

TECHNOLOGICAL UPGRADATION

A technology up-grading scheme was started at the State Bank of Pakistan with the assistance of the World Bank's FSDIP project. It has maintained its pace under the Technical Assistance for Banking Sector (TABS) program, again sponsored by the World Bank. The installation & deployment of a banking package (Globus), the Enterprise Resource Planning project (ERP-Oracle Financials) and data warehouse project is at advance stage and SBP & BSC are jointly making efforts for its implementation.

The project at hand includes implementation of Globus & ERP systems at all 16 branches as well as the BSC head office in Karachi. Currently, major activity and system implementation has been done in the Head office and at Karachi office. Implementation work has been done to a considerable level in the Rawalpindi, Islamabad and Lahore offices too.

The major components of the automation project are:

- Hardware System.
- Globus Banking Solution.
- Enterprise Resource Planning (ERP-Oracle Financials), Data Warehouse & Networking.
- Training.

Significant achievements in the project are as follows:

3.1 HARDWARE NEEDS ASSESSMENT

Hardware issues regarding the procurement of PCs, having an inventory record, repair/replacement of old equipment etc., are to be taken care of by the Information Systems Department (ISD) and the project management office jointly. The IT team has assessed hardware needs of the Bank and its field offices that remain in touch with the project office for upgrading of their business processes with new computerized configurations.

3.2 GLOBUS IMPLEMENTATION (Banking Solution)

Globus is an online/real time state-of-the-art banking package. This system was acquired from M/S Temenos (South Africa) and offers, among other features, online transaction processing and inquiry facilities. It has been built keeping in mind best practices and efficiencies to conform to International Banking Standards. The system has been customized to meet the Central Bank's requirements. As the main banking system, Globus will ensure availability of more reliable information in less processing time. It will allow ease in introducing new products, more efficiency at the housing refinance window and better help in integrating all relevant information, in addition to better serving depository functions (loans floated by the government and special government bonds). The roll out of Globus to Bank includes mapping of staff, training LAN and WAN activity.

The strategy of teaming up with foreign consultants has paid dividends in terms of acquisition of required skills and competencies required. This will help in continuing the implementation process, even without the support of foreign consultants.

Scope of Implementation

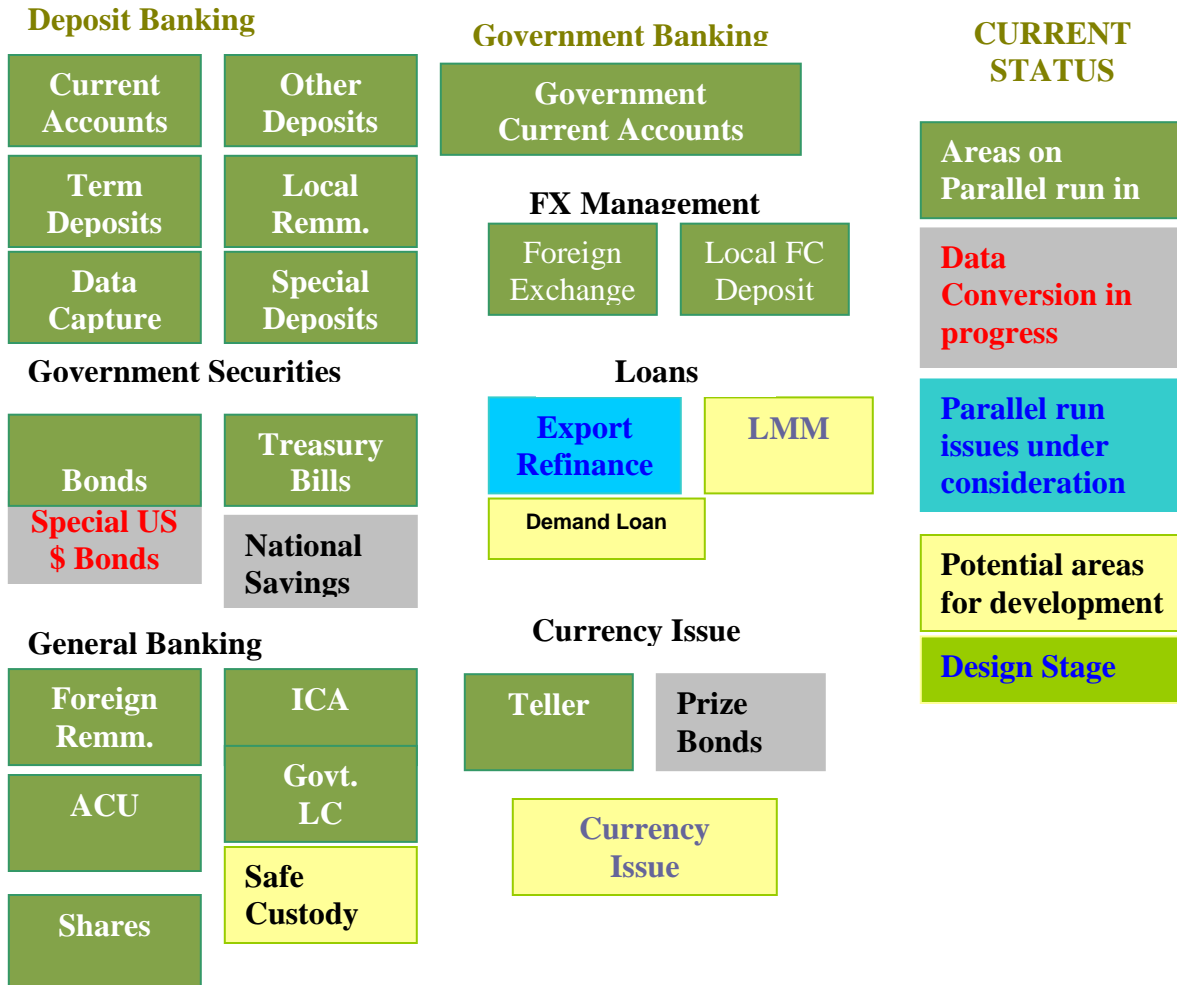
- Deposit Banking.
- Government Banking.
- Government & Other Securities.
- Foreign Exchange Management.
- General/Retail Banking.
- Teller & Currency Issue.
- Prize Bonds.

