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Global Banking Platform Deals 2007: Vendors

by Jost Hoppermann
for Enterprise Architecture Professionals



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Global Banking Platform Deals 2007: Vendors

We Identify Globally And Regionally Successful Vendors

This is the first document in the “Banking Platform Deals 2007” series.

by **Jost Hoppermann**

with Gene Leganza and Kahini Ranade

EXECUTIVE SUMMARY

Forrester surveyed 15 vendors of globally deployed banking platforms on their 2007 deals. Oracle Financial Services (Oracle FS) and TEMENOS remain the Global Power Sellers. But they are defending their territory against Global Challengers such as Infosys Technologies, SAP, and Tata Consultancy Services Financial Solutions (TCS FS), and some of these Global Challengers have increased their new “named deals” by more than 40% in 2007. Six companies in our Pursuers category attempted to become Global Challengers, but they faced individual challenges that held them back. The bottom line? Again, banking platform selection has become easier than it was in the past — and at the same time, it has become more difficult, as the shifting vendor landscape makes vendor scrutiny essential.

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NOTES & RESOURCES

Forrester interviewed 15 vendors, including: Accenture, Callataj & Wouters, Computer Sciences Corporation (CSC), Fidelity National Information Services, Fiserv CBS Worldwide, Infosys Technologies, Infracore, Misys, New Technology Business Solutions Limited (NTBSL), Open Solutions, Oracle, Polaris Software Lab, SAP, SunGard, Tata Consultancy Services Financial Solutions, and TEMENOS.

Related Research Documents

[“Global Banking Platform Deals 2006: Vendors”](#)
August 14, 2007

[“The Forrester Wave™: Core Banking Suites, Q1 2007”](#)
January 19, 2007

[“Vintage Banking Platforms Need Renewal”](#)
December 2, 2004

GLOBAL BANKING PLATFORM DEALS: SOME ACCELERATION

In addition to architectural information, enterprise architects need summaries regarding functional breadth and depth when selecting a banking platform somewhere on the globe.¹ Also key are a banking platform vendor's ability to deliver software and services to specific target geographies, as well as its current market presence and role. To help enterprise architects at banks deal with these topics, Forrester invited globally operating banking platform vendors to disclose their deals in our 2007 global banking platform deal survey.²

Off-The-Shelf Banking Platform Deals Grew Steadily In 2007

The 2007 survey is again based on our "rules of the game" for our banking platform survey (see Figure 1).³ Fifteen banking platform vendors submitted information.⁴ Forrester evaluated more than 580 submitted deals, of which Forrester recognized close to 260 as valid 2007 banking platforms "named deals" (see Figure 2-1).⁵ We identified four key trends:

- **The number of deals continued to increase.** We can't directly compare the total deal numbers for 2006 and 2007 due to the different sets of vendors.⁶ A comparison of the vendors that participated in both surveys indicates approximately 6% growth from 2006 to 2007.
- **Success became more distributed.** Two banking platform vendors, TEMENOS and Oracle Financial Services (formerly i-flex solutions), continued to be the most successful vendors in terms of new named deals.⁷ These top-tier vendors saw a lower-than-average increase in new named deals; in particular, Oracle FS showed fewer new named clients than in 2006. On the other hand, some vendors in our Global Challengers and Pursuers categories enjoyed — in some cases, significant — increases in deal numbers.
- **License sizes could be huge.** The smaller increase of the top-tier vendors' new named clients does not indicate a reduced 2007 investment in this space: The broader deal distribution across multiple vendors makes decision processes more complex. In addition, many 2007 deals had broader functional breadth than did 2006 deals. And, while most vendors did not disclose information about deal sizes, available survey data as well as anecdotal information indicate that a small number of banking platform license deals were in the two-digit-million-Euro range and, in rare cases, beyond 50 million Euros.⁸
- **Referenceable deals become an even more serious issue.** Client names for close to three-quarters of all deals submitted to Forrester and close to two-thirds of the deals we counted are under nondisclosure. Eight of the 15 surveyed banking platform vendors stated that 71% to 100% of the counted 257 client names are under nondisclosure (see Figure 2-2).⁹ On average, deals under nondisclosure agreements (NDA) grew from 34% of counted deals in 2006 to 56% in 2007 (considering only the participants of both surveys). Only Callataÿ & Wouters, Infosys, Oracle FS, and Polaris Software Lab reduced their NDA shares. Enterprise architects looking for similar deployment environments and checking for feedback will find it harder now than in the past to talk to banking platform vendors' clients without first talking to the vendors.

