

Executive Summary

During the last two decades Sri Lankan banks have paid special attention in investing and upgrading their core banking systems in order to cater the increasing market demand conditions, regulatory and compliance requirements. Implementing a core banking system demands a vast number of resources, effort, time and cost. A carefully implemented core banking system connects the bank's strategy, structure, systems with its information technology platform. The same philosophy has brought benefits to NDB Bank PLC. by investing its new core banking system in order to compete competitively in the local banking market place.

The main purpose of this study was to identify critical success factors which led to the successful implementation of the core banking system of NDB Bank and identify key learnings that can be exemplified to a similar implementation. On evaluating the literature written about core banking implementations, it was found out Sri Lankan banks have recognized the importance of investing in core banking systems and many critical factors of ERP implementation have been identified in both local and global context. Moreover, different implementation approaches have been discussed within the context of ERP implementation.

Based on the literature and other selected organization related background information two key variables were identified as the key to successful implementation of the core banking system in NDB Bank, namely management policies and management practices. Management policies were further boiled down to three key factors, namely vendor selection, support of top management and project steering committee, business process reengineering. The behavior of these variables was then examined throughout the study by means of data collection. The findings of the study revealed that the NDB Bank has been successful in vendor selection, getting the support of top management and project steering committee and finally the use of project management practices in achieving success of core banking implementation. However it was further unveiled the bank had faced difficulties in managing the relationship of the selected vendor and implementation project fundamentally ignored the concept of business process reengineering. At the end, conclusions and recommendations were presented based on the case study.