



**BRIDGING THE GAP BETWEEN  
BUSINESS AND TECHNOLOGY :  
BUMIPUTRA-COMMERCE'S APPROACH**

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**UNIVERSITY OF MALAYA  
2001**



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**Submitted to the Faculty of Business and Accountancy,  
University of Malaya, in partial fulfillment  
Of the requirements for the Degree of  
Master of Business Administration**

**August 2001**

## **ACKNOWLEDGEMENT**

I would like to take this opportunity to thank Dr Rozali the Managing Director of Bumiputra-Commerce Berhad and Nik Hassan bin Nik the Executive Vice President who had provided me with the relevant materials for the compilation of this paper.

A special thanks is also extended to Associate Professor Dr Abdul Latif who had guided me during the project. Without his help, this paper would not be completed. Last but not least I would like to thank my husband Jeyapaalan and children, Priya and Arjun and my parents for all their support given to me for the completion of this Project Dissertation.

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## **EXECUTIVE SUMMARY**

This paper studies the approaches Bumiputra-Commerce Bank (BCB) used to bridge, transform and reposition itself after the recent merger. The reason BCB was chosen was because it was the first bank to complete the merger exercise and because of the various challenges faced due to the size and complexities of its operations.

The evolution of the banking and financial industry is addressed in the paper and evaluates how BCB has repositioned and re-aligned itself in the industry's financial landscape. The transformation of BCB from the 4<sup>th</sup> to the 5<sup>th</sup> Generation of Banking to the E-Banking initiatives is also identified.

In order to achieve the bank's objectives such as a world-class bank, BCB had to embark in ONE platform technology approach that enabled it to streamline the strategic business units operations in a platform. This paper also discusses the implications of the technology applications in redesigning BCB's model of enhancing stakeholders' value by increasing efficiencies and outsourcing the Processing Division's capabilities.

The paper evaluates how BCB uses the technological capabilities, to realign and restructured the Retail Branches and the database for managing CRM (customized relationship marketing) In addition, the paper attempts to look at the strategic alliances of BCB when it lacked the critical mass to achieve economies of scale.

The paper also addresses several problems, which, BCB will have to resolve such as being a late mover to the E-Banking industry and the limitations of using the Internet as a value chain enhancer instead as a channel enhancement. Discussion also evolves on the timing of the ONE platform implementation process and the consequences faced by BCB. The paper too discusses on the importance of branding in the long term survival of the bank and to add value to the customers.

The threat of using Bank of America as a strategic alliance partner of the bank is also discussed. BCB has not performed a Market Research recently to ensure that the customers' wants and needs are met. As a result, some of the steps taken by BCB may be counter productive. The inability to reorganize the entire sales and marketing divisions, Processing Divisions after the one platform systems integration may hinder the progress of the bank. The disadvantages of not using a Matrix Organizational Structures too are mentioned in the paper. Finally, the last section of the paper recommends actions that BCB must take to strategize the business and technology issues by reviewing the rationale and feasibility of the approaches made.