

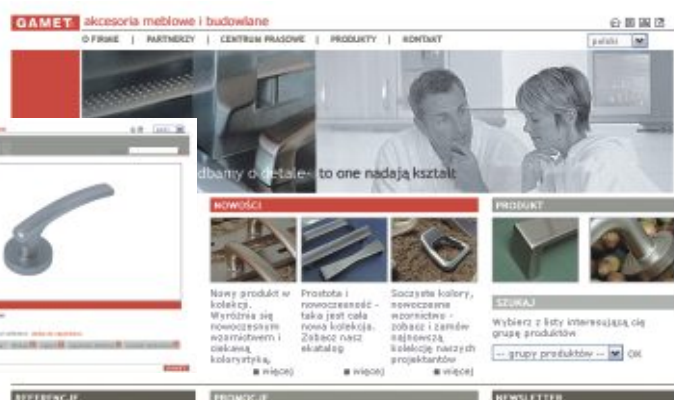
BONAIR®

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#4 > December 2005

review

Implementation

> Modern production and management



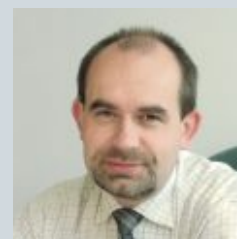
Gamet, the largest Polish producer of furniture and construction accessories, manufactures several thousand products, each of which is available in several versions. Until recently, this process was managed almost entirely manually. The implementation of Axapta has changed everything – for better. The new system has enabled planning and production processes and introduced a quality change in supporting the holistic management process. [page 3]

Happy New Year!

– Bonair management and employees

Implementation

> The power of the central data base



*The main task of the SI-OKP*KI System for Servicing Preferential and Investment Credits with the ARiMR subsidies in the BGZ S.A. is issuing requests for subsidies to preferential credit interest rates, and preparing reports for the Agency for Restructuring and Modernization (ARiMR). Thanks to the centralized SI-OKP*KI system, the preferential credit servicing procedures are transparent efficient, and the number of generated errors is much lower than previously, says Slawomir Koprowski, the Director of the State Operations in BGZ S.A. [page 7]*

> **RSA SecurID – the system under locking key**

Bonair now offers RSA SecurID, a secure user verification tool for IT systems.

Each user is equipped with a token – a miniature tool that generates a unique code every 60 seconds. The code is a one-time user password, which can be neither overheard nor transferred to a third party. The system operates on all types of computers, and no additional hardware need to be installed.



Ladies and Gentlemen

It was exactly a year ago that we issued Bonair Review for the first time. Yes, we have been accompanying you for a year now, and during this time we have described several large and complex implementations, and given our clients a chance to express their opinion about us.

In this issue, you can read about the implementation of the Monitoring System for Investment Credits with the ARiMR subsidies in the BGZ S.A. (Bank Gospodarki Żywnościowej). We have already described the implementation of the central system in the Agency in one of the previous BR issues (3/2005). This multi-level, complex system has encompassed the Agency and almost 2,000 banks that grant preferential credits. The BGZ S.A. actively participates in crediting agriculture and our new system has been incorporated at the Bank Headquarters and all local crediting branches as well.

In this issue you can also read about the Microsoft Axapta system implementation in Gamet, one of the leading Polish manufacturers of furniture and construction accessories. The implementation, completed by Bonair and Axacom Bonair's subsidiary company, has affected all main corporate processes such as production, finances and pay-roll.

In the last quarter, we participated in several events that were of great importance to us. One of them was a conference for investment funds and depositaries, which we co-organized with Microsoft. During the conference, Bonair's solutions for asset valuation and servicing transfer agents in investment funds were presented. In September we also participated in the ProClarity "Understanding 2005" conference in London. The main subject of the conference was the launch



Jan Szymanowski
Wiceprezes Zarządu
Bonair S.A.

of ProClarity v. 6.1 that colla-borates with the MS SQL 2005 platform. In November, together with Microsoft and Citrix we co-organized a conference dedicated to the topic of providing secure access to applications (e.g., the new 4.0 version of Citrix Presentation Server, the Citrix Access Gateway solutions, and the RSA SecurID password generator were presented.)

