSINESS CHALLENGES

Nationwide aims to be first choice for customers and the number one retail financial services provider in the UK. To help achieve this ambition, the Society is targeting growth in the main current account of 650,000 accounts a year, which represents a 10 percent share of the UK market. Improving its ability to offer flexible new current bank accounts would hold the key to growth.

Tony Prestedge, Chief Operating Officer at Nationwide, explains: "Meeting the needs of our customers is at the heart of everything we do, and our investment in technology gives us the tools we need to do that. Our focus has been on providing our customers with new and better ways to do business with us, and a greater choice in transaction methods that meet their needs, as well as improving the choice of products and services. Specifically, our core banking transformation had three specific business outcomes that we wanted to achieve – to be the 'challenger brand' based on being market leaders for customer service, including the ability to launch flexible new current accounts; to create a strong, diversified and sustainable business with improved agility and capability for future growth; and to transform our business services to deliver these."

Like most other financial institutions, Nationwide had built up robust core banking systems over a number of years. While these systems provided the required security and reliability, Nationwide was unable to adapt them rapidly or cost-effectively enough to support its aim of being able to bring new products to market at high speed. Nationwide realised that it needed to transform its core banking platform and practices to become more agile, improve customer service, and lay strong foundation for its growing business.



## THE SOLUTION

To meet the challenge and drive the right business solution to meet its objectives, Nationwide chose SAP Transactional Banking solutions in a five-year transformation of its entire core banking capabilities.

Nationwide appointed Axxiome as the global expert in SAP for Banking solutions delivery, to ensure that the SAP solution architecture would meet the business objectives, and that the implementation and configuration would deliver the required performance and business outcomes. Throughout the project, Axxiome worked in a tripartite project team with IBM Global Business Services and SAP to deliver the first core banking transformation in the UK financial services market.

## TRUSTED ADVISORS

Richard Heeley, Programme Director, comments, "Axxiome provided the experience and expertise based on a successful track record of SAP Transactional Banking implementations that helped us steer the best course for Nationwide. Specifically, Axxiome's ability to design and build a model demonstrator for both the front-end multi-touch channel experience and the back-end capabilities differentiates them from other providers and is an asset that helps buy-in and understanding at the start of the process. Axxiome helped us demonstrate confidence that what we are building is absolutely right for Nationwide."

## ADVANCED SOLUTION DESIGN

Nationwide transformed the front-end user experience, all channels to market, and the existing back-office systems to help it deliver integrated financial services to customers, enabling them to bank with the Society in a way that suits their personal preferences, supported by real-time banking and straight-through processing. Axxiome drew on its Core Banking Reference Architecture Model to guide the design of the new solution, always looking to tightly control the trade-off between market diversification and procedural efficiency. At one stage, the Axxiome team comprised

around 10 percent of the total project taskforce, and touched on practically every aspect of the solution, including the operational and organisational models, the payments layer, the customer data model, the integration layer, and the overall project structure and governance. Axxiome ensured that the SAP solutions worked perfectly and linked correctly with legacy processes, such as credit card authorisations and cancellations, and supported the majority of the testing projects.

Phil McCabe, Divisional Director, Core Platforms, Nationwide, says, "Axxiome is a market leader in configuring and developing SAP banking solutions. Axxiome supported us with excellent solution design and technical delivery and provided key resources, acting as a trusted advisor and partner to ensure the best possible business outcomes from our investment in the SAP platform."

## THE BUSINESS BENEFITS

Product Innovation, Shorter Time-to-Market  
The five-year transformation programme has delivered new capabilities that enable Nationwide to bring flexible new products to market rapidly and cost-effectively. With legacy systems removed from the equation, IT is no longer an obstacle on the critical path but instead is seen as the cornerstone to delivering the right results and business outcomes for the Society. Shortly after the new real-time banking platform went live, the Society was able to launch not one but two market-leading current bank accounts in a matter of months of each other.

