Developing the VTB24 Enterprise Data Warehouse

Effective interaction between VTB24's business units and IT team (on different levels – from managing board to expert groups) together with Teradata's expertise, has been key to the success of VTB24's Enterprise Data Warehouse development project. VTB24, the retail bank of VTB Group, now has the right kind of business intelligence to support business development well into the future.

In 2010, the bank began a two-stage Enterprise Data Warehouse (EDW) project to help them move from product-orientated, to a more customer-centric business model. This shift in focus relied on establishing and nurturing long-term customer relationships which, considering the tough economic situation and aggressive competition, was regarded as ambitious.

Running on parallel lines

Bank analytical services were not unified within VTB24. They had been developed in parallel, through different departments. Consequently, several separate analytical systems were in use at the same time – one for financial department records, another for the risk analysis division, and so on. This was unworkable for three reasons:

- The divergence of financial statements. The variety of definitions, counting algorithms, and potential data divergences.

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- The support and development of several systems – all duplicating each other – was a drain on resources.

- More up-to-date business requirements have appeared. Analytics should be more operative, and directly integrated into bank operating processes (e.g. applications processing and the time-to-yes cycle).

Incorporating all the analytical systems into one eliminated data inconsistencies, providing full-scope reporting and analytical decision-making for all departments.

Solution

With Teradata established as core platform for the project, CRM solutions were developed to help construct and automate the processes that support client analytics and marketing campaigns. Nine months later, the solution was running on an enterprise scale.

Within two years, it had proved its worth, delivering a significant ROI. And by mid-2012, the second (and more time-consuming) phase of the organisation-wide analytical and management reporting project was up and running.

The integration of client data marked VTB24's first steps towards consolidating their data warehouses. However, the path was not without potholes. Managed by different departments, the data warehouses served different purposes and employed different methodologies. Clearly, in the interests of business-requirement coordination, the bank needed a streamlined management structure for project implementation.

So, with the Financial department as the key project customer, they formed a Centre of Business Analytics.

The IT department took a consultancy role, and a workgroup was formed (involving representatives from all VTB24 departments and Teradata experts) to balance the interests of IT, the Financial department, and other business units.

Roles, goals, and responsibilities

"The results endorsed the decision" said Dmitry Pervukhin, Head of IT reporting office. "We avoided inconsistencies while serving the interests of various departmental sub-units, reducing the overall project time".

Undertaking such a complex and resource-intensive project required a clear understanding of the bank's goals, and team-member roles and responsibilities. Accordingly:

• Management support was provided by Mikhail Zadornov, President–Chairman of the VTB24 bank board.

• Strategic goals were agreed by the committee responsible for the Development of Products and Technologies, which includes the bank's management board.

• A Project Management Committee, consisting of directors and deputy directors of the departments looked after the day-to-day project management.

The Methodology Committee guided by Sergey Anokhin, Deputy director of the Finance department, assumed direct control of the project and prioritised tasks. Then dedicated support groups took responsibility for development of the comprehensive data and analytical display layers, CRM, reporting, and so on.

"The project management committee produced a project summary which defined implementation procedures, scope of work, and other critical specs" commented Oleg Amursky, Head of the business analytics and EDW development centre.

A single version of the truth

If that all sounds rather regimented, in practice, the team proved to be remarkably flexible – as demonstrated when getting to grips with an unforeseen and disruptive development. "When Transcreditbank (TCB) merged with VTB Group, we had to integrate new divisions into the EDW" said Dmitry Pervukhin. "This could have caused many problems, but we were able to reshape the project, seamlessly."

"Incorporating divergent analytics into one integrated system ironed-out data inconsistencies, providing full-scope reporting and fact-based decision-making for all departments"

– Dmitry Pervukhin, Head of IT reporting office

The EDW became the hub of the entire VTB24 IT structure. And in a complex and ever-changing business landscape, it provides stable data-mining from different sources. This is enabled by data integration, smoothed-out reference data, and a convenient way of using data to drive business operations.

"The objective was to provide a global truth – a single source of data for all managerial reports" said Oleg Amursky. "Initially, a unifying methodology was introduced for all project stages and divisions. And now, all analytical, statutory and other types of reports draw upon a unified and consistent source – the EDW".

Access all areas

Today, the EDW supplies all users with the necessary reports via data portal and personal subscription. It can also be accessed via MS Office tools and additional analytical applications.

"We've implemented 150 industrial environment reports from the EDW with more than 500 head office and around 10,000 regional users"

TERADATA.

Teradata Active EDW storage systems (the core of the EDW) carry out preliminary data processing for VTB24 and former TCB, distributing the data across storage, presentation levels, and dashboards.

Future prospects

"The bank is planning to extend analytical applications use to mobile devices" said Alexander Myamlin, Vice-president, deputy director of the finance department. "It's also in prospect to implement KPI forming-up application for all levels of managerial boards".

The EDW will support the new IT landscape and automate business processes. One of the important tasks is also to provide the regional network with necessary reporting possibilities. On top of the Teradata solution the bank is planning to create datalabs so that data scientists have testing sites for their research.

"All these changes will lead to innovative new initiatives and the promotion of business analytics within the bank" Alexander Myamlin said. "As a result, bank management is expecting not only a growth in competencies, but also significant cost savings".

With the help of Teradata, VTB24 are looking forward to developing, and getting as much value as possible out of their data-driven banking investment for many years to come.

About VTB24

Part of the VTB Group, VTB24 is one of the largest players on the Russian banking and finance market and a key figure on the Russian banking services market. The bank focuses on services for individuals, entrepreneurs and small businesses, offering its customers basic services typical of international financial activity. By the end of 2014, the bank's 1066 branches in 354 cities and towns covered 79% of the urban population of Russia.

Despite the unfavourable market environment and growing competency in 2014, VTB24 demonstrated excellent results, growing their retail loan and customer deposits portfolios. **www.vtb24.ru**

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