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Standardising Financial Contracts

A Mechanism for
Efficient Regulation?

Stanchart Selects
GoldenSource
For Corporate Action
Notification

Market Data
Management
Challenges and Trends
for 2009

WorldCheck-BMR
Advisors-Finsight
Bankers' Roundtable
Discussion on AML in India

SUNTEC'S TBMS-F BECOMES TWIST BSB COMPLIANT

Relationship based pricing (RBP) and centralised billing specialist, SunTec Business Solutions has announced that its flagship product for the banking, financial services and insurance (BFSI) sector, Transaction Business Management System-Finance (TBMS-F) has become compliant with Bank Services Billing Standard (BSB) of Transaction Workflow Innovation Standards Team (TWIST). TWIST, a not-for-profit industry standards group, is focused towards creating XML based financial transaction processing standards to improve straight through processing (STP). BSB is one of the major standards introduced by TWIST to obtain an electronic billing statement from banks in a standard format. It helps banks report the corporate customers' usage of financial services and the charges accrued. SunTec's TWIST BSB compliant solution would aid banks with good practice workflows, message standards and enhanced data security levels enabling STP for end-to-end financial processes by streamlining the bill/statement generation process. SunTec will deliver TWIST BSB outputs through its standard data interfacing platform. According to the company, many of its clients have shown interest and have trialed the facility.

Founded in 1990, the company offers a complete TBMS product suite for BFSI, communication, media and entertainment and utilities industries. In 2002, it introduced for the first time TBMS-F solution to extend its product portfolio for the banking and financial sector. Three years later, in 2005, the product was officially



K Nandakumar

launched in the market. Today TBMS-F supports payment and cash management services, retail banking and investment services. TBMS-F suite of products includes various modules namely, bill, price, price modeller, mediate, settle, and workflow. TBMS-F Loyalty component is the latest addition to the suite, launched at Sibos last year. It enables banks to offer dynamic pricing and loyalty based rewards to each customer depending upon the revenue it brings to the bank.

In 2007, TBMS-F product suite was coupled with Infosys' banking solution, Finacle, to expand its footprint in the financial services sector. The combined solution resulting from the SunTec-Infosys technologies alliance was offered to banks as a flexible and unique solution targeted towards areas such as value-based pricing, single customer view across all products and services and price transparency. Other strategic partners of SunTec include IBM, TCS, Oracle, Logica, CMG and Hewlett Packard.

Following are the excerpts from an exclusive interview of K Nandakumar, CEO and founder of SunTec with Amita Tiwari of CRO:

CRO: Who was the first taker of TBMS-F solution after it was offered to the market in 2005?

Nandakumar: TBMS-F was first implemented at ING Bank, The Netherlands in 2002. After successful implementation at ING Bank, TBMS-F was also deployed at Lloyds TSB, UK and HSBC, UK. TBMS-F was officially launched in the market in early 2005.

CRO: What would be the key benefits to banks opting for new TBMS TWIST BSB compliant solution?

Nandakumar: Banks that opt for a solution that takes into consideration TWIST BSB compliance concerns will have consistency in e-invoicing and payment processes for financial and commercial transactions, irrespective of the mode of issuance such as electronic transfer, cheque issuance, direct debit or cards. TWIST BSB provides a consistent means for banks to periodically advise wholesale clients of their service usage and the charges accrued. It will also enhance process efficiency and optimise controllership as TWIST BSB can be used to communicate the type, quantity, price and other information on the bank services used, in detail and in standard format, through invoices presented to wholesale users. Apart from these, it also helps banks provide their wholesale customers with detailed reports of their usage of financial services

and their related charges, volumes and associated charges for all billable services rendered during a billing cycle along with a verification of their bank fees in a way that is transparent, accurate and efficient. This is enabled by standards like BSB statement that requires a periodic recounting of all service chargeable events that occurred during a reporting cycle, typically a calendar month, along with detailed tax and currency translation information.

Ultimately, banks can offer enhanced customer experience and larger share of the customer's wallet.

CRO: When is this being made available in different geographies?

Nandakumar: SunTec's solution TBMS-F which is TWIST BSB compliant is already available across geographies.

CRO: What are the key features of TBMS-F solution?

Nandakumar: TBMS-F is an enterprise-wide RBP and centralised billing platform designed to meet the complex value chain dynamics in a financial supermarket, managing four critical entities of a business, viz customer, product, partner and information. TBMS-F helps banking and financial institutions to shift to fee-based direct revenue model; thus enabling them to offer customer-friendly products and packages, respond quickly to market needs, enhance customer relationships and also their revenue streams.

With TBMS-F, banks and financial institutions can amass non-interest revenue via flexible pricing, strengthen customer relationships with personalised

products and pricing, gain operational efficiency with centralised pricing and billing, introduce innovative product bundles and pricing plans for market differentiation and scale up to accommodate growing customer base and product spectrum.

CRO: Is the solution available as a complete suite for corporate and retail banking or are there any standalone modules available too?

