SWOT Analysis and Comparison between Financial Core Architectures to Identify the Reliability and performance for Customer

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ABSTRACT

A SWOT analysis has used to identify the data warehouse architecture of current financial institutes and proposed financial institutes using internal strengths and weaknesses, as well as external opportunities and threats. The paper has also focused on comparative study while identifying both data warehouse architecture of financial institutes using SWOT analysis. The SWOT analysis and comparative study has proved that the strengths and opportunities of proposed data warehouse architecture of financial institutes is best as compare to current financial core architecture. Hence the study proved that proposed financial core architecture will be reliable and perform best role for customer in overall financial institutes.
Keywords: SWOT, BUID, CORE and CBS.

1. INTRODUCTION

SWOT is an acronym which stands for Strength; Weakness; Opportunity and Threats. The SWOT analysis has made available to take important decision by each of us. There are times when we have to make a quick judgment, and we will base those decisions on the information we have available. Yet, there are other times when we have to look at lots of different factors available, and this is one of the times when we need to use a SWOT analysis. Many people wrongly assume a SWOT analysis is only relevant for businesses, but it can be invaluable for individuals, organizations and also compare while analysis in research area. [1] There is another benefit from completing a SWOT analysis, and this is when we complete the analysis on behalf of our architecture or model. The power of the SWOT analysis will be evident in our analysis. In this paper we used SWOT to analysis and comparison between current financial core architecture and proposed financial core architecture to identify the best one, reliable and performance for customer point of view using strengths, weakness, opportunity and threats.

2. CURRENT FINANCIAL CORE ARCHITECTURE

The figure-1 shows current financial core architecture. Data warehouse and data mining techniques are used in current financial core architecture. The data warehouse used in current core financial architecture is based on individual financial organization like Bank, insurance etc and the data warehouse used in current core financial architecture is not an integration of overall financial organization and this architecture is not helping to all government organization to take proper decision at right time and place. The Current financial core architecture strengths, weakness, opportunity and threats are given below using SWOT-Analysis.

2.1 Strengths

The concept of CBS has helped banks become one-stop shops for all the financial needs of retail and corporate customers by offering multiple services under one roof. Through CBS, customers can now access their accounts from any branch of their bank, irrespective of which branch the account was opened at.[3] CBS increases employee efficiency and reduces human error and fraud and it also facilitates the correction of errors. CBS adoption has given bank employees the opportunity to strengthen their relationships with customers. In current financial system or banking system customers
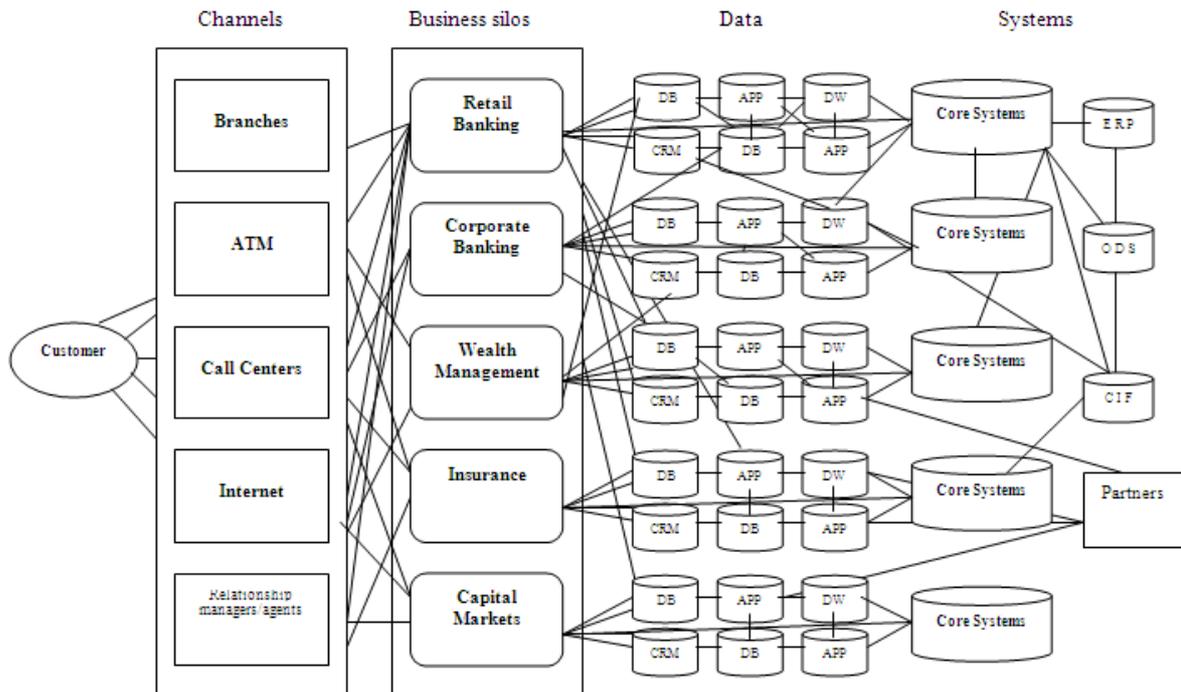
Figure - 1 Current Financial Core Architecture of BANK [2]

