



# Crédito Agrícola starts a digital transformation programme

To materialize the promises of digital transformation to business areas, it is necessary to change products, services and, most of all, company culture.

Those changes cannot be made without having a proper technological infrastructure, ready to respond to the new realities that consumers are now demanding from brands. Crédito Agrícola is now starting this path.

## O Crédito Agrícola

With 1.5 million clients, 400 thousand associates, 79 regional offices, and 645 agencies, Crédito Agrícola (CA) is one of the drives of Portuguese local community development. The network of counters guarantees a close relationship with clients. But despite this, the banking world is being transformed. Aware of these changes, CA analyses and keeps up with technologies that allow for digital transformation.



## Crédito Agrícola

To materialize the promises of digital transformation to business areas, it is necessary to change products, services and, most of all, company culture. Those changes cannot be made without having a proper technological infrastructure, ready to respond to the new realities that consumers are now demanding from brands. Crédito Agrícola is now starting this path.

CA wants to take the lead when it comes to providing innovative payment services. The bank was a pioneer in the release of the dual card, contactless card, card with chip, and vertical card. In July, CA accomplished something more when it became the first Portuguese bank to provide the Apple Pay service - a clear commitment to technological innovation in payment methods. This service is associated with a debit card or virtual credit card and can be used in all terminals that accept contactless payments and e-commerce stores with the Apple Pay symbol. But the most disruptive service offered by CA is the moey! app. This is a banking app that is available at Play Store and Apple Store. It offers a set of financial services that are free from account maintenance fees, and where card transaction fees are free, worldwide.

That's a new, uncomplicated, and safe way to access to and use your money. Among its many advantages and features, moey! allows for withdrawals everywhere in the ATM network and payments using any POS abroad, and instant payments via smartphone. It also offers quick savings and automatic expense categorisation tools, among others. moey! has built-in apps, like MB Way, Apple Pay, and Android wallet. Crédito Agrícola manages this product's support infrastructure in conjunction with Claranet.

We spoke to Jorge Baião, the Executive Director and Chief Information Officer (CIO) of Crédito Agrícola, to best understand what the bank is doing in terms of digital transformation.



“The advantages are increased efficiency in requirement implementation, more speed in delivery to internal clients, and mitigation of the risk inherent to changes.”

**Jorge Paulo Baião**

Executive Director and Chief Information Officer

**Crédito Agrícola**

To this artificial intelligence enthusiast, the main technological approach to CA's banking operation is *“to create mechanisms that allow business to go to the market quickly, with focus, speed, and controlled, predictable costs.”* The Executive Director says that the big paradigm brought by technological innovation to organisations is *“to know how to accomplish technology, by delivering innovation and new tools that meet business units' requirements without increasing costs.”*

## Operation challenge

We live in a time when everything is changing fast. To keep up with these transformations, organisations must be agile enough to adapt and change procedures, services, products, and technologies in order to benefit from new business opportunities, to grow and not compromise their future. The CIO recognises that “there is a lot of technology in the market and that technology is always appearing in

massive quantities.” He wishes he could use all these technologies and implement them to enjoy what they promise. That would be the ideal scenario, but it brings huge challenges to Organisations, which must make their choices. Which technologies to choose? Where to start?

Organisations must gain elasticity and speed to improve internal processes and to be able to respond to business challenges. Digital transformation helps address these challenges by providing predictable costs and controls, and by ensuring speed, flexibility and agility. It is an opportunity to modernise CA's architecture and platform, but before implementing such architecture and platform, it is necessary to find the pace and way to implement new technologies in the organisation.

Examples are containerisation; microservices; private, public or Hybrid Cloud; and the emergence of new agile processes and a new DevOps culture. The CIO sees the infrastructure-as-you-grow paradigm as based on a Public Cloud and Private Cloud. *“The hybrid could in a regulated industry, such as the banking sector, is a huge matter, because it will allow to introduce and disseminate features, such as provisioning, that will be faster because they will no longer be made manually.”* Jorge Baião thinks this is one of the major benefits for IT teams. But among all technologies, there is one that he thinks can make all the difference: machine learning.

## Starting the change with a reference partner

CA took a step forward and decided to implement Microsoft Azure-based Public Cloud Solutions. This aims at getting flexibility to size services to meet needs, to customise applications and to access Cloud services from anywhere provided with an Internet connection.





*“complied with all good procurement practices, by identifying renowned service providers in the market of managed services.”*

**Jorge Paulo Baião**

Executive Director and Chief Information Officer

**Crédito Agrícola**

Moreover, the use of a Public Cloud aims at providing the bank with a competitive advantage, by providing the most innovative technology available with more controlled infrastructure costs. To make this real, some of CA's on-premise solutions had to be migrated to the Cloud. This allowed for CA to benefit from new services that facilitated the adoption of the new features, especially in the channels area.

