

VERSION CONTROL

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Financial message-based data integration has never been easier



Financial IT speaks with Fiona Hamilton, VP EMEA Operations at Volante Technologies Inc., about innovative approaches to data integration process across the financial industry and the recently launched V5 of the Volante Designer product.

As Vice President for EMEA, Fiona has responsibility for day to day operations within her region and also growth into new services, countries, products and message standards migration within EMEA.

Fiona, what is the name of the flagship product you wish to showcase in Version Control?

Volante Designer. The product is a suite of modular software tools capable of handling the most complex data integration and management challenges.

From arrival, through process workflows, downstream integrations, persistence into databases, metadata-based governance, and model-based new development; each component offers a new and better way to address the challenges of data management.

Used by major financial institutions, exchanges and industry utilities around the world, Volante enables users to rapidly build data integration solutions to handle data feeds and applications used by both internal and external counterparties.

Volante Designer brings together simplicity, functionality and speed in a way that no other data management technology can match.

Volante Designer defines the workflow of the data processes. It takes into account how information is routed between parties, what the parties seek to do with it, what type of data it is (e.g. SWIFT, FIX, FpML etc.), the source, validity, structure, exceptions processing and how it needs to be transformed to be consumed by other parties or 'target' applications.

Volante's user-interface that generates code enables us to build 'cartridges' (logic which ultimately generates the code) based upon the models for 'sources' or 'targets'.

Volante provides a comprehensive data management framework, supporting standards and normalisation, data flow and workflow, virtualisation and SOAs, data governance, and model-driven initiatives.

What are the benefits of the product to end users/customers?

Volante handles the management of message complexity, so firms can improve their straight-through-processing (STP) rates and take full advantage of their commercial opportunities by increasing operational efficiency, reducing cost and increasing return on investment (ROI). The speed and ease of adoption of not only standard message structures and rules but also the model driven code generation of transformation, validation, routing and enrichment of data, brings agility with respect to changing regulation, technology and business relationships with customers and counterparties.

How long does a typical implementation of this product require?

Integration project times can be cut dramatically when using Volante. The product itself has virtually no implementation time as it can be installed in minutes. As an integration accelerator tool, the key elements are user training and best practice architecture consultancy which typically takes a matter of days.



From that point, the length of the project will depend on the complexity of the requirements which can be anything from days to months. What is consistent from the Volante Technologies client base is that compared with hand coded solutions, integration using the Volante product results in very significant time savings. Typically in a customer on-boarding scenario, what would previously have taken a number of months takes about the same number of weeks.

Who are the end users/customers of Volante Designer?

Major financial institutions use Volante Technologies. Institutions range from stock exchanges, brokers, industry utilities, universal and investment banks, corporate treasuries, ACHs, CCPs and buy-side institutions.

Volante can be deployed across the front, middle and back office and across all asset classes.

What are the names of the principal competitors to this product (including the names of the companies which own them)?

C24, Trace, Informatica, Logica, Fundtech, Oracle, IBM

What are the competitive advantages of your product over rival products?

Volante reduces time to on-board banking and customer connections thereby releasing revenue streams faster. It lowers data integration costs for any given project and reduces total cost of ownership through the delivery of maintained industry data models and automated upgrading of integration logic when standards change. The product also offers self- documentation, platform independence and dynamic creation of user dashboards, input functions and exception management.

How Volante positions its product in the market against its competitors (e.g. price, functionality, speed of implementation etc.)?

We position our company and product as being totally focussed on one element. Financial messagebased data integration. This single focus means our clients benefit from a company entirely comprised of expertise in how to develop, maintain and support the integration requirements of our market. Our commitment to testing has resulted in a customer base that is entirely referenceable.

Understanding our clients also results in the functionality, ease of use, speed of implementation, small execution footprint, low latency and maintenance automation that are central to our product architecture.

How often is this product upgraded?

Typically a new major release is announced every two years with optional interim minor releases every three to six

months. Volante supports the current major release and prior release, although every effort is also made to ensure backwards compatibility at all times in order to minimise customer impact.

How are upgrades delivered to existing users?

Upgrades are delivered to customers automatically.

Have you launched, or are you planning to launch, a completely revised version of this product?

Volante recently released version 5.0 of Designer. We have also launched off-the-shelf products known as 'Accelerators' that are designed to speed up adoption of new messages, standards and protocols as new regulation continues to be rolled out across the financial services industry.

Please describe how users/customers pay for the product (i.e. the fee structure)?