Figure 1 The Survey's "Rules Of The Game" Level The Playing Field

RULES OF THE GAME

The survey covered:

Banking platform functionality. Forrester defines a banking platform as a comprehensive, but basically modular, set of banking applications that is designed to cover traditional areas of banking, such as retail and corporate banking. This software enables collaboration between different modules (and thus also between the distinct business divisions) and covers many, if not all, of the functional requirements of today's banks. In particular, it contains a core banking system, as well as multichannel functionality (whereas core banking is understood as basic client data, deposits, credits, and loans, including the necessary product configurators).

Banking-specific functionality. We did not count deals with typical horizontal functionality alone, such as HR or G/L.

Only 2007. We did not count any deals that may have been signed in 2006 — even those signed on December 31, 2006. The same is true for deals that may have been prepared but were not finalized (as in signed) in 2007.

Financial services customers. While we counted banks and those insurance firms that use some core banking functionality, we did not count deals with supermarkets using a cards module or public authorities implementing a payment module.

New customers. The survey was not about deals for extending existing installations, renewed licenses, upgrades, or migration away from a retired product from the same vendor. On the other hand, exceptions or borderline cases may exist. For example, if a bank had been using a treasury or HR module for years and was now implementing core banking, we counted this.

Named wins. We didn't consider wins without a customer name. If a customer name was confidential, the name could be marked and Forrester wouldn't publish the name. However, the rule was "no name, no win." Forrester mentioned but did not count unnamed wins. If it was an ASP-type deal, the vendor had to provide the name of the ASP and the "final" customer(s); otherwise, the ASP deal counted as one deal.

Solutions, not licenses, modules, or projects. If a vendor sold various projects, modules, or different licenses to a customer for deployment within the broader space of a single solution, we counted it as one win.

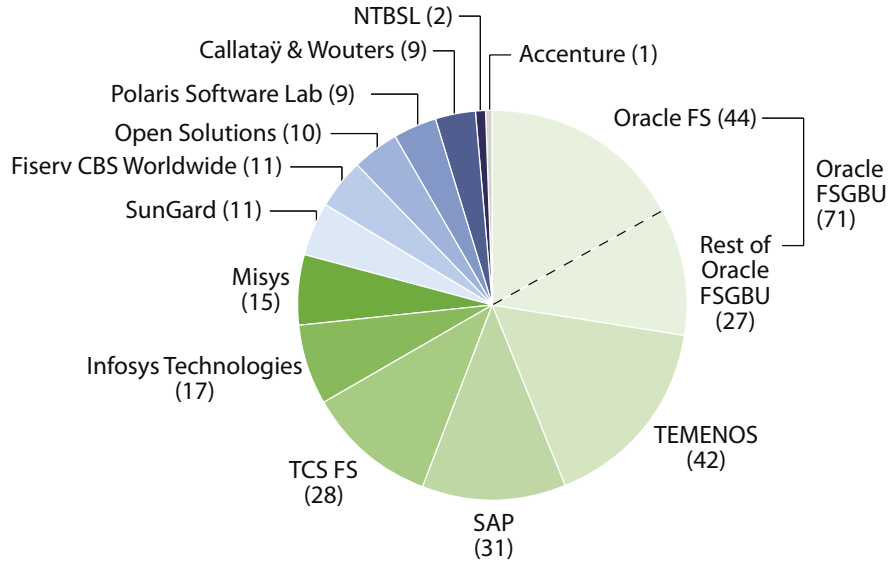
Note: The survey may allow exceptions to ensure that we reflected reality in the most accurate way. If reality involves an exception to a specific rule, Forrester has documented that exception.