All these changes had to be monitored and managed by a partner that had proved itself in the market. Crédito Agrícola chose Claranet. The CIO explains that this selection process *“complied with all good procurement practices, by identifying renowned service providers in the market of managed services.”*

Claranet manages all Azure's components used by the different bank apps and takes part in the implementation of business solutions. Jorge Baião states that the service contract entered into with Claranet *“encompasses a transition period that is still in force,”* and highlights that the implementation of existing solutions *“is taking place without any problems.”*



*“It is going well, because we were greatly in need of a service provider that had proven effective in migrating existing apps to a Cloud environment.”*

**Jorge Paulo Baião**

Executive Director and Chief Information Officer

**Crédito Agrícola**

Agile, DevOps, machine learning, and FinOps technologies are essential to the operationalization of this project. Given the complexity of this migration, several precautions were taken. Among them were the increased monitoring to prevent incidents, the follow-up made by internal teams in terms of knowledge exchange, the follow-up of the providers that built the apps and the involvement of Claranet from the beginning of projects using the Public Cloud methodology.



## Key services:

- Public Cloud
- Microsoft Azure
- 24/7 Support
- Cloud Management Portal

For more information about Claranet's services, and the benefits these deliver, go to: [www.claranet.pt](http://www.claranet.pt)

# The CIO's vision

**Increased efficiency in requirement implementation, faster delivery to internal client, and mitigation of risk inherent to change are some of the improvements made by the services provided by Claranet.**

Over his 25 years of career, Jorge Baião always sought the balance between corporate strategy and IT transformation in business. The Executive Director and Chief Information Officer of Crédito Agrícola is a natural born communicator. He has been sharing his experience and technological vision and teaching ISEG (Instituto Superior de Economia e Gestão, from Lisbon University) students for more than 16 years. We took advantage of this trait and spoke to the person in charge of the practical results that are arising from the digital transformation process started by CA.

## **How is the integration of Claranet's technical and service team in the current context of CA going?**

It is going well, because we were greatly in need of a service provider that had proven effective in migrating existing apps to a Cloud environment.

## **What advantages did the services provided by Claranet bring to CA's business processes?**

The advantages are increased efficiency in requirement implementation, more speed in delivery to internal clients, and mitigation of the risk inherent to changes.

## **What were the business areas that were more benefited?**

We started this service by using the support solutions to banking channels associated with the digital transformation programme.

## **What is the level of innovation of the project developed by Claranet?**

Given that this is an associated service, the use of a Public Cloud is pretty innovative, in the sense that it allows for CA to provide digital services and features.

## **Was the implementation of the agile model a positive experience?**

Yes. CA is already acquainted with the agile model. This model's applicability relies on solutions and teams.

## **How do you see this new infrastructure as code paradigm?**

This concept allows us to go from manual to automatic provisioning and to carry out automated management and operations, by using only a few hardware resources.

## **What are the ultimate goals of the infrastructure as code?**

I would say that they are five. Speed and simplicity, configuration consistency, risk mitigation, improved software development effectiveness, and cost efficiency.

## **Does the implementation of a DevOps culture accelerate the responsiveness to CA's business areas?**

Implementing a set of practices and tools that make processes between software development and IT teams automatic



Jorge Baião, the Executive Director and Chief Information Officer of Crédito Agrícola

allow for the broader engagement and union of people, processes and products, which results in permanent business value delivery.

**What are the benefits of the DevOps culture?**

There are many benefits. From the possibility of decreasing product flaws – because, given the permanent feedback, software delivered by DevOps teams is usually more suited to the purpose and relevant to the market – to increased flexibility and support.

Apps created by DevOps teams are typically more scalable and easier to support, due to the use of microservices and Cloud technologies. Time-to-market is truly short, given the swifter, more trustful implementations, thanks to the advanced Continuous Integration (CI) and automation tools. Team effectiveness is also improved. DevOps means collective responsibility,

which leads to increased engagement and productivity. And lastly, I would say, a broad product vision within the teams. Knowledge of the product is not scattered among the different positions, meaning improved transparency and decision-making that is more focused.

**Did you use this infrastructure modernisation process as an opportunity to change internal or external business processes?**

Our immediate focus was rearranging the processes related to banking channels platform for a differentiating offer.

**How do you rate the outcome of this service?**

It is still early to rate the outcome, but I expect a positive result because this service has allowed us to speed deliveries to clients and, consequently, increase client satisfaction.

**What improvements will you make in the near future?**

Transforming the data centre by using hybrid clouds.

**For more information about Claranet's services, and the benefits these deliver, go to: [www.claranet.pt](http://www.claranet.pt)**