In the next Bonair Review issue, we will present to you one of our most interesting system implementations in the banking sector. We will also describe our new products for financial institutions, as well as the add-on modules to Microsoft Axapta.

On behalf of the Bonair management and employees, I wish you all the best for the approaching holidays.

Jan Szymanowski

Conferences, presentations, seminars

"Securing remote data access – mobility, security, access technologies, Microsoft, Citrix, RSA Security" conference

November 30th, 2005, Microsoft,
Warsaw, 195a Al. Jerozolimskie

Co-organized by Microsoft, Citrix Systems and Bonair

"Systems for companies" conference, Bonair's presentation on "Business Intelligence, or how to process data into useful information. The effects of using the ProClarity and Microsoft technologies."

December 6-7th, 2005, Marriott Hotel
Warsaw, 65/79 Al. Jerozolimskie

Organized by Software Konferencje

"The 10th Electronic Forum of Electronic Banking: Banks and E-Economy"

Bonair's presentation on "Automating asset and investment limit valuation processes in the AVS system – flexibility, universality, and security in the Microsoft Dynamics Ax (Axapta) environment."

December 8th, 2005

Banking-Financial Center, 6/12 Nowy Swiat St, room A

Organized by the Center for IT Promotion

RSA SecurID – a system under locking key

Bonair now offers a system that enables secure user authentication based on the RSA products.

In the RSA SecurID system, a user is equipped with a token – a miniature self-servicing tool that displays a 6-digit code every 60 seconds. The code is a one-time password that is one of the two elements that need to be entered for the user to log in successfully. While logging into the system, the user enters his/her own PIN, as well as the number displayed at this very moment by the RSA SecurID token. Using passwords that are valid for one session only significantly reduces the risk of accessing the data by an unauthorized user. Thanks to this method it is impossible to "overhear" the password or to pass it to a third party. The system can be accessed from any computer, and it is not necessary to install any additional tools/features. It is fully integrated with MS Windows and with the Citrix solutions.

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Axapta in Gamet

> Modern production and management

The Gamet company manufactures several thousand products, and each of them is available in several versions. Until recently, this process was managed almost entirely manually. The implementation of Axapta has changed everything – for better.

Gamet Ltd, the manufacturer of furniture and construction accessories, belongs to an American investment fund. It was the owner that insisted on implementing an integrated IT system in order to raise the company market value.

>> Before ERP's arrival

Before an integrated system was implemented, Gamet had utilized an old IT system without production and logistics modules. The system was supporting only warehouses operations, and simple reports that could not be modified. In other words, the production process was managed by hand, and only simple MS Office-based tools were used. Purchase orders were placed by phone, fax, or on paper forms. Production of warehouse request were transferred in multiple Excel files by phone or email. Sales people constantly checked with the production department employees to see when the requested products will be ready.

Data transfer from the existing systems to Axapta

The project involved creating a new structure of indexes of finished products, semi-finished products, and raw materials. The index migration required the following steps:

1. Preparing a new index structure and determining when it should become available to users.
2. Identifying indexes that needed to be eliminated (useless items that have been stored in warehouses).
3. Assigning new indexes to the old ones (for each individually, because the name inconsistency occurred).
4. Creating a new index list that could be co-shared (by various departments)
5. Supplementing the index data base with data that is crucial for Axapta to run (e.g., additional prices, weight of products, names, accounting groups, cost rates, etc.)
6. A trial data base transfer to Axapta, and data verification following the move
7. Conducting a warehouse inventory for selected warehouses, according to the rules specified by the old indexes. The process was followed by a conversion of new indexes to the data base. The cost of every batch was identified.
8. A trial import of the warehouse inventory data for a selected month in order to enable the comparison of quantity, value, and accounting data.
9. Entering data that refers to all the indexes and importing it to Axapta.
10. Conducting an inventory at the moment of the system launch, and saving the inventory data in an Excel file (the data – including costs – for all the batches presented separately).
11. Importing data to Axapta, data booking and verification.



Gamet owns 3 production facilities in Poland: two of them are located in Chelmza, and one is located in Torun. In addition, the company also owns a central office, and a remote warehouse in Torun, as well as a sales department and a warehouse in Gdynia. Gamet also has subsidiary companies in Germany and Ukraine, as well as a production facility in China. Since the company structure is extremely complex and decentralized, keeping and planning a production flow efficiently, as well as taking action to encourage the company growth (e.g., through analyzing production orders) were difficult tasks for a large group of the company employees.

