

## From The Editor

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There is a growing need for information to help CFOs and Treasury Management make informed decisions regarding how to connect their ERP system to their bank. The objective of the BankON Newsletter is to provide you with this information through articles, guest columns and interviews with industry professionals.

### The Newsletter

is driven by a mix of experienced financial professionals with extensive ERP and banking expertise. The BankON Team monitors the latest market trends, such as Straight-Through Processing and Software As A Service. Our goal is to provide you with information on these trends that will help you better manage and grow your business.

Our newsletter depends on input from our Reader Advisory Board Members and our Editors. We also seek input from you – our readers – to

ensure the topics meet your needs. If you have ideas for an article – or would like to write a feature article, please let us know by sending an email to Pat Lowery [pat.lowery@sierraatlantic.com](mailto:pat.lowery@sierraatlantic.com).

As the year comes to a close and the holiday season approaches, the BankON Team extends its warmest greetings to all the wonderful people we've met throughout this busy year.

## Happy Holidays

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## Breaking News for BankON!

*Sierra Atlantic Named One of Top 10 Tech Companies To Watch  
By Bank Technology News*

The BankON Team is pleased to announce some very exciting news! As a result of this year's launch of BankON, Sierra Atlantic was named one of the Top 10 Tech Companies To Watch by Bank Technology News. Sierra Atlantic is among the top 10 companies featured on the front page of the December 2010 issue of the magazine.



The article, written by John Adams from Bank Technology News, discusses key attributes of BankON with Sierra Atlantic CEO Raju Reddy. Mr. Adams points out that Sierra Atlantic is "right on" when it comes to addressing needs in the market around corporate ERP-to-bank connectivity.

BankON provides a turnkey solution that dramatically reduces the cost and complexity of these integrations. As a result, corporate banking customers can automate payables, receivables, and bank account reconciliation activities, driving efficiencies into their processes and costs out of their systems.

BankON is a win for banks as well, enabling them to offer their corporate customers a solution that brings real value to their businesses. The turnkey solution speeds time-to-connect with customers and significantly reduces resource requirements and associated costs of managing and maintaining one-off integrations.

Mr. Adams also comments on Sierra Atlantic's recent collaboration with Oracle and Fundtech around Seamless STP™, another innovative solution in the quest for automation of the financial supply chain.

For more details you can read the article at [http://www.americanbanker.com/btn\\_issues/](http://www.americanbanker.com/btn_issues/).

## STP – What Is It? And Why It's Important To You!

Straight Through Processing??? We see it referenced in more and more business articles as a key consideration for reducing costs and improving cash flow. But does everyone really know what it means and understand its relevance?

Straight Through Processing (STP), which eliminates manual and paper-based processes from the financial supply chain, is a top priority for businesses today. From a treasury management perspective, STP automates payables, receivables and account reconciliation activities, streamlining processes, increasing productivity and reducing operating costs – all of which add up to a strengthened position in the market.

Using the payables process as an example, you will see how STP can transform your business.

- Approved vendor invoices are entered into the accounting system
- Checks are printed (using check-stock stored onsite)
- Checks are matched to invoices and presented to Controller / CFO for final review and approval
- Checks are prepared for mailing, with copies of the checks being filed away with the invoices
- Bank statements are reconciled to determine which checks have cleared and ensure that they were processed for the correct amounts
- Information is updated in the accounting system so that cash and customer balances are current

Straight-Through Processing eliminates all the manual tasks involved in this process. Once a payment is created in the accounting system, the rest of the work is automated.

The Case Study featured in a recent Aberdeen Group white paper discussing “Enhanced Payments for Improved Cash Flow” highlights a similar example. The CFO of a metals producing company was recently looking for ways to streamline operations and reduce costs. “Living in a wall of paper”, the CFO decided that an automated payments strategy was clearly needed. Once the company was integrated with their bank, they were able to achieve STP with substantial benefits: increased visibility and controls, reduced labor costs and lower transaction fees as result of switching from manual checks to ACH payments.