Volante believes in understanding our clients requirements and also the financial constraints that they must work under whether they are an end-customer or a partner. As such, the fee structure is always allied to what works best for both parties.

Are there any important industry-wide trends affecting the market for Volante product?

Mandated regulatory change means that new instruments, protocols and standards are constantly being brought to market. As well as global implications there are domestic implications in having to migrate legacy systems to new standards as dictated by new regulation. For instance, SEPA has and will remain a driver for some time to come in payments. Increasingly migration from legacy ACH and Securities Settlement standards to ISO 20022 are common trends whether domestically such as in Switzerland or regionally such as T2S. Regulation in the OTC markets with Dodd-Frank and recently EMIR is also driving integration projects requirements. A move to Service Orientated Architecture (SOA) is driving change from a technology direction.

What is the marketing strategy for this product (i.e. by what means are you seeking to distribute the product and enlarge its market share)?

Volante Technologies has a number of threads to its marketing strategy which cover for example geographic expansion (three new offices since 2010), exhibiting and panel participation at industry events, thought leadership articles in the press and involvement in standards bodies. Distribution is via direct sales from our offices and from our extensive network of partners.

About Volante Technologies

Founded in 2001, Volante Technologies is a global leader in the provision of innovative financial data integration.

Volante is dedicated to enabling clients navigate and manage the diverse, complex and constantly growing range of message formats, standards and protocol challenges encountered throughout the lifecycle of any financial transaction. Volante delivers and maintains comprehensive pre-built plug-ins for over seventy international and domestic standards such as SWIFT MT and MX, FIX, FpML, EDIFACT, ISO 20022, and SEPA, as well as proprietary formats based on XML, CSV and Fixed Width.

Volante's innovative development environment simplifies the management of message complexity, so

firms can improve their straight-through-processing (STP) rates and take full advantage of their commercial opportunities. Development times are reduced by 60-80%, delivering rapid returns on investment (ROI) as well as increased operational efficiency for a lower total cost of ownership (TCO).

Supported by offices in New York, London, Dubai, Mexico City and Chennai, Volante solutions are employed by an extremely diverse set of organisations, including buy-side and sell-side capital market institutions, banks (Universal, Commercial and Retail), corporate treasuries, financial industry utilities, clearing houses, exchanges, systems integrators and application vendors.

→ Time

We reduced time to onboard corporates from 8 to 3 months...

...revenue improved by 600%.

→ Cost

Automation with Volante compressed the project into 8 weeks

we expected it to take 6 months.

→ Complexity

Volante provides a simple, easy to use interface

that manages financial messaging complexity.

→ Flexibility

With Volante we are win –

we reduce operational risk, improve service levels, respond to customers quicker, and build our reputational profile.

Volante Predictions for 2014

To a large degree, Volante predicts that 2014 will bring a continuance of the broad trends seen in 2013, both from a market and technology perspective. As a financial data integration solution provider, the impact of trends from the physical implementation of new message structures, changes to existing ones, the on-boarding of new communication end-points and the dynamic routing and validation of information, will undoubtedly continue to cause on-going challenges for all members of the financial services industry.

Prediction 1: The continuing impact of existing and new global and regional regulatory obligations.

2013 saw regulatory reform implemented across many asset classes such as the global implementation of Dodd-Frank which created mandatory, trading, affirmation and reporting venues in the OTC derivatives world. Additionally, payments infrastructure players in the Eurozone were forced to focus on preparations for the implementation of SEPA (Single Euro Payments Area) which was set to come into force in February 2014 but is now subject to delay.

In 2014, the tail-end of such regulatory reform will continue to have an impact. Organizations, facing cross reporting thresholds or non-compliance due to projects being left late in 2013, also face the acknowledgement that stop-gap solutions implemented in order to become compliant, for on-going maintenance or internal compliance reasons are now not deemed viable in the long term.

2014 will add to this burden with the implementation of yet more regulation, this time, in the derivatives market. Global derivatives regulation such as EMIR will potentially impact more market participants than Dodd-Frank, owing to obligations being on both parties to report and a lack of thresholds. This year also sees the possible implementation date for reporting of energy contracts to ACER within the EU. All of these derivatives market reforms will have direct impacts on the messaging requirements of the affected organizations which will only be compounded for global

entities that may also be affected by other regional reforms in for example, Southern Africa and South East Asia.