Logistical tasks were completed without IT, and paper documentation dominated. In the other departments, the situation was almost equally unfavorable. The sales system enabled issuing invoices, creating price lists, as well as preparing indexes of materials, semi-finished products, and products. Once a month, the sales and inventory data was transferred on a floppy disk to an accounting system, which also contained a products indexes. The listing, however, showed indexes that were inconsistent with the ones used in the sales and other departments. For example, the same index names in various departments referred to various products, and several indexes described one and the same product. In this reality, it was difficult to acquire reliable warehouse inventory data. Also, data transfer from one location to another was a complicated task.

Similarly, the financial-accounting system was also difficult to use. Because of its flaws, the system could not be effectively used to support the management processes. The existing solutions did not meet the company expectations, and the rapid growth of the company made it necessary to facilitate the management process. Consequently, the implementation of IT system has become a natural step on the company growth path.

>> A toilsome process of supplier selection

The ERP II class – Microsoft Business Solutions-Axapta system was chosen to solve all the company problems that were mentioned above. Bonair was selected to implement the system. Whenever business decisions are made, a criterion of cost-effectiveness plays a key role. In the process of selecting Axapta, this criterion was also seriously considered. The Gamet employees knew exactly what features they expected from the system, which they were going to use. Consequently, the choice of an appropriate technology was to a large extent determined by their expectations. The system was to meet their expectations and it

the implementation expenses had to be justifiable.

Another important factor was the system's flexibility to adjust to the company model. It is worth mentioning here that one of the options that Gamet considered was to implement the SAP system. However, after the company's size and unique features have been taken into consideration, Gamet decided to select Axapta. The main advantage of Axapta was the fact that it could be implemented faster than SAP, which reduced implementation costs significantly.

Before the final decisions regarding the new IT system and the system supplier were made, both Axapta and Bonair underwent several phases of a thorough non-standard verification process. Bonair consultants had to give several presentations in order to prove that Axapta would meet the Gamet-specified system expectations. Furthermore, the supplier competencies were also verified. The fund representative made several reference visits and participated in business talks with several other company clients who had already implemented Bonair's solutions. The Gamet management expected that the project was to be managed by one of the Bonair leaders, someone experienced in the field of implementations of such scope. Mrs. Grazyna Kubiak, the Head of Bonair's Implementation Department, an experienced consultant and an excellent expert, was approved in the end. The other consultants who were selected for participating in this process were also verified. "Chemistry" between the two companies was also checked. A meeting was held in which the Bonair consultants were asked a series of

questions by several Gamet employees. The goal of all these actions was to reduce a potential risk of failure that could have been caused by choosing inappropriate consultants.