Aberdeen Group also notes that 65% of businesses cite integrating payment solutions with financial accounting systems as a top strategic action. Is it time for you to think about STP for your business?

For a free copy of the Aberdeen Group white paper, visit our website at: <http://www.sierraatlantic.com/products/bankon-aberdeen-whitepaper.php>.

## BankON™ Debuts at High Profile Industry Events

*Sierra Atlantic Named One of Top 10 Tech Companies To Watch*

*By Bank Technology News*

BankON™ has been expanding its presence in the market, with first-time appearances at two high-profile events: SIBOS and the Association of Financial Professionals (AFP) Annual Conference.



SIBOS, which was held in Amsterdam in September, was one of the most exciting events the BankON Team has attended. The sheer scale and high level of enthusiasm demonstrated by attendees made for an overall electrifying event. And the contacts made among the 8,000+ attendees are invaluable.

BankON attracted quite a bit of attention while at SIBOS as a result of a joint press release with Oracle and Fundtech regarding Seamless STP. Seamless STP is the collaborative effort by the three companies to provide a complete end-to-end solution that addresses banking needs around corporate onboarding and global transaction processing. Seamless STP addresses the technology gaps in the financial supply chain and provides a strategic advantage to corporate customers as well as the bank that offers that solution. For more information on Seamless STP, visit our site at [www.sierraatlantic.com/seamless-stp](http://www.sierraatlantic.com/seamless-stp)

The AFP Annual Conference, held in San Antonio in October, was another highly successful event for BankON Team. As with SIBOS, BankON was well-received and generated quite a bit of interest among the attendees. Numerous banks and corporations were able to see live demonstrations of the product and gain a better understanding of how BankON offers a turnkey solution that automates payables, receivables and account reconciliation activities while reducing the time and complexity of corporate-to-bank integrations.



## BankON™ In The News

*What an exciting year for BankON!*

In addition to appearing at the SIBOS and AFP events, BankON also appeared at the NACHA Payments Conference in Seattle in April, and it was there that we announced our presence to the world.



*The BankON Booth at the NACHA Payments Conference in Seattle – April, 2010.*

*From Left to Right  
GK Murthy – Executive VP, Sierra Atlantic  
Pat Lowery – Director, Product Marketing – BankON  
Phil Hodsdon – VP & GM, Banking & Financial Services*



In September, we announced the validation of BankON for Oracle E-Business Suite R12, which was immediately followed up by validations on Oracle's JD Edwards EnterpriseOne 8.12 and Oracle's PeopleSoft Enterprise 8.9.

In October and November, Standard Chartered Bank, a key strategic partner of Sierra Atlantic, announced the availability of its new Straight-Through Reconciliation service – Straight2Bank Access for Oracle E-Business Suite, Oracle's JD Edwards EnterpriseOne and Oracle's PeopleSoft – all Powered By BankON.

And most recently was the joint announcement of Seamless STP with Oracle and Fundtech. Sierra Atlantic is proud to announce this collaborative solution with these two industry leaders.

For a complete listing of BankON press releases and additional information is available at [www.sierraatlantic.com/bankon](http://www.sierraatlantic.com/bankon).

And for information about Seamless STP, visit that site at [www.sierraatlantic.com/seamless-stp](http://www.sierraatlantic.com/seamless-stp).

## Andrea Klein

*Vice President of Financial Services – Banking, Oracle Corporation*

In addition to appearing at the SIBOS and AFP events, BankON also appeared at the NACHA Payments Conference in Seattle in April, and it was there that we



Andrea Klein is Vice President of Financial Services – Banking at Oracle, and is responsible for the global strategy, business development, partnerships and programs for banking. Prior to returning to Oracle, Andrea was Chief Marketing Officer for IdenTrust Inc. where she managed business development, delivery and strategy in addition to all marketing. Andrea has been involved in the financial services industry for over 25 years, and has launched global industry initiatives around payments, authentication and financing of the supply chain, performance management, straight through processing between corporate ERP systems and banks, and enterprise risk.

