

NORDFaktor for NORD Bank Polska SA

DnB NORD Bank Polska SA

DnB NORD Bank has been operating on the Polish market since 2002 as a member of the DnB NORD banking group, set up by NORD/LB Norddeutsche Landesbank Girozentrale with the largest Norwegian bank DnB NORD. The DnB NORD group, which began trading in Poland as DnB NORD Bank Polska SA, defined its target market as the large and medium business sector. The bank, which provides services to corporate clients, puts great emphasis on modern organizational structures based on, among other things, the use of up-to-date IT solutions. This means that there is no need to open a network of brick and mortar branches, servicing the client is a fully automated information system process.

Analysis

The 'bank made for companies' stresses professional customer service as well as the creation and development of modern financial products.

DnB NORD Bank Polska SA is a rising star among financial institutions, and factoring occupies a special place among its products. The bank's managers along with Comarch specialists have combined their talents and energies to develop an IT solution that guarantees the bank first place on the trade financing market, and which also simplifies and completely automates factoring.

Right from the start factoring was one of the bank's strongest financial products. To attract clients and broaden its trade-financing product range, the bank decided to implement a modern information platform for factoring.

Comarch's position on the international market, and its experience across the range of IT solutions for banking, convinced DnB Nord Bank to begin long-term and extensive cooperation with Comarch to implement and develop new applications.

The Major Challenges

This project carried out by Comarch for DnB Nord, was the software company's first factoring system implementation with such a comprehensive scope. As such, it demanded detailed analysis and research to lay the base for designing a system, which would satisfy customer expectations and set a new standard of quality on the IT solution suppliers market for both the Polish and international factoring markets.

The greatest challenge faced by the designers of the Comarch Factoring system (the bank's name for it is NORDFaktor) was the race against time. Factoring is becoming more and more popular on the Polish and international markets thanks to simplified procedures and resources, which clients can access to carry on the day-to-day business of their companies. At the same time factoring is one of the more advanced financial services and requires specialized knowledge as well as confident handling of complicated business processes. To meet these challenges Comarch designed and implemented the NORDFaktor factoring system.

A further expectation that system users have is that it should be able to grow and change as the factoring business grows and changes. The vibrant growth dynamic of factoring on the Polish market is a clear signal that a dedicated IT solution is required for this financial product. The system must ensure that its users – the banks – have a competitive advantage on the factoring services market. When choosing factoring service suppliers factoring clients place particular emphasis on the communication channels offered by the factor. With this in mind Comarch suggested innovative solutions in terms of integration with the factoring clients' systems. This means that the involvement of factoring clients and bank employees in servicing the transaction is minimized.

Case Study

NORD Bank Polska SA

Comarch is a leading Central European IT business solutions provider specializing in forging business relationships that maximize customer profitability while optimizing business and operational processes. Comarch's primary advantage lies in the vast domain of knowledge accumulated in and applied to our software products. These products incorporate highly sophisticated IT solutions for businesses in all vertical sectors.



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Implementation

The implementation of the NORDFaktor system was preceded by the implementation of Comarch's NORNet Internet banking system. Analytical work began on the 1st of March 2006. The Comarch design team, along with a dedicated team of specialists from the bank, worked together to find a way to implement the application. NORDFaktor is Comarch's first comprehensive factoring solution. Analysis activities and implementation took seven months and on the 1st of October 2006, the bank's employees began using the application.

The first stage of implementation involved getting the basic factoring functionalities running and integrating this solution with the NORNet Internet banking system, the central Midas system, the Hades central user management system, and the ECOD electronic documentation center for e-invoices. The second stage involved extending the functionality of the system to include reverse factoring. The basic principle of the implementation design was to create a solution that would service factoring processes from beginning to end with maximum automatization.

Business Benefits

The NORDFaktor system resulted in the bank launching itself extensively and successfully on the Polish factoring market. Thanks to the fully automated process, the client can access financial resources within one hour of the bank receiving an application online. However, it is the bank that can best express the benefits it has received from using the NORDFaktor system:

"The system allows the bank to take over the monitoring and administration of receivables, generate letters reminding debtors to pay, make reports available to clients telling them about the level of their debt, late payments, about their repayments, as well as reports on how much credit clients have used and how much they have remaining. The system delivers wide functionality going way beyond standard features and, for example, includes the option to finance receivables with monthly interest charged at the end of each financial month, or with a deferred payment at the end of the financing period. Finally it has the tools required to extend financing to the debtor beyond the payment date of the invoice, irrespective of whether a discount has been given or not. Every invoice in the system can be accessed along with information about the commission, the interest, the VAT accrued on the interest and commission, and nearly every correction along with the dates connected to it."

The NORDFaktor system was awarded a distinction in the transaction systems category in the fifth edition of the Polish Banking Gazette's (Gazeta Bankowa) competition for the best IT design. IT was given the title 'Information Systems Leader among Financial Institutions.'

By implementing the NORDFaktor system the Bank:

- >> cut transaction time,
- >> grew its factoring business without the need for extra employees,
- >> increased its income from factoring,
- >> secured a competitive market advantage thanks to this innovative solution that provides a module for servicing e-invoices, integration with client systems and a client web interface.

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Comarch Spółka Akcyjna with its registered seat in Kraków at Aleja Jana Pawła II 39A, entered in the National Court Register kept by the District Court for Kraków-Śródmieście in Kraków, the 11th Commercial Division of the National Court Register under no. KRS 000057567.

The share capital amounts to 8,051,637.00 zł.

The share capital was fully paid,
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