



Case Study

<Botswana Savings Bank>



**BOTSWANA
SAVINGS
BANK**

Botswana Savings Bank,
Gaborone

Version 1.0.1



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About Botswana Savings Bank

The Botswana Savings Bank (BSB) is a Savings Bank based in Botswana with the Head Office in Gaborone City and a second branch in Francistown town. The bank also offers National Savings Certificates (NSC), Recurring deposits, Savings accounts and Loans. All the loans use check-off system where loan deductions and deposits payments done by the employer by deducting directly from salary and sending collective amount to the Bank as remittances. The main target of the bank establishment is the low income citizens, who are mainly in the rural areas, who access banking facilities through the diverse post offices located countrywide. The bank's provides over 110 post offices as outlets to provide services to their customers in remote areas. The main business operations of the post office banks include; opening accounts, cash deposits and cash withdrawals, access to loan facilities.

Below is a brief description of the Botswana Savings bank (BSB) business operations:-

- This is a Savings Bank based in Botswana with the Head Office in Gaborone City and a second branch in Francistown town.
- The bank's customers also use over 110 post offices as outlets for contacting banking operations.
- This includes opening accounts, cash deposits and cash withdrawals.
- The bank deals mainly with savings accounts and loans.
- All the loans are check-off loans where deductions are done by the employer.
- Majority of the customers are Government employees as well as Government departments.
- The bank also offers National Savings Certificates (NSC). These are offered in three denominations, P50, P250 and P500.
- Another product offered by the bank is a recurring deposit product. There are two types (i) SAYE which is a 12 month contract and (ii) THOBO which is a 24 month contract.
- Most of the customers with these two investment accounts have their monthly deductions done from salary source and remitted directly to the bank.
- The bank was established to serve mainly the low income citizens mainly in the rural areas. These customers access the banking facilities through the diverse postal offices country wide.

Background

Business System Operation

The bank was originally using several systems to process different business operations. Had one system to manage general ledger, another for customer maintenance and transactions. This posed a challenge in reconciliation of records and reporting.

This is a description of the business operations, before installation or implementation of the new system, the main elements in the back ground of the client include:-

- The bank was originally using several systems to do its operations the main ones being EQUATION (EQ3) and ACCPAC.
- EQ3 was the core banking system which was used to maintain customer details as well as capture all transactions.
- ACCPAC is the system used to maintain General Ledger accounts. This system was used by Finance department only.
- Although EQ3 had GL accounts, these were never used by Finance.
- Other systems in use before Bankers Realm were TOOLKIT which was used for handling the National Savings Certificate (NSC) and UNIQUE used for HR.

Challenges Faced

Below are the key challenges faced with the old system in place, and the effect to business overall:-

- Cashiers used to post in a front office system (called CASHIER) which in turn updated EQ3 system.
- There were many cases of transactions going through in CASHIER but not updating the CORE banking system.
- This made balancing of cash and other reconciliations very difficult and tasking.
- Another challenge was that all the work done in EQ3 had to be extracted and forwarded to Finance to post in the ACCPAC system.
- Most of the times the two systems were never in sync and other times ACCPAC could be behind by even two months or more.
- This meant reporting could not be prompt and had to be delayed by several days or months.
- Many departments used to work late to try and catch up in their work. Cashiers as well used to work late because balancing their cash was an uphill task.
- EQ3 which was having customer data didn't have loan module so all the loans were treated as normal overdraft accounts without schedules.

With different parallel systems running in place , BSB encountered several challenges ;

1. Cashier transaction was updated on different system therefore reconciliation of transactions was difficult, and not easily reconcilable.
2. Some accounts transactions had to be extracted for reporting this took some time; therefore the reporting was not up to date e.g for ACCPAC
3. Update of work to main system for reconciliation took long hours
4. Loans management and scheduling were not possible, therefore maintained loans as overdrafts.

Solution Provided

Implementation Strategy

Craft silicon provided Bankers Realm – Core banking solution, to BSB, which assisted the bank in managing its banking operations as well as introducing loan management and scheduling for their customers which was initially not possible. The solution was deployed and all the operations of the banks were centralized, three branches were later opened that catered for post office transactions which were initially posted as inter-branch transactions to main branches. Banker's realm core banking provided a BR Gateway module that enabled uploading check off transactions from Government and other employer's repayments. This allowed more than 2000 transactions to be uploaded to the system which was initially not possible.

Below is a highlight on the type of solution provided to the client, the main items include:-

- Implementation was geared to provide a core banking system where processing would be done in one system.
- Data was imported from both EQ3 and ACCPAC
- NSC didn't have accounts and the data was not in EQ3. All this data was imported and incorporated in Bankers Realm.
- Three branches were opened in Bankers Realm, the third branch to take care of all post office transactions which were posted as inter-branch transactions to the two main branches. More than 3000 transactions could be posted daily from this post office branch.
- A Loan module was implemented to take care of loans.
- BR Gateway module was implemented to be used in uploading check off transactions from the Government and other employers. This module would upload about 2000 transactions daily for both loan repayments and SAYE/THOBO contributions.

Technical support provided

- Two servers were installed in head office in Gaborone one as a database server and the other one an application server.
- Users in the head office which houses more than 100 users connect to the system through a LAN.
- Other users in the Francistown branch connect to the database in head office through a WAN.
- Leased lines are used for the connectivity.

Benefits of Bankers Realm to business

To Business

The main benefits achieved with implementation of system to business were as outlined below:-

- More than 300 transactions updated real-time and all GL accounts updated at End of Day.
- Reporting was prompt.
- There was no need for overtime now because most departments finished their work early and there was no need for same work to be re-posted again.
- One central database meant consolidation was easy and generation of MIS reports was made easy.
- Customers were served faster because now procedures were simplified.
- Excellent monitoring of customer transactions which attracted charges, recovering of charges was made easy and automated. This improved the profitability of the bank.

To Customers s

Benefits customers have by using the system. The main elements of are:-

- Faster processing of transactions.
- Account Statements now available
- Loan processing made easier and tracking of even application process could be done.

Brief description of product

Bankers Realm core banking application runs on window based environment and is user friendly solution that is easy to deploy , run , and integrate with to alternate business channels. Main benefit BSB gained from implementing this solution managing their customer's accounts, business accounts and transactions that were growing in volumes over time. The new system allowed business to track their business operations through customized reports, and portfolio analysis that are in built in system. Loan management module provides rich features that enable business to manage existing and new business loan products that could assist their customers, as well as track the loans through scheduling, and provide loan portfolio at risk. The transactions posted in different branches are updated on line and real time therefore giving customers and business up to date financial status.