

Dong, Xinan (external)



BIAN Newsletter // July 2010

Dear All ,

BIAN is making great progress with regard to its deliverables, and the first Lending results have been approved by the BIAN Architecture Committee and the BIAN Board in May 2010. The next deliverables are expected by September 2010 – this time, the Analytics Working Group will share with us their recent content work.

Read more about our Communication and Marketing activities in the last few months, and what is planned for the near future. Make sure you visit our new BIAN homepage for further details and information. By doing this within the next few days, you will certainly realize that the design has changed. Let us know what you think about the new layout – your feedback will help us make a difference.

End of May 2010, the annual General Assembly took place in Frankfurt, and the BIAN representatives elected the new BIAN Board. A very important topic of the recent Board Meeting was BIAN's mid-term strategy: To outline the main directions and the roadmap for 2010, the featured article focuses on the Implementation of BIAN's strategy. A crucial element will be the close alignment with the various working groups, along with the collaboration with selected standards groups.

Feel free to forward this newsletter to colleagues and friends in your company - or other organizations interested in BIAN.

With kind regards,

Karin Fischenbeck
Secretary General, BIAN e.V.

1 | BIAN Organisation and Meetings

BIAN General Assembly

The BIAN General Assembly is the major event of the association, taking place once a year. This year the BIAN Member representatives, the BIAN Board of Directors and the BIAN General Secretariat got together on May 27, 2010 in

	
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About BIAN

BIAN is a 'not for profit' organisation which seeks to accelerate the adoption of Service Oriented Architecture (SOA) in the banking industry by

Frankfurt am Main, Germany.

Dr. Mangel, Vice Chairman of BIAN, expressed the BIAN Board's gratitude to all participants for their extraordinary engagement in the past year and for the results achieved. He further reported about the BIAN activities and underlined the prospective steps of the association. Dr. Mangel emphasized the need to expand the BIAN membership base and to increase member commitment as one of the main targets in 2010. The BIAN treasurer, David Vander, explained the budget planning 2010 and closure of accounts of 2009. Rainer Lindner followed with the voucher audit report.

The BIAN General Assembly unanimously accepted the report and accounts for the BIAN operational and financial year 2009 as well as the budget for 2010.

As the term of office of the Board of Directors is two years, one of the main topics was the election of the BIAN Board.

The existing board members expressed their high commitment to BIAN, and ran for re-election:

- Mr. Steve Van Wyk, ING / Chief Technology Officer ING Group Head of Operations & Information Technology Banking
- Mr. David Vander, Microsoft Corp, Worldwide Sales Excellence Lead
- Dr. Thomas Mangel, Postbank Systems AG / Member of the Board
- Mr. Harold Finders, SunGard, Division CEO for SunGard Financial Systems
- SAP proposed Mr. Don Trotta, Global Head of Financial Services Industry, as a new BIAN Board Member.

All candidates were unanimously elected by the BIAN Members.

We would like to express our sincere thanks for this strong commitment, and sincerely look forward to a successful collaboration for the next two years.

7th Core Team Meeting in Milan (Italy), June 9th – 11th, 2010

Close to 50 BIAN members and selected guests gathered together in Milan to join the 7th Core Team meeting. BIAN members learned more about the BIAN strategy and focus areas 2010 through 2012. At the same time, they enjoyed fruitful discussions about implementing BIAN's mid-term strategy (view featured article), embracing the different working groups – from architecture to service definition.

It was a very productive meeting that ensured the close alignment of the different member companies involved in BIAN.

The next BIAN Core Team Meeting is planned on October 6 – 8, 2010 in Hamburg. The Architecture Day including the Service Landscape meeting will take place on October 8, at the premises of our member innobis AG. Many thanks to Innobis for hosting us on this day.

BIAN members will receive the invitation for the meeting within the next few days.

2 | First Lending Deliverables

NEW BIAN Deliverables

The BIAN Working Group Lending published their first results.

