Case Study
MCB Group

MCB Group has set itself ambitious strategic international growth and development objectives. It chose Temenos Insight to help in meeting them.

Key highlights (MCB Group)
• No. 1 Banking and Financial Institution in the Indian Ocean Region
• Largest market capitalisation on the stock exchange of Mauritius representing a market share of around 23%
• Over USD 140 million profit for FY 2014

Key metrics MCB Ltd (Mauritius)
• 18th Bank in Africa (1st in East Africa), 625th among the Top 1000 banks in terms of Tier 1 capital (The Banker, July 2015)
• Over 1,600 correspondent banks worldwide
• Moody’s deposits and issuer ratings Baa3

Name
MCB Group

Headquarters
Mauritius

Sector
Diversified financial service provider
Founded in Mauritius in 1838, MCB Group has long been an important economic driving force in its home market. For many years, it has been helping local businesses to flourish and grow, taking calculated risks to provide funds to nascent industries, whether in the 1970’s to the textile and tourism sectors, or more recently, the Freeport and alternative power producers as well as underpinning the transformation of traditional areas of activity such as the sugarcane industry.

Beyond being a traditional financier of trade as part of its home market and being a regional trading hub par excellence, MCB Group has expanded its reach both in terms of: (i) offering which currently covers banking and non-banking products and services and (ii) geographies beyond Mauritius to now being a recognised international financial service provider with beachheads in Madagascar, the Maldives, Mozambique and the Seychelles and Réunion Island and Mayotte through its associate Banque Française Commerciale Océan Indien (BFCOI).

Whilst such diversity is a source of many new opportunities, it nonetheless creates significant challenges too. This is the inevitable result as conducting business across several different countries with distinct cultures and regulatory environments takes its toll on efficiency through increased complexities including, amongst others, decision making and resource management. In fact, as noted by Jean-Michel Félix, CEO at MCB Consulting Services Ltd – the Group’s dedicated consulting arm – “MCB Group’s objectives and positioning are different everywhere we operate”.

“Some countries have more retail than corporate business, for example, and we have different segments and market share targets to think about in each. The regulatory environment is different in each one. All of this has a huge impact on what we require to successfully run our business in each country”.

As part of its drive towards sustained modernisation, the Group took a significant step towards the next phase of its evolution in 2008 by making the strategic choice to adopt T24, the flagship system from Temenos, as its new core banking system. The move to T24, which was rolled-out in Mauritius in 2010, immediately enabled the launch of a raft of new products and services and paved the way for the start of the homogenisation of the various core IT systems across its network.

As MCB Group garnered competencies in Temenos products, and its activities across its different banking arms grew, it quickly became clear that it needed a comprehensive business intelligence tool capable, not only of helping it run its existing businesses more effectively, but also help it to realise its potential.

Introduction

“We know that you can’t drive a car without a dashboard …and you certainly cannot drive your business without a BI tool … and we recommend … Temenos Insight.”

Jean-Michel Félix, CEO, MCB Consulting Services Ltd
Business intelligence is important for any organisation, but for MCB Group, it assumes particular relevance as the scale of operations is foreseen to grow exponentially in the medium term both in terms of magnitude and heterogeneity. In fact, MCB Group is at a juncture where it needs to make better-informed critical business decisions as it seeks to meet its growth objectives – not least of all the further diversification of its geographical outreach and product offering to becoming a premier financial services provider in the wider region.

"MCB Group’s headquarters may be based in Mauritius but our future lies outside it," says Jean-Michel Félix. "50% of our profits are generated outside the country, and that’s on the rise. We cannot constrain ourselves to the existing jurisdictions and we have an objective to grow beyond our comfort zones."

Deciding where to expand, and how to do it, has become critically important to MCB Group. Already faced with significant geographic variations in its existing customer base, the Group needs to make important decisions about everything from country-specific product sets to currency exchange management and even the desired speed of service which is often perceived differently from one country to the next.

"We should not underestimate the importance of the need for accurate, intelligent data, or rather, actionable information, to enable better smarter decision making across the business" says Jean-Michel. "Our whole future depends on it. That’s why we have been so focused on implementing a BI solution to effectively underpin and feed our business strategy as we look to diversify our products and markets."

