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LOCATION:
Blue Bell, PA, US

ORGANIZATION:
Bancolombia

YEAR:
2011

ORGANIZATION URL:
<http://www.grupobancolombia.com>

STATUS:
Laureate

PROJECT NAME:
End User Support Services for the Bancolombia Group IT Infrastructure and Client Access Points

CATEGORY:
Economic Opportunity

PROJECT OVERVIEW

Project: End User Support Services for the Bancolombia Group IT Infrastructure and Client Access Points, called Mesa de Ayuda Tecnológica Eficiente y Oportuna (MATEO) – translates to “Efficient and Opportunistic Service Desk” The Bancolombia Group (Appendix 1) is a universal bank that provides a complete portfolio of financial products and services to companies, government institutions and individuals across Colombia. It is the leading bank in the country holding the largest market share and achieving the most success in the Latin America territories in which it operates and has been accelerating in growth over the past 15 years. This growth has required it to set up a very extensive and complex distribution network in order to serve over 7 million customers, which has doubled during the past three years as a result of the banking service’s penetration strategy promoted by the Colombian Government. Banking is the mechanism to increasingly provide people from different backgrounds access to financial systems locally and in different countries. Banking facilitates the acquisition of financial products and services, and contributes to people and businesses obtaining effective funding sources enabling them to achieve higher levels of development. Thanks to the strategy of banking, Bancolombia has entered into an innovative model that allows customers to access different segments of financial services through different channels, where many were not available in the past. Seeking to support the growth and development of the country, Bancolombia has positioned itself as the number one banking institution in the country and faces the challenges of delivering high-quality, cost-efficient and innovative world-class banking services to support its 21,200 end users, 712 non-banking correspondents, 722 branches and 8,000 PACs (Close Access Points) and 2,553 ATMs for customers and end users who access its financial services and IT infrastructure. With the help of Unisys, Bancolombia designed and implemented a Technological Service Management Center, created with state-of-the-art Service Desk and on-site support technologies, for 7x24, 365 days a year bilingual service, with high availability and contingency services in Bogotá for telephone, web, chat and

email access, for more than 400 agents. The Service Management Center was set up in Rionegro and Antioquia near the city of Medellín, Colombia. With this project, Unisys and Bancolombia established a precedent for development and investment for international and domestic companies wishing to generate employment through the provision and export of Business Process Outsourcing (BPO), Call Centers and IT Managed Services Centers. Bancolombia and Unisys have been pioneers in delivering services at the domestic and international levels, supporting approximately 19,000 work stations and networks of Bancolombia. The project has helped create indirect jobs in poorer and developing areas such as Rionegro by providing job opportunities for undergraduate students, thereby contributing to reducing the unemployment index and supporting low-cost banking channels in small urban areas by facilitating banking service penetration.

SOCIETAL BENEFITS

Bancolombia is providing new job opportunities in IT services to lower-income populations and college and technical students, helping to reduce the unemployment index, of 11.8 percent. Bancolombia is providing low-cost banking channels for assistance in mobile telephone, loans and Internet services to small urban areas as a banking strategy.

PROJECT BENEFIT EXAMPLE

Perception of Bancolombia's internal/external customer service has improved since their merger in 2006. This has enabled the bank to achieve one of its strategic objectives of being recognized as an excellent financial entity for all its products and services. Availability and reliability of the infrastructure that supports the less profitable channels has helped promote customer confidence in using financial services. Having a customer care and technological support service helps ensure that the Bancolombia network operates in a secure and reliable manner, 7x24 with 99.9% service availability. Bancolombia has included non-banking correspondents, mobile branches, micro loans and Internet services, to assist and help raise the banking service penetration index in Colombia, which is quite low compared to the Global and Latin American industry. In Latin America, only 36% (average of 25-60% depending on country) of the population has access to financial services compared to 96% in developed economies). This banking services strategy has enabled these non-banking correspondents to reach more than 45 million people in Colombia, and more than 663 Colombian and Salvadorian cities and towns. According to the Financial Banking Association in Colombia named Asobancaria, at the end of 2009, there were 16.7 million Colombians of legal age with some financial product, which represents a banking service penetration level of 56.8% of the adult population. This banking penetration index has grown to 62% in 2010. The IT Managed Service Center, has opened the possibility of expanding this business model to other domestic and multinational companies, and has also generated new jobs to help improve the economic conditions for lower-income populations in Rionegro and Antioquia. By providing opportunities to college and technical students in less developed areas, the bank is helping to reduce the Colombian unemployment index, of 11.8% (2010). This initiative has encouraged other companies to invest in these areas of low economic development offering high human quality services and bringing new opportunities. Through the newly created positions, new hires are being provided additional training both on the job and through the classroom on Technical Basic IP Telephone and Chat Services, Help desk analyst skills, Can do (Customer Service Training), Incident Management, Problem Management and Quality Management, A + Certification and Communication skills. This Service Desk agent oriented training and skills development provides education that the new employees would not typically get through universities and provides a whole new level of education that prepares them



for advancement and further opportunities within the IT services industry. (Appendix 2) Bancolombia has provided economic opportunities in Colombia through increasing their banking services to rural, developing and low income areas that had very limited access to these services in the past. This opens up a full range of services to individuals, new and existing and businesses from simple savings and checking accounts to loans and other financial products that could enable business development in that region. Through Bancolombia's growth and investment in new job opportunities they are contributing to the unemployment index reduction which benefits and stimulated the economy in this area.

IS THIS PROJECT AN INNOVATION, BEST PRACTICE? Yes

ADDITIONAL PROJECT INFORMATION

Bancolombia's IT consolidation, outsourcing, and security initiatives have resulted in a number of benefits including cost reduction, improved IT management, development of new and robust products, and technology support for new customer channels of non-correspondent banking locations. The bank's work in this area not only grows its market share by reaching out to the country's substantial unbanked population, but also encourages financial literacy among populations disconnected from the financial mainstream through best practices and trends within the outsourcing industry and IT services. Bancolombia and Unisys were recognized in local news shortly after the Rionegro center was opened highlighting the centers new capabilities and employment generation for the area. (Appendix 3). Quotes from recent article: The Banker: "Colombia sheds poor image to emerge as up and coming IT hub", by John Beck, published: 31 January, 2011 "If Colombia-based IT and outsourcing firms are to secure and keep pace with all important financial sector customers, they may well have to adopt this approach. Bancolombia, like many other large Latin American banks, is in the midst of a major IT refresh, upgrading everything from core systems to credit-card processes and treasury programmes and moving away from the clunky proprietary architecture it once employed," says Ms. Olga Botero, CIO Bancolombia. Consequently, it is looking to external technology providers for help in doing so. "Especially after the recession, we see Latin America as a place of high potential and high growth, and we are making significant investments to take advantage of that," she says. "We want to grow fast, and because we are a bank, not a software house or a service company, we want to concentrate on banking. We can outsource many things, and with outsourcing, we will be able to grow." For more than 30 years, Unisys and Bancolombia have been cultivating a strong relationship that has profoundly impacted the Latin American financial industry and the citizens that live there. We will continue grow this partnership into the foreseeable future. Additional source links: (Asobancaria report: http://portal.asobancaria.com/portal/page/portal/Portal_Eventos_Asobancaria/Memorias%20Servicios%20Financieros%202009