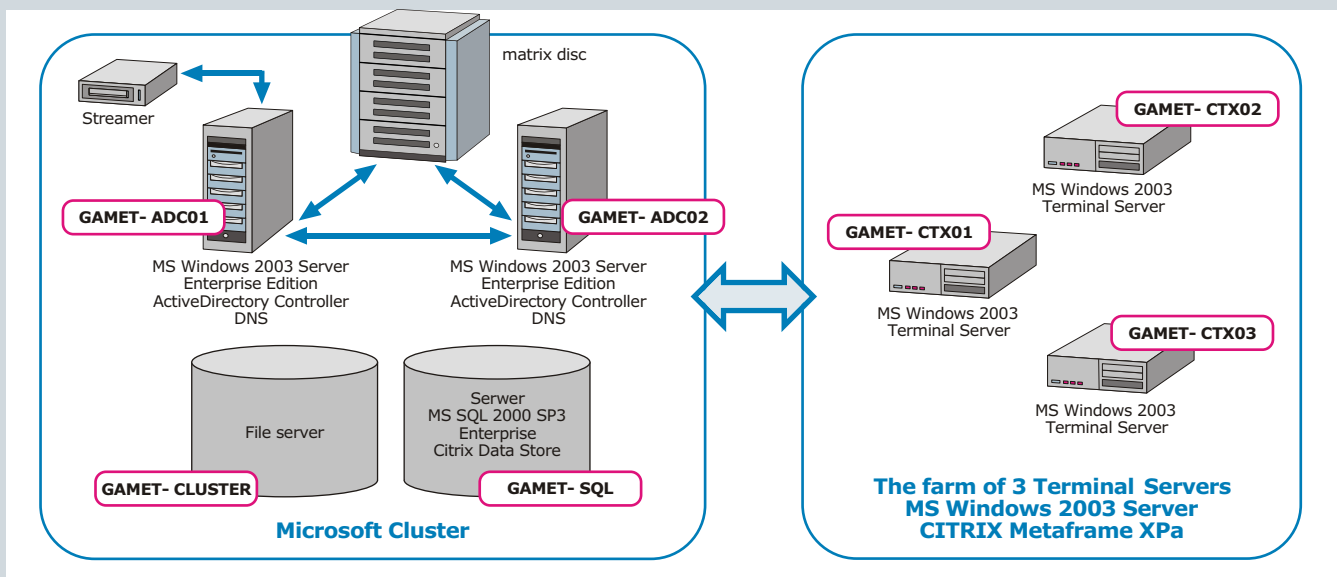
At the end, 5 Bonair and Axacom (Bonair-owned company) consultants were designated to participate in the project full-time. During various implementation phases, depending on the needs, several other experts (e.g., a consultant responsible for the system version or an infrastructure engineer) were also asked for their contribution. First, Bonair was asked to prepare a pre-implementation analysis. Based on its results, Gamet was to decide if the co-operation would be continued.

>> Preparing for major changes

Approximately 30 Gamet employees, mainly directors, vice-directors, and company experts, have participated in the project. Together with the Bonair consultants, they thoroughly thought the system over and decided which of the company processes should be reflected and managed by it. Before the system design project was completed, the team of system designers participated in a one-month-long training. Its main goal was to acquaint the Gamet implementation team with Axapta's basic capabilities. During the design process, detailed maps of company processes were also very useful. These graphic maps had been prepared by Gamet before the implementation process started.

The implementation design (or creating a scenario of what

System architecture in the Gamet company



The base of the system is 3-level architecture that uses Citrix terminal services. The system is centralized and all the servers are situated in the main company location. The system is made up by two basic modules:

Cluster – the central location in which data is stored. In order to guarantee maximum security and system accessibility, 2-node cluster was used. This cluster bases on MS Windows Server 2003 Enterprise Edition with an external matrix disk. One cluster node is a MS SQL data base server, and the other one serves as a file server. Two copies of Active-Directory controllers have also been installed on cluster servers, as well as Citrix DataStore data that enable the Citrix farm to work.

The cluster is equipped with a streamer that makes back-up copies.

Terminal services server farm – three farm servers use the Citrix MetaFrame XPa software. The server farm makes the Axapta application accessible to the system users. The farm mechanisms enable automatic log-in to the least overloaded farm server. Thanks to the WAN network, the application is accessible not only in a local company network, but in company remote locations as well. Thanks to the Citrix technology, it is not necessary to install the application on the users' computers. At the same time, it is possible to use the application in any desired location.

goals needed to be achieved) was one of the most difficult parts of the implementation process. People participating in the implementation had to ask themselves numerous questions. For example, which functionalities they wanted to use and which of them needed to be modified.

If an error was made during this phase, it could have had serious consequences in the future. The implementation design phase was the key to success of the entire endeavor. Defining a system is really the heart of every new IT system implementation, and during this phase most serious threats are identified. It is worth mentioning here that both the parties, Gamet employees and Bonair consultants, were actively involved in the design process.

Servicing the processes of production, planning and logistics demanded tremendous conceptual work and large organizational changes. In order to understand the large scope of this endeavor, it is enough to realize that several thousand Gamet products are made in numerous production facilities in various, often remote, locations, and often one detail has to come back to the same facility twice. The transportation among various production facilities takes place once or two times a day. In addition, some product details are processed by co-operating parties. Many orders have to be realized in 2 or 3 days. All these factors had to be included in the production planning process, and, of course they had to be reflected by the system.