See also: *FERNBACH press announcement mentioned below.*

Read below a short summary of the deliverables, and register on the BIAN

promoting convergence towards a common services landscape and semantic standards which makes it easier and more cost-effective to integrated such services.
[more](#)



Becoming a member

BIAN is an open association for the banking industry. Banks, software vendors and service providers are all very welcome to join our association. The membership of banks is particularly appreciated due to their special role in this industry.
[more](#)



Next BIAN Events

October 6 - 7, 2010
8th CoreTeam Meeting
Hamburg, Germany

October 8, 2010
Architecture Committee
and Architecture Working
Groups
and Service Landscape
Meeting at innobis AG
Hamburg, Germany

[more](#)



BIAN Members:

- Axon
- Callatay & Wouters
- Capital Banking Solutions
- CGI
- Credit Suisse
- Deutsche Bank
- FERNBACH
- ifb
- IKOR
- ING
- innobis
- Microsoft
- Postbank
- SAP
- Standard Bank S. A.
- Steria Mummert
- SunGard
- Swift
- Syskoplan
- Temenos
- UniCredit
- zeb
- ZKB

Homepage to view and [download the results >>](#)

Business Sub Domain: Offer Management

The Sub Domain 'Offer Management' presents the whole life cycle of an offer. An offer is a summary of the agreements, at the current time, which the Bank agreed with the customer. Thus, the offer exists only till the decision process. With the signing of the documents ending the life cycle of the offer and the subsequent activities are controlled by the agreements. At this point the offer is converted into an agreement.

Business Sub Domain: Agreement Management

Using the operations of the sub domain 'Agreement Management', agreement documents are controlled, checked and collateral is assigned. The original offer is split into one or more agreements which are processed separately. Based on an agreement the operational contract is created and, if required, the decided subsidy application is processed. The last operation of the process is the mailing of business partner documents.

This sub domain also supports operations for changing existing agreements based on business partner request. The original offer may not be involved in this processing and will stay unchanged.

You feedback on BIAN deliverables is always welcome. Please use the feedback option on the homepage to send us your comments and remarks.

Upcoming deliverables

The BIAN Working Group "Analytics" is currently working on their first publications. The deliverables are expected in September 2010. Please find below a "sneak preview" of what is coming up:

BIAN Specification Level 2

Business Sub Domain: Profitability Valuation - Standard Cost Allocations

This service group is focusing on standard cost calculation and allocations only as opposed the actual cost allocations or distributions. It is defined as the calculation and allocation of cost components based on standard rates, in other words: standard unit costs on product level to reflect the costs occurring in the operating area of the bank. At the same time, standard cost allocations can be done for standard risk costs, loan loss provision or equity costs.

Business Sub Domain: Profitability Valuation - Funds Transfer Pricing (FTP)

In a line-of-business reporting environment where business units do not necessarily have traditional balanced balance sheets and income statements, it is necessary to fund assets and liabilities from a corporate treasury function. The practical intent is to provide the missing component to a business unit's net interest margin. Functionally, a lender has interest income on a loan but the natural income statement does not reflect the funding cost of deposits or other funding sources held in other business units that allow this loan to be funded. The purpose of FTP is to provide a „hypothetical" cost for the loan if we raised funds with the specific characteristics of the loan.

On the other side of the balance sheet, FTP uses the liabilities based on their respective characteristics and compensates the business units providing funds on a theoretically rate risk free basis.

3 | Communication and Marketing

FACELIFT – BIAN Homepage

[Visit the new BIAN Homepage](#). A fresh design underlines our activities, reports and news.

Press Releases

FERNBACH

Based on the first results of the BIAN Lending Working Group – FERNBACH supported our association in the creation and distribution of a press announcement. The press release describes the Lending results and how FERNBACH is using the sub domain definitions internally.

[View the Press Release >>](#)

As syskoplan, zeb and SAP are actively involved in the BIAN Working Group Analytics, it is planned to create a joint press announcement and publish these results in September 2010.

