

Growth in Asia boosts Swiss IT

ERI. *The players are getting ready to bounce back after two years of contraction.*

JEREMY NIECKOWSKI

Anticipate needs, analyse solutions and come up with competitive offers.

Designers of banking software must follow these three rules if they want to take advantage of the recovery in the banking software sector, according to Michel Mathys, Sales manager at ERI. «As well as having to respond to an increasingly sophisticated demand from existing customers in traditional markets, software designers have no other choice but to reinforce their local expertise in order to keep up with the development of banks at an international level.» Or else they must be capable of offering expertise where the demand is growing, like in Singapore, which has become the indispensable market reference for private banking in the Asian region. «In short, Swiss expertise in banking software must be exportable if it wants to get a piece of the market. This movement has become inevitable after two years of serious contraction in the IT sector. Sometimes, banks froze or at least substantially reduced their investments due to the uncertainty of the markets, and for some, this trend has existed since 2007.

But the banking crisis has not only had negative effects on the players even if some of them have suffered from a situation that is tense to say the least, as shown by the attacks on banking secrecy.

«The commonly expressed desire of customers for transparency gives us more leverage, as banking establishments themselves are asking us to include this parameter in the architecture of the solution that we offer.»

To satisfy this request, the



MICHEL MATHYS. The return of on-shore will help to promote recovery for the software industry.

players spend time observing the behaviour of investors to understand current trends and adapt their solution.

«To succeed in overcoming the loss of confidence of investors in products such as hedge funds proposed by banks by coming up a new approach that optimizes current potential is one of the challenges, adds Michel Mathys. ERI, which has stuck to this business model, seems to have had the right strategy. It has attracted no less than 18 banks, which opted for its solution (OLYMPIC Banking System) in 2009, thus strengthening its role of reference in the domain. The increased power of advisory management to the detriment of discretionary management that requires more exchange and interaction between the banker and his customer would explain why banks choose this solution. In addition, “we are also capable of accompanying the reinforced regionalization of private banking throughout the world. This is a crucial factor in their choice”, he adds.

The market is therefore asking for more flexibility from existing banking solutions. They must be able to rapidly absorb a new acquisition or integrate a new business model. The market expects software designers not only to be able to create new architectures but also to

be able to expand or strengthen existing capacities for satisfying customer requirements. Only those software designers with these characteristics will be in the best position for the on-shore recovery in Europe or in Asia, while offering additional characteristics (such as loan management or money transfers).

In addition, ERI intends to expand its collaboration for meeting specific needs (such as an offer ASP/SaaS) but also to broaden the range of its customers requesting new tools or more specific tools. The company is well represented in Geneva with around 500 employees and does not intend to hire more personnel to carry out its plan for conquering the market. However, Management does plan to reinforce its teams of specialists so as to be able to better respond to local demand. «Delocalizing a part of our Research & Development would not be a strategic advantage as close contact with the customer is still a winning card. As regards our development plan for business volume, we also benefit from the international implantation of our customers with branches that are based in Switzerland. For this reason, we are present with local expertise in several major financial markets, such as Singapore”, says Michel Mathys.

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