have given cards to do transaction from several channels. A core banking system will maintain linkages between accounts and customers. A banking system that holds a single instance of a customer's record and then relates all of that customer's accounts to that record is said to be 'customer centric'. The advantage, a customer can operate on his account from any branch of the bank and if the bank owns Internet Banking or ATM facilities, then the customer can operate on his account from virtually anywhere.[4] It allows the user (customers) to operate accounts from any branch if it has installed core banking solutions. Technology would help in building large data repository which could be used for cross-selling purposes; banking continues to remain essentially a service business where customers prefer to feel the personal touch. Core banking solutions paves the way for Introduction of the electronic funds transfer mechanism tried in a secure way.

2.2 Weakness

All Financial sectors have individual core system. In current financial system or banking system customer have to carry different cards for different account. In current financial system pan card and account cards are separate so it's difficult for Income Tax department to maintain and control individual details and transactions of customer accounts for Income Tax purpose. In current financial system ATM, Bank, Shares, Post Office, Loan, Insurance, Income tax, Import/Export, Bonds each have made separate transaction. In Current Financial system customer have to used separate card for each account transaction. All financial sectors, including Government, Private, and Public are working in under different roof. So it's difficult for the government to monitor and make decisions regarding financial crises in current financial system

The current Finance system won't monitor and manage the customer's transactions in assorted banks or other finance institute under one roof so it's difficult to detect the defaulter and can't take suitable action in current financial system. Financial institutes are not maintaining transparence in account opening system and its transactions. Financial institutes won't take biometric details while opening new account and also not verify his/her accounts in assorted financial institutes.[4] Software application, like internet banking, insurance etc which are exposed to users on public networks, are vulnerable for security purpose. Customers are not aware about RBI policy and their own transactions. Data warehouse and data mining techniques are used in current financial core architecture. The data warehouse used in current core financial architecture is based on individual financial organization like Bank, insurance etc. Data warehouse used in current core financial architecture is not integration of overall financial organization and this architecture is not helping to all government organization to take proper decision at right time and place.

2.3 Opportunity

Old technology slows innovation and decreases productivity. Banks need new systems that empower the enterprise through an integrated infrastructure and processes aligned with strategic objectives. The right core banking solution can help your bank quickly deploy new products and lower costs to enhance your ability to compete. Compliance is complex and expensive. The right regulatory platform will lower costs through improved asset reusability, faster turnaround times, and increased accuracy. To improve the speed and accuracy of decision-making, banks must deploy systems that streamline integration and unite corporate information to create a comprehensive analytical infrastructure. Through a

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holistic core banking architecture, banks can target customers with the right offers at the right time with the right channel to increase profitability.[5]

2.4 Threats

The increasing empowerment of the collective voice of customers continues to raise the pressure on banks to improve their relationships, stay relevant and demonstrate their added value. Modernizing legacy core banking systems is a matter of addressing IT cost and efficiency. The integration of risk management across the enterprise to meet an increasingly complex series of compliance requirements while mitigating operational risk, fighting crime and optimizing financial returns.[6] Excessive reliance on technology and any failure in computer systems can cause entire network to go down. If Data is not protected properly and if proper care is not taken, hackers can gain access to the sensitive data. The current core architecture has threat from physical damage and natural disaster.

