

# Newcastle Permanent accelerates transaction processing

HP Integrity server blades and HP-UX 11i v3 deliver tenfold increase in core banking performance



“On average, we’ve seen a tenfold increase in performance since deploying the Integrity blade. Many of our daily processes, which used to take a lot of time, now complete in a much shorter timeframe. As a result, we’re able to fit much more into a typical business day and spend more time on other projects that are important to the business.”

Viktor Holmberg, IT Specialist Team Leader, Newcastle Permanent

HP customer case study: Newcastle Permanent

Industry: financial services

## Objective

- Maximize performance and reliability for core banking
- Ensure high availability to meet 24x7 ATM and Internet banking demands
- Consolidate IT systems for improved energy efficiency and simplified administration
- Further improve disaster recovery capabilities around the core banking system

## Approach

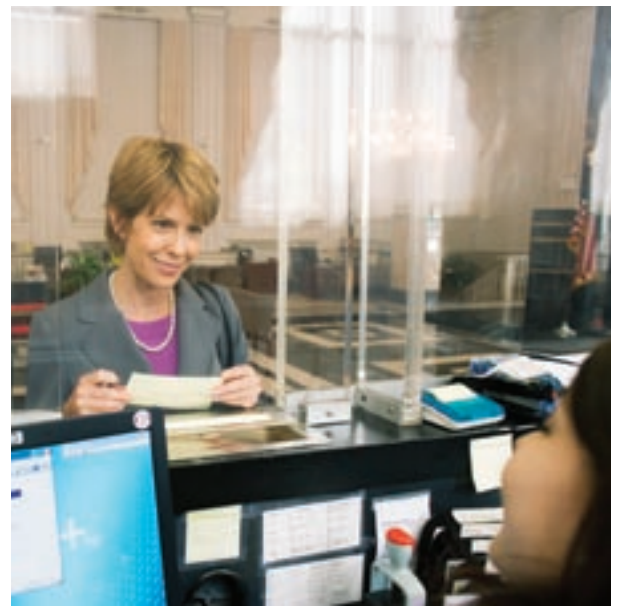
- Deploy HP BladeSystem with Integrity and ProLiant server blades
- Upgrade to HP-UX 11i v3 operating environment
- Upgrade to HP StorageWorks Enterprise Virtual Array (EVA) 6000
- Implement SAN replication

## Business technology improvements

- Realized on average a tenfold increase in core banking performance
- Reduced recovery time of core systems from hours to just five minutes
- Simplified administration with consolidated, multi-system infrastructure

## Business outcomes

- Delivered real-time banking transactions at teller window and ATMs
- Significantly reduced month-end and end-of-year financial reporting to less than 24 hours
- Improved member satisfaction with more timely account and fee statements



## Responding to growing member demands

As a complete retail financial services organization, Newcastle Permanent Building Society provides a genuine alternative to traditional banks for meeting the day-to-day needs of personal and business banking members. In addition to an extensive network of branches and ATMs, Newcastle Permanent also offers comprehensive electronic banking services that allow its members to conveniently and efficiently conduct their financial business.

As one of the most financially sound building societies in Australia, Newcastle Permanent has built a strong trust with its members by consistently delivering competitive products and services, excellence in customer service, convenient access through an extensive branch network, and a vital community spirit. The retail point of contact—primarily at the teller

window—is where member relationships are founded and developed. Therefore, it is critical that the core banking systems driving retail financial services and member transactions be highly reliable and responsive.

Over the past 25-plus years, Newcastle Permanent has developed and evolved a custom core banking application using HP COBOL supported by Oracle Database 10g. This mission-critical application manages all member account information and transactions, and provides a master reference for other downstream systems, including ATMs and electronic banking services. With so much riding on core banking, Newcastle Permanent must have a business technology infrastructure that can deliver reliable high performance and handle the organization's growing volume of member transactions.

Previously, Newcastle Permanent ran its core banking application on HP L3000 systems with HP-UX 11i. As these systems aged and member demands increased, the organization recognized the need for a technology upgrade.

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*"We were experiencing tremendous growth in transactional volumes and increased reporting requirements that tested the limits of our old systems. This put a lot of pressure on us to make sure our core application could meet the service levels required by our members and internal business. So we did our due diligence and evaluated IBM and Dell, as well as HP. In the end, we chose HP because of the performance and versatility of their blade solutions along with the quality of their local support."*

Chris Dale, IT Technical Services Manager

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The new platform of choice for core banking:  
HP Integrity server blades with HP-UX 11i v3.



### **Delivering real-time transactions for core banking**

By moving core banking to HP Integrity server blades, Newcastle Permanent has realized significant performance gains in everyday member transactions, as well as daily and monthly reporting. This increased performance is critical at the teller window, ensuring real-time transactions in the member's presence. It is also vitally important for enabling ATM and Internet banking transactions to provide the responsiveness members demand.

"On average, we've seen a tenfold increase in performance since deploying the Integrity blade," reports Viktor Holmberg, IT Specialist Team Leader. "Many of our daily processes, which used to take a lot of time, now complete in a much shorter timeframe. As a result, we're able to fit much more into a typical business day and spend more time on other projects that are important to the business, such as our data warehouse."