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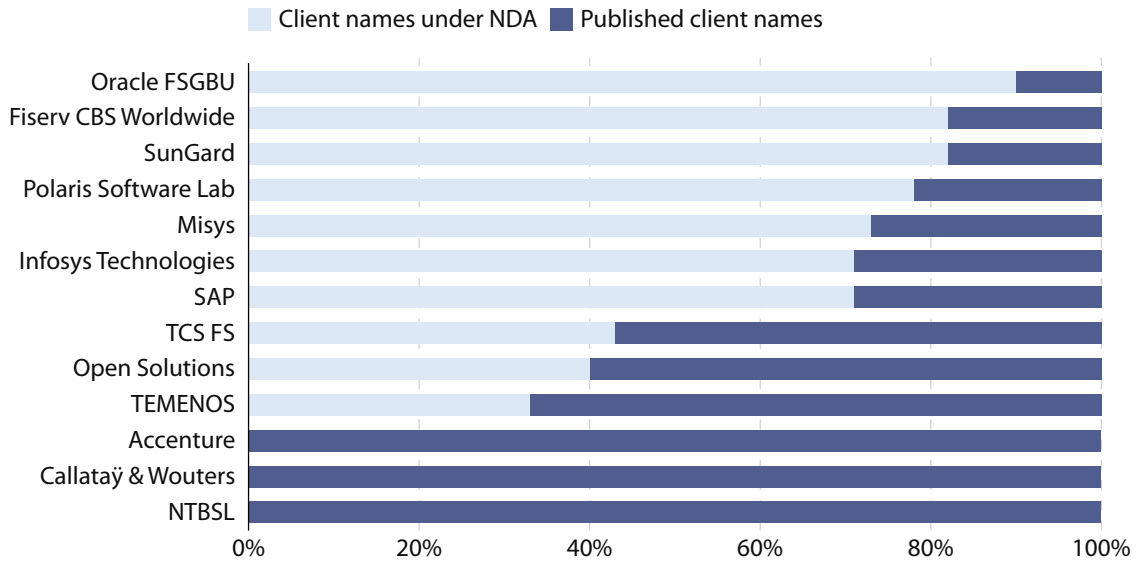
Source: Forrester Research, Inc.