3. PROPOSED FINANCIAL CORE ARCHITECTURE

We have introduced proposed financial core architecture named **"Data Warehouse Architecture for Financial Institutes"** shown in figure-2. Data warehouse and data mining techniques are used in proposed financial core architecture. The data warehouse used in proposed core financial architecture is based on integrated financial organizations or institutes and help to all government organization to take proper decision at right time and place. The proposed financial core architecture strengths, weakness, opportunity and threats are given below using SWOT-Analysis.
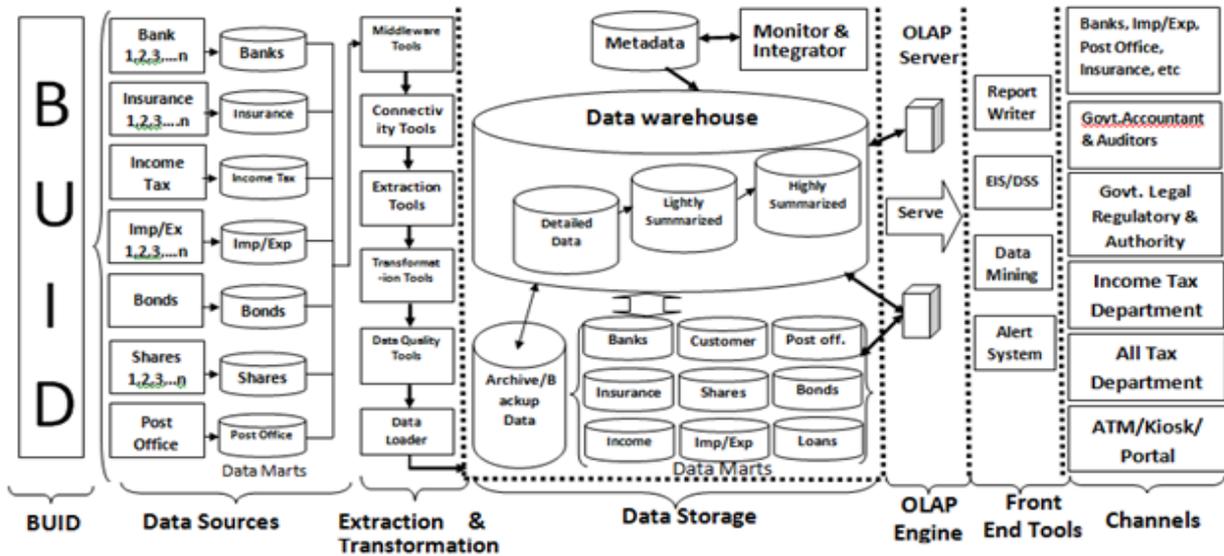

Figure-2: Data warehouse Architecture for Financial Institutes. [7]

3.1 Strength

The proposed data warehouse for financial institutes and BUID code can easily blend with current system, so that the present system can be easily changed into new one.[7] Financial institutes will take biometric details while opening new account and verify his/her accounts in assorted financial institutes and The concept of BUID will help to maintain and monitor the complete transactions of a customer accounts (individual/group/society) using data warehouse for financial institutes.[4] The data warehouse for financial institutes will maintain transparence in account opening system and its transactions. The government can monitor and can easily make decisions regarding financial crises. The Income Tax department need not worry to maintain and control individual details and transactions of customer accounts for Income Tax purpose. The BUID card will be better alternative than the PAN card, since the BUID card maintains biometric detail and his income details.[8] Under this architecture, all financial sectors, including Government, Private, and Public will work under one roof. The Financial system can easily detect the defaulter and can take suitable action using data warehouse architecture for financial institute. As we maintaining Data Warehouse, The Online transaction processing (OLTP) and Online Analytical Processing (OLAP) can be used for efficient decision making process. Government accountant and auditors, government legal regulatory and authority, income tax department, all tax department and ATM/kiosk/portal becomes the end users of proposed data warehouse architecture for financial institute. Data warehouse architecture for financial institute of finance system will monitor and manage the customer's transactions in assorted banks or other finance institute under one roof.[7] The BUID card will be one card to handle instead of all account cards (Debit card, Credit card etc). In proposed system every transaction will be made available using single BUID card and will be capable of making transaction in respect of ATM, Bank, Shares, Post Office, Loan, Insurance, Income tax, Import/Export, Bonds.[8] The Proposed Finance system will monitor and manage the customer's transactions in assorted banks or other finance institute under one roof and can easily detect the defaulter and can take suitable action using BUID.[9] A new focus is on the customer through improved customer information, insight and interaction. Banks that

