

8 Solutions to Banking Data Migration Problems



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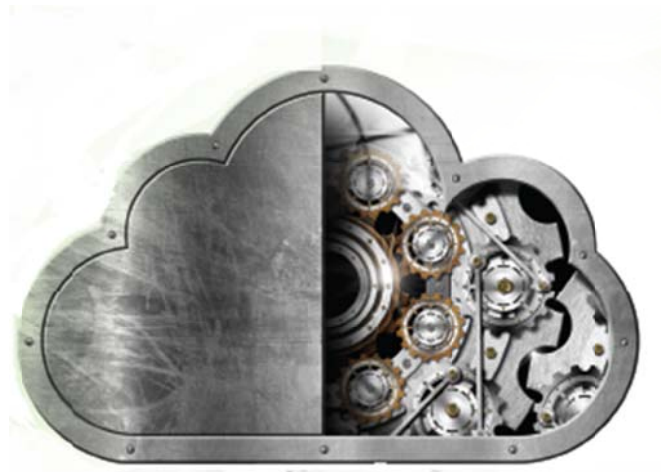
Introduction

Data Migration is the process of ensuring the smooth transferring of data from one environment or system to another. Whether you're transferring that data between storage types, formats, or changing it over to a completely different system, data migration is most often times undertaken as part of a broader application.

Data migration is typically an undervalued part of the process when it comes to adopting new systems. Because the new system or application you're adopting is often seen as the actual investment, data migration planning is often considered as a "necessary evil" of less importance. However, transferring data points from one system to another isn't as simple as dumping information from one bucket into the next.



1. Poor knowledge of source data



This knowledge gap includes not being aware of the problems that exist in your data, such as duplicates, missing information, misspellings and erroneous data. It can be all too easy to assume that your data can easily be configured into the parameters of the target system however the reality could mean critical failures when it comes to user acceptance.

Data migration exposes data quality issues, whether they are defects requiring correction or opportunities meriting leverage. The older the dataset and the more subject it is to data entry (the leading origin of defective data), the deeper its quality issues will be. Legacy data is prone to tough problems like multi-value fields, asymmetric hierarchical structures, orphaned data structures, and multiple data standards. Source Data often require deep data cleansing as the most common scenario is the lack of common ground between the system for data matching on the legacy front.

To create an effective data migration strategy, companies need to dedicate substantial up-front effort to understanding source data. Simply profiling and sampling the data are not comprehensive enough to support the creation of a detailed strategy or an accurate estimate of the effort required. Instead, organizations need to devote a significant amount of time to make a full and accurate identification of source data.

Data migration merits a permanent investment, not a temporary reassignment of resources.

2. Starting with the wrong scope definition

Immensity of data migration tasks might be overwhelming at the beginning, but it's necessary to identify and describe the process to be followed and what needs to be done. Determining how to extract data and export it for migration into the new

System requires extensive knowledge of both systems' architecture as well as an

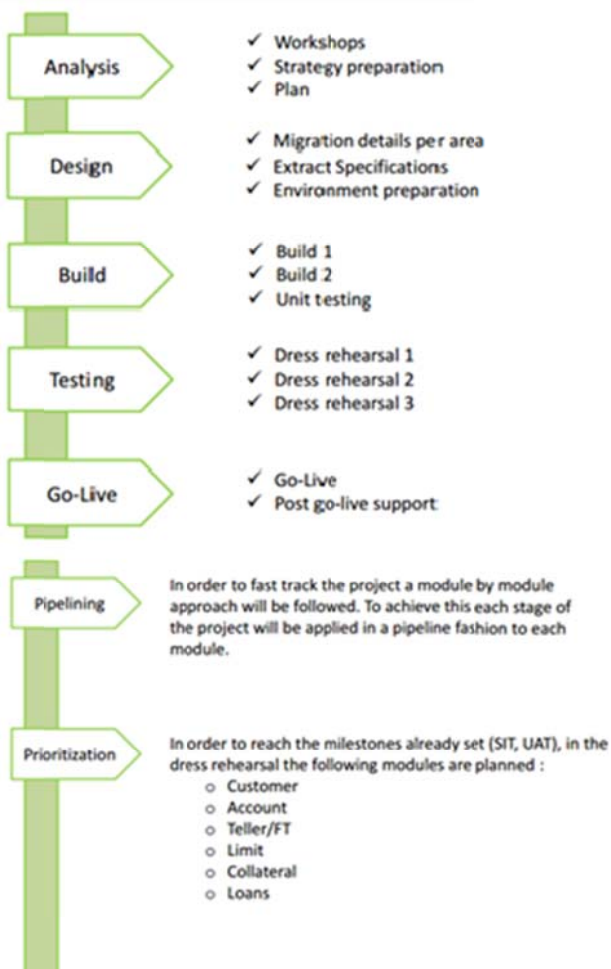
understanding of the data's use. Focusing on