Figure 2 2007 Banking Platform Deals By Vendor And Referenceable Client Names

2-1 Vendors' counted 2007 global banking platform deals



2-2 The percentage of published client names by vendor



GLOBAL BANKING PLATFORM MARKET: CHANGING DYNAMICS

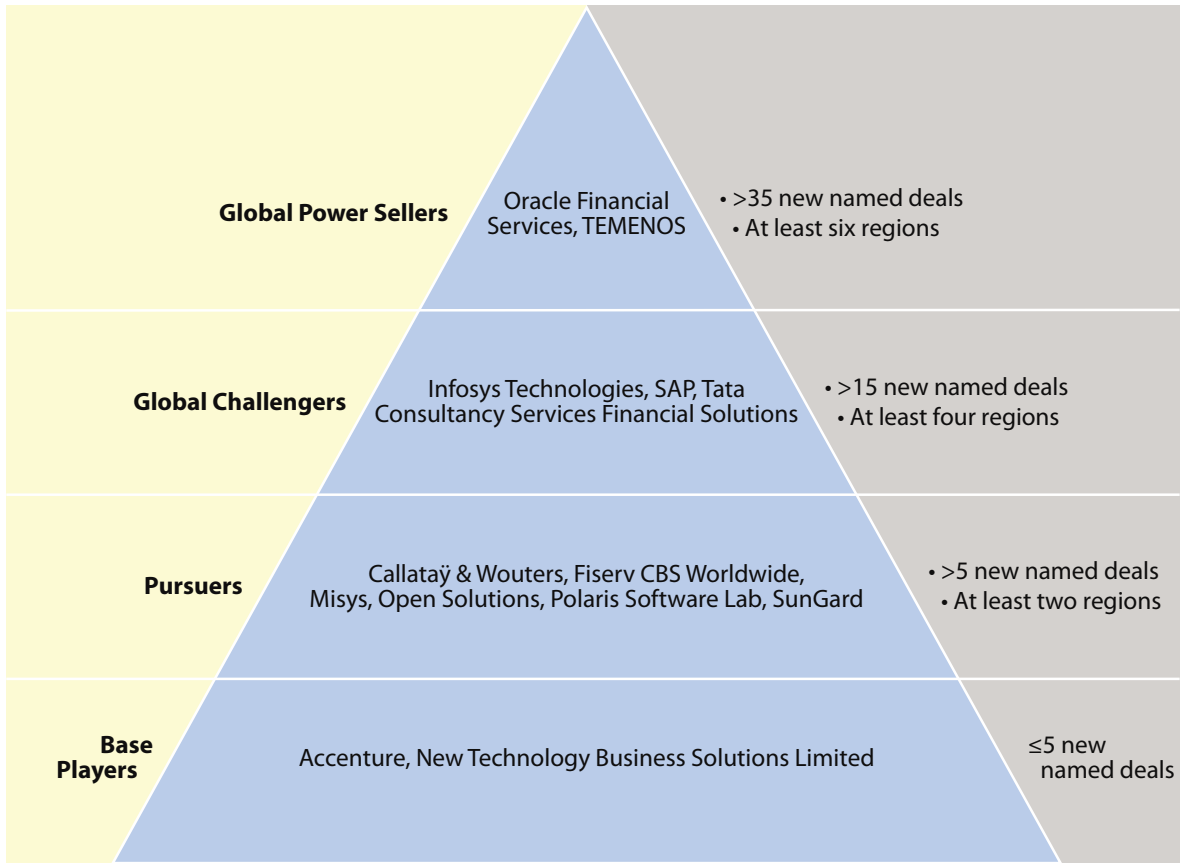
The 2007 survey is similar to the 2005 and 2006 surveys, as the surveyed global banking platform vendors differed in terms of global sales success, global reach, and homogeneity — or lack of it — of their product portfolios. However, the banking platform market has changed in at least one important aspect: The two top-tier players did not enjoy as much growth as in the years before, if in fact there was any at all. And in many, but not all, cases, Global Challengers and additional market participants increased their share. To accommodate this denser market situation, we adjusted the five category structure that we used last year. For 2007, Forrester categorized the survey participants into four distinct groups (see Figure 3):¹⁰

- **Global Power Sellers.** Leaders with more than 35 new banking platform clients in at least six regions of the world in 2007 occupy the comfortable environment for the top-tier players. Oracle Financial Services and TEMENOS belong to this group.
- **Global Challengers.** This second tier is for a strong group of global banking platform vendors with more than 15 new client names in at least four regions of the world in 2007. Some of the vendors in this group also had significant increases in deal numbers. Infosys, SAP, and Tata Consultancy Services Financial Solutions (TCS FS) are in this group.
- **Pursuers.** These vendors could each claim more than five new names in at least two regions of the world in 2007. Members of this group are Callataÿ & Wouters (C&W), Fiserv ICBS Worldwide (Fiserv), Misys, Open Solutions (Open), Polaris Software Lab (Polaris), and SunGard.
- **Base Players.** Accenture and New Technology Business Solutions Limited (NTBSL), who both had less than five new names in 2007, are in this category.

In addition, a fifth virtual category exists: Shadow Players. Computer Sciences Corporation (CSC) and Infracore did not provide sufficient information for an analysis and evaluation of their 2007 deals.¹¹ If data for a careful evaluation had been available, CSC and Infracore would most likely have been Base Players in 2007.