Some of the most significant improvements have been realized in the batch reporting processes that Newcastle Permanent runs on a daily and monthly basis. These reports provide managers with vital information on the financial position of the business and guide critical decisions. In fact, having accurate, timely information allows managers to understand performance and address any issues or funding requirements more responsively to ensure ongoing business vitality.

“Before, end-of-month financials would run for two or three days,” says Holmberg. “So they weren’t available to the business until up to three days into the next month. Now, since we’ve moved core banking to the Integrity platform, we have end-of-month financials ready by 8:00 a.m. on the first day of the next month. That’s very significant because it gives managers a more timely view of the business. Knowing at any given point in time what your financial situation is, particularly in terms of deposits, is very important. They can look at the business and understand in the previous month exactly what happened—very quickly—and if any corrective action is required.”

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*“Improving the speed of our end-of-day processes has also had a significant impact on the business, particularly for our members,” adds Dale. “From their point of view, the sooner they receive their statements, interest calculations, or fees, the better they can manage their personal finances. They don’t want to find out two or three days later that they’ve overdrawn their account. Instead, we can now get notices out within a day, and that saves everyone time and hassle.”*

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#### **Leveraging the advantages of a complete solution**

Achieving these performance improvements is not due exclusively to the Integrity server blade. HP provided Newcastle Permanent with a complete solution that includes the robust HP-UX 11i v3 operating environment, a consolidated HP BladeSystem infrastructure for Integrity and HP ProLiant blades, and a StorageWorks Enterprise Virtual Array (EVA) storage area network (SAN). In addition, the strong compatibility with Oracle Database software enables Newcastle Permanent to get the most out of its core banking solution.

In particular, the HP-UX 11i v3 operating environment has brought several new advantages to the building society. “Immediately after installing it, we found v3 to be more responsive and offered easier management,” notes Holmberg. “It was very easy to port our in-house applications over to the new version—actually simpler than we thought it might be. Plus, HP-UX 11i v3 allows

us to better integrate applications, such as file sharing, with our Windows® environment to help streamline operations. One of the biggest advantages we’ve seen in v3 is the improved high availability features, such as multipath failover. While we used to run a separate product for failover, now it’s all built into the operating environment, with much easier integration with the StorageWorks EVA. That’s allowing us to improve our business continuity significantly.”

#### **Maximizing IT efficiency with HP server blades**

One of the greatest advantages Newcastle Permanent has realized by working with HP is the consolidation opportunity offered by HP BladeSystem. With this “infrastructure in a box” the financial services company is running Integrity and ProLiant blades side by side in a shared chassis with common integration to the EVA storage environment. The result: reduced costs and energy consumption, simplified administration, and consolidated backup/recovery. This versatile solution also allows Newcastle Permanent to utilize its IT staff more efficiently.

“Before, we had one or two people who could only manage the HP-UX environment and then another five people dedicated to managing the Windows environment—they weren’t cross skilled,” explains Dale. “Now we have an environment where any of those seven people can support the BladeSystem environment, whether it’s the Integrity or ProLiant blades. Anyone can allocate disk space or set up a new server blade.”

Dale also recognizes tremendous value in having consolidated backup and disaster recovery (DR). “We’re in a very regulated industry in Australia and our disaster recovery process must be up to scratch. Having a common DR solution, including SAN replication, for both our HP-UX and Windows environments has led to much more expedient backup and easier recovery. In fact, in testing, we’ve been able to recover core systems within five minutes, where it would have taken us hours before.”

## Customer solution at a glance

### Primary applications

- In-house developed core banking

### Primary hardware

- HP BladeSystem c-Class chassis
- HP Integrity BL860c server blade
- HP ProLiant BL460c and BL480c server blades
- HP StorageWorks Enterprise Virtual Array (EVA) 6000

### Primary software

- HP-UX 11i v3
- HP COBOL
- Oracle Database 10g
- Microsoft® Windows Server 2003 Enterprise (32-bit and 64-bit x64)
- Microsoft SQL Server 2005
- VMware ESX 3.5 Foundation
- HP Continuous Access
- HP Business Copy
- HP Systems Insight Manager

### Services from HP

- HP Mission Critical Support
- HP Installation and Startup Services
- HP Hardware and Software Support Services

### Building on a strong relationship

With many years of experience working with HP, it was natural for Newcastle Permanent to look for ways to leverage its existing investments. By upgrading from its previous HP system to Integrity blades with HP-UX 11i v3, housed in a consolidated HP BladeSystem chassis alongside ProLiant blades running Windows, the company has gained a powerful and highly efficient solution for core banking and other applications. But perhaps the most important consideration was the personal relationship with HP.

“We looked at several criteria when considering a solution for core banking,” says Holmberg. “The operating environment was one of the most important,

and our experience with HP-UX was very positive, so we wanted to build on that success. Server performance and reliability was another, and again, Integrity blades have proven to deliver outstanding results. And with the efficiencies of running HP-UX next to Windows in the same BladeSystem chassis, this opened up a whole range of opportunities to build on our investments even further. What ultimately sealed the deal was local support from HP Services. We felt that the local HP team offered much better support than any other vendor we considered. So that gives us a lot of confidence both today and as we continue to evolve our solution.”



## Technology for better business outcomes

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