

# BMC Software – Transforming Complex Technology Into Extraordinary Business Performance



Cited as one of the so called ‘megavendors’ of IT Management Software by industry analysts, Houston based BMC Software (BMC) helps companies around the world harness technology to improve the delivery and consumption of digital services. The privately-held company has enabled its more than 15,000 clients – including 97% of the Forbes Global 100 and 81% of the Fortune 500 – to achieve extraordinary business performance through the informed use of technology and data.

BMC places emphasis on helping companies to understand how technology can be utilized to transform business operations. BMC offers a core business services management platform that simplifies and automates

IT processes, and orchestrates workflow across cloud, virtual, distributed, and mainframe resources. The company’s software solutions are complemented by a comprehensive suite of consulting, education, and managed service offerings. Its approximately 6,000 employees, located in more than 120 countries, generated \$2.2 billion of revenue in 2013.

With a continually expanding global presence, BMC has to comply with a myriad of currencies, regulatory requirements and individual banking policies. Similarly, the company also has exposure to the prevailing economic factors in each country, including possible credit crises and banking instability: The ability to react quickly to local events is of paramount importance. Chris Land, Sr. Application Developer at BMC, expounded, “The significance of being agile came to a head when there was the credit crisis a few years ago and we needed the ability to move money rapidly away from certain banks if they started running into credit issues.

He continued, “The credit crisis just served to highlight the need for us to have more control over our ability to shift from one financial institution to another quickly. At the time, we outsourced our financial transformations to a third party and any time we wanted to add a new bank, or currency, or payment type it took a substantial amount of time to get anything developed, tested, and rolled out to production. On top of this there was a large price tag associated



## Overview

BMC Software completely reworks key accounting functions to yield hundreds of thousands of dollars in bottom-line savings. Informatica solutions and services utilized to provide faster execution, improved visibility, and tighter management of financial operations.

## Business Need

- Improve agility, performance, and management of global AP- and GL-related functions
- Implement strategy to mitigate risk of potential localized credit crisis and banking instability

## Challenges

- Lack of complete visibility into status of individual transactions
- Absence of consolidated view to manage operations and optimize use of cash reserves
- Reliance on a slow, expensive, and outsourced process to develop, test, and deploy new transaction formats

with it. If we added together all the payments and other associated fees, it was costing the company hundreds of thousands of dollars each year.”

Additionally, the company’s accounts payable (AP) and general ledger (GL) operations were handled by decentralized regional service centers, using manual processes. This in turn caused a widespread lack of standardization across countries that impacted the BMC treasury team’s ability to view current account balances, resulting in the need to maintain excessive cash reserves to cover the possible occurrence of any unpredicted cash needs.

## Unleashing Information Potential

Land recalled, “We decided to launch an initiative to centralize and automate AP and GL reconciliations in an effort to reduce operating costs and standardize processes. However, there were many other anticipated benefits – including a reduction in fraud potential, risk of payment errors, as well as upgraded security, and audit compliance and control – that we knew we could accomplish.

“Also, by consolidating the number of banks and accounts, and standardizing payment formats across countries, we had the opportunity to dramatically improve our visibility into actual and projected cash flows; enabling us to better manage our cash positions and to optimize use of our working capital.”

Chartered with supporting the worldwide AP and GL functions of the company, BMC’s information systems and technology team, in collaboration with the treasury group, implemented the SWIFT-certified centralized payment lifecycle management project to deliver automated end-to-end payment processing and tracking.

The project also involved the creation of interfaces to internal and bank back-office systems, and the ability to customize individual workflows to fit specific needs. A sophisticated search function was overlaid across the new domain, as well as consolidated reporting and dashboard capabilities to provide real-time insights into business performance.

## Results

The improved efficiencies arising from the consolidation of payments into a single accounts payable process has been significant. Land recounted, “We’ve saved hundreds of thousands of dollars and have much better reporting and control across the hundreds of bank accounts we use. We now have accurate and timely visibility into our cash holdings, and have been able to elevate the rigor behind our risk management and mitigation strategies.”

