



Banca Sella Holding builds its funds processing strategy on SWIFT and ISO 20022 automation

Sergio Sclarici, Head of Operations for Local Transfer Agency at Banca Sella Holding, describes how the adoption of SWIFT and ISO 20022 funds messages has enabled his firm to manage more clients and more transactions and grow its business, with no impact on human resource costs.



Banca Sella Holding is the parent company of Gruppo Banca Sella. Besides the usual activities of a parent company, and the other centralised bank services it provides to Gruppo Banca Sella member companies, Banca Sella Holding performs the activities of Local Paying and Transfer Agency and mutual fund order routing. In this role, it provides services both for companies belonging to the group and for other companies.

Gruppo Banca Sella is an Italian, privately-owned, independent group, founded more than 120 years ago. The group retains strong links to the traditions of the territory in which it developed, but is at the same time dynamic and innovative.

Gruppo Banca Sella comprises 23 companies operating in different geographical areas and offering a range of financial products and services. Gruppo Banca Sella employs more than 4,500 people.

Banca Sella Holding now manages mutual fund orders from 56 fund houses, representing more than 2,300 funds and which are handled by 21 transfer agents.

“The growth of our position in Italy as a local transfer agent is one of our goals. To remain in this business and to better position our institution in the challenging market of mutual funds distribution, we knew we had to upgrade our process for fund order routing.”

Sergio Sclarici, Head of Operations for Local Transfer Agency at Banca Sella Holding

The challenge

- Eliminate costly and time-consuming inefficiencies usually associated with fax-based orders
 - Lack of status on pending orders (making it difficult to ensure orders have actually been received)
 - Difficult tracking of confirmation receipts
 - Disputes over cut-offs
- Reduce costs and risks associated with manual processing
- Manage 56 fund houses via a straight-through process
- Centralise and streamline fund operations for the entities of the group and other distributors
- Grow the business while maintaining a stable cost base

The goal

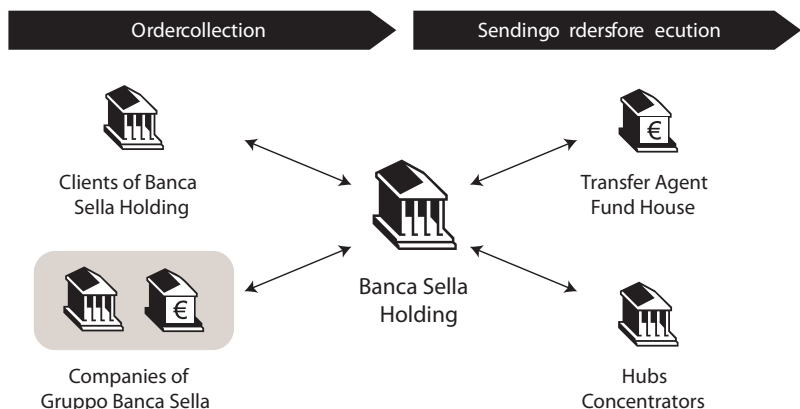
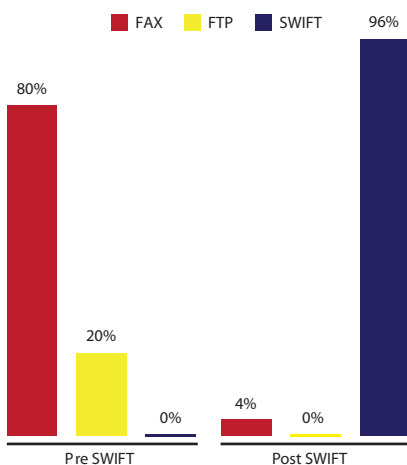
The objective of Banca Sella Holding is to manage more clients and more transactions, helping grow the business, with no impact on its human resource costs. The SWIFT ISO 20022 project was carried out to enable Banca Sella Holding to meet this goal.

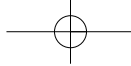
Banca Sella Holding decided to upgrade its funds processing capabilities from fax/FTP to SWIFT.

Benefits

- Operational risk and cost reduction
 - 30% FTE savings in the processing of orders
- Increased processing efficiency
 - Levels of manual order processing will ultimately be reduced from 80% to 4%
- Increased service level and client satisfaction
 - Better cut-off times
 - Earlier order confirmation
 - Improved reconciliation process on orders, confirmations
- Business expansion
 - The ability to add funds and counterparties more quickly
 - The capacity to absorb smoothly volume increases/peaks of activity

VOLUMES BY CHANNEL





The project

Banca Sella Holding launched its project to implement SWIFT's ISO 20022 Funds messages in 2007. The project was designed to improve the collection of fund orders from Italian distributors and various other institutions of the group in order for them to be aggregated and sent to fund houses/transfer agents as well as hubs abroad.