The financial services industry has reached an inflection point. Pressure to implement the ISO20022 standard for bank account opening and ongoing maintenance will enable corporations to have a consistent approach across all their banks, finally bringing the transparency and ease of change that they have been requesting for years. This will also mean that the banks will need to differentiate themselves based on product and service rather than relying on the difficulty of changing institutions that largely inhibits movement today.

The key to differentiating products is in the level of integration with the bank's customers. Being able to automate that integration and expand it to incorporate any and all information on the corporate side that can expedite implementation will be very attractive. Bank revenue will be generated from implementing more corporates faster, but also the speed with which new products and services can be launched and delivered to those corporate customers. Treasurers raised in the Internet age expect instant gratification through service, and the ability to control their destiny through self-service 24 hours a day. Automation of the integration is key to enabling that control.

Because no one company today has a best of breed approach to the end-to-end solution, Oracle, Sierra Atlantic and Fundtech have proactively partnered to integrate their products with the introduction of Seamless STP. Oracle's solutions for corporate customer onboarding, combined with Sierra Atlantic's BankON integration applications, and Fundtech's next generation SOA-based payments processing solution deliver on the future requirements for C2B integration. By expanding integration to include all ERP components that the bank can integrate with to deliver more comprehensive, customized analytics and reporting, and new account opening and maintenance, Sierra Atlantic enables the account origination, Know Your Customer (KYC) /Anti-Money Laundering (AML), billing and deposit account all to be set up without duplication of effort or data between the bank and its corporate customer.

## Vaira Ram (Vairavan Ramanathan)



*Head of Innovation and Mobile – Standard Chartered Bank*



Vaira Ram is Head of Innovation and Mobile with Standard Chartered's Client Access Group. Innovation Centre launched Straight2Bank Access for Oracle E-Business Suite to provide Straight-Through Reconciliation for corporates running on Oracle E-Business Suite. In the area of Mobile, the Centre introduced a new iPhone application for Corporate and FI customers. Vaira has 16 years of experience in a variety of roles ranging from sales, consulting and product management. Vaira joined Standard Chartered in 2009, and was previously with HSBC in channel management. He held various roles at SAP Asia and Price Waterhouse Coopers Consulting.

### **Can you tell us more about Straight2Bank Access for Oracle E-Business Suite?**

Standard Chartered is one of the leading banks in the area of corporate-to-bank connectivity. We've developed industry-leading host-to-host solutions for optimal integration with our Client's ERP systems. Three years ago, we introduced our SAP XI offering to integrate with SAP ERP systems, and it has been taken up by many of our corporate customers. Then in October / November this year, we launched Straight2Bank Access for customers who run Oracle E-Business Suite, Oracle's JD Edwards EnterpriseOne and Oracle's PeopleSoft Enterprise – all of which are powered by Sierra Atlantic's BankON.

Straight2Bank Access for Oracle E-Business Suite and Straight2Bank Access for Oracle's JD Edwards EnterpriseOne provide a two-way integration between the Bank's system and a corporate client's Oracle ERP system, automating their payables, receivables, associated reconciliation activities and trade finance processes. It also enables them to move from STP to

STR (Straight Through Reconciliation). The key objective of this offering, which is built on ISO20022 industry XML standards, is to provide better working capital management and faster onboarding.

### **What is your future roadmap for the product?**

Right now we have Straight Through Reconciliation capabilities around Payments, Collection and Trade processes. We've also developed smarter intelligence around reconciliation, with the matching engine, some workflow and alerting capabilities -- but we are not stopping there. We are looking into eFX management, more advanced capabilities around Trade offering, smarter workflow and exception handling capabilities.

