

Core Banking Solutions Make-or-Buy – Spoilt for Choice

Challenges

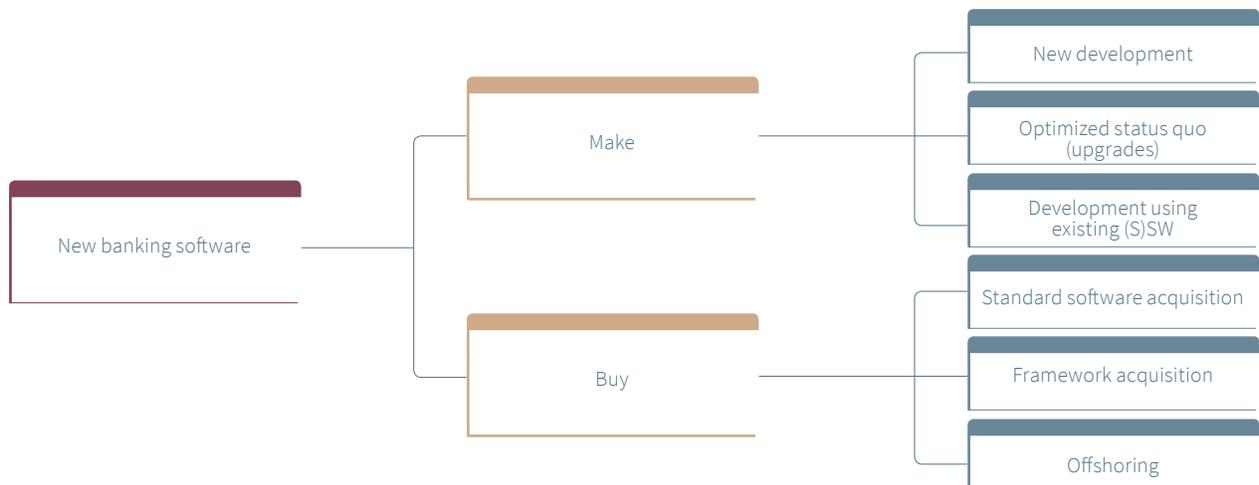
Increasingly, financial institutions are considering replacing their out-dated, and in many cases, internally-developed, application environment. Many banks have avoided this for decades and have invested in short-term or homemade provisional solutions. In the meantime, many of these banks have recognized that the maintenance of a complex patchwork solution of traditional, own-developed IT systems is unprofitable. This insight stems not only from high operating costs and increasing risks in running existing applications. It is also increasingly difficult to rapidly respond to changing requirements through stricter regulation, an ever faster time-to-market and growing customer demands.

A multitude of state-of-the-art solutions offering a wide range of functionalities, large customer communities and a comprehensive outsourcing proposal are available on the market today. The arguments are more than ever in favour of change. In fact, the costs and risks of inaction have become greater than those of action. The sector will not be able to avoid this trend. Those who wait too long will no longer be able to keep up with the speed and costs of the competition. But what should be done and how should one start?

Many banking application landscapes currently in use were originally developed and implemented in the 70s and 80s. These systems offered the basic functionalities for running a bank on a grand scale – in some cases very effectively. Since then, business strategies have developed further, products and channels have multiplied. On a technology level, this has led to patchwork of systems – with new functions interfering with those of existing applications.

Approach

Synpulse's many years of experience in strategy development and implementation have repeatedly shown that proprietary IT applications, once regarded as the source of competitive advantage, are now looked upon as both a blessing and a curse. In light of growing demands on system flexibility, antiquated technological bases, the need for improved system stability and a reduction in internal IT-technical know-how, many managers believe that replacing their core systems will bring competitive advantages on the market or at least allow the IT expenses ratio to be reduced in the mid-term.



Solutions

As the bank's partner, Synpulse assists in the following:

- Strategic coaching of the executive board in the make-or-buy decision
- Compiling IT and specialist requirements (mentioned below)
- New definition of the IT strategy
- Market survey discussion in regards to solutions and their interpretation
- Business case development
- Business/IT architecture development
- Classic evaluations
- New definition or adaptation of the operating model
- Requirements engineering
- With system selection: Gap analysis and subsequent support during implementation

Advantages

Such a project is complex and demands much attention from management. Involvement of many areas of the organization, not only the IT department, is necessary to ensure that the technical and functional needs are integrated. Thus, the project must be structured, efficient and well-documented. Synpulse relies on a tried and tested approach and:

- incorporates the newest insights into the possibilities of standard software and knows the current software providers.
- considers current trends in regards to new organization models (hub and spoke, installation of booking centres).
- calculates the cost-effectiveness and thus the chances of success of the project.

- ensures provider neutrality.
- enables a professional approach in the strategy phase and the subsequent selection procedure.
- uses change management as the most important prerequisite for the success of the project.
- ensures stakeholder management on all levels.

Expertise

Synpulse is one of the leading consulting companies for make-or-buy decisions and the resulting evaluation of solutions.

- Own methodology for strategy definition
- Proficiency in various operating models
- Long track record in the implementation of standard software
- BANKINABOX® process model
- Proven bank-specific know-how in all the most important areas
- Own market radar with the most notable software products

As its primary attribute, Synpulse has many years of experience and thus is highly competent in implementation. On one hand, Synpulse has a long tradition of standard software implementation in the financial sector. On the other hand consultants deployed have strategic experience, certification in and many years of project experience with the most popular solutions from the leading providers. This implementation experience allows Synpulse to competently and unerringly bring complex projects to successful completion.