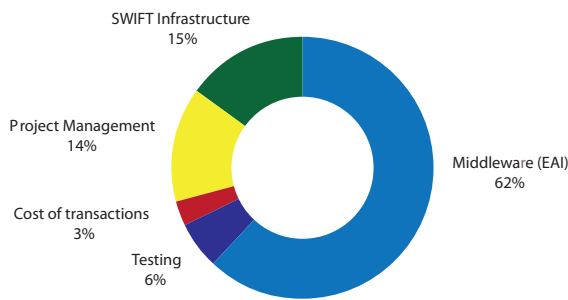
"With this project, we have saved 30% operational FTEs while providing a better service to our customers."

By leveraging the group's central SWIFT infrastructure, Banca Sella Holding was able to reduce the cost of adopting SWIFT for its funds business by more than 60%.

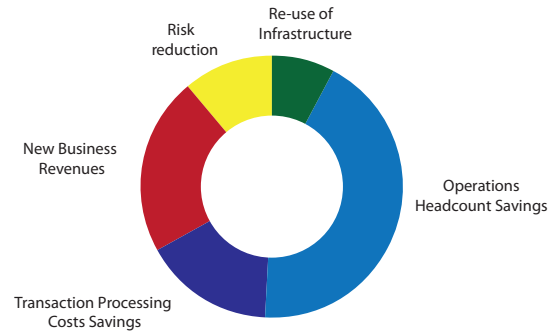
Banca Sella Holding's implementation included an EAI middleware solution used exclusively for funds initially. The implementation of the first counterparty on SWIFT occurred six months after the start of the project, and thereafter implementing a new counterparty took on average only three man-days of testing.

Sergio Scolarici, Head of Operations for Local Transfer Agency at Banca Sella Holding

PROJECT COST



BENEFITS / SAVINGS



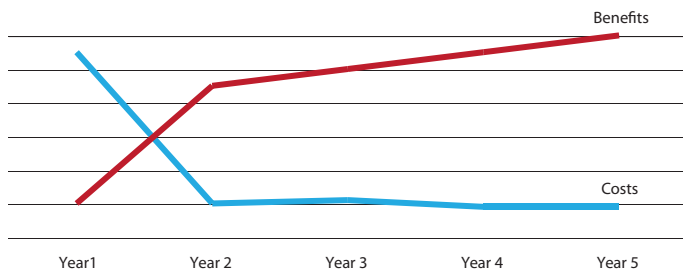
The result

Since completion of the first implementation in March 2008, Banca Sella Holding has been able to achieve a massive reduction in manual order processing; by the end of 2009, less than 4% of orders will still be manual. Some of the manual counterparties will migrate to SWIFT in 2010, and others will remain manual because some of Banca Sella Holding's counterparties are not yet on SWIFT. This project enabled Banca Sella Holdings to grow from 40 to 56 counterparties.

The most important benefits Banca Sella Holding has gained through its SWIFT project relate to achieving even higher levels of efficiency. SWIFT has enabled greater automation and certainty around the sending of orders to, and receipt of orders from, counterparties (the SWIFT time stamp). This has led to even better confirmation timeliness with transfer agents and to quicker and more prompt reaction in the event of discrepancies. Although Banca Sella Holding was operating efficiently already, its adoption of SWIFT has enabled it to further eliminate manual processes and take its automation to the next level.

"Making a comparison between our activity now and our activity in 2006/2007, we are dealing with a higher number of counterparties, and we are doing all these activities with fewer FTEs," says Scolarici. "We are confident our SWIFT infrastructure will give us the ability to send and receive many more orders with the same number of dedicated FTEs." Thanks to the Swift implementation, Banca Sella Holdings is now easily able to respond to due diligence requirements from international fund houses and rapidly start new business relationships.

COSTS / BENEFITS



ORDERS HANDLING CAPABILITY PER FTE /DAY



Next steps

Banca Sella Holding has both a near-term and a longer-term strategy to further extend its use of SWIFT. In 2010, it plans to start using SWIFT for reconciliations, to send transfer orders and also to open new accounts.

In the longer term, Banca Sella Holding wants to start to use SWIFT to send orders to its Italian counterparties for the Italian fund range. Currently, not all of these counterparties accept orders through SWIFT. While typically orders sent abroad can be sent in block format, in Italy the preference is for single orders for each customer. As soon as it is possible, however, Banca Sella Holding plans to send orders to its Italian counterparties via SWIFT, as well as using SWIFT to receive orders for the asset management company within its group, from distributors in Italy that have adopted SWIFT.

The new Alliance Lite interface version for funds which will be launched by SWIFT early 2010 will be a good opportunity to allow manual counterparties in Italy and abroad to easily automate their funds processing.