### **What has been your corporate customer's response to the new product introduction?**

We have had a very positive response from our corporate clients, as this closes the gap in the clients connectivity between the bank and client ERPs. This offering addresses the key issues arising from the lack of integration between the

physical and financial supply chain.

### **How has the technology adoption been at Standard Chartered Bank?**

Standard Chartered has clearly positioned itself as an innovator in the Bank-to-Corporate connectivity space. Now with both the SAP XI and this new Oracle ERP offering, we are moving towards the leadership position in that space.

On the new technology front, we have also recently launched the industry's first iPhone application for corporates, Straight2Bank Mobile, which provides mobile authorization for both cash and trade

### **What market trends are you seeing in corporate customer connectivity with banks?**

I would classify the trends into the following four broad categories:

- 1) Adoption and support of ISO2002 XML standard by ERP vendors, banks and clearing houses, which will enable richer end-to-end information flow.
- 2) Demand from corporate clients to move from Straight Through Processing (STP) to Straight Through Reconciliation (STR): the clients are seeking two-way integration, to achieve faster realization of their sales proceeds, achieve better control of their payment processes and most importantly , fully integrate their cash and trade functions to optimize cash flow forecasting.

3) Interoperability of Host-to-Host, Web and Mobile channels, so corporate clients can have a truly seamless experience and can easily move from one channel to another. We increasingly see the Mobile channel being fully integrated into the connectivity process for authorization. Corporate executives will see more and more comprehensive information regarding the incoming funds on their mobile devices, which will enable them to manage reconciliation and exception workflow much faster.

4) Corporate connectivity via Software As A Service (SaaS) model, which lowers the cost of connectivity, accelerates the adoption.

### **How does Standard Chartered Bank keep up with the latest technology trends in spite of being a large bank?**

We have client councils where we talk to our corporate clients to understand their needs. We collaborate with our pilot clients to ensure their requirements are met and exceeded. We have also set-up the Incubation / Innovation Centre within our Transaction Banking's Client Access Team which I am currently heading up. The center analyzes the trends in the market, adopts best practices and, of course, innovates. We do it in a methodical manner where we follow a phased approach to technology adoption, realize the benefits, and then build upon them further

**Vaira Ram**

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## Ramesh Revuru

*Vice President – Banking & Financial Services Product Delivery*



Ramesh Revuru has 15 years IT industry experience in both product development and services companies. He is currently Vice President for BFSI Delivery at Sierra Atlantic. Before joining Sierra Atlantic, he worked with Infosys, Computer Associates and Oracle. Ramesh has presented at various seminars across the globe and published white papers. His book “PEEP into Job interviews” is being published by Gyan Publishers. In addition, Ramesh has spent time discussing topics like EITM vision, Integration possibilities with industry leaders such as Kris Gopalakrishnan (Infosys CEO), Russel Artzt (Founder CA) & AI Nugent (CTO CA)

### CLOUD – Is It LOUD and CLEAR?

As I sit down to pen this article, I see from my window dark clouds outside. Those clouds are easily 10,000 feet above me, and that made me think... Is everything to do with the CLOUD always a high level concept? Is SaaS an acronym that truly stands for Software As A Service? Or does it mean “Same Architecture As a Service”? This article attempts to explore the truth and knock off the hype.

As we know, most of the small-to-medium size corporate customers (SMBs) require extensive infrastructure during business hours (0800 hrs to 1700 hrs), but may only require a quarter or even less of that infrastructure during the non-business hours (1700 hrs to 0800 hrs). (Infrastructure In this case refers to both hardware and software.) The demand could also go up at certain points of the month or year based on the type of business they are into. For instance, a web application that publishes examination results might see peak usage during the week when exam results are announced, with usage then falling to ten percent of that amount afterwards.

But can we buy software licenses based on usage? Not all software vendors today offer licenses that are based on usage, although companies like Oracle, Microsoft, Sun, and Red Hat have moved away from their traditional model to support SaaS-based licensing. That is a good beginning, as this type of licensing is essential for the SaaS / Cloud environment to succeed. However, I would have to caution that as this is just the beginning, as more needs to happen in this space.