Nandakumar: We have packaged TBMS-F as a complete enterprise-wide suite for multiple business lines. It is also available as standalone module for various businesses like retail banking, corporate banking and investment services. Standalone modules are also available for sub-businesses like payments and cash management, trade finance, securities including specific functions like modeling, loyalty and product catalog.

CRO: What are the working phases and implementation timelines of TBMS-F solution at banks?

Nandakumar: The process from identifying a prospect to winning a client is a very detailed and methodical process at SunTec. The first phase is of identifying an opportunity through internal sourcing or Request for Proposal (RFP)/Request for Information (RFI) for which we offer SunTec's consultancy services to advice on transformation strategy; define the requirements from a RBP and centralised billing solution and respond to the RFP/RFI.

The second phase is the 'Proof of Concept' (PoC) stage wherein a PoC proposal is prepared using

lead application and PoC is implemented at the client environment to give a live demonstration of the capabilities of the product. With the PoC we assess the ease of integration into the existing back-office and the power of RBP and centralised billing solution.

The next stage of the product implementation at the client's site is a very methodical process. The product is mapped to meet the client's requirements on all fronts, expectations are articulated, changes (if required) are made and the final takeaways are reviewed before signing off on milestones by both SunTec and the customer. The solution is then implemented followed by the testing via independent verification and validation.

The last phase is to 'go live'. Needless to mention, our customers are for lifetime and we help them chart a roadmap for continuous improvements.

Typical implementation time at a bank is usually 3-4 months.

CRO: With different work processes and requirements at banks, is the solution implemented as a customised solution at each bank?

Nandakumar: Our TBMS-F with its extensive implementation experience since 2002 is equipped for catering to all the pricing and billing needs of the banks across all verticals and ensures minimum customisations are needed at the solution layer. The solution deployed is only configured to meet client's specific requirements as reflected in our product philosophy which comprises of three layers. First,

the 'core product layer' wherein it is a single product layer for all verticals. Secondly, the 'application layer', ie ready-to-deploy applications addresses the service provider's pain points. Last is the 'customer solution layer' which is core product and applications with customisations for specific customers.

CRO: What are the major geographies that you are focused on?

Nandakumar: We have clients and prospects in the Americas, Europe, Middle East, Africa and Asia Pacific.

CRO: Your clients for TBMS-F have mainly been international banks. What according to you are the reasons for relatively lower market share of TBMS-F in India?

Nandakumar: SunTec was the first company to recognise the business transformational capabilities of RBP for the financial services industry. We pioneered the concept of RBP.

Modern banks with technology invasion underwent a paradigm shift in the way they functioned. The need for RBP gained prominence to stay ahead of competition and to create a differentiating factor amongst competition in the market. This need was initially identified by banks in Europe and US. India's banking scenario at that time was at an evolving stage with the advent of privatisation in the banking arena. Therefore, the need was more immediate in the West.

New generation Indian banks like ICICI Bank, HDFC Bank and Axis Bank who were bringing in global aspect into their operations, felt

the need to move to RBP from product based pricing to gain a competitive advantage. These banks deployed RBP into their banking from the very beginning.

We deployed TBMS-F at ICICI Bank in 2004 followed by Axis Bank which has the highest clientele as compared to any other RBP vendor in the country. We are already in dialogue with many banks in India who have shown keen interest in RBP.

Our RBP solution is now fully operational in leading banks around the world. These banks are capitalising on the power of RBP to create compelling product bundles and persuasive pricing strategies. Furthermore, these banks are honing their competency in using the RBP solution to discover and create new fee-based revenue opportunities, offsetting the decline in interest based revenues. SunTec still continues to push the frontiers of the solution by working with the world's best banks. While the concept of RBP is still in its formative years, the success stories of banks that have implemented TBMS-F are testimony to the fact that the future holds immense potential.

CRO: How do you view IT solutions and service providers for BFSI sector fairing in these times of economic crisis?

Nandakumar: It is a challenging time for the solution vendors with the economic slowdown hitting hard on the BFSI sector especially with strategically focused IT spending.

Bank budget cuts are real and absolute, but the scope for selected spending in essential

solutions should remain flexible. Spending in key areas like risk analytics (especially due to interconnected nature of risk), centralised pricing and billing and MIS, needs to continue if not increase. The focus will now shift to better intelligence and efficiency from within the enterprise coupled with better customer experience and wallet share from the outside. This focus on better delivery and efficiency within the allocated budget will be the tune the banks will need to play in 2009 and ahead.

This time is also apt for solution vendors as banks turn towards technology for finding new avenues of revenue generation. Innovative technologies that aid banks in customer acquisition, retention, revenue generation and process efficiency will gain importance during this period.

CRO: What challenges do you foresee for RBP solutions at banks in future?

Nandakumar: In an increasingly commoditised global market, financial institutions are struggling hard to attract and retain high-value customers. RBP being an innovative technology has been in its initial stages of the product lifecycle. The major hurdle has been the resistance to change. Today the scenario is changing, as the banks identify RBP as a transformational technology, as evident from the return on investments achieved by banks that have already deployed it. In addition, economic downturn is increasing the uptake of RBP adoption as banks turn towards innovative and transformational technology that aids them in effective revenue generation and operational efficiency. ■