

A SwiftNet messaging hub can provide vital cost saving benefits, says **Virginie O'Shea**

The minds of the heads of most financial institutions in the market at the moment are on one thing and one thing alone: cost saving. One way that banks can achieve this easily with regards to payments processing is investing in a SWIFT messaging hub, according to specialist payments solution vendor ACE Software.

Banks are focused on keeping their costs as low as possible, so consolidation and rationalisation of any sort is key to keeping ahead of the competition. Moreover, investment in solutions that provide automation and connectivity is one way of cutting headcounts and maintaining healthy bottom lines. This is where a SWIFT messaging hub comes in to play, says Parth Desai, CEO of ACE Software.

“In the current market environment, banks simply do not have the budgets to maintain multiple systems with duplicate functions multiple proprietary messaging connections to their customers and high headcounts required to deal with the basics of payments messaging. A SWIFT messaging hub therefore provides these firms an opportunity to tackle the challenges of the payments market head on, eliminates costly infrastructure and maintenance costs and reduces SWIFT processing costs to an absolute minimum,” explains Desai.

The vendor’s own Pelican for SWIFTNet solution is one such offering that aims to provide a consolidated streamlined hub approach to SWIFTNet connectivity and SWIFT messaging. It takes away the pain of maintaining multiple connections to the network from different geographies and

entities, which necessarily entails keeping pace with the numerous upgrades, maintenance costs, and hardware and software requirements needed in order to stay in synch with internal expansion and SWIFTNet’s evolution

“A single window approach involves substantial cost reductions via the centralisation of the processing of SWIFT payments messages and the elimination of point-to-point linkages. This necessarily results in a reduction in required headcount and duplicative technology, as well as the benefit of consolidated enterprise-wide visibility and control of all payments messages,” explains Desai.

Scalability and high performance are two buzzwords associated with this approach, which ACE Software claims allows banks to reduce their overall payment infrastructure total cost of ownership. The rationale is that this ‘single window’ will also allow banks to add value to their offering and improve their operational controls. It does this by allowing them to react more quickly to market events and intraday operational control is achieved via the ability to view all transactions at all times and not just on completion. It also consolidates a bank’s SWIFT messaging on to one platform for all branches and entities, thus resulting in more effective risk management, as well as efficiencies of scale.

“If banks do not invest in a hub approach to the SWIFTNet network now, costs and risk will continue to be very high and they may find themselves being left behind by their competition,” warns Desai.