Implementation facts

> What:

Microsoft Business Solutions
 – Axapta v. 3.0 system; xx licenses;
 70 individual users; finance, production (MRPI, II and III), storage, planning, advanced warehouse management, sales, purchases, CRM and business analyses modules; Axapta extension to manage product transportation and warehouse management; equipment infrastructure; 2-node Microsoft cluster server with database software with MS SQL, 3 Citrix server farm;
 Completed by: Bonair with Axacom's cooperation (Axacom is a company owned by the Bonair Group).

> Where:

Gamet (www.gamet.com.pl), the largest Polish manufacturer of furniture and construction accessories, was founded 17 years ago. It exports its products to 5 continents. Gamet owns 3 production facilities in Poland, one in China. The company headquarters and one warehouse are located in Torun. The commercial office and another warehouse are located in Gdynia. Gamet also owns companies in Germany and Ukraine. The company employs 580 people in Poland and 1,500 in China. In 2002 Gamet's revenue exceeded EUR 50 million and 35% of its products were exported. At present, the company belongs to an American investment fund.

> When:

October 2003 – March 2004: a pre-implementation analysis (designing system, process modeling and modifying, creating the implementation schedule);

March 2004 – Launching the implementation process;

1 June 2004 – Launching the system to service finances, sales, logistics, elements of production (management of warehouses);

1 September 2004 – System launched for the entire production process.



Gamet: towards the new quality

Bonair has provided Gamet with a tool without which managing the entire company effectively could not be possible. An easy and fast access to information, an ability to identify various company activities, such as placing manufacturing, packaging, purchase or demand orders, they all guarantee new and improved work standards that were instantly approved by the Gamet employees.



The implementation conceptual work was to be completed by March 2004. However, even as late as at the end of 2003, it was necessary to determine potential changes to the chart of accounts and the reconciliation methods. The goal of this task was to make it possible for Gamet to launch production in 2004 according to new rules, even though the old system was still going to be present. According to the plans, the ERP II system was to be launched in the middle of the financial year 2004, which would make it impossible to introduce changes to the accounting system then. This example shows that Gamet had planned the whole transformation process very thoroughly.

>> From conceptual work to reality

The system was launched in two steps: the financial, sales and logistics modules were launched in June 2004, and then, in September 2004, the entire production management module was launched.

During the system implementation process, dedicated solutions were created which expanded Axapta functionality. These solutions involved the processes of shipping products to customers, the servicing of import orders along with the management of containers that Gamet uses to ship its products to 5 continents. A second warehouse unit was also entered into the system in order to make it possible to quickly estimate the quantity of received or delivered pre-weighed merchandise, without the necessity to count it. Other types of modifications have successfully improved labor ergonomics for selected positions and automated selected processes.

The project also involved a complex operation of migrating 27,000 indexes from the old system to Axapta. Their structure has changed in the new system, where indexes were given more information and their retrieval became easier. Additional tools that have been created in Excel have also made it possible to verify the process of data preparation. Still, the Gamet employees were faced with a very time-consuming task: they had to check all the differences, assign new indexes according to the new rules, and prepare cost analyses that were required by the new system. This task was difficult also for another reason: detailed index data was to be provided by numerous employees from various departments of the company.

Before the new system was launched, the Gamet employees had to test the parameterized system modules along with changes implemented, following carefully designed test scenarios and model concepts. During the tests, the Bonair consultants provided their assistance in person, or they contacted

the testers via a portal that Bonair had created for this very purpose. The already mentioned migration had also been tested before it took place. At the same time, while the system was being implemented, the end users were also trained. In the training, which took 2 months, over 100 people were divided in several groups, for which various training paths were specified, starting with basic system functions to advanced ones (such as planning) or specialized capabilities

>> A shot of adrenaline

On September 1st 2004 the integrated system was launched in the production version. The launch of the system that would service the processes of production and logistics (that did not utilize the IT technology in the past) required numerous changes. Many Gamet employees have become aware of their personal influence on the company activities, and they began to participate in the process of generating data and facilitating data flow actively. This phase was extremely dangerous. If too many errors were to occur then, the end users would have lost their trust in the system and treat it as the necessary evil, and not a useful tool.

