

Pioneers for an October revolution

Five years after Temenos acquired Odyssey Financial Technologies, Nordea Luxembourg is set to become the first client to go live with an integrated combination of the former's T24 core banking system and the latter's Triple A portfolio management system. IBS talks to the bank about its pioneering journey to date.

Nordea Luxembourg is a flagship for Temenos' efforts in the wealth management sector. If things go well within the bank's revised project, in October it will be the first to go live with the integrated combination of the supplier's T24 core banking system and Odyssey-derived Triple A portfolio management system. This is to underpin a major transformation that will see the bank move from today's 25 or so disparate systems to a mere eight, with Temenos' suite at its heart.

The original timescales were too ambitious, says the bank's COO, Jean-Philippe Bailly. However, he seems relaxed about this, with the need to be ambitious at the outset to focus minds on the project. The original planning for the project started in March 2012 and the contract was signed late in that year, with the implementation starting the following March.

In Luxembourg, there are only really three core systems to choose from when it comes to private banking, he feels: T24, Avaloq Banking Suite and ERI's Olympic. The bank was already a user of the latter, on IBM's proprietary midrange platform, the AS/400/iSeries, and it had an old version of Triple A, Release 4.303. Around this it had the other applications that had been added over time.

There were three aims, says Bailly. First, it wanted to improve the service to its clients, including meeting their demands for different types of access, including via mobile and tablet. Second, it wanted improved operational efficiency. And third, it wanted to upgrade its IT infrastructure to support its growth over the next decade.

Temenos was deemed able to provide the bulk of what the bank needed and, as well as T24 and a new version of Triple A, the bank signed for the supplier's software for e-banking (Temenos Connect), reporting/MIS and anti-money laundering (AML). It selected separate systems for matching and reconciliations (Sungard's Intellimatch)



“As one back office user recently observed, it will be like moving from an old Nokia phone to a new iPhone.”

Jean-Philippe Bailly, Nordea Luxembourg



and client reporting and archiving. Deloitte helped with the pre-selection study and was chosen, through a separate selection process, as the implementation partner.

The complexity has been more or less as expected, says Bailly, with this eased by a firm decision to fit the bank to the systems, rather than the other way round. The bank put in place a change control board which rules on any proposed changes to the standard T24, with these having to be justified by the business owners. As such, there has been little customisation, with those changes that have been needed being carried out by local T24 specialist, Syncordis.

The project management team comprises a director from each of Nordea Luxembourg, the bank's Nordic head office, Temenos and Deloitte, to oversee the efforts. Below this are project teams for core banking, front office, finance and control, infrastructure, change management and migration.

There has been real teamwork across the three main companies, says Bailly. 'Obviously, we are ultimately responsible but it is with the huge involvement of Temenos and Deloitte.' The only area that was under-estimated, he feels, was testing, with an initial expectation that this could be handled in-house.

The bank is currently in the first round of User Acceptance Testing (UAT), with a second phase to follow from mid-August to mid-October, ahead of a planned 'big bang' go-live around the end of October. That cutover will be for all systems as it was not felt feasible to do so with some but not all applications. An order flows into Triple A then to T24, then feeds the MIS and AML,

explains Bailly, so 'you can't go live with only a piece of the software'. User training will take place from mid-September to mid-October.

Bailly believes that users will see bigger benefits than originally expected. 'As one back office user recently observed, it will be like moving from an old Nokia phone to a new iPhone.' The integrated platform will remove the current disjointed set-up whereby information is spread across multiple systems. Triple A will provide the single user interface and will constitute a single tool for relationship managers rather than the nine or so that are used today.

Nordea Luxembourg has been using Triple A since 2010, which is the year that it was acquired by Temenos. The fact that both systems reside with one parent has been a benefit, bringing tight integration and optimised performance, says Bailly. He confirms that Nordea Luxembourg will be the first bank with this close coupling, although he believes that Temenos has subsequently won a couple of other deals. Even in areas where T24 will be the main processing engine, such as loans and deposits, Triple A will be the interface for the users.

In terms of the goal of improved operational efficiency, in part this stems from the technical refresh. Out the door goes the AS/400, with the bank standardising on a Microsoft stack for the new core banking system, including SQL for the database. Triple A remains on Unix but Nordea Luxembourg will move to Release 14.03 (Temenos has realigned the release numbers with those of T24). For T24 itself, the bank is

moving to Release 14.08.

There are five main areas of improvement between the new version of Triple A and the old, says Bailly. R14.03 promises stronger performance analysis, the ability to consolidate portfolios at a client level, the ability to personalise screens, coverage for all product types that are used by relationship managers, and a dashboard containing all daily tasks that they need to perform.

There has been a degree of process reengineering to coincide with the first cutover, such as moving some processes from the front to the middle office. After the go-live there will be a next phase of process improvement, including further removal of manual processes. 'We will leverage a lot of what we have implemented,' says Bailly. In the October cutover will be internet banking, via Temenos Connect, and this will mark a fairly significant upgrade over the bank's current offering, he says. Only then will the bank turn to mobile banking, as a next step, looking to bring multiple device support both for customers and staff.

Nordea Luxembourg cannot yet be held up as a success story but, if everything goes to plan in October, it is likely that Temenos will seek to trumpet it from the rooftops. After all, it will be five years on from its \$100 million+ acquisition of Luxembourg-based Odyssey Financial Technologies, at which point Temenos was loudly talking up the opportunities for cross-selling. The instances are few, the live sites are nil, but with its integrated combination, Nordea Luxembourg looks set to finally turn the theory into reality. 🌱