BIAN Banking Summit in London

In order to introduce BIAN to banks, software and service providers, BIAN organized the Banking Summit on June 1, 2010 in London. The conference introduced BIAN, outlined concrete examples of adoption by BIAN members, and used deliverables from the "Business Partner" domain to illustrate direction and progress. Topics included the following:

- Why ING joined BIAN
- SunGard leveraging BIAN Service Landscape as a reference
- How BIAN helps Credit Suisse to improve its IT landscape
- Adoption of BIAN thinking and deliverables as part of the SAP for Banking Solution Portfolio in the Business Partner Domain

We would like to thank all participants for joining the Summit, and for contributing to a very successful and interactive event. Many thanks also to the BIAN speakers for presenting case studies on the adoption of BIAN deliverables within the BIAN membership base:

- Johan Smessaert, Head of Retail Change, ING Ops&IT, Belgium
- Nicholas Brewer, Vice President, Global Banking Solutions, SunGard
- Bruno Bonati, Independent Consultant, Bruno Bonati Consulting
- Claus Hagen, Head of Integration Architecture, Credit Suisse
- Jörg Wiederspohn, Senior Development Architect, SAP AG

NEXT Introduction Day

Considerations with regard to the next introduction day, along with a series of webinars, have been initiated.

You will soon receive an invitation for the webinars. Watch out for announcements!

The next Introduction Day is planned for October 2010 during the BAI Conference in Las Vegas following a Banking Summit in Toronto, Canada. If you are interested in learning more about BIAN and the planned events, please feel free to contact us via email: info@bian.org.

Further details about upcoming events will be provided in the next newsletter end of September 2010.

4 | Featured Article

Implementing BIAN's mid-term strategy

Earlier this year, BIAN conducted its Focus project as a proof of concept: In this

project, detailed specifications were developed for a number of services from the payments and business partner domains. The message descriptions of these services were aligned to the ISO20022 standards as much as possible.

From the results of the project, some clear conclusions could be drawn. The BIAN semantic definitions do indeed constitute a sound basis for developing software services and moreover, the semantic level is the area where BIAN has the biggest added value for the banking industry and where it should concentrate its efforts.

By reviewing the BIAN achievements and adoption, the Board came to the conclusion that a broadly accepted Service Landscape would contribute most to the reduction of integration costs in IT systems. The primary target for the near future is to develop the BIAN Service Landscape into a de facto standard. Broadly accepted boundaries of sub domains will allow banks to decompose their ageing legacy systems, and to select software solutions that are in line with this de-facto standard.

BIAN members strongly support this decision as they increasingly use the BIAN Service Landscape as a starting point for investment decisions, and as a future reference framework for aligning business and IT: defining the correct, broad service boundaries and behaviors is a prerequisite to scaling up a service-oriented approach. Such agreement should make it substantially easier to map the detailed signatures from different providers' offerings than it would be otherwise. In other words: Integration of commercially available software solutions is expected to be easier and less costly in the future.

As a conclusion, BIAN will put strong emphasis on standardization. A two way strategy will be implemented to position BIAN in the industry standards and financial services communities:

- The first priority is to evolve the Service Landscape to a reference model in the banking industry within the next two years, with the goal of becoming a de facto standard.
- In parallel, we will assess the idea of becoming a member of the ISO20022 network in order to develop service definitions to an ISO Standard. This will include enhanced guidelines and templates to support the service definition on a more detailed level with regard to interoperability.

An important element of this strategy will be the close collaboration with other standards groups in order to ensure that BIAN is aligned with existing standards relevant for the banking industry.

The execution of this strategy will follow a 'Master Plan'. The near term activities address three key areas agreed at the recent Core Team Meeting in Milan: Firstly, the rapid development of an enhanced Service Landscape. This is planned to be achieved by prioritizing sub domains according to where BIAN members have the biggest pain in IT integration issues. In order to further accelerate the delivery of results and add immediate value, it is planned to leverage existing assets from BIAN members - evaluated against agreed criteria. Secondly, a revision of existing templates to reflect recent design enhancements, and thirdly the targeted development of design content in selected business areas.

This will be an extremely important exercise at a key time for BIAN as it seeks to raise its profile, establish key relationships and expand its membership. The implementation of the Master Plan will be monitored by a central project team. Watch this space!

For feedback and further information, please contact us by the following email address: info@bian.org.

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