

I can see for Miles

Cooperative Bank of Kenya (Co-op) has gone live with its latest software implementation, MoneyWare Wealth and Asset Management from Indian vendor Miles Software. Looking to open into mutual funding, deeper wealth management and hoping to take advantage of an expanding market in its home country, it completed the deployment in less than ten weeks.

Cooperative Bank of Kenya (Co-op) was established in 1965, gaining its licence three years later. In 1977 it opened its first subsidiary before converting to a full commercial bank in 1989. The bank's customers include individuals, small businesses and larger corporations, as well as cooperative societies.

The company's total assets (as of March 2015) sit at around \$3.34 billion, while it controls around 8.2% of all banking assets in its home country. The second largest bank in Kenya by assets, Co-op has recently implemented and gone live with Miles Software's MoneyWare wealth management system.

Lawrence Karanja, operations manager for fund management at Co-op, tells IBS Journal that the bank's expansion necessitated 'a robust investment management system' that would support Co-op's expanded service plans. This would not just be the case for the bank's pensions

and wealth management operations – described by Karanja as fund management's 'bread and butter' – but for inroads into mutual funds management as well.

The bank sent out an RFP (request for proposal) for potential new suppliers and found that Miles Software was 'highly recommended' by other users of the software in Kenya. Karanja adds that after checking the offerings that Miles provides and examining online reviews from current users, the vendor was highlighted as a good fit for both contemporary and future operations.

Other potential vendors considered included Greek supplier Professional Computer Services (PCS) – which manages the custodial side of Co-op – as well as a number of local companies. The bank also considered Oracle FSS's Flexcube and assessed whether it could continue with legacy supplier DST Global Solutions (now part of SS&C) and its HiPortfolio solution.

According to Karanja, the process of implementation begun with a solution mapping process. Teams from both sides came together to thrash out the details on how both would proceed. Karanja puts this discussion stage as having lasted around three weeks, followed by a full implementation stage lasting another four. The new system was then run on test environments to ensure compatibility, he adds, with any bugs or glitches found during that time ironed out by the vendor.

The final deployment for going live

with MoneyWare took three days, building on the work done during the solution mapping phase. In total the entire process took around eight to nine weeks from the initial selection to the eventual release on 17th October 2015.

The biggest challenge in the implementation came not from Miles Software, says Karanja, but from Co-op's legacy system, DST Global's HiPortfolio. Though he describes the older system as 'very powerful' and adds that the bank has never had any issues with the software, Karanja admits that it is somewhat 'vintage'. Connecting HiPortfolio to the new system was 'quite a big challenge', he says, though the task was eased by Miles Software's help in converting older CSV files into newer XML formats.

What impressed and surprised both vendor and client, however, Karanja states, was the fact that the data loading – from older prepared files to the new system – took just one morning, with verification thereafter taking one day. The process was efficient and easy, he says, with older data being simply dropped into new standardised templates. What's more, the process resulted in zero errors. Considering that Co-op had expected a data loss of around 5% the result was surprising for both teams: 'they were as impressed as we were'.

Having a new service built from the ground up has also been a great positive for Co-op. Implementing MoneyWare, says Karanja, has resulted in the bank's transaction processing being 'significantly improved'. Increased flexibility in reporting and an improvement in the reconciliation systems has also been noted at Co-op. Reporting, too, has seen a boost, as now a

business user 'not up to speed' on specialised IT skills or on coding can build complex queries and provide clear information.

In the older system reports were produced via a plug-in designed by an IT team or built manually in the system by someone with knowledge about its inner workings. According to Karanja, only three specialists in the company had such know-how, so the fact that anyone can now view and use the system is greatly appreciated by the bank. On top of this are smaller 'everyday' advantages for staff – MoneyWare is browser-based, making it easier for users to connect and get straight to work. Added to that is the fact that Co-op staff have found the UI simple and effective to use.

Looking to the future, Karanja says that the modularity of MoneyWare means that the bank has a platform for expansion. As the Kenyan market grows with the increasing use of derivatives, he adds, Co-op is looking to grasp at the opportunities headed its way – the sector will be a key area of growth for the bank, with derivatives set to be listed on the Nairobi Stock Exchange next year.

Co-op is also looking at the launch of new mutual fund operations. Powered by MoneyWare, the bank is planning to open up plans for mutual funds with automated dividends and experience 'significant expansion' in that area. The bank's wealth management offerings will also be deepened – from a simple product offering to a more structured layer of multiple products – enabling clients to operate multiple portfolios with full stratified reporting. 🍀

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