Whilst MCB Group had already invested in some BI tools before acquiring Insight, their implementation and usage were somewhat fragmented. Data, growing rapidly across the Group, was stored in distinct silos and data definitions were, in some instances, inconsistent. "We were using disparate tools which did not speak the same language," says Jean-Michel – and this is a fact that was hindering MCB Group’s ability to really exploit the sheer mass of potentially profitable information across its network.

At the same time, MCB Group was acutely aware that there were other problems with its existing business intelligence approach. There was a general lack of understanding and perception of its benefits – in many cases, BI was seen as just another IT system to study, rather than something that might have fundamental and strategic benefits to the whole business. There was also limited understanding of advanced techniques such as analytics and data mining except in a few areas.

MCB Group quickly decided that it needed a tailored approach that would complement and integrate seamlessly with T24, and augment the benefits therefrom – in a nutshell, MCB Group had to adopt a single BI tool for the entire Group. That decision involved more than just which technology to buy, and according to Jean-Michel Félix, "Implementations typically fail not necessarily because of technology but most often because business requirements are wrong". In this respect, the Group undertook a thorough assessment of business requirements across the entire network and, only then, engaged into the process of evaluating prospective vendors and tools.

"Insight has enabled reports to be fully automated and now over 100 reports are easily accessible at the click of a button."

Jean-Michel Félix, CEO, MCB Consulting Services Ltd
Enter Insight

One immediately obvious candidate was Temenos’ own Insight – a market-leading business intelligence, analytics and reporting system, designed specifically for banks, that allows them to access and derive real business insight from the wealth of data traditionally residing in banking systems. Further, Insight has the ability to access data from multiple systems... a vital requirement for MCB Group as it has data residing not only in T24 but also other systems such as its accounting package and its cards management system.

“We’d looked at Insight some years previously, and have been particularly impressed by its evolution,” says Jean-Michel. “It was clear that they’d really listened to customers about what should be in the standard feature set – a real difference in approach and philosophy from other vendors.”

One big selling point was the fact that the Insight UI was built on familiar tools such as Microsoft Excel and SharePoint, ensuring that the learning curve for MCB Group’s knowledge staff was as smooth as possible – a key factor for ensuring widespread acceptance, adoption and usage.

Temenos’ customer-focused approach, combined with the great ease of use and promise of a seamless integration with T24, convinced MCB Group to move forward with the choice of Insight as the standard BI solution across the Group. Initially, though, the project focused on a single country, the Seychelles, building on the success of the phased approach adopted by MCB Group for the implementation of T24.

Indeed, the decision to take a phased approach, rolling out Insight across individual countries module by module, was a deliberate one; clearly it was not the fastest or most comfortable route, but the one most likely to deliver optimal results.

“The phased approach greatly improved our success. BI is a very complex subject with many ‘political’ components over and above the technical ones”, says Jean-Michel, adding that the differing business requirements for each country, combined with a very clear need for customised reporting, made it particularly important that the Group gets the process for the first country right before proceeding with the rest of the organisation.

“We made a very clear decision that taking the bumpier road would get us the best results. Right from the start of this – and it really is a journey – we wanted to be completely autonomous in our BI strategy, from producing our own customised reports to implementing country-specific features. So we had to spend a lot more time on the first implementation. Fortunately, the flexibility for customisation provided by the Insight platform coupled with the support and massive help from Temenos enabled us to get there.”

Temenos and the Group Project Management Office of MCB Group, now MCB Consulting, completed the implementation of Insight in the Seychelles in the first eight months of 2014. It was an important learning process for MCB Consulting, and to some extent, Temenos. “Sometimes I felt there were more errors than trial,” says Jean-Michel. “But I stress that we wanted to go down this bumpy road, whatever the difficulties.” The investment has paid off in a highly successful first deployment, and in early 2015, work started on new implementations in Madagascar and the Maldives.

