

Report on benchmarking project at Raiffeisenbank Kleinwalsertal AG

## An IT efficiency balance sheet

Raiffeisenbank Kleinwalsertal AG analysed the efficiency of its IT by means of a benchmark. The project highlighted the strengths and weaknesses of the bank and provided indications for the IT organisation to transform into a customer-focused service provider for the business.

Globalisation apparently does not stop even when faced with Alpine valleys with difficult access and this meant that one day Raiffeisenbank Kleinwalsertal would have to come out of its postcard idyll and expand into the lowlands of the European banking landscape. This meant an increase on the demands placed on IT so the company decided to review the efficiency of its IT department by means of a benchmark. The project was initiated by Director, MMag. Erhard Tschmelitsch, to find out whether the data processing systems operated by Raiffeisenbank Kleinwalsertal had been established on a modern basis and how they compared to the systems used by its competitors.

Over the last few decades Kleinwalsertal has managed to establish itself as a finance centre in an Austrian territory within the German economic area. The background to its former special position is the geographic location of the valley – the only road in passes through Germany which is why the inhabitants have been able to deal with their neighbours to the north without customs duties since 1891. “Today we compete with all the private European banks since the benefits of our location have been steadily reduced as part of the process of European integration”, says IT manager, Dr. Roland Ritsch from Raiffeisenbank Kleinwalsertal AG.

As a result the financial service provider has had to move out of its enclave and towards its

customers. It has established subsidiaries or branches in Liechtenstein, Dusseldorf and on the Spanish island of Mallorca. “In addition to Austrian clients, we also have a large number of German customers”, says the IT manager. The majority of the bank’s business is therefore carried out through the private banking sector whilst the retail business looks after regional customers through its three Kleinwalsertal branches. Overall the Raiffeisenbank has a balance sheet total of over one billion euros which is backed by a workforce of around 150. Although the cooperative financial institution, which was converted into an independent public limited company in the nineties, had already had experience with benchmarks, they involved comprehensive economic comparison projects in which IT was simply one of the many parts. A sector specialist, Maturity was then asked to establish the extent to which the IT cost structure of the bank was proportionate and whether the services of the IT department were state of the art in terms of their scope and quality.

The structure of the Raiffeisenbank IT is “special” says its manager, Dr. Roland Ritsch. As far as the retail business is concerned, the bank predominantly uses the IT provided by Raiffeisenbank Informatik based in Vienna whilst the IT for the private banking sector is provided in-house. “The resulting application landscape is very complex”, says Ritsch. The IT manager has an internal staff of nine people as well

### Profile

RAIFFEISENBANK  
KLEINWALSERTAL AG



#### Company

Raiffeisenbank Kleinwalsertal AG  
Private banking in four countries

#### Website

[www.raiffeisen-kwt.de](http://www.raiffeisen-kwt.de)

#### Benchmark targets

- Analysis of IT costs structure
- Evaluation of the complexity and quality of IT services
- Identification of the strengths and weaknesses of IT
- Support in transforming IT to become a service provider

*“A benchmark helps you to understand IT costs better.”*

Dr. Roland Ritsch, IT Manager of  
Raiffeisenbank Kleinwalsertal AG



*“Create clarity” was one of the goals for IT benchmarking in the heart of the Kleinwalsertal mountains. Photograph: Alexander Rochau – Fotolia.com*

as an in-house data centre. “It is very difficult to satisfy the requirements of private banking with off the shelf programs”, which is why the interface development and part of the application development work is carried out internally. Some of the development and customising work is outsourced to external partners. The requirement and release management work is all kept in-house.

The Maturity benchmarking process included the classic operation of Windows and Unix servers, the storage sector, the networks and also client services such as support and the helpdesk. The telecommunications infrastructure, which is also supported by IT, and the application development were not covered by the benchmark. “As far as the IT department was concerned, therefore, it was not a comprehensive benchmark”, says Ritsch. Nevertheless, at the end of the process the bank was “well positioned in its peer group and close to the nominal figures”, with no significant discrepancies being identified. Only the shared costs were above average, a point which Ritsch explains by the special rental model for the premises. “Overall our processes and cost structures were confirmed”, says the IT manager. At the same time a personnel survey was conducted among the customer departments into the “external view of the IT department”.

According to Ritsch, the cost of the benchmark project was kept “under control”. More work was required from the bank, on the other hand, to obtain details of costs for operating a Windows server, for example. “We simply did not have those details available to us in the required form”, says Ritsch. However, the effort proved worthwhile in breaking down the costs from the total to the costs of the various services in the IT department. “A benchmark helps you to understand IT costs better”. This “form of professionalisation” is particularly helpful for smaller companies. In addition a benchmark increases the legitimacy of the IT department and its costs in the eyes of the customer departments, says Ritsch. This particularly applies to changing IT from one operator of servers, clients and networks to one service provider for the business. “If as an IT department you can transform and position yourself accordingly, the traditional legitimacy pressure will be reduced.”

Server operation has since been virtualised, a move which was one of the recommendations made by Maturity on the basis of the benchmark. The savings effect was massive and the procedure proved to be valuable: “Today over 70 servers are now managed by one person and an assistant”, reports Ritsch. The helpdesk has also been improved. Previously, for example, problems were not always recorded in full and

escalations were not defined. “The benchmark also provided stimulus for that”. The main areas of success for the project, according to Ritsch, however, were the three main targets which were achieved – firstly the confirmation of the IT organisation by comparing it with other companies, secondly the identification of potential improvements and thirdly a situation analysis in terms of future requirements and trends. This means that the Raiffeisenbank now believes that it is ready to compete with other private European banks regardless of whether they are on the Rhine, on the Balearics, in Liechtenstein or in the postcard idyll of Kleinwalsertal. ■

### Business advantages

- Legitimation of the IT organisation and the costs for the departments.
- Identification of potential improvements and rectification of deficits.
- Evaluation of the situation in terms of future requirements and trends.
- The benchmark creates cost transparency for individual services.

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