your data's format and use when formulating your scope definition will mitigate potential conversion problems. Data cleansing often is a project by itself within the migration project and it needs to be planned accordingly.

Important decisions need to be undertaken in this phase related with critical and complex migration activities such Interest accruals, past due and contracts migration

When proper scoping is omitted, you cannot gain a proper insight into the scale of action and, also, in the related costs. It's extremely important not to underestimate the cost of data migration, and looking for savings on this stage is suicidal. The same is to scoping - underestimating the number or intensity of things which have to be done makes data migration longer than predicted and, therefore, much more annoying to data users across the organization.

Migration Stages

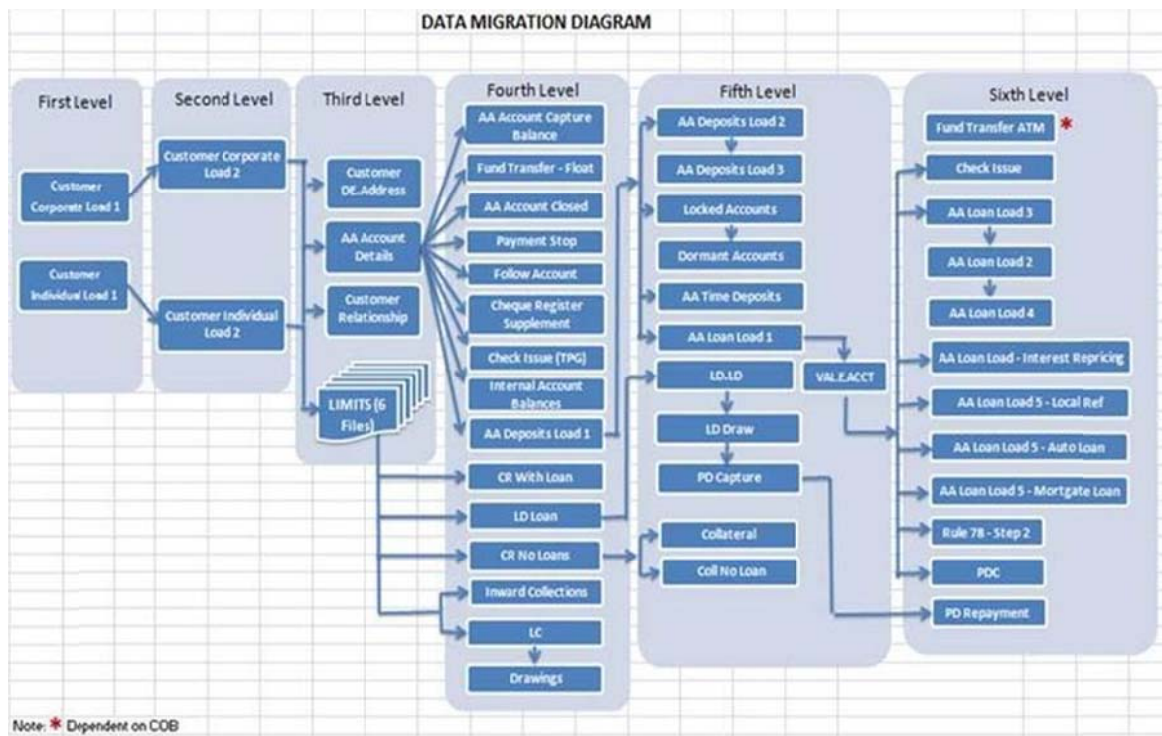


3. Lack of data migration expertise

“37% says a **lack of data standardisation or data consistency** is a significant challenge for their company when it comes to data migration.”

