

## A larger Suncorp banks on expanded IBM infrastructure to do the job




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### Overview

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#### ■ **The Challenge**

*After merging with financial services giant Promina in March 2007, a \$7.9 billion deal which doubled the size of the business, the Suncorp Group needed to find an efficient, cost-effective way to integrate the technology infrastructures of both organisations.*

#### ■ **The Solution**

*In close partnership with IBM, the Suncorp Group looked to combine the best of its and Promina's IT infrastructures. At the same time, this required a significant upgrade of Suncorp's IT environment to accommodate the needs of the larger merged organisation, including new IBM System z mainframes, networked storage and midrange System p and System i server technologies.*

#### ■ **The Benefits**

*With the new IBM technology in place, Suncorp has a faster, more robust and efficient IT environment, which will allow the financial services group to better manage its technology and assist in the faster development of business applications. It also lays the groundwork for the company's new data centre planned to open by the end of 2008.*

#### **About the Suncorp Group**

Suncorp provides a range of banking and insurance products directly to customers through an extensive branch and agency network, call centres, online and through intermediaries and corporate partners. It is one of Australia's top 20 listed companies and Queensland's biggest listed corporation with a market value of more than \$18 billion.

#### **Two into one needed to go**

When the Brisbane-based Suncorp Group and the Sydney-based Promina agreed to merge in a deal worth \$7.9 billion, Suncorp faced the monumental task of unifying the two financial services giants. Like all financial players, both groups rely heavily on their IT systems. As a result, integrating their respective infrastructures became a priority. Of the \$350 million budgeted for the merger, Suncorp set aside 60–70 percent for consolidating its technology platforms.

Suncorp already had begun migrating its HP-UX Unix machines across to IBM's System p servers some 18 months earlier. By the time of the merger, it had already moved more than three-quarters across. With the Suncorp-Promina deal, it quickly became clear the merged entity needed a great deal more capacity to consolidate both IT infrastructures.

*“When we started looking at what was in place after the merger, we saw we had lot of disparate systems using a range of technologies and following two different roadmaps.”*

*Tim Harlow, Executive Manager,  
BT Infrastructure Hosting, Suncorp.*

“Promina’s business model was different to Suncorp’s in that it acted separately like five or six companies that almost competed against each other and were reluctant to share technologies. If one of Promina’s divisions such as AAMI or APIA had a project, they tended to buy their own hardware and software.”

Suncorp, however, worked more to a conglomerate model. Said Harlow: “If we build a system, it’s so all our companies can use it, even though they may be competing for business.”

With IBM on board, the decision was made to review both sets of infrastructure and choose best of breed when it came to laying down a consolidation engine to handle the group’s IT services.

#### **Rebuilding with IBM mainframes and midrange**

The Suncorp Group had a strong existing relationship with IBM prior to its merger with Promina. This was boosted significantly following the March 2007 agreement to merge. Suncorp signed a new two-year deal with IBM to consolidate the newly expanded organisation’s business technology infrastructure.

“IBM is only the manufacturer that provides all the platforms and operating systems we need and this is where you get the value add, because you’re not simply buying components, you’re buying an overall solution,” said Harlow.

“If you use various suppliers for an enterprise system, you can end up with complex scenarios that, when things go wrong, are never anybody’s fault and never anybody’s problem. With IBM, they have a buck-stops-here approach. We don’t impose that; it’s the way they work.”

IBM set about rebuilding the new group’s mainframe, storage and midrange infrastructure to create a single, virtualised host environment for both financial groups that would also enable the new enterprise to expand its portfolio of business applications.

*“In some cases, it meant buying additional capacity, in other cases, it was necessary to buy brand-new hardware and design infrastructure.”*

*Pablo Norbury, Client Executive for  
IBM’s Systems and Technology Group.*

The IBM team played a crucial role in designing and planning the transfer of data from Promina’s Chatswood headquarters to Suncorp’s Brisbane headquarters, without interrupting operations.

IBM installed two of its latest System z mainframe computers, one of which was for disaster recovery. Transferring Suncorp’s data was easy enough; but there were potential difficulties with migrating more than 30TB of data stored on Promina’s storage area network in Sydney, without disrupting critical banking and insurance applications.

“We achieved this in a smooth, seamless manner using our Softek Transparent Data Migration Facility software,” said Norbury.

Suncorp was happy with the i5/OS platform Promina used for its life insurance and wealth management applications but saw the opportunity to upgrade to faster IBM System i servers. IBM also had to rationalise more than 100 Unix machines Promina had accumulated from various projects and added a large IBM System p570 machine for the job.

*“The System p servers can be partitioned and virtualised so we just need to drag and drop. As we migrated each of Promina’s stand-alone applications, they only took up a partition, a virtual space on one large server. This did away with the physical need for extra rack space, network connectivity or another server.”*

*Pablo Norbury, Client Executive for IBM’s Systems and Technology Group.*

#### **Audacious approach**

By building a consolidation engine to combine all its IT platforms, IBM has enabled Suncorp to create a more powerful and flexible virtualised IT environment.

“With IBM’s whole-solution approach, we are fast-tracking the consolidation of the mainframe, the integration of the Unix boxes, changing storage platforms and the virtualisation of all the Unix platforms,” said Harlow.

The use of virtualisation cuts down on the amount of server hardware and physical space needed, while allowing Suncorp to boost the capacity and utilisation of its IT infrastructure as it needs to.

*“Less hardware and fewer cooling systems means we use less power, which is good from an environmental point of view and also cheaper for us to run. We’ll be able to maintain our platform with less disruption and upgrade operating systems without taking them offline.”*

*Tim Harlow, Executive Manager, BT Infrastructure Hosting, Suncorp.*

“You’ll see improvements in availability and speed, from banking customers’ point of view. Call centre operators will be able to handle calls more quickly.

“Application developers will see improvements to speed and availability. We’ll be able to provision their environments faster, which will enable them to produce more new products that the customer wants, such as portals, self-service and internet banking tools. And we’ll be able to get them to market ahead of our competitors.”

By consolidating its technology, Suncorp’s technical staff have fewer technologies to deal with, allowing them to develop deeper skills with the equipment in place.

“It’s a hell of a lot easier to manage, increases efficiency and simply makes it more satisfactory to work here,” Harlow said.

With the implementation of IBM’s enterprise-class servers, Suncorp has also set the foundations for a much smoother, seamless transition to its planned new data centre when it opens at the end of 2008.

“It just means everything is going to become a whole lot easier in the way we manage our IT infrastructure,” Harlow said.

**For more information**

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