Current Status

- One Window Operation of SSC/DSC section commenced on April 2, 2004 by housing the tellers of the Cash Department in the said section of the Karachi office. This was done during counter timings to facilitate customers. This arrangement is running successfully with efficient timeliness.
- Data conversion of the Prize Bonds Division commenced from April 2, 2004 is under active implementation.
- On April 13, 2004, the Governor, SBP called an urgent meeting of Globus users at the Karachi office to discuss system related issues. The Governor was pleased to know about the comfort level of users of the Globus system. He directed that the names of the employees who have contributed to the implementation of the Globus system be included in the Employee Recognition Policy.
- A three-day training course was conducted as a refresher for the users of the Cash Department and their UAT from April 27 to 29, 2004.
- ISD and Mr. Adnan Shakil, Export Refinance Expert from Temenos/NDC also conducted a one-week workshop/ refresher training session.

AUTOMATION

SBP-BSC HEAD OFFICE/KARACHI



3.3 ENTERPRISE RESOURCE PLANNING (ERP-ORACLE FINANCIALS) DATA WAREHOUSE & NETWORKING

As per the agreement with Hyundai, Enterprise Resource Planning solutions (Oracle ERP) are in the final stages of its development. This will be implemented in the Head office and the 16 field offices of the SBP BSC. It has six modules:

1. General Ledger.
2. Accounts Payable.
3. Fixed Assets.
4. Inventory & Purchase Order System.
5. Human Resource Management System.
6. Payroll System.

Acquisition of necessary infrastructure and training for potential users is underway while development of tailored products is in final stages. The data warehouse project will provide comprehensive and high integrity data in a form suitable for decision support to end users and decision makers throughout the organization. It will improve the quality of information and access to it by various departments of the Bank and at the same time reduce the burden on the Bank that has to file multiple returns to different departments of the central bank. It envisages the collection of all data currently gathered manually in a much more efficient and timely manner. Implementation of enterprise data warehouse (EDW) along with an acquisition gate way will help in rationalizing data supply chains from external sources to internal operational systems and to end users, facilitating analysis and enhancing decision quality throughout the organization. Currently, it is under the System Requirement Study and System Design Document stage in various user departments.

3.4 AUTOMATION TRAINING

TRAINING COMPLETED (UPTO 30-06-2004)

| DESCRIPTION | BOAT | GLOBUS | ERP | TOTAL |
|-----------------|-------------|------------|------------|-------------|
| Head Office | 146 | 10 | 64 | 220 |
| Karachi | 210 | 260 | 113 | 583 |
| North Nazimabad | 19 | 02 | - | 21 |
| Islamabad | 100 | 85 | - | 185 |
| Rawalpindi | 124 | 63 | - | 187 |
| Lahore | 145 | 118 | - | 263 |
| Peshawar | 284 | - | - | 284 |
| Multan | 31 | - | - | 31 |
| Hyderabad | 01 | 02 | - | 03 |
| Sukkur | 05 | - | - | 05 |
| Gujranwala | 01 | - | - | 01 |
| Total | 1066 | 540 | 177 | 1783 |

TRAINING TO BE COMPLETED (DURING THE FINANCIAL YEAR 2004-2005)

| DESCRIPTION | BOAT | GLOBUS | ERP | TOTAL |
|--------------------|-------------|---------------|------------|--------------|
| Head Office (IAD) | 10 | 13 | 17 | 40 |
| Karachi | 378 | - | - | 378 |
| N. Nazimabad | - | - | 04 | 04 |
| Islamabad | - | - | 18 | 18 |
| Rawalpindi | - | - | 42 | 42 |
| Lahore | 175 | - | - | 175 |
| Sukkur | 81 | - | - | 81 |
| Muzzafarabad | - | - | 05 | 05 |
| Total | 644 | 13 | 86 | 743 |

3.5 CRITICAL ISSUES

Following are some common but critical issues that are being faced at the start of automation project. Constructive efforts need to be applied to deal with these issues so that optimal results are obtained.

- Users need to be trained extensively in computer applications.
- Budget & time constraints need to be considered.
- Lengthy & rigid manual procedures creating hindrances to be eliminated.
- Understanding gap between users and developers has to be reduced.
- Geographical area of deployment & physical installations to be taken care of.
- Culture of resistance needs to be changed and ownership culture to be built.