Whilst SEPA in the Eurozone is theoretically set to be in place for all Eurozone participants in Credit Transfers and Direct Debits; given the low adoption figures towards the end of 2013, especially in Direct Debits, it is hard to see how all organizations are going to be compliant with a February-end date. A sentiment much mirrored by the recent announcement of delay, made by the European Commission.

SEPA, furthermore, will continue to impact beyond the February 2014 date with the February 2016 date for compliance for non-Eurozone countries which will undoubtedly have a global impact given the Euro's significance in world currency markets. In my opinion, though it is unlikely that this latter deadline, will have a major impact this year, as experience shows that generally speaking, the market waits until the last minute to respond to regulatory end dates as the financial imperatives most entities operate with encourage a "well if we don't have to do it next quarter why spend the money" approach.

The first half of 2014 will ultimately be a time for entities to implement fully compliant solutions in order to avoid fines or financially burdensome costs associated with paying service providers to transform data on their behalves into compliant formats.

Prediction 2: Increasing adoption of ISO 20022

Many millions of words have been written over the past decade about the ISO 20022 financial standard methodology and the resulting largely XML structured artefacts that result across many asset classes. The standard has undoubtedly been a slow burner and the revolution to financial messaging has been hard to realize

without regulatory or network provider imperative. This is however slowly changing and the pace seems to be gathering as certain sectors such as Investment Funds and Supply Chain Finance have adopted and mandated ISO 20022 within the SWIFT and Bank Payment Obligation (BPO) world.

Volante sees regulatory pressures increasing pace not just over 2014 but for some years to come as new services driven by regulatory reform such as Target2 Securities (T2S) need to be implemented and live by 2015. There are also obvious signs that many payments automated clearing houses (ACHs) and domestic

securities settlement clearers have intentions to migrate away from their legacy message formats which were largely fixed format or based around ASCII variable formats such as CSV. This trend that started with countries such as Japan and Switzerland, we predict will continue with gathering momentum.

Prediction 3: The continuing move away from legacy to services and cloud-orientated architecture

2013 saw a definite increase in the perceived demand for Service Orientated Architecture (SOA)-based solutions for data and message integration as top and middle tier organizations particularly, look to rationalize often heterogeneous and geographically disparate systems and functions. Again, this trend we believe will continue into 2014 and beyond, and in many ways, will only increase with the impact of the other predictions made in this article.

Organizations need to be able to implement architecture that allows them to centralize functions such as IT and physical communication channels whilst still being able to support country specific requirements. Implementing services that can be used regardless of location for message format transformation, validation, enrichment, storage and routing are well serviced by a SOA infrastructure and will help realize other cost benefits where other highly flexible open technologies such as Java and Linux are utilized. So, whether it is the implementation

of a centralized payments hub or an OTC derivatives reporting hub that is required, by extension, everything can be leveraged on the same architecture.

2014 also seems likely to be somewhat of a threshold in terms of the likely maturation of the cloud architecture proposition within wholesale financial markets. Cloud technology has been around for some time, but the inherent and understandable security concerns of entities with regard to physically locating core services anywhere outside their own proprietary infrastructures, has somewhat hampered its adoption. The undoubted cost benefits and flexibility of scaling to demand and rapid integration with new end-points is eroding that reluctance. Volante forecasts increasing adoption of cloud-based services such as SAP's Financial Services Network (FSN). By adopting these infrastructures, organizations will also be increasing the centralization of reported data both in volume and in depth thereby creating valuable "big-data" sets that can be mined with appropriate tools.

How is Volante supporting these drivers in their product?

As a product company wholly focused on the financial data integration market, it is important that we anticipate and prepare in advance of market requirements. So much of what is required to support the market has already been built into the product set in 2013 or is in the near term development and testing roadmap. In addition to the creation of comprehensive data models representing new and amended message formats for regulatory change, Volante has implemented and will continue to add to, its repository of legacy data formats and off-the-shelf transformations to aid migration. We have also enhanced the product's ability to seamlessly deploy within any SOA or cloud infrastructure and specifically implemented

full SAP IDOC and FSN support. Latterly, the product has also had "big-data" support added in the form of being conformant with the Apache-Hadoop standard.

The move to adoption of SOA infrastructure has also resulted in Volante implementing more out-of-the-box functionality with regards to the routing of data and visualization of the end-to-end message choreography.

We intend to continue to add to these enhancements throughout 2014 and beyond, and will maintain our focus on implementing whatever message or technology functionality our customers require to support their ever-increasing regulatory and cost efficiency demands in relation to data integration.