

WELLS FARGO

Enhancing Service Delivery and Growing Revenue Through Shared Services

HIGHLIGHTS

SOLUTION:
Multi-Channel Delivery

PRODUCT:
BEA WebLogic Portal™ 8.1

INDUSTRY:
Financial Services

PROBLEM

Wells Fargo sought a more compelling experience for its customers by improving the convenience and simplicity of doing business with the bank. They also wanted a flexible infrastructure to leverage existing investments, lower costs, and speed time to market of new capabilities and services.

SOLUTION

Migrate existing customer portal to new SOA foundation. Build an integrated desktop that provides employees with access to the same data sources, business processes as customers, ensuring consistency between channels.

RESULTS

54% growth in revenue through the channel in one year. 75% growth in the average number of Wells Fargo products per commercial customer. Significant reduction in operational costs for the bank and its customers. Halved the time to deliver major new IT projects.

OVERVIEW

Improving service delivery to customers is a strategic focus for Wells Fargo Wholesale Banking. In 2000, the bank deployed its online Commercial Electronic Office® (CEO®) Portal, providing business customers with consolidated, self-service access to over 30 banking services, including credit management, foreign exchange, investments, and treasury services.

During the past four years, customer adoption of the CEO Portal has grown dramatically. By 2003, nearly 80,000 users at more than 21,000 companies were actively using the portal to conduct their banking business, including \$5.94 trillion in payments processed annually. Revenue generated through the portal grew by 164 percent in 2002, and by 54 percent in 2003.

CUSTOMER BRIEF

Wells Fargo & Company is a diversified financial services company with \$397 billion in assets, providing banking, insurance, investments, mortgage and consumer finance from more than 5,900 stores and the Internet (wellsfargo.com) across North America and elsewhere internationally.

The Wholesale Banking group at Wells Fargo serves middle-market and large corporate businesses with traditional and asset-based lending, treasury management, equipment leasing, institutional investment, insurance brokerage, risk management, and real estate services.

BUSINESS PROCESS CHALLENGES

The overwhelming success of the CEO Portal inevitably led to the question, “How can we provide an even more compelling experience to our customers?”

Danny Peltz, executive vice president and head of Wholesale Internet Solutions at Wells Fargo, in conjunction with the Wells Fargo Services Company, determined they could enhance the existing CEO Portal to make it more personalized and proactive, as well as extend the portal framework to develop an internal portal (the “iCEOsm”) that would empower the bank’s commercial bankers and servicing agents with new information and servicing tools.

Steve Ellis, executive vice president and head of the Wholesale Services Group at Wells Fargo, noted “We have six lines of business within Wholesale Banking that have evolved over time with their own sales, delivery and service infrastructures. They each worked very well, but they were disconnected. We wanted to eliminate any perceived boundaries that customers may see because a single customer may use 10 or 20 products. We want to appear as a unified, cohesive organization. Becoming more customer-centric is critical. The CEO Portal was the first step in that direction, and now we’re expanding that customer-oriented philosophy.”

“Banking, particularly commercial banking, is about relationships,” added Peltz. “Most large banks offer comparable services. Differentiation hinges on the convenience and simplicity of doing business with the bank, accessibility to assets and services, and the added value of the staff. We view the Internet channel as a key to achieving differentiation by simplifying both our customers’ and our own employees’ business lives, which in turn allows our staff to play a truly consultative role. We want to take the tactical, repetitive tasks off their plate and give them tools to assist clients with problem solving and financial planning.”

SOLUTION

Before beginning any new work, rather than building out potentially redundant capabilities on a project-by-

project basis, the team mapped out an innovative service-oriented architecture (SOA).

The SOA would be the foundation for the delivery of value-added services and advice to customers through both self-service and human-assisted channels. It would enable the bank to break down traditional application silos, and leverage business logic, processes and data stores in a reusable fashion by exposing them as shared services. This would accelerate the introduction of new functionality, simplify integration, and reduce the cost of application development.

As part of their progression to an SOA, the IT group migrated the existing CEO Portal, originally built on BEA WebLogic Server™, to the new SOA foundation which included BEA WebLogic Portal as the user presentation layer. They then built an integrated desktop for employees, known as iCEO, with BEA WebLogic Portal, leveraging the same SOA foundation.

Both the CEO and iCEO portals implement the concept of “portlets.” The portlets bring critical summary information such as account balance and key information reports to the forefront—that is the homepage—precluding the need to click through an application. Users can customize the portlet for specific information to appear immediately upon login.

“We see WebLogic Portal as a great way to integrate and expose the application logic that we’ve built,” said Ellis. “Most of that logic resides in Enterprise Java Beans that we can expose via portlets. This approach is what makes CEO and iCEO so flexible. We can mix and match portlets as needed, and connect to over 50 systems of record—legacy investments that aren’t going away any time soon. CEO and iCEO allow us to leverage those investments.”

The presentation layer of the portals provides both customers and employees with access to the same data sources and business processes, ensuring consistency between channels. However, the personalization features in BEA WebLogic Portal enable the bank to provide

different levels of access, functionality and content to different users and roles. Consolidated access to functionality within each portal eliminates the need to log into multiple applications to complete a single business task. The portals also improve usability by presenting every application with a consistent look and feel. And the self-service tools provided by the portals reduce the need for customers (and Wells Fargo staff) to call specialists to complete most transactions and inquiries.