Figure 3 The 2007 Global Banking Platform Playing Field

3-1 The 2007 vendor pyramid

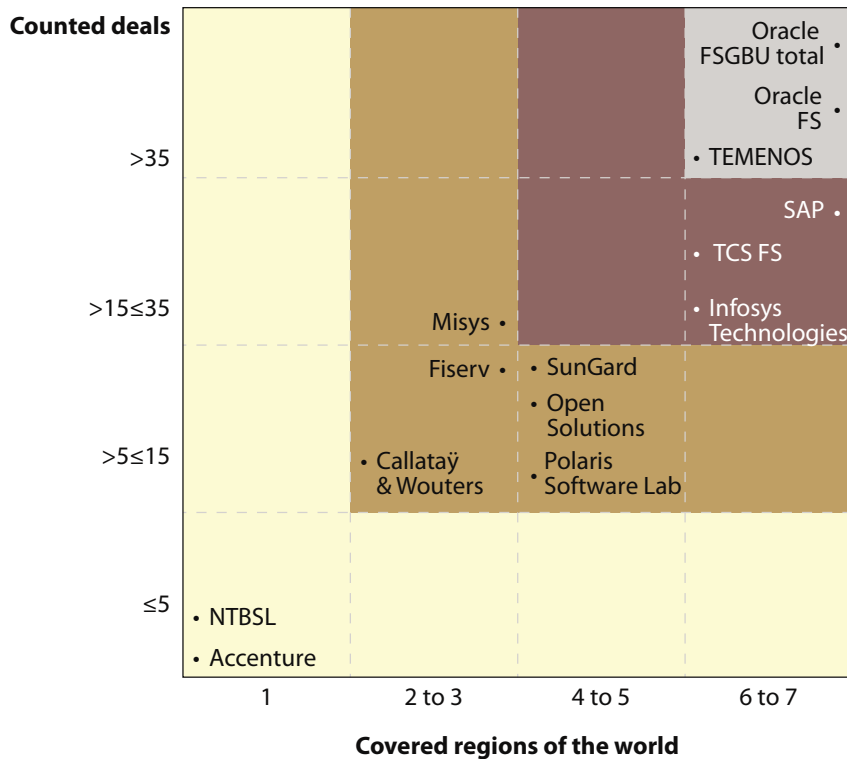


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Source: Forrester Research, Inc.

Figure 3 The 2007 Global Banking Platform Playing Field (Cont.)

3-2 Global banking platform vendors: the level of global success



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Source: Forrester Research, Inc.

GLOBAL BANKING PLATFORM VENDORS: SOME UPS, SOME DOWNS

Each of the 13 vendors we evaluated offered detailed information about their 2007 deals, including clients, region, scope, and products sold. To help enterprise architects assess the suitability of a banking platform vendor and its solution for a given banking environment and set of requirements, Forrester offers a summary of the deal information for these 13 vendors and the part of their product portfolios that is relevant in this context.

Global Power Sellers Did Not Change Gears

The two firms in our Global Power Sellers category did not substantially increase their traction in 2007. Counting exclusively Oracle Financial Services — and not the larger Oracle Financial Services Global Business Unit (Oracle FSGBU) — Oracle was as successful as in 2006, while TEMENOS extended its business slightly. While Oracle FS enjoyed a higher number of new accounts in 2007, it also showed a slightly higher number of microfinance deals. Overall, both vendors are on the same level regarding new named deals in 2007. Differences lie on a more detailed level:

- **Oracle FSGBU showed the broadest success.** Forrester's 2006 global banking platform survey looked at new named deals of Oracle FSGBU's majority-owned subsidiary Oracle Financial Services (formerly i-flex solutions). Since then, a closer integration of the different Oracle financial-services-related offerings took place. One example is Oracle FSGBU driving the financial services offerings of Oracle, Siebel, and Oracle Financial Services. Consequently, the 2007 report looks at new named deals of Oracle FSGBU but differentiates between deals for Oracle Financial Services and the larger financial services division, FSGBU, to allow for apples-to-apples comparisons with 2006. Oracle won a total of 71 deals with new clients, 44 of those deals with Oracle FS products.¹² Overall, 2007 deals included Oracle FSGBU product lines such as Siebel's dedicated financial services offerings; Oracle Financial Services product suites such as FLEXCUBE; and the Oracle Financial Services Applications (OFSA). Referenceable new clients included China Trust Commercial Bank in Taiwan, Federal Home Loans Bank in the US, FPT Bank in Vietnam, and Islamic Bank of Asia in Singapore.

