



# **Minimize downtime risks with a Temenos core banking system health check**

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## Bar the threat of ransomware, market turmoil and a recurrence of 2008, what's the main worry that keeps bank leaders up at night?

Downtime. The operational curse. Persistent, unexpected blackouts depress revenue, consumer confidence and the user experience while opening up the bank to extra scrutiny and stringent regulatory fines. Financial institutions cannot afford to disturb the smooth running of their businesses. That's why the Temenos core banking system audit has become a critical factor in performance and maintenance.

Core banking systems coalesce with countless other systems and processes in an intricate relationship that costs a high percentage of the annual IT budget to

manage. A core banking system health check uncovers weaknesses in the architecture, revealing practical ways to minimize risk, strengthen resilience and improve operational efficiency.

Integrating a series of new products, services or functions? Running a core banking system audit would confirm whether or not everything is operating as it should. And adopting Temenos' fully hosted solution would give you a faster time-to-market and reduced total cost of ownership (TCO).

### Six signs you need a health check:



Everyday tasks running slower at both normal and peak times



Essential queries taking longer



Increasingly complex architecture



Banking platform outgrowing planned scope



Rising platform maintenance costs



Platform becoming a bottleneck for change and upgrades

# Core banking system audit checklist

Our goal is to diagnose implementation concerns and fixes for the following:

- **Architecture**

Assess the enterprise and Temenos Transact (T24) application design to spot problems, enhancing performance and stability.

- **Temenos Transact (T24) integration**

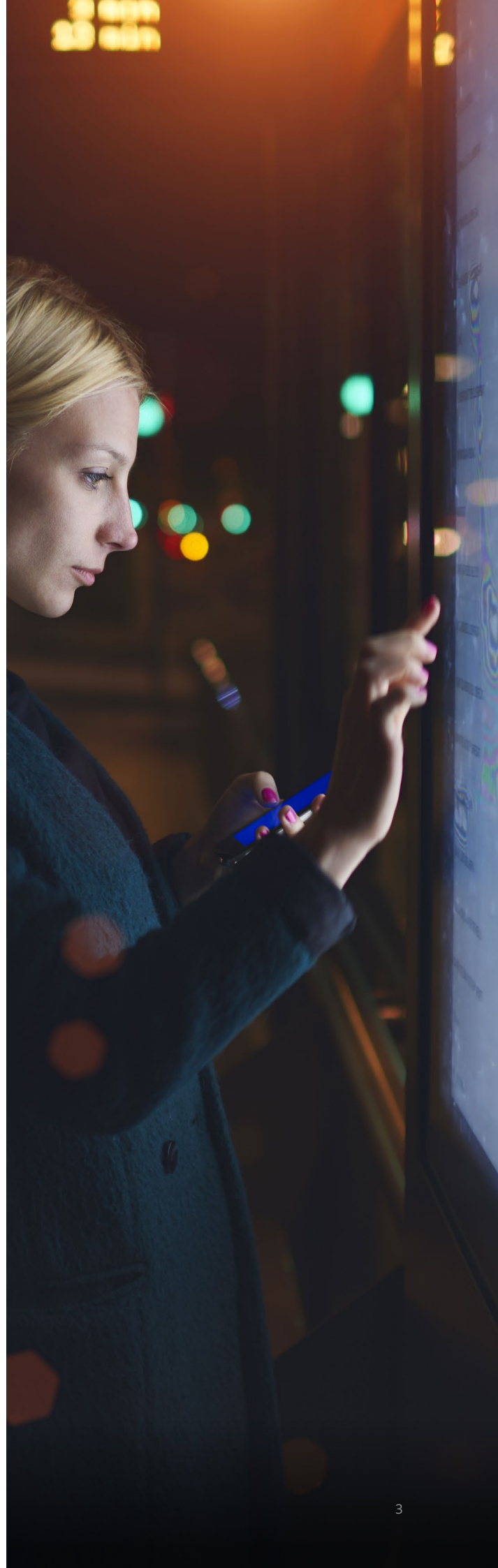
Check the integration framework and analyze potential blockers. Increase efficiency and improve integration capabilities, giving examples of performance improvements.