Data migration skills retention is a big problem for organisations and again this is due to the fact that data migration is not really seen as a discipline in its own right. Very few companies build a centre of excellence for data migration or even document the techniques and best practices which they found beneficial on a project. Also the migration projects are not comparable to each other as each target system is different and there is particular expertise and knowledge required depending on the target system specifics.

Data Migration is considered one of many routine tasks which IT employees should be able to pass through without any special help nor support. Unfortunately that's not the case. Data migration isn't just a matter of IT; it's a process which requires engagement not only from IT, but also from experts from other departments, data users, etc.



4. Not Testing Production Data



Testing of a data migration suite is itself often a moving target. The deployment of the new system often gets squeezed by other business priorities, leaving little migration testing time. Unit testing should identify holes in what has been built, but because the unit testing is conducted on a small sample of data, the results are unlikely to be representative of the whole data set.

Your test environment may seem to mirror reality, but it likely does not. Failing to test production data could create conversion problems caused by any discrepancies between your actual and simulated environments. Test a small batch of data first, using a “controlled” import. Confirm the accuracy of the imported data before testing a larger sample size. Continue incremental testing until you are ready to go live.

5. Legacy Decommissioning

An effective strategy to free up budget for investing in new and innovative deployments is to retire legacy applications. Decommissioning of Legacy systems plays an important role in enabling organizations to rationalize and modernize application portfolios as this eliminates recurring costs such as licensing, maintenance, and application administration costs, representing potential significant savings. Also noteworthy are the space savings and reduction of power consumption in the data center when applications are retired.

The lack of IT staff familiar with the application increases the potential risk of delayed responses to audits and e-discovery. Retiring application data to a common platform that allows access using standard reporting tools lets you leverage skills you have current investments in. This enables you to be responsive to audit or litigation requests.



6. Complex validation thresholds



When target systems are not yet in production, the design of data validation strategies and quality thresholds for data migration presents a challenge. Most organizations rely on their end users to validate whether data migration had been successful or not. Without validation procedures, problems show up when the business is running. This results to downtime of systems during working hours.

Organizations must establish user confidence in the data. In order to trust data, business users want the ability to trace it, to find out where it came from and how it was changed. This requires some form of data lineage capability, such as metadata management. Data profiling, validation, and cleansing are also important. In application environments, data quality is also about business rules. Data must obey to unique business rules, as well as meet validation thresholds.

7. Overlooking Metrics



Data migration metrics help you gauge progress and success. Without them, you could run behind without knowing it and perhaps miss data that should be migrated.

Hone in on the most relevant metrics to best assess your work. Track timing, space allocation, record counts and date of extraction, beginning with your initial data extraction and culminating with Go Live.

8. Financial Reconciliation

Financial reconciliation is a boring and time consuming task. However, it has to be done regularly to comply with legislation, mitigate risks and to ensure the accuracy of financial reports.

Depending on the migration strategy that is envisaged by the bank, the reconciliation process can vary as it might have to cater for additional or historical accruals, corrections of amounts that are not on legacy or even the timing where the exact balances will be available e.g. suspended interest.



About Validata Group

Validata Group is the leader in **Continuous Testing, Legacy Migrations and Release Automation**, helping clients **accelerate application delivery**, optimize business risks and reduce costs.

Until now organisations have been forced to bolt together a number of specialised tools from different suppliers in order to achieve anything close to Application Lifecycle Management (ALM). Validata's Agile ALM platform is a robust solution built from the ground up, to bring together requirements, testing, defects, planning, resources, development and deployment, capable of integrating with external systems such as HP QC, CA Clarity, IBM RTM, Atlassian Jira etc, delivering a **'single version of the truth'** and enabling **continuous delivery, integration and monitoring**.

Validata's **model-based approach** enables the automatic generation of test cases and eliminates the high maintenance costs of traditional script-based test automation. By **automating the impact analysis** process and through the automatically generated scripts, it focuses your efforts on what to test and what scenario to test it with.

For more information

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