



Grupo  
Ahorro Corporación

# AC Gestión opts for SWIFT ISO 2022 to support its funds guided architecture business growth

## Benefits

- ROI : 337% over 5 years
- Break-even: 6 months after launch
- Operational risk: 95% reduction in number of claims/incidents
- Operational cost: 85% order processing time reduction

## Background on AC Gestión

- Spanish fund distributor
- 1,000+ savings bank network
- Top 5 Spanish fund manager
- 150 employees

## Background to the fund project

- Guided architecture project launched in 2006
- 17 major cross-border fund managers
- Thousands of daily fund orders aggregated into 15-20 high value orders to transfer agents (TAs)

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 “Starting with ISO 2022 was like having a Ferrari as your first car, just after getting your driving licence: we got access to the most advanced functionalities from the start.”  
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Alberto Martínez Pérez, Head of Funds Operations, AC Gestión

### The business challenge

AC Gestión’s success in opening up to third-party funds resulted in rocketing fund order volumes. It quickly became apparent that exchanging high volumes of orders by fax server with third-party agents was not a sustainable operational model for AC Gestión from the perspectives of operational risk, cost and service levels.

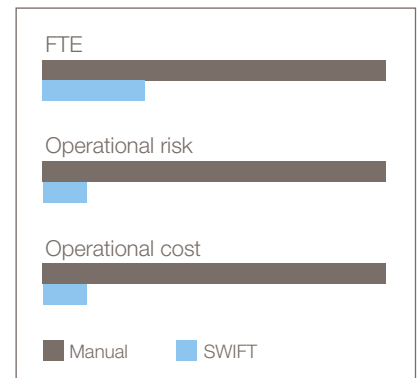
Automation and standardisation were required to enable AC Gestión’s business to grow and encompass more fund houses.

### The objectives

- Sustain business growth
- Reach all fund houses
- Track pending orders status prior to cut-off time
- Get guaranteed timely delivery of orders to TAs
- Minimise operational risks linked to fax
- Leverage current SWIFT infrastructure of the group

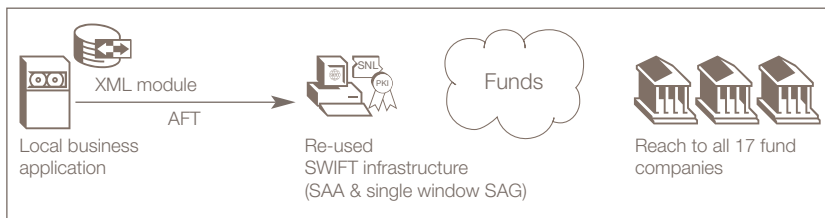
### The benefits

- Business expansion: easy reach to all fund houses and transfer agents.
- Operational risk reduction: minimised errors thanks to elimination of faxes, guaranteed timely delivery of orders and receipt of status messages.
- Enhanced scalability of operations: vital when volumes are very volatile.



Ⓐ Benefits of SWIFT automation project





**A SWIFT implementation**

- Cost reduction: through re-use of the Ahorro Group's SWIFT infrastructure already in place for its securities and payments businesses. In addition, aggregating multiple orders per SWIFT message (which is possible with ISO 20022) leads to a substantial reduction in traffic cost, beyond what is possible using FIN fund templates.
- Enhanced service level: through a reduced error rate and an extended fund offering.
- Cut-off times: going forward, improved cut-off times for incoming orders could be offered.

**The project**

AC Gestión started its project to implement SWIFT's ISO 20022 Funds solution in 2006.

It was able to reuse the SWIFT infrastructure of its sister company Ahorro Corporación Financiera, meaning it could minimise IT infrastructure costs and achieve a faster time to market. Overall, it took fewer than 60 man days (nine months in elapsed time) to complete: about a third of that time was needed to accumulate the necessary XML expertise and build a module on its business application locally in order to generate the ISO 20022 messages, and to handle enquiries and reporting.

The remainder of the time was used for testing its integration with the central SWIFT infrastructure at its sister company and bringing on the first transfer agent (TA) counterparty.

**The result**

Since it has completed its first implementation, AC Gestión has been able to add all the required 12 TA counterparties much more easily and quickly: it now estimates that adding a counterparty on SWIFT takes an average

of three man days (two weeks elapsed time) and is fully automated on the SWIFT ISO 20022 fund service.

AC Gestión aggregates up to dozens of orders in one single SWIFT message. This is more cost effective than the "one order per MT" that applies to FIN users, meaning AC Gestión pays around 40% less in traffic fees.

Faxes are used only for repairs before cut-off, and as a contingency. This has significantly reduced operational risk.

AC Gestión sees a very powerful benefit in the automation of status messages, which confirm the content of an order is approved and will be executed. Most TAs generate status messages within minutes of order receipt, meaning they are received well before cut-off time, supporting timely identification and resolution of any problems.

**Next steps**

SWIFT's ISO 20022 Funds solution covers not only order flows, but all business flows for funds distribution. The next step for AC Gestión will be to automate additional operational flows using ISO 20022, starting with switches.

**About SWIFT**

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect over 8,500 banking organisations, securities institutions and corporate customers in more than 200 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. During the past 10 years, SWIFT message prices have been reduced by 80%, and system availability approaches 5x9 reliability – 99.999% of uptime.

*For more information please contact your SWIFT account manager or visit [www.swift.com](http://www.swift.com)*

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**"Our SWIFT infrastructure supports multiple businesses in our group, and has become essential for the organisation. Once we implemented the core, adding new services has been relatively simple. We feel very comfortable with its reliability."**

Pedro Soler, Organization and Systems Director, Ahorro Corporación Financiera

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