

SWIFT Services & Solutions

Reaping the potential

Banks are yet to reap the full benefits of new SWIFT services and solutions. Delays have been caused by two factors: the perception of SWIFT as provider of just infrastructure; and the concentration of SWIFT knowledge among only a few within many banks.

Some banks have recognized the benefits that can be gained with SWIFT services but find it difficult to keep pace with the speed of change—for example, to incorporate all changes in the proper way in applicable environments.

SWIFT Speed of Change: Standards, services, solutions & business drivers

SWIFT is continuously working on standards, improving services for banks and developing new business solutions. Some of the main initiatives underway include:

SCORE – MACUG: This standardized SWIFT access solution helps corporates and banks alike. Corporates can connect to multiple banks—via SCORE or one of more MACUGs—without replicating bank-specific connections and processing, gaining flexibility.

Banks can leverage as-is investments in SWIFTNet infrastructure and progressively save on decommissioning of proprietary connectivity options.

Cash Reporting: In the aftermath of the financial crisis, the importance accorded to managing liquidity risks cannot be underestimated. SWIFT's cash reporting solution enable access to real-time account information and increase intraday visibility. This helps manage liquidity efficiently (i.e. lower liquidity buffers) and effectively (i.e. lowered liquidity risks).

Exceptions & Investigations: In what is regarded as the most difficult and manually intensive task in payments processing, it is estimated that this SWIFT solution can save €10-17 per enquiry.

Trade Services Utility (TSU): TSU enables electronic matching of trade documents typically used on an open account basis. TSU helps banks 're-intermediate' into the processing value chain. Integrated supply chain solutions can be defined with TSU as the backbone.

MT to MX: While the migration from MT-messages to MX-messages is progressing, the 'period of co-existence and the demands of dual message type handling can be addressed by SWIFT's Alliance Integrator. The solution supports by decoupling the internal processing from the outside world.

Common Communication Interface (CCI): This solution provides customers with a single means of access to all Euroclear group services. CCI enables customers to send instructions and to use a choice of networks to receive reports in industry-standard formats.

In the recent past we have seen some regulatory business drivers that impacted the SWIFT standards:

SEPA: The European payments harmonization initiative has been the key driver for introduction of XML messages based on the ISO 20022 standards. It is expected that this trend will continue.

Know Your Customer: To comply to regulatory requirements the banking community has introduced the new MT202COV in order to transfer the ordering and beneficiary customer details.

While banks take advantage of the new solutions, the existing messaging solutions—such as FileAct, InterAct, FIN or Browse—need to be maintained. Maintenance includes annual SWIFT releases and for instance the mandatory release to use SWIFTNet version 7.0. With SWIFT services, it is increasingly challenging to blend and balance today's implementation with the potential of newer solutions.

How can Capgemini help?

As a leading consulting and technology provider, Capgemini has a global team fully dedicated to SWIFT-related services. We have conducted SWIFT implementations and upgrades and are a provider of SWIFT Accredited Services in many countries. We earned this distinction by successfully delivering major projects in SWIFT messaging and payments processing.

Capgemini can help your bank understand the business potential of SWIFT services and translate potential to performance by helping you adapt to the new standards. We bring together the knowledge and capabilities to incorporate SWIFT solutions into your bank's service offerings.

We can support you with SWIFT expertise in the following areas, including:

SWIFT Strategy. Capgemini can perform an impact analysis to assess the need for new SWIFT services. We identify the impact on your organization's processes and IT infrastructure, create a financial business case and develop an implementation and rollout plan.

Technical Implementation. We provide project management, business and technical analyst support that help you select the best solutions, especially in middleware choices and connectivity to ensure a close fit with the existing architecture. We also build effective interfaces.

Business Implementation. Adopting new SWIFT services and solutions leads to more efficient processes and a different but more effective way of working. We ensure a successful implementation to meet and exceed your expectations.

Internal Rollout. Capgemini can assist your organisation in an effective rollout in terms of staff training and business process design to support the adoption of the new SWIFT services.

External Rollout. We have expertise in both explaining and demonstrating new services to your customers, and then implementing them at their sites.

Insourcing. Capgemini has the facilities and expertise in its SWIFT Service Bureau to run your SWIFT competence center, including the insourcing of connectivity and the rollout of new services.

SWIFT Knowledge as a Service. We monitor all new SWIFT changes and SWIFT solutions and provide an impact analysis for each change as a service.

SWIFT Accelerated Testing. Capgemini's SWIFT protocol testing accelerator is the only end-to-end business testing solution that reduces the testing lifecycle up to 30% while significantly improving application quality. Our SWIFT accelerator addresses payments with both open-source and proprietary frameworks for choosing either MX and MT message types based on client needs. Capgemini combines quality assurance, testing methodologies and test practices for a head start when testing SWIFT protocols.



IN PRACTICE

A leading bank realises next generation messaging platform

A major European bank commissioned a study to rationalize and modernize its bank messaging infrastructure, especially, the SWIFT messaging platform. Key drivers for this initiative were cost reduction, operational efficiency enhancement, risk mitigation enhancement and value creation. The bank intended to define the vision for the coming 20 years in terms of trends and opportunities with a view to move on from legacy platforms aging over 20 years.

Capgemini Solution

Capgemini defined the next generation vision of the messaging platform. Key features:

- Merged acquisition channels (EBICS and electronic channels) with exchange channels (SWIFT and other interbank channels)
- Centralized all bank telecommunication protocols in one single point including single point of supervision

- Added valued services for Corporates and FIs
- Addressed high performance and resilience requirements

Capgemini worked closely with the bank's architects to design functional, application and technical target architectures by employing our architectural approach called Integrated Architecture Framework. We used a dedicated Analysis Framework along with a RFI process to identify solutions that could fit the best to the bank's goals and objectives.

Benefits

- Upfront identification of key criteria for selection process helped achieve higher assurance in the selection process while lowering the time to decision.
- Project approach helped engagement of multiple stakeholders to realise acceptance and commitment.

For more information, contact us at payments@capgemini.com.



About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies.

Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working, the Collaborative Business Experience™.

The Group relies on its global delivery model called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients.

Present in 40 countries, Capgemini reported 2010 global revenues of EUR 8.7 billion and employs around 110,000 people worldwide.

Capgemini's Global Financial Services Business Unit brings deep industry experience, innovative service offerings and next generation global delivery to serve the financial services industry.

With a network of 17,000 professionals serving over 900 clients worldwide, Capgemini collaborates with leading banks, insurers and capital market companies to deliver business and IT solutions and thought leadership which create tangible value.

For more information please visit www.capgemini.com/financialservices