### SaaS – Same Architecture As Service?

Many applications have not been written to support virtualization, and hence taking the same architecture and putting it “into the cloud” might not make the product or application a SaaS solution. A lot of this has to do with product companies trying to capture the market in a quick and dirty fashion. While you can argue with me on that, here are few reasons why I don’t believe they are truly SaaS solutions. Some important questions include: What architecture does your application have, and what support does your application have for high availability, security and disaster recovery? These are important aspects to look at before thinking of SaaS. Let us look at them in detail below.

## Architecture

A typical SaaS / Cloud environment requires a load balancer, application server and database at a minimum. One quick check before you think of moving your product from your existing web application to a SaaS / Cloud environment would be to understand whether the application has been built keeping a single server in mind, or if the application can run behind a load balancer. And if the application can run behind a load balancer, can it support application servers running on multiple nodes and interact with a clustered database? If your application has been built with these aspects in mind then you can be pretty sure of being able to easily move your application to a Cloud environment.

In truth, the majority of applications have not been built keeping these design considerations in mind. Hence, the options in front of the customer are either to re-engineer or look at readily available SaaS applications.

## High Availability

Simply put, High Availability is the amount of time a service or application is accessible for use over a period of time. And how does one define “High Availability”? The answer depends on what you, as a customer, want it to be. It is the combined availability of the load balancer, the application server and the database that constitute your application/service. Linking this back to the SMBs, they might “want” their website/application to be available 99.999% of the time during business hours (0800 hrs to 1700 hrs) with the percentage dropping off during non-business hours. That then is their definition of High Availability. It is always a good idea to focus on your own definition of High Availability when dealing with Cloud / SaaS based offerings. That will allow you to cut down on unnecessary costs around hardware and software.

## Disaster Recovery

Disaster recovery is all about expecting the unexpected, and then planning for it. Key attributes that define disaster recovery include

- How much time does your business require to return back to normal?
- What procedures do you have in place for business continuity?

In essence, we are referring to in-flight data (transition), persistent data and metadata. Customers should devise procedures to back-up this data in a form and type that can be easily recovered. One option could be to build redundancy across different sites (spread across different regions or countries) to allow for disaster recovery. Defining the time window you want to put into place to recover your systems / data and procedures for business continuity purposes allows you to work with the cloud / SaaS providers in defining SLAs (Service Level Agreements) and measuring them against your definition.

## Security

By far the biggest concern expressed across the spectrum of discussions around CLOUD relates to security such as, “Is my data secure?”

In the case of financial data (corporate banking) it is even more critical. In addition to questions around data security, there are also Regulatory & Compliance related aspects to be considered. For instance, there are some regulations that don't allow you to store customer data in a data center that is outside the country. Encrypting data over network, in the databases and in the file systems is a good way of keeping your data secure even when it is running outside your premises in a data center. Access controls, authorizations and authentication are other mechanisms to ensure data is secure.

### **What does it mean for banks?**

For banks it means providing end-to-end business processes at lower costs for their corporate customers. It also results in quicker onboarding of customers, as there is no software install required and the applications run by the banks for corporate customers can easily be tightly integrated into the core banking systems.

### **What does it mean to corporate customers?**

For the bank's corporate customers it means zero up-front investment for many of the small-to- medium-size corporate banking customers. It is also about defining your requirements, setting SLAs and measuring against them. It also involves understanding the benefits of a "pay per use" model based on your demand vis-à-vis buying software licenses and hardware whose utilization is less than 25 percent for the majority of the time. And it also means a lighter burden on your IT resources to manage and maintain the systems and keep them up-to-date.

### **Conclusion**

As I write my closing remarks, I look outside my window again and now see clear sky with bright sunlight behind the clouds. As they say, "Knowledge is light". I presume CLOUD is here to stay and the message is loud and clear.

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