BI benefits

“The benefits of deploying Insight have already become very clear in a mere few months since the roll-out of Insight in the Seychelles,” says Jean-Michel. “We now have a meaningful, accurate and complete dashboard that makes us better positioned to make informed decisions.”

That translates into clear benefits for MCB Seychelles and its customers.

“People spend less time performing manual data extractions and reporting and more time analysing. That gives us more time to be with our customers, and more time to design the products that they really need.”

He cites a small but important example, since it deals with the most important stakeholder in a service industry – the client: “We’re in a much better position to offer the best product to the customer, based on their specific needs. For instance, we can now see right away if a particular customer is making cash withdrawals every two days and offer them a debit card instead. That sounds like a tiny thing, but it’s a big step forward in our presence countries, where the degree of sophistication is still limited. It becomes much easier for customers to perform banking activities, and it translates into a competitive advantage for us.”

Prior to the implementation of Insight, MCB Group had somewhat restricted abilities for undertaking systematic analysis of data, with most reports produced manually and in an ad-hoc manner. However, Insight has enabled reports to be fully automated and now, over 100 reports are easily accessible at the click of a button. The business intelligence provided is being used to drive the launch of new products and campaigns enabling MCB Group to be agile in responding to evolving market opportunities and customer demands and expectations.

Above all, though, Jean-Michel says that Temenos Insight has given MCB Group more focus on its ultimate strategic objectives. While it’s still too early to fully assess the ROI implications, the Seychelles implementation has already enabled the Group to make decisions that will have an impact on the whole business – and that’s just the start of a journey that he expects will yield continual rewards.

“It’s still early days, but we’ve already learned a huge amount about BI and its impact on our business. We know that you can’t drive a car without a dashboard….. and you certainly cannot drive your business without a BI tool….and we recommend…Temenos Insight”.

Implementation timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Selected T24 as new core banking platform</td>
</tr>
<tr>
<td>2010</td>
<td>Major Go-live in Mauritius following customisation of core banking system</td>
</tr>
<tr>
<td>2013</td>
<td>Selected Insight - Enterprise for Business Intelligence</td>
</tr>
<tr>
<td>2014</td>
<td>Go-live with Insight in Seychelles</td>
</tr>
<tr>
<td></td>
<td>Member of the Temenos Business Intelligence Centre of Excellence</td>
</tr>
<tr>
<td></td>
<td>Becomes a Temenos Services Partner</td>
</tr>
<tr>
<td>2015</td>
<td>Implementing Insight in Madagascar and Maldives</td>
</tr>
</tbody>
</table>
A natural evolution

Given its unique blend as consultants who have used, adopted and implemented IT solutions and have a wealth of banking experience, it was a natural step for Temenos to build upon its existing services partner agreement with MCB Consulting and appoint the latter as a World reference site and Centre of Excellence for Insight.

This is a testimony to MCB Consulting’s enhanced competencies and credentials linked to the various stages of an implementation of Insight, covering the whole life-cycle of the project from pre-implementation advisory to post roll-out support as well as the development of tailored reports.

Summary of MCB Group business benefits by implementation of Insight

Agility
- Timely monitoring of activities
- Ability to identify issues
- Pro-active resolution of concerns

Focus
- Better positioned to make informed and critical business decisions
- More time to design products that customers need and want
- Drive launch of new products and campaigns
  - Time to market
  - Customised products

Operational Efficiencies
- 100 + Reports now fully automated and accessible by a button click
- Data sourced from multiple systems
- More time analysing, with less time doing manual data extraction and reporting

Governance
- Access to information is controlled
  - Need to know basis
- Regulatory compliance

A journey to trusted Partner
This is the story of the evolution of a client to becoming a trusted collaborator in a win-win situation, where our clients are the ultimate beneficiaries. Indeed, as noted by the BI & CRM, Global Competency Lead José Francisco Duarte: “MCB Consulting’s hard efforts were noticed and that was what made Temenos invite them to become the first, in its history, customer to become a partner and was also invited to become a member of the BI/CRM Center of Excellence.”

**Conclusion**

“People spend less time performing manual data extractions and reporting and more time analysing. That gives us more time to spend with customers, and more time to design the products that they really need.”

