

«A project of this scale can only succeed within such a short time frame, if the goals and scope are clearly comprehensible for everyone involved. It needs professionally and technically skilled employees who proactively communicate with each other. It takes quick decision-making and a precise escalation process for support requests.»

Akin Altintren, Head Service Center TB der Bank Vontobel AG, Zürich

Vontobel

Vontobel is also a transaction bank and is positioned as a global partner. As such, it supports the Raiffeisen Switzerland and its investment clients in trading, administration and management of securities by providing the trading infrastructure required for these activities. Various fees are charged to Raiffeisen for these services. To do the complex calculations required, Vontobel uses the fees management platform called calculo, developed by the company Sowatec.



The smart way to manage your fees

Benefits

The automated fee calculations process is efficient and auditable.

With calculo, the customer has a clearer view of the various invoices and the tariffs charged.

The staff efforts and time needed can be significantly reduced.

Our customer

Vontobel is an internationally-oriented Swiss private bank, founded in 1924 in Zurich.

www.vontobel.com

Complex calculation of fees in the securities business for B2B customers

Adopting a professional approach to business rules management (BRM).

Background

In the past, complex Excel spreadsheets were used for the calculation of the invoices. All the data extracted from the core banking system was consolidated according to various criteria. With rising volumes, this process was becoming increasingly time-consuming and error prone.

Goal

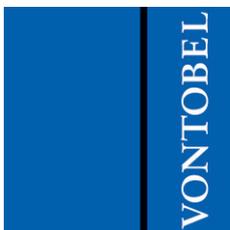
A high quality system which doubles as an auditable settlement system with various control options and a process automation tool.

Solution

Rule-based fee calculations using calculo, Sowatec's fees management solution.

Project start: April 2011

Commercial operation: July 2011



In conversation

Akin Altintren is responsible for the Service Center Transaction Banking at Bank Vontobel AG. He took over the technical project management in the implementation of calculo.

How big is the volume that you manage for Raiffeisen?

We manage approximately 300,000 customer accounts on behalf of the 316 co-operative banks and the main Raiffeisen Bank. Raiffeisen has given us all the data required for the transaction settlements and securities holdings. That makes around 0.5 million stock market transactions and 0.8 million customer accounts per year.

What kind of fees do you manage?

We calculate a total of 60 different types of fees. They are categorized into custodian fees, transaction and counter-charges and fixed fees. We found the calculation of custodian fees has proven to be particularly complex.

Was that due to the elaborate logic of the fees?

There were two reasons: Firstly, we had the quality expectations of Raiffeisen with regard to the precision and detail of the data that we deliver. Secondly, we are dealing with a very elaborate fee structure with different fee models. Our challenge is to be able to respond flexibly to customer requirements.

Large volumes and many individual items means there is a lot of potential for error. What problems needed to be solved?

After the introduction of calculo, we had some rounding differences, especially with shares that are subject to VAT. Therefore, there was a lot of manual work. Sowatec has now overcome this hurdle and gave us an update which solved the problem. Today, we are able to calculate bills that are accurate to the Franc and we are able to validate them.

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In the Swiss banking industry there is no comparable cooperation in the area of securities settlement and administration. It is a business with expansion potential:

calculo can be extended with other accounting processes and methods of calculation at any time. For us, the successful implementation of client custody is another milestone in securities transactions with other Swiss banks.



The smart way to manage your fees

A project of this scope and depth presents challenges beyond the question of precision.

In our case, the timely implementation of the project was also relevant. It took less than three months from the software installation to the first billing. The personnel requirements on our side amounted to five employees and 1.5 FTEs from business and IT.

We summarized the specific requirements for Sowatec's software solution in a so-called Term Sheet. They included:

- Representing and managing account and contract data
- Automatic import of stock holdings
- Automated handling of the billing to Raiffeisen
- Development of an individual fee module for special cases
- Multilingual production of invoices and cover letters
- Scalability – the ability to easily add new customers.

Does having to do extensive fee calculations mean consequences for the IT infrastructure?

Thanks to standardized interfaces we were able to integrate calculo into our business process very smoothly. I should add that we already have a calculo system in place for central billing in Asset Management. calculo software allows us to automate the administration and management fees for our institutional clients while meeting our compliance obligations.

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