The implementation team was also faced with other serious and unpredictable challenges. One of them was Gamet's fusion with another company. Consequently, it was necessary to add the acquired company to the system, and to transfer all the data. Also, some operations needed to be completed in the acquired company. Formally, the companies were joined on the 1st of November, 2004 and in only two days it was necessary to finish all the mentioned work. On the 3rd of November the entire newly-created company was to resume its sales according to the Gamet policies. Axapta has enabled this complex process and successfully proved its flexibility.

>> Efforts rewarded: the system works!

Thanks to the implementation of the Axapta system, it has become possible to control the entire production process, and especially the planning phase. After an order is registered in the system, Axapta checks to see if the requested product is available in a warehouse. If it is not, the system generates a production plan, which specifies deadlines for manufacturing

Implementation benefits

- > Integrating production with the IT system, and with the entire process, starting with planning and ending with shipping merchandise
- > Optimizing the production process
- > A possibility to reconcile raw materials and production costs properly
- > Electronic data transfer for key business processes
- > Up-to-date information about clients, warehouse inventory, deadlines, order realizations, available in real time
- > Facilitating customer service
- > Generating ad hoc reports for the management
- > Increasing the level of responsibility for data quality within the company
- > Raising the market value of the company



Under the management's supervision

Axapta has introduced a new quality in the Gamet company and improved its management process. A faster process of information exchange, better relations in management enable more effective company management. However, even though the solution is very good, it is not ideal. The company management is aware that the system will need to be modified in the future in order to take full advantage of the opportunities offered by Axapta.



selected products. If manufacturing a given product is impossible within a specified period of time, another, more realistic deadline is generated. The process is very flexible thanks to the "production itineraries" that are saved in the system.

Currently, both the progress of production orders, as well as time granted to complete them are registered, which gives a unique opportunity to control the direct manufacturing costs, both the predicted and the real ones and to identify every production batch. Orders are distributed in the planning department, and the production directors are only responsible for completing their tasks. The information flow between the order placing unit and the sales unit has been fully centralized.

A currently used order of product shipment to a customer can serve as a good example of how the labor quality and efficiency have improved. Paper documents have been replaced with the electronic ones. The employees register orders in the system, and monitor their realization progress in the system as well. Similarly, raw materials reception and/or delivery are also registered in the system, and they are related to production orders and sales orders. As the result of the implementation, a new reporting Axapta-based system has been generated. Its scope is several times broader than in the previous system, and the information retrieval process is very rapid.

The Axapta implementation enables optimizing the manufacturing process as well. The system groups together purchase orders for products whose manufacturing requires the same machine settings. Consequently, materials are utilized more efficiently, and the machine settings costs are reduced. The system also enables explaining potential shortages, and facilitates decision-making regarding recycling unused products/materials.

The quality of supporting a holistic company management process has also been improved. Undoubtedly, integrating the information flow process and improving production management have been the most significant advantages of the implementation. At present, "information" is treated as one of the key parameters that affect the efficient and fast functioning of the organization. At the same time, data transparency, achieved through the implementation, is also very important.

We could take much more time describing all the benefits of the Axapta implementation, especially when it comes to the company management. It is not surprising that the Gamet employees are proud of the new system. The Gamet management claims that the company employees have probably never before been given such wonderful intellectual entertainment. ■■■■

The Monitoring System for Investment Credits with ARiMR subsidies in the BGZ S.A.

> The power of the central data base

The main tasks of the SI-OKP*KI system for servicing preferential credits in the BGZ S.A. (Bank Gospodarki Żywnościowej) are generating request orders for subsidies and generating reports for the ARiMR.

The old system was able to complete the mentioned above tasks, but its structure was far less efficient, and its MS Access 95 data base technology was truly old-fashioned.

Mr Sławomir Koprowski, the Director of the State Operations in the BGZ claims that using separate data bases in the bank was inconvenient, costly, and dangerous. Files were transferred to the central data base once a month, and whenever it happened, the amount of work tripled. In a short amount of time, it was necessary to enter the data in the data base, then verify and correct it, and finally generate files for the ARiMR. It was necessary to run sub-systems and data bases in as many as 100 separate units. Also, managing user rights was not transparent enough. *We decided that one, central data base for preferential credits needed to be created, and our employees themselves would supply the realtime data*, Sławomir Koprowski says. The project was completed in two phases.