invest in these areas will cultivate customer–centricity, build trust and drive profitable growth. Through a single view of the customer, you can build customer intimacy by analyzing customer needs and creating new products and solutions based on accurate, up-to-date customer profiles. The proposed architecture will be protect the identity of customer and ensure establishment of appropriate mechanisms to proactively guard against internal and external misuse of customer information.

3.2 Weakness

Is the IT infrastructure at the branch or portal technically ready to accept proposed system? It's needed appropriately trained, skilled, knowledge and acquainted employee and user with new system. Data need to migrate from the old core banking system architecture to new one. What is the granularity of the data? Does the data represent different levels of relationship? In all at once the old system is replaced at the central server with proposed approach of data warehouse. A key disadvantage of this approach is that data migration needs to happen all at once and requires a lot of performance testing to ensure that the new architecture does not affect the system.[10] Excessive reliance on technology and any failure in computer systems can cause entire network to go down. If Data is not protected properly and if proper care is not taken, hackers can gain access to the sensitive data. It needs robust, highly secured and centralized large repository to store the huge amount of data. Accurate data entry with biometric details is a challenging task. A high quality central data Server which provide uninterrupted service is essential to extend the required services in the challenging and crucial financial domain.

3.3 Opportunity

As one of the most technically advanced banking systems available today, its combines flexible business functionality with advanced and scalable architecture, so it can help banks address today's challenges and future opportunities. The proposed architecture will need to keep pace with rapidly changing regulations, competitive dynamics, and customer demands. All of this means that proposed architecture will be a strong choice for banks and other financial institutes seeking long-term value from their core banking systems. Customer need to be aware about RBI policy. RBI should change the policy.

3.4 Threats

May the new or existing users or employee take some time to feel comfortable with proposed system? The hardware and software in the branch won't be sized correctly to accommodate the proposed system. Some high level authority or political person may oppose to implement the proposed system because of transparency of model.

4. COMPARISON AND RESULT ANALYSIS

Data warehouse and data mining techniques are used in both current financial core architecture and proposed financial core architecture but the difference is that data warehouse used in current core financial architecture is based on individual financial organization and data warehouse used in proposed core financial architecture is based on integrated financial organization and help to all government organization to take proper decision at right time and place. The first strength of proposed financial core architecture of SWOT analysis said that "The proposed data warehouse for financial institutes and BUID code can easily blend with current system, so that the present system can be easily changed into new one." It means all strengths of current financial architecture or system is included in proposed financial core architecture. So remaining points mentioned in proposed financial core architecture is additional points or benefits provided by it using SWOT analysis. Hence the study proved that proposed financial core architecture will be reliable and perform best role for customer to enhance the financial core system by using data warehouse architecture for financial institute.

5. Conclusion

Implementing the data warehouse architecture for financial institute provided many sophisticated facility that was never provided by current architecture. Here we have proved only data warehouse architecture for financial institute for all financial institutes which will be reliable and perform best role for customer to enhance the current financial core system. The paper is focused on BUID code based data warehouse architecture for financial institute shows how transparency can be maintained while generating account number and while making transaction using SWOT Analysis. The strength of proposed core financial system is providing powerful way of BUID will be tightly integrated with the banking, CRM and transaction processing etc. of overall core financial system using data warehouse architecture for financial institute and Data warehouse architecture for financial institute will be help Core system to monitor and manage the customers opened number of accounts in assorted banks under one roof.

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