

Success
Story

Middle Office Accounting Reconciliation

GFT reduces risk and costs for an investment bank; quickly builds an experienced team, without compromising on quality, and maintains business knowledge.

Achievement

As a trusted partner of the investment bank, GFT understood the importance of front office/back office (FOBO) synergies to the business. The bank had concerns about transitioning this project from its existing supplier, but GFT's experience ensured the knowledge transfer happened effectively.

GFT made sure this middle office project was a success, and resulted in reduced costs for the bank, by adding methodology and management capacity and rapidly creating an experienced team.

A middle office reconciliation programme, this application aims to reconcile cash flow and position information received from several upstream systems. It also includes FOBO reports for the different business areas. FOBO will cover; position, price verification, profit & loss and cash reconciliation, a SAP journal creation template, a tie back to SAP and a SAP balance reconciliation report to complete the front-to-back reconciliation.

GFT's agility in building an experienced team was important, driven by the expectation of capacity increase early in 2010. In order to achieve this without a dramatic rise in costs, GFT brought in its Spanish and Brazilian resources.

Benefits

The bank benefited from a reduction in final headcount without compromising on quality. The efficient transition to trusted suppliers eased internal pressures and communication between project teams was improved, allowing the bank's project manager to develop other applications.

At the same time, GFT has been able to look at other ideas to reduce the run the bank (RTB) costs. For example, an archiving strategy was created to reduce more than 40% of disk space across production, user acceptance testing (UAT) and system integration testing (SIT).

GFT has a strong software development lifecycle (SDLC) methodology culture, which ensures all user requests are treated more formally, providing greater control over related risks and open issues. GFT has also promoted the improvement of the testing methodology, moving to Hewlett Packard Quality Center, which supports a testing methodology in all SDLC phases, keeping a complete traceability matrix according to business requirements.

GFT's Approach

Identifying the need to relieve pressure on the internal project team, GFT immediately provided a Project Manager, shifting ownership of the application and enabling the team to communicate directly with users. This also improved the workflow.

The strongest constraint of the project was the change the bank (CTB) release dates, which were already published to final users and could not tolerate delays. Thus, GFT felt it was important to rapidly increase the team, using its near- and off-shore resources, resulting in 50% more efficiency in RTB and a 30% improvement in CTB.

Whilst the bank wanted to increase the team size, owing to a large appetite for new reconciliations, it also wanted to reduce RTB costs. By using its locations in Spain and Brazil, GFT was able to produce rapid growth in resources at an acceptable price.

In terms of technology, this middle office accounting

reconciliation application is based on Oracle and DWeb Java.

The application provides a range of management information system (MIS) reports, which allow users to view output in either summarised PDF, or detailed common separation value (CSV) formats.

In any takeover project the successful transfer of knowledge assets, from the original vendor, to the new partner and then back to the bank, is critical. GFT used a combination of training sessions, hands on activity and direct & inverse shadowing to ensure that knowledge was shared between all of the project team members. Developing a good relationship with the outgoing vendor also contributed to a smooth transition.

The plan was completed inside three months and no major outages or issues have been experienced since then. In addition, all originally planned CTB releases have met the expected timelines.

GFT Subject Matter Expert

Pablo Hernandez, Programme Manager at GFT said, *"We are very experienced and highly efficient in the transition of support projects, whether from an internal team or an outgoing vendor. Our approach to project management ensures that knowledge is retained within the business and our expert team-building ability ensures that the transition is efficient and successful"*.

