



vision to value



GIVING YOU ONE VIEW

Indonesia's Permata Bank Improves Customer Service and Branch Efficiency with S1 Enterprise Teller

Permata Bank is the eighth largest bank in Indonesia with total assets of Rupiah 29.6 trillion (more than US\$3 billion), which resulted from the 2002 merger of five Indonesian banks. Permata Bank serves one million users with an extensive network throughout Indonesia. The network strongly supports the Bank's goal of being one of the most prominent players in the retail and commercial segments in the country. With 309 branches located in 30 cities across Indonesia, Permata Bank needed to improve customer service at branches and meet the increasing demand of its customer base. In particular, bank officials sought to quickly and productively move customers through teller lines at the branches. In order to build a stronger post-merger foundation for its branch operations, Permata Bank moved to S1 Enterprise Teller, which has given the Bank a more flexible product, increased productivity and improved effectiveness and efficiency.

Merger Creates a National Bank With Global Strength

Indonesia, the world's largest archipelago with 17,508 islands, is a country of diverse cultures, peoples and resources. The country's motto translates as "Unity in Diversity" – a label that could be equally appropriate for Permata Bank, which was formed by the merger of five Indonesian banks in 2002. The merger created a host of challenges to combine the disparate operations into a smooth-running bank with global strength. Throughout 2003, the new entity addressed post-merger integration, consolidation, and branding issues.

By 2004, the Bank began focusing attention on improving service and developing a full range of products for retail, commercial and specialty markets, such as the automotive industry. The Bank wanted to build on its strong presence in the small and medium enterprise market, which generates 67 percent of Permata's total loan portfolio. Many SME customers conduct most of their banking business in person at branches.

The branch network is the cornerstone of Permata Bank's comprehensive service delivery system, which also includes Internet banking, 522 bank-owned ATMs, a call center and convenient mobile phone banking.

"Our overall goal for branch operations was efficient, customer-centric service with paperless transactions," said Georgino Godong, Permata Bank's CIO & Board member. "Meeting that goal requires integrated and streamlined processing, plus excellent cross-selling capabilities and the ability to segment our services and fees for different customer categories. We also wanted our branch operations model to ultimately include a sophisticated set of transactions and other advanced features, such as integrated clearing and remittance processing, international fund transfers, and bulk transactions."



Benefits:

- Enhanced customer service
- Increased customer loyalty
- Reduced operational risks
- Empowered branch personnel

S1 Supports Vision of One View, One Platform

In evaluating alternatives for meeting its goals, Permata Bank's selection team knew that any vendor solution would need to be localized for Indonesian banking, limited telecommunication infrastructure and to be customizable for the bank's specific needs. S1's Enterprise suite, the team concluded, was the best available integrated, multi-channel solution because of its flexibility, ease of customization, and ability to enable quick and efficient rollouts of new products, features, and upgrades.

Initially, the bank licensed S1 Enterprise Teller, with S1 Enterprise Sales and Service Platform as the planned next step in meeting its objectives. The two applications will be the foundation of an S1-based front-end system called PermataACCeSS, for Permata Advanced Customer Centric Servicing System.

"Our vision for the new system closely aligns with S1's vision for the Enterprise platform," Georgino said. "We want to enhance customer service in all channels and increase sales and customer loyalty through one view, one platform and one system. At the same time, we want to reduce operational risks and empower branches to streamline workflows and become as efficient as possible. S1 Enterprise supports all of these objectives."

Permata Bank retained IBM as its prime contractor to localize S1 Enterprise Teller for Indonesian banking and to work with S1 in implementation. Localization and customization work began in September 2003. Beginning in 2004, S1 Enterprise Teller was implemented in a few pilot branches in Jakarta. Over the next six months, Permata Bank rolled out S1 Enterprise Teller to all of its 153 branches in Jakarta. The project team has deployed the system to all remaining branches in Indonesia.

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CIO and board member
Permata Bank

More Efficient Tellers Provide Faster Service

"We're pleased with the system response time – it is faster than we expected, enabling tellers to serve our customers faster," said Georgino. "Customers can conduct their business at branches in less time, which translates into greater efficiency. As a result, lines are shorter during peak periods."

Ease of navigation is another factor that enables S1 Enterprise Teller to improve teller efficiency. Branch personnel are often reluctant to change systems, but Permata Bank's tellers quickly embraced the new menus and screens. "We made an effort to train tellers in advance and show them how the new system would support the bank's best practices. They adapted quickly and are very satisfied with the new functions they have available. Our users are now able to see all customer information in one screen and perform a transaction with just a few clicks," Georgino reported.

Tellers can complete 80 percent of transactions, including full multi-currency support, with a single screen that displays the customer's latest account information. Transactions at any branch or any channel can be viewed by personnel at any location. This capability facilitates Permata Bank's goal of centralized service.

Permata's new system also includes a supervisor override feature to simplify transaction flow and streamlined cash reconciliation features that help branches to finish their work faster. According to Georgino, these and other new features enable the branches to close up to one hour earlier.



The Foundation for Future Growth

With the S1 Enterprise Teller solution fully deployed, Permata Bank has significantly improved customer service and operational efficiency at Permata Bank's 309 branches. When S1's Enterprise Sales and Service Platform has been fully implemented, too, bank executives expect to see increased revenue as a result of enhancing the branch staff's ability to cross-sell.

Bank management is counting on the S1 Enterprise applications to enhance Permata Bank's already sterling reputation for customer service. "We have high expectations for S1 Enterprise because excellent service is part of our culture," said Georgino. "We are ranked number one in overall service quality for Indonesian banks in our size category, and number one for customer satisfaction. We are determined to stay on top."

For more information, please visit us at www.s1.com,
or email questions to sales@s1.com

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