



## FAST FACTS

### Customer

SmartStream Technologies

### Challenge

Enable SmartStream to meet growing demand from its customers for faster, simpler data integration to meet new legislative requirements, particularly from the Financial Services Authority in the UK, as well as more rigid management of banking funds in the wake of the global credit crunch.

### Informatica Solution

Informatica PowerCenter – to create a powerful and comprehensive data integration platform within SmartStream's Transaction Lifecycle Management (TLM®) solutions

### Benefits

- TLM solutions are now able to manage enormous volumes of banking transactions extremely fast because data integration streamlines the process
- Professional services teams spend less time on technology integration and more time providing consultancy services to customers
- Enable end-customers to improve their visibility and control of the transaction lifecycle through powerful integration of the data involved in transaction cycles

# Enabling a leading financial services software company to quickly and easily extend the value of its technology to streamline transaction processing

“The increasing drive to streamline global banking practices means our software needs to manage highly complex and rapid transactions across platforms and different banks. We needed data integration capabilities and had to buy them or build them. By using Informatica PowerCenter, rather than having to continually create bespoke data interfaces, we have freed up our professional services teams to provide more value to our customers.”

— Neil Vernon, Senior Product Manager, SmartStream

SmartStream Technologies provides enterprise-wide, real-time Transaction Lifecycle Management (TLM) solutions to 1,000 clients, including more than 75 of the world's top 100 banks. The company's technology enables these large organisations to optimise their operations so that visibility and control of the transaction lifecycle is improved, and processes are completed in accordance with business demands and legislation.

SmartStream's technology has evolved from general ledger reconciliation solutions at a core banking system level to gain a much broader reach across the IT environment. Accordingly, the solutions now address the whole transaction lifecycle.

As the banking sector becomes ever-more globalised, closely legislated and seeks operational efficiencies, so SmartStream's solutions have increasingly needed to embrace multiple data formats, utilise data from many more proprietary and industry standard platforms, and meet the requirements of an expanding transaction lifecycle.

SmartStream therefore reached a point at which it had to make a major decision – build more sophisticated data integration capabilities into its solutions, or seek to incorporate a best-of-breed data integration platform. These capabilities needed to ensure that the company no longer needed to take a bespoke approach to the integration of each new data environment. Moreover, it needed to realign its professional services teams to higher-value activities for customers rather than concentrating on data integration challenges.

“Our challenge with data integration was that the sheer need to integrate multiple platforms had given us a technical challenge that was beyond the scope of our core expertise. It was no longer commercially viable for us to develop our own interfaces for customers, so we turned to Informatica.”

— Neil Vernon, Senior Product Manager, SmartStream

## The Challenge

The increasing sophistication, volume and diversity of financial instruments has created a need for much greater operational agility from banking IT systems. The degree of process flexibility that entails means that transaction processing has to draw in data from many different sources. Moreover, new regulatory commitments such as those governed by the Financial Services Authority (FSA) in the UK mean that this data needs to be managed in line with compliance requirements. As well as industry standard data formats such as the SWIFT, NACHA and FIX libraries, there are a multitude of proprietary and often legacy general ledger systems within most bank IT environments. This augmented what is already a significant technical challenge for SmartStream’s technology – the ability to process up to 30 million transactions each day.

Increasingly, SmartStream was finding that integration of these data types, so that information could be part of the transaction lifecycle, involved a disproportionate amount of time and technical resource. The company’s professional services teams were engaged with customers in designing and implementing the interfaces with the platforms required to create operational agility, but the scale of each task was increasing. SmartStream faced a product management challenge that, ultimately, came down to a fairly straightforward decision – either continue to self-build the integration points with its solution, or use a data integration platform that would give its solution that functionality off-the-peg.

Equally, that decision needed to be accelerated because market conditions in the banking sector and the squeeze on credit funds meant that improving visibility and control of the transaction lifecycle was fast rising up the banking agenda. That meant integrating data streams so that information from complex IT environments, including mid-range systems as well as legacy core banking platforms, could transform the data to speed transaction processes.

“Banks have always faced a challenge in optimising transaction processing and the capability rests heavily with being able to accelerate and gain visibility over the entire lifecycle,” said Neil Vernon, Senior Product Manager, SmartStream. “Our challenge with data integration was that the sheer need to integrate multiple platforms had given us a technical challenge that was beyond the scope of our core expertise. It was no longer commercially viable for us to develop our own interfaces for customers, so we turned to Informatica.”

## The Solution

SmartStream chose Informatica PowerCenter, which is now offered to customers as an integral component of TLM, as its data integration platform to address complex data environments. Key reasons for the decision were PowerCenter’s performance statistics in demanding transaction processing environments, the simplicity of the management interfaces and the technical expertise of the Informatica team.

“What we needed was a recurring solution for an increasingly common requirement. We used to write different integration code for every customer or even every site. It placed an increased burden on our professional services teams and we felt that they needed to be freed up to concentrate their resources on other value-added activities for our customers,” said Mr Vernon.

PowerCenter now resides architecturally in front of SmartStream’s transaction reconciliation solution and is provided to customers as TLM BI (Business Integration).

Serving as the data hub for SmartStream's customer environments, Informatica's technology now integrates data from literally hundreds of source platforms, including all industry standard libraries.

## The Results

Besides its technical performance, these data integration capabilities have also enabled SmartStream to create a codeless data integration environment, and so reduce both its own development costs and those of its customers. Professional services teams have been removed from data integration tasks and instead redeployed on business process management consultancy.

"Our professional services resourcing has been one of the most important benefits of using Informatica for our data integration," said Mr Vernon. "They now go into customers knowing that any data integration challenge they may face can be accommodated easily by our solution. It gives us much greater scope to address the core transaction optimisation challenges that are our primary focus."

Overall, the automated approach to data integration has helped to improve SmartStream's transaction processing performance, as transaction execution time has been reduced. It has also helped to give greater visibility over transaction processes, as some data platforms were previously 'closed' to the transaction lifecycle.

"Beyond the performance and resourcing benefits, improved data integration also gives banking customers greater visibility and assurance over transaction processes, as the banks are able to introduce greater operational efficiencies and communicate them to the customer base. This is a process that we expect will continue to achieve operational benefits in the future as data integration extends the reach of the lifecycle further into the IT environment," said Mr Vernon.

## Nuts and Bolts

**Data Integration:** Informatica

**Sources:**

- Multiple legacy and mid-range systems, and proprietary banking applications
- Industry standard transaction libraries including CHAPS and SWIFT

**Target:**

Various, depending on customer environment

**Platform:**

Typically core banking mainframe and midrange-based systems

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