Tony Prestedge comments, "The banking solution delivered with our technology partners Axxiome, SAP, and IBM, enables Nationwide to introduce a real-time, multi-channel banking capability for our members. It allows us to launch more flexible products more quickly and bring competition to the current account market by giving customers a real alternative to the banks. Transforming our banking services will continue to make us a more agile, innovative

and responsive financial services provider, and Axxiome has played a leading role in developing the Society's capabilities."

### No Compromise on Top-Ranking Customer Service

Nationwide retained its position as market leader for customer service, throughout the transformation period, helped by effective planning and management from Axxiome. Since go-live, Nationwide's aim is to maintain its lead as it evolves and exploits the new banking capabilities. Richard Heeley comments, "A core banking transformation project of this size and scale could quite easily have destroyed the lead we had over our competitors. Maintaining excellent customer service all the way through the programme was incredibly tough and affected our decision making throughout."

### New Banking Services and Capabilities

"We could not have been more pleased in terms of delivery," says Richard Heeley. "In terms of service, in addition to FlexAccount, customers now have the opportunity to buy the pure online and telephone operated FlexDirect account, which is designed to become the UK's number one credit-interest current account. Nationwide has also introduced the added-value FlexPlus account, which includes insurance services."

### Increasing Market Share

The Society's target is to attain 10 percent market share for main current accounts in the UK by 2015. This first-of-a-kind banking transformation project will ultimately result in more than 6m UK current account holders being managed on the new, integrated SAP Transactional Banking solution. Based on Axxiome's trusted advice, ability to deliver on time and client-centred focus, Nationwide has retained Axxiome for the next rollout phases as the solution replaces the entire legacy estate, positioning the Society at the forefront of banking technology and customer service.



## THE RESULT

The result is a solution that enables Nationwide to create new products and bring them to market more quickly. In keeping with its brand ethos – “on your side” – Nationwide is launching market-leading products that attract prime customers, thereby increasing its share of a coveted market and going one step further to realise its ambition to be number one for retail financial services in the UK.

“The core banking transformation programme is the key enabler: the Society is able to design, launch and operate targeted new accounts in new sectors where we are aiming for market leadership. Nationwide has not had the capability to do this previously, and we are excited and fascinated about what’s going to happen,” says Richard Heeley.

“Along the way, we estimate that the integrated way of working supported by SAP Transactional Banking enables staff and customers to open current accounts 10 minutes faster than before, saving them valuable time. This improvement

approaches 60,000 administrative hours saved in a year’s sales, and will help Nationwide to increase its share of the UK banking market while maintaining current staffing levels. We have also brought the decision-making upfront in the sales process, making it better for customers and more intuitive for staff.”

Tony Prestedge concludes: “The new banking platform, delivered with technology providers SAP, IBM and Axxiome, went live in 2012 and is at the heart of our ability to launch new current accounts which will attract more members to the Society. The platform enables Nationwide to create more flexible products, providing our members with more choice, and helps ensure we bring competition to the current account market. This is just the start of a series of planned developments to make us a more agile, innovative and responsive financial services provider. Axxiome have been instrumental in making this happen and we will continue to work with them to future-proof the Society with solutions that are right for our business.”

## ABOUT AXIOME

Axxiome is a global solutions provider for the financial services industry with operations in Europe, North America, Latin American, and Asia Pacific. Axxiome excels in linking legacy banking platforms with modern solutions and is considered a leader in banking and insurance transformation projects across the globe. Axxiome’s professional consultants are experienced in technical and advisory services and bring innovation and knowledge to customer projects.

Axxiome offers Axxiome Banking, a digital platform, that follows industry best practices and delivers pre-engineered and rapidly deployable end-2-end banking solutions to customers, which minimizes the impact and interruption to operations and business processes.

To learn more about Axxiome and the complete suite of offerings and services, visit [www.axxiome.com](http://www.axxiome.com)

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