

financial



Special report:
Corporates on SWIFT



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Seamless connections

High availability & highly secure

Christoph Stiefel, senior sales manager, Corporate Market, BBP AG, tells how customers, F. Hoffmann-La Roche and ABB Capital, benefited from using a service bureau, rather than an in-house solution to connect to SWIFTNet.

Corporations and financial institutions looking to simplify SWIFT connectivity and improve operations often choose to outsource to a service bureau. Updates to SWIFT message protocols, new service enhancements and continual system maintenance are compelling reasons to outsource. BBP operates one of the world's largest SWIFT service bureaus, supporting more than 100 banks and corporations.

Presented here are two case studies of leading global corporations that made the decision to outsource their SWIFTNet operations to BBP.

F. Hoffmann-La Roche

F. Hoffmann La-Roche has subsidiaries in more than 150 countries with a turnover of approximately USD 46.1 billion. One of the most pressing challenges for Martin Schlageter, head, Treasury Operations, is working capital optimisation and operational efficiency. Roche kicked off its in-house bank project in 2005 with the

goal of streamlining centralised and decentralised treasury processes. Its long-term objective is to implement a payment factory.

Roche had numerous banking relationships and interfaces to perform their cash management transactions. Each connection was different: incompatible systems, processes and data (quality, availability and timelines), which were heavily impacting operational efficiency. One of the main priorities was to eliminate these multiple banking connections for all treasury payments. The decision was in favour of SWIFT and its corporate-to-bank solution as the single channel to the banking world.

As interbank connectivity is not part of Roche's core business, the implementation and operation of an in-house solution was never an option. Roche started an evaluation for an outsourced solution: a so-called SWIFT service bureau. Key evaluation

and decision criteria were:

- **Availability:** Treasury payments are time critical, therefore a high system availability of almost 100 % was mandatory;
- **Reliability:** Treasury payments are high in volume – therefore a reliable provider who can assure timely delivery of a transaction is key;
- **Security:** Internet fraud through hacking and phishing attacks is increasing rapidly, therefore a highly secure application and proven workflow for authorisation of payments was critical.

After an extensive evaluation, Roche chose BBP AG as its SWIFT service bureau provider and project partner. Roche's decision was based on BBP's deep experience implementing and operating SWIFT access solutions for banks and corporate customers. The project was completed in less than three months and Roche was connected to SWIFTNet in December 2006. In Phase I of the project, Roche sent their treasury payments through

SWIFTNet FIN; in Phase II they will add bulk and mass transactions through SWIFTNet FileAct. The roll-out of the payment factory to the European region is scheduled for 2009, followed by a global roll-out in 2010. "For treasury operations like ours, high quality of service, advanced security and reliability are essential," says Martin Schlageter of F. Hoffmann La-Roche's Treasury Operations.

ABB Capital's choice of SWIFT service bureau

Security, fraud and compliance are playing an increasingly important role in decisions by corporate finance departments about how they conduct business. Regulatory pressure from Sarbanes-Oxley, IFRS and others, require greater operational controls on all activities. Corporations are looking for simplified and streamlined payment processes and control procedures. Using an independent SWIFTNet solution eliminates the complexity of supporting multiple platforms, procedures and standards required in a multibank environment.

SWIFT's private IP network with its advanced PKIs, encryption and authentication technology, ensures that transactions are protected against fraud. The integrity and confidentiality of all traffic over SWIFTNet is guaranteed because only registered users can gain access to the network. For these reasons, ABB Group Treasury decided to replace their three existing e-banking applications with a single bank-independent SWIFT



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Christoph Stiefel
BBP AG

application that connects them with their three banks. ABB wanted to streamline their processes and increase the security of their payments initiation process.

ABB began an evaluation for a SWIFT service bureau in 2008 focusing on the following key decision criteria:

- Application functionality (strict control of the message flow, etc.);
- Highly controlled and audited service bureau that does not operate the SWIFTNet connection;
- Strong security in user administration management, including '4-eye' principle, strong activity logging and restriction that the service bureau cannot make any modifications;
- Reliability and availability (support organisation on a 5/24 basis, standard SLA); and
- Clearly defined disaster contingency plans, processes and procedures.

After a rigorous evaluation process, including workshops covering security and connectivity issues, ABB selected the BBP service bureau solution. Key factors in its decision were: the proven secure and stable architecture of BBP's IGTplus application; the highly controlled and audited application and operational service, in accordance with the Swiss Federal Banking commission; and BBP's high availability service bureau infrastructure including a 5/24 support that allows their Singapore and US treasury operations to use the same infrastructure/service.

In ABB's first phase, payment files generated by their treasury management system were securely transferred via VPN-tunnel to the service bureau, eliminating the need to import them into their three e-banking applications. Final approval for payments (4-eye principle) occurs in BBP's application before the payments are released via SWIFT to the various banks. In addition to cost/benefit advantages, service bureaux offer additional value-added services, such as project and integration management, data mapping and conversion services, combined with huge and long-lasting experiences in accessing SWIFTNet and specialised SWIFT know-how. A service bureau is a good and cost-effective alternative to an in-house solution. //



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BBP operates one of the world's largest SWIFT service bureaus, supporting more than 100 banks and corporations. The BBP ServiceBureau has a 12 year track record of providing comprehensive and reliable services to the world's most demanding customers.

BBP offers a complete range of outsourced SWIFTNet services, simplifying your connectivity and improving operations. We provide an outsourced SWIFT solution that will fully integrate with your treasury management or ERP system. We support you with a disaster recovery centre, multilingual helpdesk and training. The BBP ServiceBureau fully complies with the SWIFT Service Bureau policy and regulations of Swiss Federal Banking Commission.

For more information about BBP's SWIFT ServiceBureau solutions, please see us at SIBOS Fundtech stand C209, call us at +41 (0)56 203 96 30; or send an email to christoph.stiefel@bbp.ch.

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