“The SOA approach breaks down the application silos that tend to emerge in large organizations,” said Peltz. “Human beings don’t think in terms of applications. They think in terms of workflows: what do I have to get done? The SOA enables us to customize the presentation layer for our customers and employees based on their roles. We have the flexibility to combine functionality from multiple applications into a single workflow, and we can modify the presentation layer when conditions or requirements change.”

Ellis added, “At the end of the day, the game for us is information. We need to deliver it to customers and employees within the context of their business requirements. We must make workflows simple. If we make things convenient and easy, we’ll allow people to save time. And saving time, means saving money—that’s a very valuable and compelling benefit.”

The operating environment for the portals is Sun Solaris. The database system is Oracle. The application server, BEA WebLogic Server, has been clustered for maximum availability. The portals are hosted at two Wells Fargo data centers, each capable of supporting the entire transaction load.

RESULTS

Growth: The CEO Portal has been an important driver of revenue growth for the bank, with 54 percent growth in revenue through the channel between 2002 and 2003. Its ease of use has increased cross-sell rates and attracted new customers. In just a three-year period, the average number of products per company grew by 75 percent.

“We’ve become very agile. That’s an important competitive advantage in this industry. Revenue, transaction volume, services per customer, and nearly every other meaningful measure are trending upward. That’s due in large part to the CEO and iCEO portals that we’ve implemented on our BEA-powered SOA.”

Danny Peltz, Executive Vice President, Wholesale Internet Solutions, Wells Fargo

Deeper Relationships: “At first glance, people may think that Internet banking makes customer relationships less personal,” said Peltz. “That’s not the case at all. We’re eliminating boundaries between our customers and ourselves. By making so many more services accessible to customers, we’re actually increasing our interaction with customers. They are relying on Wells Fargo for more services than in years past. We’re simply removing the human element from the simple, routine tasks. We’re allowing customers to do business on their schedule without having to call us every five minutes. That makes our organization more scalable. It makes our operations more cost-effective, and the simplicity makes customers more inclined to do business with us.”

Peltz added, “Just as important as customer empowerment is employee empowerment. We’re providing our people with knowledge and tools that free up time for them to focus on the customer, and allow them to make informed recommendations and add value. We don’t want our professionals to simply take orders. That’s a big reason why the portals are critical for customer retention.”

Over time, the iCEO Portal will become the common doorway for employees into all the Wells Fargo applications that they use to provide services and solutions to customers, as well as the doorway into all the services Wells Fargo provides to its employees.



Reduced Operational Costs: By enabling customers to handle routine tasks online, the bank has been able to significantly reduce operational costs for itself and for its customers. Now, over two million wire transactions annually are being completed online, instead of by phone or fax. New customer set-up only takes five minutes. In the past, it often took hours or even days to set up access to multiple applications. And customers are able to administer their own accounts, adding and deleting users, changing permission levels, all without having to contact the bank.

IT Efficiencies: The portals are a success for the IT group as well as the business. Instead of building one-off applications, each of which have to go through identity management, security, testing and other issues separately, the IT organization now has an integrated services approach to maximize reuse. Because of the shared infrastructure built on BEA WebLogic Portal, Wells Fargo has reduced the time deliver a major application from 12-18 months to 6-9 months.

Ellis said, "A key IT benefit of SOA and WebLogic Portal is time to market. We're halving the time it takes to roll out major new applications. The presentation layer, security and user authentication, and plumbing are already in place. We just have to worry about developing business logic. Infrastructure redundancy is a thing of the past."

Peltz concluded, "The SOA approach has been a big win for Wells Fargo. We can now break down traditional application silos and design the user experience around their workflows. We're adding new capabilities and making modifications continually. We wouldn't have that flexibility if we had to start from scratch with every project. We've become very agile. That's an important competitive advantage in this industry. Revenue, transaction volume, services per customer, and nearly every other meaningful measure are trending upward. That's due in large part to the CEO and iCEO portals that we've implemented on our BEA-powered SOA."

ABOUT BEA

BEA Systems, Inc. (Nasdaq: BEAS) is the world's leading application infrastructure software company, providing the enterprise software foundation that allows thousands of companies to benefit from service-oriented architectures. With more than 15,000 customers around the world, including the majority of the Fortune Global 500, BEA and its WebLogic® and Tuxedo® brands are among the most trusted names in business. Headquartered in San Jose, Calif., BEA has 71 offices in 34 countries and is on the Web at www.bea.com.

BEA SYSTEMS, INC.
2315 North First Street
San Jose, CA 95131
1-800-817-4232
1-408-570-8000
www.bea.com

Copyright © 2004 BEA Systems, Inc. All rights reserved.

BEA, Built on BEA, Jolt, Joltbeans, Steelthread, Top End, Tuxedo, and WebLogic are registered trademarks of BEA Systems, Inc. BEA dev2dev Subscriptions, BEA eLink, BEA Liquid Data for WebLogic, BEA MessageQ, BEA WebLogic Enterprise Platform, BEA WebLogic Enterprise Security, BEA WebLogic Express, BEA WebLogic Integration, BEA WebLogic Java Adapter for Mainframe, BEA WebLogic JDriver, BEA WebLogic Log Central, BEA WebLogic Platform, BEA WebLogic Portal, BEA WebLogic Server, BEA WebLogic JRockit, BEA WebLogic WorkGroup Edition, and BEA WebLogic Workshop are trademarks of BEA Systems, Inc. BEA Mission Critical Support is a service mark of BEA Systems, Inc. All other company and product names may be the subject of intellectual property rights reserved by third parties.