He continued, “One of the many reasons we chose Informatica B2B Data Exchange for the project is that it gives us the ability to create widely flexible transformation formats. In addition, we have been able to set up customizable workflow parameters, allowing us to completely avoid any hard coded formats. This makes it really easy to accommodate any urgent changes.” Informatica B2B Data Exchange also provides BMC with a visual representation of the status and progress of each payment transaction. The AP team can immediately see where every payment stands anywhere along the lifecycle of the full transaction. “We previously used a spreadsheet that took many hours to update, so this is a major improvement over what we had before. The dashboard enables us to quickly see all the different status categories and where individual payments are in the process; it’s very easy to identify, isolate and escalate any potentially problematic transactions,” commented Land.

Another major benefit has come from slashing the time taken to conceive, develop and activate new payment formats. “We can now publish a format in a couple of days versus the weeks, or even months, that it used to take.

The simplicity of the Informatica tools, and being able to do everything in-house, means that we can send a test of a new payment format to a bank and get feedback within 10 minutes. If necessary, we can then immediately make any changes and then resubmit,” extolled Land.

He added, “We used to rely heavily on CSV files, but the new platform has enabled us to transition to becoming almost 100% standardized on XML. This gives us advantages like automatic data validation, hierarchical data organization and digital signature capabilities.”

Land summarized, “Reducing costs, doing things faster and getting better visibility into how things are running are always constant drivers for us. This initiative, relying heavily on solutions and services from Informatica, has transformed how we do business; we now can quickly test and deploy new payment formats, monitor the status of each individual transaction and have a level of immediate control over the business that never could have existed in the past.”

## The Role of Informatica

The BMC project utilized three key products: Informatica PowerCenter, Informatica B2B Data Exchange and Informatica Data Transformation; and assistance from Informatica Professional Services.

Informatica PowerCenter provides BMC with an enterprise-class platform that enables the manipulation and application of raw data into actionable information.

Informatica B2B Data Exchange was utilized to create the library of pre-defined processes and data transformations, for use either without modification or adapted to meet the nuances of new requirements. During execution, the solution allows data events to be automatically monitored and, if necessary, escalated for more detailed scrutiny and possible intervention. "Having the ability to open the dashboard in Data Exchange and immediately know where everything stands is of tremendous benefit to our AP team, our treasury team, as well as IT. If there are any issues we know immediately and can drill into that specific transaction to determine what the problem is. B2B Data Exchange gives us a substantial time saving over how we used to operate," declared Land.

The potentially wide variety of financial file and message formats encountered by the BMC finance groups is comprehensively handled by Informatica Data Transformation; it features a sophisticated engine capable of extracting data from any file, document, or message—regardless of format, complexity, or size—and transforming it into a usable form. This facilitates a major reduction in

development and deployment time by eliminating the need for individual individually created conversions.

Land reflected, "We worked closely with consultants from Informatica in order to expediently document the group's primary flows, and from there we were quickly able to construct the actual work flows and initial data transformations for each output type. This enabled us to build a functional system in a very short period of time and then layer on more sophisticated capabilities as they were defined.

The Informatica team was very knowledgeable and helpful in our process and without their assistance it would have been challenging to complete everything as quickly as we did and with as few issues as we experienced."

"We have a lot of knowledge in-house which we utilized to evaluate multiple vendors before making our selection. We compared options from four or five vendors and saw demos of several of the more promising alternatives. However, it rapidly became clear that the suite of Informatica solutions addressed all of our requirements and matched well with our strategy," recalled Land.

## **Solution**

- Centralize and automate A/P and GL reconciliation
- Enhance bank relationship management
- Improve visibility into actual and projected cash flows

## **Benefits**

- Hundreds of thousands of dollars saved from improved efficiencies, speed of execution, and optimized handling of cash reserves
- Enhanced reporting and control over global portfolio of bank accounts
- Accurate and timely visibility into cash holdings
- Lowered risk exposure
- Dramatic reduction in time to deploy new transaction formats and add/modify bank, currency, or payment types

## **Inside the Solution**

- Informatica B2B Data Exchange
- Informatica Data Transformation
- Informatica PowerCenter
- Informatica Professional Services
- Informatica Address Verification



Digital transformation is changing our world. As the leader in enterprise cloud data management, we're prepared to help you intelligently lead the way. To provide you with the foresight to become more agile, realize new growth opportunities or even invent new things. We invite you to explore all that Informatica has to offer—and unleash the power of data to drive your next intelligent disruption. Not just once, but again and again.

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