>> To start off


During the first phase, the SI-OKP* KI Intermediary Bank sub-system was implemented, and the central data base of granted credits and credit-takers has been created. Next, all the data from numerous individual data bases has been transferred to the newly-created central data base via specially prepared files. When this process was completed, all the data was verified to eliminate potential errors and ensure its completeness. Then, for a month, reporting documents were generated by both the old and the new system simultaneously. After all the subsidy requests and the ARiMR reports that were generated by both the systems were carefully compared, the ARiMR received the SI-OKP* KI-system generated reports. This implementation phase ended with the reconciliation of the ARiMR-granted subsidies. From then on, the BGZ prepared its reports for the ARiMR using the new system only.

Implementation benefits

- > Easier operation control in local branches
- > Immediate verification of data transferred to the headquarters – an ad hoc opportunity to eliminate errors
- > Generating request orders for subsidies and reports for the ARiMR rapidly
- > A significantly reduced number of errors
- > Automated calculation of the ARiMR-granted subsidy limits
- > An opportunity to declare incomplete limit usage before the deadline helps avoid paying penalties



Sławomir Koprowski
Director of BGZ
State Operations



” Thanks to the centralized SI-OKP*KI system, the procedures for servicing preferential credits are transparent, fast, and much fewer errors are generated. ”

>> Departments plugged in

After several months of using the system without problems, the BGZ was ready for the second implementation phase: to install the Crediting Bank sub-system, and to plug in all the departments. *The implementation of the Intermediary Bank sub-system has enabled us to create the central data base for preferential credits, to which data was transferred with a monthly delay via files generated by various branches. We were not fully satisfied with this solution*, Sławomir Koprowski explains.

Initially the new version of the Crediting Bank application has become linked to three branches that utilized the old SI-Bank system and the SI-OKP*KI Crediting Bank sub-system during the same reporting period.

In the BGZ headquarters two versions of the SI-OKP*KI system were used simultaneously: the Intermediary Bank one, and the holistic one that encompassed the Intermediary Bank and the Crediting Bank sub-systems. To the Intermediary Bank version, files were entered that had been prepared in various branches in the old SI-Bank system. In the full version, the branches entered data and generated documents directly in the central data base. Next, the headquarters generated reports about their needs from both versions of the system, which were then compared to see if any errors occurred. *If the differences were explainable and resulted from the new system specifics, we accepted them and moved on to the next phase*, Sławomir Koprowski says.

This procedure was repeated the following month, when 20 regional BGZ branches were connected to the system, and one month later when the remaining 80 local branches joined in.

Currently, the entire SI-OKP*-KI system is situated in the BGZ Headquarters in Warsaw. It services 17,500 preferential credits with the ARiMR subsidies. All the local branches connect to the central data base and use it independently. Individual system users, depending on their access rights, have access only to limited data. For example, local branches can only view and modify their own data, while the Headquarters has access to all the data. The users are also able to perform specific operations. For example, a branch can register credit agreements, as well as generate and verify its credit requests, while the users at the Headquarters have the power to verify the data, generate reports, and export reporting documentation to the

ARiMR. The Headquarters users, however, cannot register credit agreements.

>> Data verification

Both the implementation phases were accompanied by a series of control activities. For example, the process of data entering by various branches was closely monitored to ensure that it is done correctly and that the system responds well. The verification of the data that had been entered to the new data base and of the new subsidy requests to the ARiMR was the most difficult and time-consuming implementation task. It was necessary to compare as many as 104 scattered data bases with the content of the central data base. The BGZ employees took responsibility for the substantial verification, while the Bonair was responsible for ensuring the data completeness.

