

**BUSINESS VALUE OF ICBS BANKING INFORMATION SYSTEM
IMPLEMENTATION AT BANK DANAMON INDONESIA, TBK.**

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ABSTRACT

As everyone knows, information is one of the important resources that is needed by company management in making decisions. To obtain this information, we need a system that can interpret data into information that is very useful what is called an information system. This information system can make a major contribution to the business value of a company by not only increasing profits but also company productivity. To be able to face the challenges of business and the era of globalization, information systems become the best solution for executives and decision makers to help them in the process of growing and developing companies. One of the most popular information systems is the ICBS (Integrated Computerized Banking System) that has been used by Bank Danamon. By implementing ICBS, Bank Danamon can obtain higher business value so that it can make the company compete in a more competitive business era. This study used descriptive qualitative method.

Keyword: banking information system, business, icbs

A. INTRODUCTION

Nowadays the business world has developed a lot. Especially with the development of information technology that is no less fast. The development of information technology is forming an increasingly strong and sophisticated information system. It is through this information technology that business people compete with each other in providing good services and products at low cost and the conveniences they offer. Almost all companies including banks use information systems in running their business. It can be said that information systems and technology become a very important component in the success of a company.

Now in use, internet-based information systems are becoming more extensive and increasingly sophisticated. In terms of speed, accuracy and up to date information, internet technology is increasingly developing and advancing. So the company can immediately obtain the required information quickly, precisely and up to date in all company needs. Intranet and extranet are also telecommunications networks that have an important and broad role in achieving the company's strategic, management and operational objectives. This network is an open system technology that uses the internet as its basic technology.

Business strategies that can be carried out using information technology in the banking world such as:

1. There are transactions in the form of money transfers via mobile or via teller.
2. The existence of an ATM (Auto Teller Machine) cash withdrawal 24 hours a day.
3. Use of databases at banks.
4. Synchronizing data at the branch office with the bank's head office (Ansori, 2018).

Every company certainly wants an increase in the company's sale value and can win market competition. For this reason, the use of internet-based technology and information systems has the aim of increasing effectiveness and efficiency in the company's business processes, compiling corporate business strategy plans, making management decisions, and things that can help accelerate without leaving accuracy.

According to Machmud & Sidharta in (Suryana, 2016), creative and innovative companies in managing their resources so that they can be effective and efficient, including companies that are successful and can compete in the market. This also increases the business value of a company. Moreover in the banking world which is full of services aimed at providing the best services. Like Bank Danamon's brand promise, "Bisa mewujudkan setiap keinginan nasabah".

The problem discussed by the author is "What is the business value of implementing the ICBS (Integrated Computerized Banking System) Banking Information System at Bank Danamon Indonesia Tbk?"

The purpose of this study was to determine how the business value of the ICBS (Integrated Computerizes Banking System) banking information system at Bank Danamon Indonesia.

The benefit of this research is that it is hoped that other banking companies can use information systems and information technology as a tool for them in increasing the company's selling points and winning competition in the market, as well as tools in corporate decision making.

B. LITERATURE REVIEW

Understanding Information Systems

Sutabri said that a system has certain characteristics or characteristics, which characterize that it can be said to be a system while Information is data that

has been classified or processed or interpreted for use in the decision making process(Nurromlah, Yuri, & Lis Saumi, 2017).

It is said information if the data that is built is the right data in accordance with the problem being faced(Hardjanto, 2019). Organizations cannot manage resources properly without complete information. Because it is very important for the organization to continue its development.

Information system is a process for collecting, processing, storing, analyzing, and distributing information for a specific purpose, and most information systems are computerized(Turban, 2009).

The process of gathering, changing and disseminating information in an organization is carried out by a combination of people, hardware, software, communication networks and data resources which is called information systems (O'Brien & Marakas, 2017). To communicate, every person needs an information system using hardware, software to make orders or procedures, communication networks and data resources for storing the data itself.

While the definition of information systems according to Kenneth C. Laudon, in his book "Management Information System - Managing The Digital Firm", defines information systems as a set of interrelated components that collect (or retrieve), process, store and distribute information to support decision making and control in an organization (Laudon & Laudon, 2012). Information systems can help top management as well as employees to analyze problems, present complex subjects and develop new and existing products.

A system that is integrated from manual and computerized components of man-made used by the wearer in collecting data, process it so as to produce the information needed(Hartono, Susatyono, & Kholiq, 2016).

From the notions above it can be concluded that the information system is a system of collecting, processing, storing, analyzing and distributing information for the needs and goals in an organization.

