

The psychology of a bank

A modern software system is not just limited to ensuring a bank institution's daily operations. Today, the software is the bank.

Because of paradoxes common to many professional circuits, the manager of ERI Bancaire Lugano, Mr. Luca De Blasio, has started to talk his mother tongue once again in Ticino. Mr. De Blasio, 57 years old, left Benevento 30 years ago, after having finished his studies; he then settled in international environments, firstly in Germany where he also founded a family. Mr. De Blasio has always spoken the language of banking procedures. Now, his experience represents a plus for ERI Bancaire Lugano. ERI Bancaire is an international size company founded at the end of the nineteen eighties.

Its objective is to develop sophisticated and efficient banking software which, for the modern bank of today, not only represents a tool for the smooth functioning of the Back-Office and numerous external and client interfaces, but also their very essence, a genuine *raison d'être*. In other words, the bank's psyche.

OLYMPIC Banking System from ERI Bancaire is a fully integrated, highly modularised software system which can be installed in all types of banks: from the retail banking institution, with a great volume of clients and counters, to the most highly developed private bank with a great volume of capital. "My first contact with OLYMPIC Banking System," says Mr. De Blasio, who joined ERI Bancaire in 2001, "was as a system user. In 1990, I was responsible for the restructuration of a bank in Zurich and among the decisions that had to be taken at that time, there was, in particular, the choice of a software". As he was perfectly capable of analysing the system, from the inside so to

speak, Mr. De Blasio's impression was very positive. One of ERI Bancaire's greatest assets is its capacity to plan solutions in time – all the projects initialised by ERI Bancaire have been carried out successfully.

In real time. Such reliability and solidity of the "core system" in the application of its modules is one of the reasons why ERI Bancaire has, for 15 years, remained firmly established in a highly complex market, with more than 260 installations in 30 countries. This can be considered a record in the area of banking software supply where few such examples of longevity exist. The current situation is distinct because, whilst the development of a software system is an extremely complex activity and the suppliers market highly competitive, it is also a fact that, for the user, management software has become an absolutely vital component in all institutions, whatever its type or size.

In this day and age where transactions are carried out in real time with other banks, central banks, financial markets and, via internet, with the account holders and investors, the bank's transactional activity is almost perfectly aligned to its software. The software thus reflects the imagination and competence of management, the quality of the services, staff training and professionalism. What has really changed from the past when software technologies began to replace accounting ledgers and pens, is that it has become too difficult and often too expensive for many banks to develop their own software internally.

"You can't just take into account the speed of market reactions, but you must also consider contiguous and rapidly changing conditions. Today, for example, priorities are often statutory, in particular those concerning savings taxation or the adaptation to multinational contexts. Think of the new law on money laundering or "business continuity" imposed by Basel II." Hence the choice of

Luca De Blasio, Director of the site of Lugano of ERI Bancaire.



software is a most critical decision, the global performance and the reactivity of the chosen product will make the difference. "From this point of view, OLYMPIC Banking System is recognised to be one of the most comprehensive products in its functional structure and fully adaptable to all types of needs".

Adaptability: a keyword which helps us to understand the essence of the software, so important in a context which is inevitably very wary of any "external" contribution. Today, whole sectors of the economy are resorting to outsourcing, goaded by the need to reduce infrastructural and software solution costs. However, this is not yet the case in the financial service sector due to the profound identification between procedures (hence to a bank's profitability and success) and the hardware and software infrastructure. And it is not only a question of "wanting" or "not wanting" to give up part of its control over certain functions. Banking software culture has traditionally solved its own problems. A bank's approach to ERP applications and Business Intelligence is different from that of a non financial company for whom personalisation and exclusive client relations are less important.

Modularity and adaptability

Another of OLYMPIC Banking System's strong points is the experience acquired through long years of work and research, resulting in the development of a highly modular structure enabling optimal adaptation to the specific needs of each bank. This modularity offers a range of functionalities, in real time.

"For OLYMPIC Banking System, the choice of an **IBM iSeries i5** environment," explains Mr. De Blasio, "represents a significant plus for our clients."

Its recent developments are fully centred on the advantages of Internet computing whilst retaining its distinctive solidity and security concerning data and procedures. An ideal compromise.

In addition, ERI Bancaire (of which approximately 40 % of their 530 staff are dedicated to the Development Department) is currently developing its new strategic project, NEXT, the future generation of OLYMPIC Banking System.

But how is OLYMPIC Banking System built? Mr. De Blasio starts by a description of the core system, developed

in Cobol. Around the core system, a layer has been developed on standard and advanced (J2EE) technologies.

At the centre of the system are the basic procedures for the management of current and savings account, foreign exchange, securities and all the other instruments used by the bank, as well as the Front-Office functionalities, Assets Management, Control and Reporting. This layer allows the client to use all the Front-Office modules, such as OLY-WEB (ERI Bancaire's e-Banking solution), OLY-PAM (for centralised management) and OLY-CIS (the Compliance Information System, in response to the new legal requirements concerning laundering).

Healthy banks

Mr. De Blasio specifically presents us with another Front-Office module, OLY-BEX (Management Information System), which he defines as the "real Business Intelligence engine" from OLYMPIC Banking System. "OLY-BEX is the tool used to measure a bank's behaviour, performance and profitability", explains Mr. De Blasio. In addition, via the analysis and linking of numerous complex data, it enables the monitoring of all the factors which contribute to the success of banking activities. Thanks to this powerful application, the bank will be able to provide corrective actions, plan its growth on the market and be better equipped to face increasingly hard competition.

Furthermore, ERI Bancaire is pursuing its international expansion. The installations carried out in the Canton, for example at Banco Di Lugano, Banca dello Stato, Banca Popolare di Sondrio or Banca Commerciale di Lugano, have strengthened ERI Bancaire's image in an Italian speaking and cultural region. ERI Bancaire is also starting to expand its activities in Italie where OLYMPIC Banking System is already in production in the UBS branch in Milan. "The Private Banking sector represents something new on the Italian financial service market", points out Mr. De Blasio "and ERI Bancaire is perfectly positioned with a product which is not only oriented to this specific type of bank". In the context of its international expansion, ERI Bancaire stands out by its policy of proximity to its clients, setting itself up in their geographical region.

Support services and training in the use of OLYMPIC Banking System represent the second most important activity of ERI Bancaire for whom quality service

remains a constant priority. Another 40% of ERI Bancaire staff is dedicated to project management and installations, as well as to client support: in particular, consulting, training, maintenance and personalisation of the software.

ERI Bancaire experts can also advise banks on subjects such as bank procedures and organisations. Likewise, ERI Bancaire provides valuation studies and guides relative to new directives such as Basel II or transparency rules. All that for the well-being of the bank!