Jean-Michel Félix, CEO, MCB Consulting Services Ltd

---

**Key lessons from MCB Group and Insight**

- Understanding core business requirements is critical for any technology project, but it is especially vital for business intelligence. There’s no point in implementing BI unless you are very clear on your business strategy and objectives. A major advantage of using Insight is that it allows you to refine your BI requirements based on the ‘out of the box’ implementation that provides pre-packaged business functionality which gives you 80% of what you need. You can refine the rest to suit your specific requirements through customised developments, which MCB Consulting is now well versed in.

- The success of BI projects depends on having a team to spearhead its development. You cannot do this as another IT side project since business intelligence is strategic in nature – it must have the endorsement of management and a dedicated group of people to own it to ensure its long-term success.

- The quality of data in the core banking system and other peripherals software is of critical importance. Too often we forget the fundamental principle – garbage in, garbage out. Data cleansing is therefore essential for optimising any BI tool.

- Remember that this really is a journey, not a quick fix. A long and bumpy road could lead you much further…to a far better destination.
MCB Consulting Services Ltd (MCB Consulting) was founded in June 2014 as the consulting arm of MCB Group Ltd. MCB Consulting emanates from the Group Project Management Office of MCB Group Ltd (GPMO) which was instituted in 2011 to implement the transformation programmes relating to the re-engineering of our overseas subsidiaries with a particular emphasis on the implementation of T24. In addition to its proven technical expertise, MCB Consulting brings its unique approach of focusing on the three pillars of any organisation, that is, People, Process and IT and ensures their coherence. Of note, the multi-cultural, multi-lingual and multi-skilled personnel of MCB Consulting, which has above 300 years of combined experience spread over some 50 consultants of 6 different nationalities in banking and financial services as well as in software implementation, underpins our philosophy.

Reflective of its wide and comprehensive product catalogue, MCB Consulting offers, amongst others, project management, business process revamping, change management, and technical expertise in the form of migration, testing, training and quality assurance. This palette of services is based on our battlefield experience obtained through the implementation and utilisation of world class applications in various countries with different legislations and jurisdictions. Our growing clout is mirrored by the establishment of several partnerships with state of the art solution providers.

The experience of MCB Consulting in Temenos products is built on various implementations for MCB Group in Mauritius, Mozambique and the Seychelles as well as the Maldives in 2010, 2012 and 2014 respectively and the first instance in the World of an implementation of R14 T24 in French for MCB Madagascar. This has resulted in the signature of a Services Partner Agreement with Temenos covering T24 and Insight for 21 countries. Further, MCB Consulting has performed a wide range of assignments for banks outside of the MCB Group.

Beyond these milestones, MCB Consulting has undertaken projects and activities, covering, inter alia, health checks, re-implementation of core banking software, advisory services, strategic and governance reviews, project management, in over 15 countries across Africa, the Middle East and Asia.

In a nutshell, MCB Consulting provides viable solutions guiding clients in pursuing their development by efficiently and innovatively espousing the principals of the three pillars (People, Process and IT) in its methodology, innovation, growth goals and thereby achieve excellence. With our agile multicultural team, MCB Consulting does not merely make suggestions but draws upon its proven frontline expertise and works the entire project to bring tailor-made solutions across the lifecycle of any project. After all, our aim is to build a trusted business relationship, improve the client’s business and assist him/her in managing the information.

“We have been there; We have seen it; We have done it”.

MCB Group is the largest financial services provider in Mauritius with more than 175 years history. Over time, it has successfully diversified beyond its primary activities as a bank and beyond its shores. Increasingly, MCB Group is a prominent financial services player in the African and Asian regions. It is today the ideal gateway for customers who intend to go global. It has a wide web comprising more than 1,600 correspondent banks throughout the world. MCB Group Ltd is present in ten countries, namely Madagascar, the Seychelles, Mozambique and the Maldives through dedicated subsidiaries as well as Réunion Island, Mayotte and France through its associate, BFCOI, while also operating three representative offices in Paris, Johannesburg and Nairobi.