- **Infrastructure**

Identify negative factors, including network, storage and databases, and review middleware and integration solutions, network, storage arrangement, etc.

- **Temenos Transact (T24) local development**

Appraise the Temenos Transact (T24) technical setup, assessing local code (L3 actions), close of business (COB) jobs, check against Temenos best practices in local development, dependencies and so on, in terms of performance and stability.





# Real-world outcomes

Being a certified Temenos partner, Luxoft provides an independent assessment of Temenos core banking to find the gaps and propose improvements. Here are three practical case studies that show business outcomes as a result of applying the Temenos core banking system health check:

## 1. Performance optimization of private European bank

This subsidiary of a major European group faced several post-implementation performance issues after going live with Temenos Wealth Suite in 2020. The bank outsourced IT operations to third parties that provided application support and infrastructure management. Performance issues hampered operations and limited the bank's growth potential.

### Challenge

Improve the performance of the Temenos Wealth Suite, enabling the bank to address current operational issues and surging volume expectations. The Luxoft team needed to:

- Complete within the R20 Wealth instance of the bank that included T24, Triple A plus, Wealth channels for internal users and customers
- Consider the bank's upgrade project which was running to R21

- Collaborate with several external providers running different elements of the IT operation
- Coordinate communication between the subsidiary and HQ

### Solution

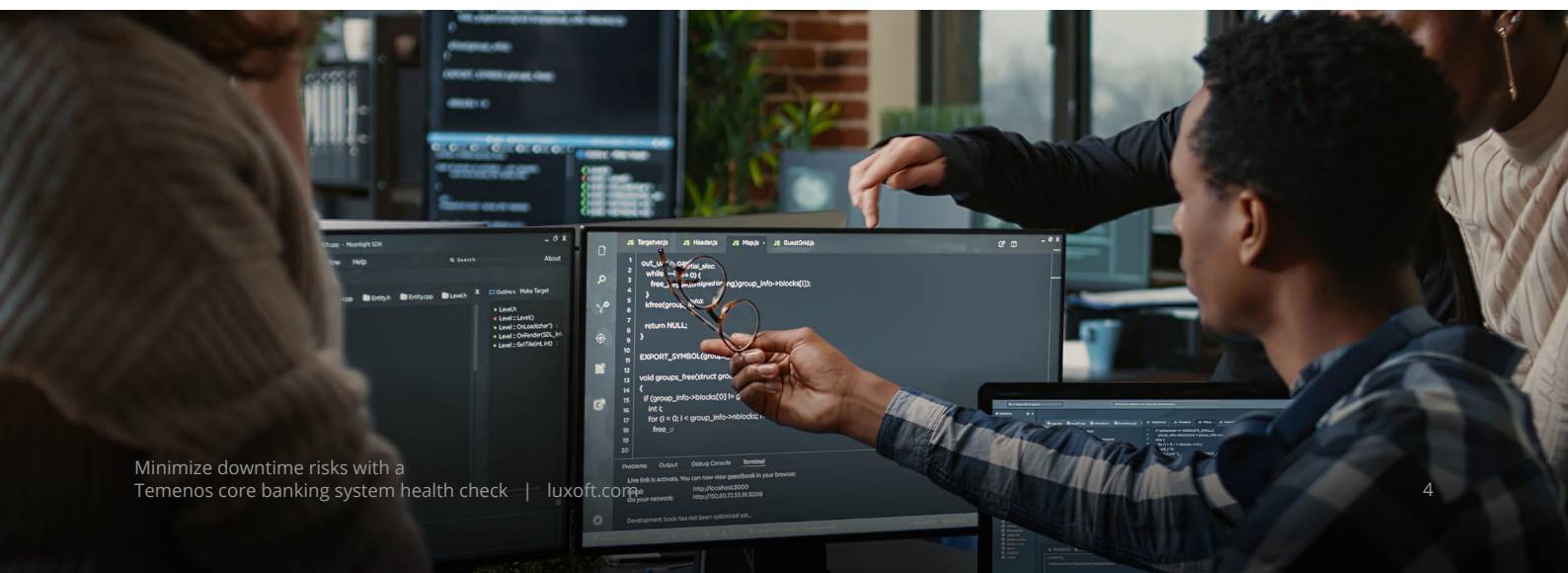
A 3-month, staged delivery approach:

- Identified pain points and provided recommendations for resolution and best practices
- Validated the impact of implementations by external providers on performance and provided recommendations for further improvement
- Developed a process for monitoring performance and addressing issues as they appeared

### Results

Recommendations for boosting solution performance and monitoring third-party delivery:

- Reducing application response times
- Improving business and IT operations, wherever required
- Designing a process to monitor future system performance degradation
- Engaging in periodic installation health check reviews



## 2. Program assistance for a major South African group

Luxoft's test team assisted the bank with enterprise, solution architecture, PoCs for new technology and functional components, running delivery streams with the program and helping set up UAT and performance testing. The bank needed assistance in running the overall program and coordinating communication between local and HQ teams.

### Challenge

Ensure that the program delivered the desired business outcome as follows:

- Help bank decide on SI concepts like enterprise and solution architecture
- Improve bank's understanding of the Temenos application stack
- Implement one of the first Temenos deliveries on AWS
- Resolve the bank's resource limitations
- Liaise between several different providers and implementers

### Solution

Delivered a full range of services over 9+ months to address bank challenges:

- Assisted the bank internally to run the program
- Provided experienced SMEs to advise the bank on system integration

- Convened a dedicated team of seasoned Transact, TPH, FCM, and TDL experts to support business and IT teams, increasing solution knowledge and skills
- Delivered program components like FCM, customer onboarding, etc.
- Helped client create and run a testing practice

### Results

Improved program delivery quality — SMEs in architecture, business and technical areas

- Bank had a better understanding of the solution's business and technical capabilities
- Decision process on the program-related activities improved
- Program management functions more efficient
- Control of activities with internal and external teams much better
- Validation of technical setups on new components established



### 3. Major German bank relies on Luxoft as a strong IT partner

The client was a cooperative bank headquartered in Germany. The cooperative consisted of around 100,000 members and 500,000 customers, served by 2,450 employees at 85 locations.

#### Challenge

- Optimization and digitization of the existing banking business and development of digital offers for health care professionals
- Stronger focus on personal customer relationships, unique solutions and sustainable value
- Introduction of a new core banking system and simultaneous change to an experienced full IT service provider combined with modern infrastructure services and secure application operation
- Faster time-to-market for new product and service development
- Improved operational efficiency along the entire value chain
- Comprehensive compliance with regional rules and specific ECB requirements
- Lower IT operating costs via an optimized delivery model

#### Solution

- Introduced a flexible Evergreen deployment model
- Initiated end-to-end responsibility for IT infrastructure and application-oriented (TAB) services as well as the workplace

- Implemented a bestshore delivery model comprising local and German-speaking nearshore resources with high seniority and customer identification
- Provided a redundant, flexibly managed Openshift cluster for development, acceptance and production
- Established Luxoft as a reliable service integrator during transformation and operation, ensuring a quality performance
- Supported risk management and compliance e.g., IRBA and ECB stress test

#### Results

- Flexible provision of resources delivered minimum database migration response times
- High standardization, end-to-end IT service management and a hybrid system architecture
- Bank employees benefitted from our Evergreen approach and current releases
- Partnership at eye-level enabled high transparency, trust and enterprise-wide buy in
- DevOps methods and flexible/customizable infrastructure delivered faster time-to-market
- Secure and efficient operation across all providers
- Optimized IT infrastructure operating cost transparency
- Modern Greenfield IT infrastructure and development, and a successfully realized streamlined data migration concept

# Health check scope

That's the great thing about Luxoft's Temenos core banking system health check. It ensures the system and technical processes implemented by your IT team are working according to best practice. Health check

outcomes highlight otherwise obscured operational constraints, bottlenecks and adverse events, together with considered fixes and a findings and recommendations report.