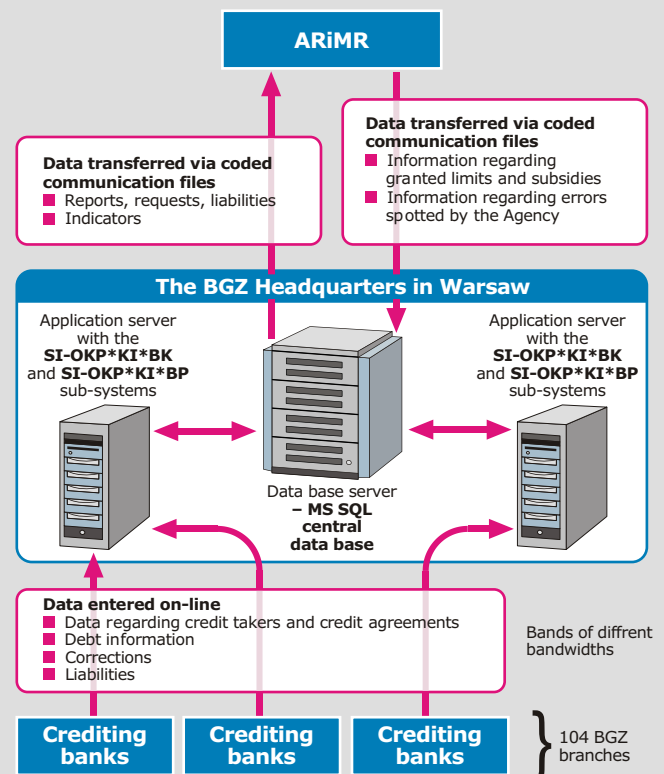
Organizing training for users of the new system was a serious logistical task. Besides the employees of the unit that reconciles preferential credits in the Headquarters, the system is usually used by one person in each of the 100 BGZ branches in Poland. All these employees had to come to the BGZ Headquarters in Warsaw, where training was organized for 8 12-people groups of users. Each group was trained by 2 Bonair employees, as well as a BGZ employee monitoring the technical aspect of the project.

>> More options

SI-OKP*KI and the central data base have created a better possibility to verify the correctness of data as soon as it enters the system. The data quality is evaluated according to the same rules that are used by the ARiMR system, and errors in reports and request forms can be eliminated both in a local branch and at the Headquarters. Furthermore, the new system enables automating these operations that used to be performed by hand (e.g., confirmation of a credit agreement or of a subsidy request in a local branch is automatically reflected in the Headquarters data, while in the past special files needed to be sent.)

Servicing subsidies to preferential credit interest rates is linked to the process of calculating credit limits. The SI-OKP*KI

The structure of the Servicing Preferential Credit System in BGZ S.A.



SI-OKP*KI is a centralized system. The central data base utilizes the MS SQL server data base system. The employees who service preferential credits in over 100 BGZ branches in Poland, use the SI-OKP*KI Crediting Bank system remotely to enter data regarding credits, credit takers, and credit repayment.

In the BGZ headquarters there are two DELL Server PE 265 applications that enable accessing the main data base. The modems used by remote users have different bandwidths, depending on a unit (the minimal is 64 kb/s). They are used not only to service preferential credits, but the other BGZ systems (including e-mail), as well. The crediting units connect to the central data base via Microsoft Terminal Services.

system contains detailed information regarding applications filed by crediting banks and the headquarters, credit and subsidy limits (for each of the 13 possible credit lines available) granted to the bank by the ARiMR, as well as the information about using these limits. The system also registers information regarding the size of a limit assigned to various branches and to the Headquarters in each calendar year. The system recognizes the division into various credit lines, as well as both old and the new credits. "We have moved from the calculations done by individual branches somewhere on a side to the automated system that analyzes and prognoses the subsidy amount based on a calendar. The local branches supplement these calculations only with data regarding individual clients, such as stopping or delaying the credit servicing," explains Slawomir Koprowski.

Degrees of limit using are also automatically calculated based on the answered requests. Thanks to this it is possible to realize early that the limit will not be fully utilized and to report this to the ARiMR to avoid potential penalties.

Implementation facts

> What:

IT system – Created by Bonair, for over 100 end users; the central data base for the entire system that uses the MS SQL data base engine; system adjusting and parameterization, implementation, training.

> Where:

The Bank Gospodarki Zywnosciowej (BGZ S.A.) in Warsaw

> When:

November 2003 – February 2004 – Intermediary Bank sub-system implemented, the central data base construction and supply, verification of data and reports that have been generated for the ARiMR; one-time reconciliation of financial orders with ARiMR; training.

October 2003 – December 2004 – the Crediting Bank sub-system implemented and launched in two phases; 3, 20 and ca. 80 new BGZ units; comparing the data from the old and new systems, training.

During the system implementation process, all the contract-specified deadlines were met. Also, the implementation was completed within the allocated budget.