Intranet

An intranet is an interconnected or connected computer network that is used by an organizational or institutional system. Intranet is a computer network based on TCP / IP protocol, like an internet network but users are limited or more closed so that not all users or people can easily access the intranet network and only certain people or users can enter and use the intranet network(Septiardi & Prihanto, 2017).

Intranet is a telecommunications network that is similar to the internet but can only be used for internal companies. Its function is almost the same as the internet that is sharing information, communicating, collaborating and supporting each other for business processes(O'Brien & Marakas, 2017).

The use of passwords, encryption, and farewalls in the use of intranets in the company is intended for the security of the company's system itself, so that other parties who are not interested and do not have the authority can not access it. Intranet itself has the same network protocol as the internet, but companies can restrict access to computer resources only to people chosen by the company.

To meet the information needs of employees or the user, the intranet should

provide a message that is appropriate to the needs, so that the use of this intranet can be optimally used by employees (Julriano, Erdinaya, & B., 2012).

So that it can be concluded that an intranet is a telecommunications network that uses the same network protocol as the internet, it's just limited to the information needs of a group of people in an organization for the security of the organization's information.

Extranet

For the information needs of external parties such as customers, suppliers and collaboration, the company expanded its intranet network. This is called an extranet (Chaffey, 2011).

Extended Intranet (Extranet) uses the TCP/IP protocol network to connect various internet at different locations. Extranet is useful to realize secure connectivity between corporate internet and internet business partners, suppliers of raw materials, financial, government and customers. A protected external environment allows each group to collaborate, share information exclusively and exchange information securely (McLeod & Schell, 2011).

Similar to an intranet, extranet is also in the interests of corporate system security so important data encryption and firewalls are carried out so that certain intranet websites created by the company for external parties such as customers, suppliers, consultants, subcontractors, business prospects, and other parties can easily and safely access them.

From the above understanding, it is concluded that an extranet is a corporate intranet network that is expanded to be used by business partners, financial institutions, governments and customers through the TCP/IP protocol network to connect various internet at different locations.

Internet

Along with the development of the business world, organizations and the many computer networks that have been incorporated to make the internet like a telecommunications network giant. The internet has become as important to life as the global toll road information.

Cooperation between business partners, maintaining relationships with customers and relationships with suppliers, even now the internet as a telecommunications network is used for business interests online or e-commerce. The use of the internet in the business world is now not only as an electronic information exchange tool but the internet can also be used to carry out corporate marketing, sales and management activities through various applications.

The internet is a physical network that connects computers all over the world. The internet itself consists of server network infrastructure and communication links including those used to store and move information between client computers and web servers (Chaffey, 2011).

Many of the benefits of internet technology that we can all enjoy such as chatting via Facebook, sending messages via email, searching and downloading information that we need, even now we can easily upload the photos we want

(Talika, 2016).

Many good benefits of the internet can be used by companies to introduce and market their products. According to O'Brien and Marakas, in the book "Introduction to Information Systems", most companies are currently developing e-business and e-commerce to obtain their core business value (O'Brien & Marakas, 2017).

Without centralized management and ownership, these computer networks are expanding and getting bigger, this is what is called the internet. Through the internet the world is connected to information, entertainment and unlimited communication.

From the above understanding, it can be concluded that the internet is a global network that provides all information, entertainment and communication whenever and wherever and for companies to use the internet for their e-commerce and e-business needs.

C. RESEARCH METHODS

According to Sugiyono, qualitative research methods are often called naturalistic research methods because their research is carried out in natural conditions, also called ethnographic methods (Sugiyono, 2012).

Descriptive qualitative research aims to provide a description and description of phenomena that occur both naturally and man-made related to the characteristics, quality and interrelations between activities (Sukmadinata, 2011).

Descriptive research describes a condition as it is without manipulation and no treatment is given only the treatment of the research itself by means of observation, interviews and documentation.

This research uses descriptive-qualitative method, where this method describes the phenomena that exist in accordance with the conditions at the time the research took place.

The data collection technique used was Internet Browsing, interviewing employees at PT Bank Danamon Tbk. and conducting literature studies.

D. RESULTS AND DISCUSSION

Intranet Business Value

At present, almost all large companies especially banks use the intranet. Intranets are used to advance the productivity of companies such as banking by providing banking information portals. This information portal supports every banking activity such as communication within the banking company itself, cooperation, management, business operations and web publications. Intranet itself helps tools and applications owned by the company so that it can facilitate working in groups and teleconferences, also can maintain relationships with stakeholders, especially employees and shareholders. Benefits of Intranet for banks, among others:

- a) **Communication:** Provides tools for group discussions, bulletin boards and helps in conveying and distributing information or documents needed among employees. Intranet also facilitates communication between employees and top level management.
- b) **Productivity:** Intranet provides fast information to employees and helps with their various tasks and responsibilities. Employees can access data from the company database without wasting time.
- c) **Reducing costs:** An important intranet benefit is cost effectiveness. The use of an intranet can make substantial ATK savings because sharing data and information online can save printing and distribution costs. All company documents can be published via the intranet using web pages.
- d) **Enhancing team collaboration:** Through the intranet it allows employees to access all data and information, thus helping to build teamwork.



