

# La Caixa saves EUR400 million by sourcing IT operations to IBM

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## Overview

### The need

La Caixa needed to evolve to a flexible IT services model to support its expansion strategy, improve its cost structure and liquidity position, and ensure IT excellence and innovation.

### The solution

IBM will provide technology, application and infrastructure services; data entry management; and access to innovative technologies to reinforce the bank's position as a technology leader.

### The benefits

IBM's alliance with La Caixa is expected to save EUR400 million over the 10-year contract and provided a global presence that enabled rapid integration of new banks outside Spain.

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## Leading the European marketplace

La Caixa ([www.lacaixa.es](http://www.lacaixa.es)) is one of Spain's leading banking institutions, with a network of more than 5,100 branches, nearly 8,000 automated teller machines (ATMs) and more than 10.4 million customers. It is also an important shareholder in leading Spanish services and utility companies.

## Facing the challenges of an economic crisis

The ongoing European financial crisis has hit southern Europe—Spain, Italy and Greece in particular—especially hard. The crisis has literally changed the face of banking in Spain dramatically through a significant reduction in the number of banks—from more than 40 to approximately 12—creating a chaotic period of mergers and acquisitions in the Spanish financial industry. To retain its leadership position and to support its growth strategy, La Caixa took the bold strategic position to grow through mergers and acquisitions not only within Spain but internationally as well.

La Caixa has always taken pride in its willingness to embrace innovative, new technologies and in the ability of its IT department to implement and manage them. Long considered a differentiator because of its use of new technologies, the bank was one of the first banks in Spain to offer Internet banking and has been a recognized leader in social and mobile computing. But with no IT departments outside of Spain and an innovative international growth strategy, the bank began looking for a sourcing provider that would enable it to maintain its technology leadership position and would provide the global presence it would need to integrate new acquisitions rapidly.



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*“Working with one of the most recognized technology leaders in the world is very important to us. This agreement allows us to offer better services to our clients and obtain competitive advantages in a sector in which innovation and new technologies are key to realizing growth.”*

—Juan Maria Nin, general manager, Spanish bank

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## Teaming for growth

IBM has been a provider of technology and services to La Caixa for almost 50 years. In January of 2012, the bank entered into a 10-year strategic services relationship in which IBM and the bank’s internal IT department would jointly manage the bank’s infrastructure technology budget of more than EUR2 billion. IBM will provide technology, operations, applications and infrastructure services and will also assume management of La Caixa’s data processing centers. “For the last 50 years, IBM has been the privileged technology partner of the bank, and today the bank renewed its confidence in IBM,” says Juan A. Zufria, general manager of IBM Spain, Portugal, Greece and Israel. “With this strategic alliance, we open up our capacity, experience and talent to the bank to support their growth plans.”

The new strategic alliance is expected to save the bank EUR400 million over the term of the agreement. The contract will provide access to new technologies and innovations to enhance the bank’s business development in Spain and the global marketplace and position the bank as one of the leaders in using new technologies—such as mobility, social media and cloud computing—in the financial sector.

The decision to source to IBM was based on what La Caixa felt were five key differentiators.

- **Efficiency:** The bank felt that with its expansion strategy, sourcing many of its IT functions to IBM would create efficiencies that would increase internal productivity.
- **Reduction of operational costs:** The bank believed that the EUR400 million it expected to save over the term of the agreement would enable it to invest that capital in growth.
- **International expansion:** With no IT presence outside of Spain, La Caixa believed that a global technology provider such as IBM would offer the international presence and expertise that would help it realize

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## Solution Components

### Services

- IBM Global Technology Services – Strategic Outsourcing
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its international expansion goals.

- **Innovation:** The bank knew that IBM could deliver the innovative social, mobile, cloud and analytics technologies that had long been among the bank’s key differentiators.
- **A true alliance:** La Caixa believed that by teaming with IBM, not only would the proficiency and effectiveness of the bank’s internal IT department improve and evolve, but a culture of innovation would be created that would ensure that it remained a technology leader in the industry.

## Continuing a legacy of innovation

Although creating operational efficiencies and executing on its global growth strategy were key factors in teaming with IBM for IT management and administration, La Caixa was also intent on retaining its position as a technology innovation leader. The strategic sourcing agreement with IBM included a collaborative relationship with IBM’s research and development centers in Spain to provide the latest technologies, research capabilities and innovations in business processes for smarter banking, mobility, social media and cloud computing. “Working with one of the most recognized technology leaders in the world is very important to us,” says Juan Maria Nin, the general manager of La Caixa. “This agreement allows us to offer better services to our clients and obtain competitive advantages in a sector in which innovation and new technologies are key to realizing growth.”

## Creating a global value chain

Today, many businesses are differentiating themselves by creating global value chains—an integrated chain of best-in-class partnerships that can provide global presence with a local footprint. La Caixa, looking for more than just cost cutting, wanted a relationship that would help it better leverage IT into its business objectives to stimulate growth and prepare for the future. By tightly weaving together business insights and its industry-leading software portfolio, world-class technology research and operations expertise, IBM is redefining what it means to design, deploy and deliver IT services on a global scale. As a result, IBM Global Services is enabling clients such as La Caixa to create IT efficiencies, integrate global acquisitions rapidly, collaborate on new technologies and free up resources to focus on innovative projects.

## For more information

To learn more about IBM’s strategic sourcing capabilities, contact your IBM representative or IBM Business Partner, or visit:

[ibm.com/services/sourcing](http://ibm.com/services/sourcing)



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