Audit scope includes	
Setup, configuration and solution usage	Implementation strategy, tactics, prioritizations
Integration and architectural design	High-level road map with ROM budget
Infrastructure	Hardware and software specification
Local development optimization	Availability/Downtime
Business process simplification/improvement	Security

As a result, our approach provides a 360-degree view of the current environment and operational issues. A typical health check team requires varying degrees of involvement from the following:

- Project manager
- One or two lead technical architects
- Interface integration architect
- Lead business architect
- Temenos senior technical expert
- Infrastructure specialist
- Solution architect





## Challenging times

In the three extraordinary years prior to 2022, many financial institutions were forced to rush through shelved plans for digitization. Most new device apps and online services depended on cloud availability, which brought data migration to the top of hurriedly rearranged boardroom agendas. To speed up the process, some of the larger banks snapped up fintechs and other digital natives.

In turn, that begged the question, “What about data protection?” Having hastily brought fintechs and other third parties with varying levels of security into the

equation, how could financial institutions expect to respond rapidly to the latest market twists and turns, and keep sensitive data 100% safe at the same time?

This meant compliance became a hot potato, with regulators aiming to ensure that banks were safeguarding cloud as they did on-premise working (newly acquired pure-play actors came to market so fast they couldn’t possibly have put entire compliance processes in place). And now, there’s the thorny question of data sovereignty to consider.

## Coming up with the goods

Inevitably, this all boils down to complying with ever more regulations. Add to that the need to concentrate on future business — volatile markets and how younger customers expect to conduct their transactions — and the emphasis shifts back to cloud migration and omnichannel services. But can existing core banking systems deliver the necessary flexibility and performance levels?

Luxoft’s Temenos core banking system health check analyses your platform and provides recommendations

on addressing the underlying issues that are slowing down operations, and limiting progress and profitability.

Once the Temenos core banking system health check report has been shared and agreed upon, our next steps are to ensure team readiness for deploying the recommendations, resolving the most pressing issues first as signposted on our road map. Luxoft works with you, post-implementation, to measure results and business impact via an in-depth review process.

## Temenos, the world’s #1 core banking system software from Luxoft

Temenos core banking system software enables traditional banks and pure-play market disruptors to enhance their ability to compete. Luxoft’s extensive cloud hosting, implementation and integration strengths help financial institutions adapt business models, adopting modern, fully hosted core banking system technology to stay ahead of the competition. Luxoft and

Temenos put organizations in a better position to deliver differentiated products while accelerating customer attraction and retention via cloud-native technology. In fact, over 3,000 banks (41 of the top 50) and more than 1.2 billion customers worldwide rely on Temenos core banking system software.



# Luxoft, a trusted banking industry partner

Expert in banking and capital markets solutions, Luxoft is a trusted provider of change, modernization and operational services. We partner with leading technology companies to provide an ecosystem of innovative

services, technologies and talent that enhances customer relationship management, empowering our clients to lead their industries.

## 7 advantages of partnering with Luxoft

1. Intimate knowledge of Temenos' capabilities
2. Thought leadership around Temenos products (e.g., Transact) and peripherals based on the successful execution of numerous core banking solutions
3. Alignment of best-in-class investments and co-innovation with the power of Temenos core banking system software
4. Differentiated services, including consultation, implementation, operations and hosting
5. Trusted partner, liaising with different teams to complete a successful health check of the core banking platform
6. Temenos experts are ready to be assigned to projects worldwide
7. Increased visibility and transparency of the Temenos core banking system. An independent analyst providing an unbiased assessment of the bank's existing architecture

## Like to discuss your core banking system issues?

To learn more about how Luxoft can help you with the world's #1 core banking system software, visit [Temenos Health Check page](#). Or, if you'd like to just talk things

over or arrange a Temenos core banking system health check for your organization, [contact us](#).

## About **the author**



### **Ian King**

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Ian leads the Temenos Practice within Luxoft. He brings over 30 years of experience in many roles within Banking and Capital Markets, having worked at several large financial institutions before moving to consulting. Ian has operated in all aspects of the technology business, from infrastructure, application support and development, plus project and program management, to leading a Temenos capability of over 240 people. He is looking to grow our capabilities, bringing exceptional value to all our clients.

### **About Luxoft**

Luxoft is the design, data and development arm of DXC Technology, providing bespoke, end-to-end technology solutions for mission-critical systems, products and services. We help create data-fueled organizations, solving complex operational, technological and strategic challenges. Our passion is building resilient businesses, while generating new business channels and revenue streams, exceptional user experiences and modernized operations at scale.

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