

# Ahead of the

*Cetrel S.C. (short for "Centre de Transferts Électroniques") was founded in 1985 as a co-operative between 10 major banks in Luxembourg and the Luxembourg postal and telephone service Luxembourg Enterprise des Postes et Télécommunications. Today the company is a European leader in the field of electronic payment solutions and a*

*major service provider for the banking community in Luxembourg and beyond. TRANSFORMER talked with CEO Jean-Marc Fandel about his company's long road to IT Shared Services (ITSS).*



Jean-Marc Fandel,  
CEO, Cetrel S.C

*TRANSFORMER: Mr. Fandel, how does the concept of IT Shared Services reflect the changes within your company over recent years?*

CETREL: Cetrel was founded some 20 years ago as a shared service for its founding shareholders, the major banking houses of Luxembourg. Throughout its history, the company has always been about co-operation, and this co-operative spirit gradually attracted other institutions outside the circle of our original owners to seek our support as well. They now all benefit from our shared-solutions delivery. Today Cetrel operates as an efficient e-money hub, responding to demands from banking institutions for even more shared service solutions aimed at delivering tangible benefits to the Luxembourg financial centre and beyond. In the process Cetrel has transformed itself from a tightly focused co-operative to a diversified commercial service provider.

*TRANSFORMER: Would it be fair to say that Cetrel's road to ITSS started long before the concept originated?*

CETREL: You're absolutely correct. Most IT departments started out as kingdoms within themselves and began to gradually evolve into service-oriented units. The whole idea of aligning IT with the business needs of companies only started about 10 or 15 years ago, and yes, we had a head start because we actually were providing our members shared services from the very beginning. Of course, the environment has changed since then; today some of our core functionalities have become marketable services. In that sense you can say that we were ahead of the curve in our evolution from a co-operative, utility-style company to a commercially driven, market-focused, customer-oriented business.

*TRANSFORMER: So it seems that the concept of IT Shared Services came around at just the right moment in time for the development of your company.*

CETREL: Well, we weren't exactly facing a potential sudden death syndrome, so the decision didn't have to happen overnight. Building up the momentum for change took time because we didn't want to damage the fabric of what has been a long and very successful co-operation. I must admit however that the real eye-opener came when we were shown HP's transformation model, which provided a coherent and proven framework for guiding our internal discussions and setting the right priorities both at management and board level. You could actually see the pieces falling into place. I myself was new to the company and am more used to working in a commercial environment. Moving to a company that is driven more by a co-operative spirit forced me to revisit some of my preconceptions about the business of IT. In that sense the transformation to ITSS as outlined by HP did come at exactly the right time.

*TRANSFORMER: How does ITSS enable better service?*

CETREL: For instance by giving our clients access to best-in-class IT applications on a "pay per use" basis such as servicing a multi-bank webbanking platform. Another example are shared business processes that help our clients within the Luxembourg Financial Centre to reduce duplication and provide synergies wherever possible. This goes far beyond simply providing another IT. In fact here we're talking of providing a full business process, for instance when Luxembourg retail banks outsource their entire payment card handling and processing to us. In this context it becomes crucial for us to have a clearly outlined framework for discussion and decision. Only then can we hope to achieve a perfect alignment of business and IT and to develop even better services.

# Shared Services Curve



*TRANSFORMER: How wrenching were these changes for your IT people and how did they react?*

CETREL: The goal itself was very straightforward: transform a technology-oriented company into a customer-centric organisation. But from there on things became rather complicated since many parts of the classic theory of change did not apply in our case. Furthermore, change could not feed on errors of the past as we are relying heavily on tried and proven technology. As our IT people would probably say all we needed to do was add a customer interface to our existing infrastructure while preserving the technology that worked successfully for us in the first place. We realised that we had to build on those successes, celebrating them and developing our confidence in our capabilities. Building a new company on a basis like that is hugely motivating for anyone associated with the change, be it staff, management or board member.

*TRANSFORMER: Would you describe your road to ITSS as top-down or bottom-up?*

CETREL: In the beginning it was top-down, but it rapidly invaded all areas of our organisation. Such a huge change cannot only be orchestrated from a helicopter perspective. Management and staff have to be fully aligned in the implementation and execution process in order to make it a success.

*TRANSFORMER: How far along are you in achieving the benefits you planned for?*

CETREL: Our target was growing existing services and creating new shared services in response to market needs. Therefore it was crucial to structure our service offering in a coherent way.

We had to put in place a centralised service management. And since we were typically very data rich, but information poor, we had to model our information management in ways that would sustain new service management initiatives. These are just two aspects of a wider series of work packages which will help us assure a structured capability to deliver services. Now we have to push on to the next level of maturity.

*TRANSFORMER: Where do you hope to be five years from now?*

CETREL: Reliability is at the forefront of everything we do. This transcends the entire organisation, including development, operations, customer support and central administration. Information must be made readily available to help improve the current processes and to respond to the wider needs of the Luxembourg financial centre and other customers. To those ends Cetrel is in the process of establishing a new approach which remains soundly based on its founding principles while simultaneously responding to the growing needs of the community it serves. Within Cetrel we describe this process as the roadmap, a process which allows us to follow multiple routes to achieve our goal. That way we hope to evolve further and grow as a business reflecting and communicating the essentials which make us unique and enable us to remain a partner of trust for our stakeholders.