

# project case

## Billing automation for asset management

*"Competence is basically the most important factor if you want to develop complex solutions and integrate them into even more complex systems. Besides that, you also need open and honest communication. If you want to solve problems reliably, then you need a solutions-oriented and dependable partner. This applies to all project participants, as well as for the customer."*

Gregor Wabel, Head of Fees & Billing, Bank Vontobel AG, Zurich



# Bank Vontobel AG

The events of recent years have driven the need for further regulation. The financial industry will have to keep revising their rules and regulations. And many institutions are finding that they are ill-equipped to meet the new requirements efficiently and transparently. Vontobel faces the same challenge: It wants to automate complex fee calculations. And has therefore chosen to rely on the data management software calculo - a good decision for the future

## Our customer and the project

Vontobel is an internationally-oriented Swiss private bank, founded in 1924 in Zurich.  
[www.vontobel.com](http://www.vontobel.com)

### Challenge

Vontobel calculates complex fees for over a hundred institutional investors. These fee calculations run calculations are conducted manually. This is a time consuming and error prone process. Now the fee calculations processes should be automated step by step and adapted to the current needs. Firstly, the business processes in the billing will be addressed: A fee management software with flexible configurable data integration is needed.

### Goal

To implement an efficient and standardized fee management software with automated calculation and individual additional functions.

### Solution

calculo is a solution based on "Business Rules Management (BRM)" technology. It is easy to extend domain-related fee calculations without affecting the other operational processes.

## Benefits

- The settlement of all fees (administrative fees, management fees) is now fully automated
- Straight through processes
- Shares liable to VAT can be calculated individually.
- In addition to the master (account) and standard transaction data, other transactions, foreign exchange rates, fees and supporting documents can all be included easily
- Auditable and transparent reporting

## Im Gespräch

For this interview, we spoke to Mr. Gregor Wabel, Head of Fees & Billing at Bank Vontobel AG.

### What are the major challenges for the daily management tasks in Asset Management?

One important question is the tension between regulatory-related expenses and the need to manage in a cost conscious manner. We still have to work on efficiency and especially transparency. The overall cost structure in Asset Management and the efforts to optimise it will occupy us for many years to come. We have started to tackle this area and rapidly implemented the first changes.

### What significant measures to increase cost efficiency have you already implemented?

In our analysis, we discovered some processes that are still being conducted manually. Not only are these work-flows time intensive, but they are also prone to human-error. Automating them requires a relatively small investment compared to the huge savings that can be achieved. We have decided to automate billing processes in stages - starting with the processes in the billing: there is a lot of costly administrative effort in the institutional investment field - from basic fee calculations to the large number of special cases and exceptions.

### What did you have to do for the harmonization of your data structures and formats? Process automation requires that you have straight forward access to all the available data.

That is very true, from the IT perspective. That is why independently con-figurable data integration was a key criteria. It is only possible to extensively automate fee calculations, if you work uncompromisingly on the automation of the input and export processes. Incidentally, that involves much more than automation of master account data and in flows and out flows. It affects transactions, foreign exchange rates, fees and supporting documents alike. After an exploratory and evaluation phase, we chose to partner with Sowatec AG to implement the solution. They were able to deliver the best evidence of their competence in this vital point.

### As a rule, you hit the limits of standard solutions very quickly. On the other hand, insular, specific solutions are also on the way out. How did you balance these tensions and find a compromise?

We were able to complete 90 percent of the project with calculo. Because it allowed us to implement the additional customised functions that we knew would be required for a totally satisfying result.

(continued on back-page)

*“ All the resources that we had previously required for manual execution and control are now available for other tasks.”*

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In our case, we needed customisation of the VAT-liable part of the calculation. Sowatec provided us with a calculation module that was specially developed in accordance with our needs in this area.

**How quickly did you see the benefits of automated billing?**

Immediately! We have successfully completed the first phase of the project in just eight months. The kick-off meeting was in January 2010. The test phase began in May and at the end of September, we had the operational solution deployed. The billing for our hundreds of institutional investors now works automatically. All the resources that we had to spend on manual execution or monitoring of our accounting and especially for special calculations, are now available for other tasks. That is what I call efficiency. This success has encouraged us to tackle the next phases of the project immediately. We are going to optimize the fund acquisitions and automate the trailer fee settlements.