Source : www.pro.co.id

Image 1.
Use of intranets in companies

Extranet Business Value

Benefits of Extranet for banks include the following:

- a) Requires fewer help-desk workers, by automating the inquiry system, customers can contact the database to find information.
- b) Improve quality, with communication between computers can reduce errors in data entry (data entry).
- c) Reducing communication and transportation and administrative costs.
- d) Faster information flow and process.
- e) Reducing paperwork and on-time delivery of goods.
- f) Overall improvement in business effectiveness.

Through extranet allows banks to offer new interactive Web services for business partners. Through the extranet allows banks to conduct online customer surveys on the website provided by the bank. Extranet facilitates banking in

product development that focuses on customer needs interactively and online so that the charge itself can develop its products in accordance with customer expectations.

Internet Business Value

The business value of the internet for banking is certainly a lot because the internet as a medium of telecommunications networks provides computing and communication capabilities that will add value to every part of the business cycle. Six main business values obtained by banks that build e-business Web sites:

- a) Generate new revenue from selling products online,
- b) Reducing transaction costs through online sales,
- c) Attract new customers through web marketing and online sales,
- d) Increase customer loyalty,
- e) Develop new web-based markets,
- f) Develop new information-based products that can be accessed via the web.



Source : (O'Brien & Marakas, 2017)

Image 2.

Extranets Connect Companies That Use The Internet With Consumers, Business Customers, Suppliers And Other Business Partners.

ICBS Business Value at Bank Danamon

Banking is a financial institution engaged in the management of public financial management services. Bank Danamon offers a form of service or banking product to its customers with speed, convenience and security. For this reason, Management of Information Systems and the application of sophisticated and adequate technology is very much needed by Bank Danamon so that

according to its promise, Bank Danamon is able to provide services that meet the expectations and desires of its customers, and is able to compete with other financial or banking institutions.

With ICBS, Bank Danamon provides business value that can compete with other financial or banking institutions. Through this ICBS, all employees of Bank Danamon in accordance with their capacity are able to access customer databases. This facilitates Bank Danamon's employees in providing services according to the needs of customers.

Brief Profile of Danamon Indonesia

PT Bank Danamon Indonesia Tbk. was established in 1956. The name Bank Danamon comes from the word "monetary funds" and was first used in 1976, when the company changed its name from Bank Kopra.

"Danamon" is one of the largest financial institutions in Indonesia out of a total number of employees - around 61,875 (including employees of subsidiaries) that focus on realizing its vision of "Kita peduli dan membantu jutaan orang mencapai kesejahteraan." To realize this vision, Bank Danamon in its services and products always offers unique values for each of its segments with sales excellence and services supported by sophisticated technology.

Today, Danamon is one of the largest financial institutions in Indonesia. Supported by more than 50 years of experience, Danamon continues to strive to be a bank that "Bisa mewujudkan setiap keinginan nasabah" in accordance with its brand promise. As of December 2009 Danamon is the sixth largest bank in Indonesia in terms of total assets, the fourth largest in total market capitalization and has the second largest branch network, with almost 1,900 branch offices and service centers.

ICBS (*Integrated Computerized Banking System*)

ICBS: Integrated Computerized Banking System is a modern, consumer centric, integrated, reliable and easy-to-use system that is designed to manage and control the operations of the Front Office and Back Office of a financial institution. ICBS was developed by two leading IT companies namely IBM and Oracle Corporation. The ICBS system is easy, very flexible, and supports multiple languages and multiple currencies.

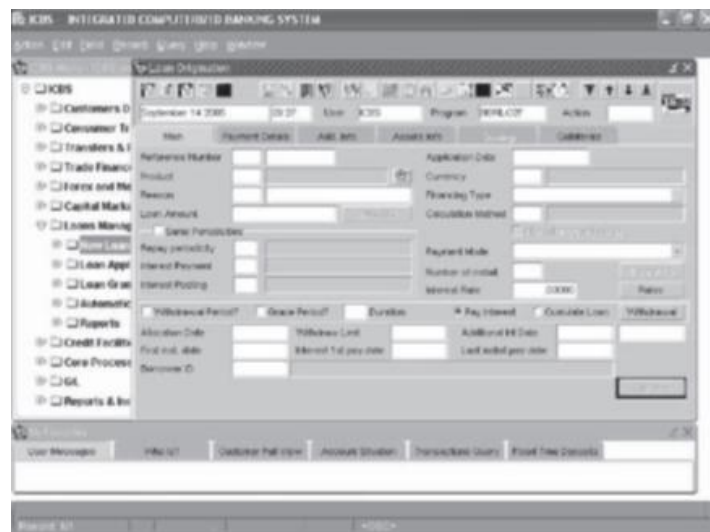


Source : www.istisharat.com

Image 3.
ICBS Module

The modules contained in ICBS include:

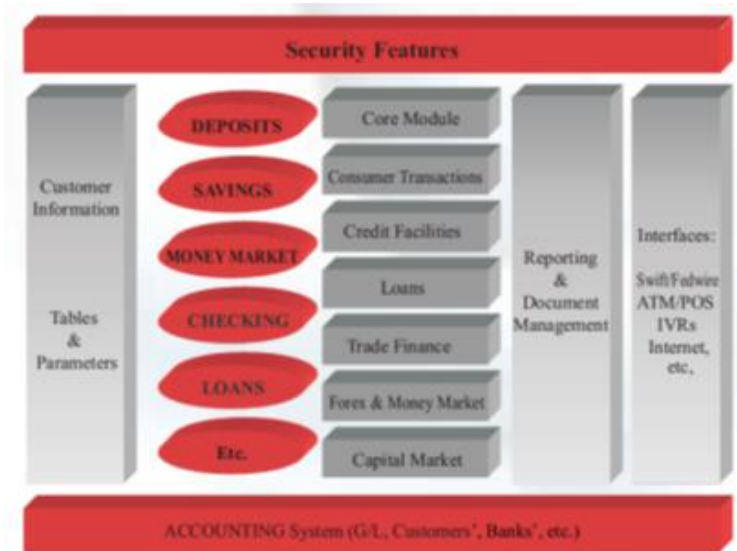
- Retail Banking*
- Corporate Banking*
- Treasury & Capital Market*
- Domestic and International Payment*
- Customer Information System & General Ledger*
- Reporting System*



Source : www.istisharat.com:

Image 4.
ICBS Interface

This module is designed to meet international standards and also can simultaneously meet local needs. At present, ICBS has been used extensively by the international financial community. Many financial institutions use ICBS in Europe (Britain, France, Switzerland, Cyprus, Russia), the Middle East and Africa.



Source : www.istisharat.com

Image 5.
General Architecture of ICBS

ICBS Implementation at Bank Danamon Indonesia

Bank Danamon uses an information system technology called ICBS (Integrated Computerized Banking System) to carry out its business operational activities. ICBS provides convenience in all routine banking activities including opening and closing accounts, depositing and withdrawing money (savings and deposits), calculating interest rates, processing incoming and outgoing money transfers (checks, current accounts, etc.), types of bank products, credit / loan process and many more.

Bank Danamon employees such as tellers, customer service, and other staff officers can use ICBS through the intranet network at Bank Danamon's branch offices. But for managers and top level management can access ICBS through their laptops that are connected through the internet using information technology called VPN (Virtual Private Network).

Some of the benefits that can be obtained by Bank Danamon in using ICBS include:

- a) For companies, it can increase the speed and strength of service quality and convenience in making transactions to meet various customer needs.
- b) For customers, can provide limited access to Bank Danamon, so that Bank Danamon can strengthen its position as a truly universal bank.

The business value of ICBS is:

- a) For banks that wish to upgrade the existing system, ICBS provides a solution to upgrade the system with low investment risks and migration failures.
- b) To face the ever-changing business cycle, banks are better able to deal with it.
- c) Banks have added value so that they become more competitive in the market with integrated solutions in the form of software and hardware, networks, system integration, and consulting and outsourcing options.

E. CONCLUSION

Based on the results of the study, it can be concluded that in the banking world, especially Bank Danamon, one of the solutions has been introduced by IBM in collaboration with Oracle Corporation, a core banking solution, called ICBS to banks in Indonesia to carry out all their routine activities. This ICBS system makes it easy for Bank Danamon to carry out its business operational activities. The business value of ICBS Implementation is:

- a) For banks that want to upgrade the existing system, ICBS provides a solution to upgrade the system with low investment risk and migration failure.
- b) To deal with the ever-changing business cycle, banks are better able to deal with it.
- c) Banks have added value so that they become more competitive in the market with integrated solutions in the form of software and hardware, networks, system integration, and consulting and outsourcing options.

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