Geographically, Oracle FSGBU and subsidiaries were as successful in 2007 as Oracle FS was in 2005 and 2006: Oracle as a whole closed deals with new clients in all seven regions of the world — with Oracle FS alone selling to new clients in Central America and the Middle East. Asia Pacific was clearly the most active area, with Europe following with some gap. Oracle won new banking platform clients in close to 40 countries, with the US and India showing the largest numbers of new named deals. Functionality of the counted deals included retail and corporate banking, Internet banking, teller solutions, risk management and Basel II, microfinance, and lease management as well as Islamic banking. With the exception of a smaller bank's deal in the range of less than 500,000 Euros, Oracle did not disclose information regarding deal pricing or IT service vendors. Oracle is the most successful vendor in Forrester's 2007 global banking platform deal survey. However, one challenge still remains: Oracle needs to implement core banking for the *main* business of a top-tier world bank.

- **TEMENOS was the most successful pure-play banking platform vendor.** In 2007, TEMENOS won 42 banking platform deals that we counted in all world regions except North America. This improves slightly on TEMENOS' 2006 performance of 41 new named deals that counted according to our rules.¹³ All of the 42 2007 deals were based on the T24 banking platform. TEMENOS CoreBanking (TCB) was only good for a single deal; however, the rules of the survey did not permit us to count it, as it was sold to a non-FS firm. Referenceable new clients included Accion Bank Ghana, Banco Popular de Costa Rica, Bank Islam Malaysia Berhad, Banque Libano-Française, Dresdner Aktiengesellschaft, Export Import Bank of Bangladesh, Kenya Commercial Bank, The Mauritius Commercial Bank, National Bank of Azerbaijan, Saïgon Commercial Bank, Volkswagen Finance (China), and Yemen Bank for Reconstruction & Development. Overall, TEMENOS won deals that we counted in close to 30 countries and six regions of the world.

The functionality of the 2007 deals covered core banking, debt collections, direct debits, interest and charges, Internet banking, Islamic banking, leasing, limits, loans, mortgages, operational

customer relationship management (CRM), profitability analysis, structured products, SEPA and SWIFT, swaps, teller workplace, trade finance, and workflow processing, just to mention a few. Here, focal areas were core banking, customer data management, multichannel enablement, and payment. Branch solutions, trade finance, and wealth management were secondary areas that related to less than half of the deals. In particular, TEMENOS was the vendor with the highest number of Islamic banking deals in 2007. The remaining functional domains such as Internet banking, regulatory compliance, and CRM did not represent a significant share of TEMENOS' 2007 functionality. No information is available regarding IT service partners. By far, the majority of 2007 deal sizes were in the range between 200,000 and 5 million Euros, with a few exceptions below 100,000 Euros or in the 10-million-Euro range.

The Group Of Global Challengers Became Smaller

Infosys, SAP, and Tata Consultancy Financial Solutions (TCS FS) remained key challengers of the Global Power Sellers in 2007, while Fiserv and Polaris moved to the Pursuers group. All three Global Challengers significantly increased their number of deals with new customers, with TCS FS showing the steepest increase in new named deals. Additional details for this group include:

- **Infosys Technologies extended its geographical reach with new clients.** Infosys has accelerated again. In 2007, it enjoyed 17 new named deals in addition to ongoing projects such as the multicountry Finacle rollout for DBS Bank in Singapore. A comparison with 2006 shows that Infosys increased its number of new names more than 40%. New 2007 Finacle clients include Alliance Bank in Kazakhstan, Bahraini Saudi Bank in Bahrain, and Nadra Bank in the Ukraine as well as Emirates Bank and RAK Bank in the United Arab Emirates. Coming in at five publishable client names in 2007, Infosys' number of referenceable clients went up in absolute and relative terms compared with 2006. Further clients in countries such as Laos, Barbados, Israel, and the Philippines as well as Trinidad and Tobago decided in favor of Finacle. These new clients made Infosys one of the vendors with the broadest geographical coverage in 2007.

Functionality of the 2007 deals included core banking, treasury e-Banking, CRM, alerts, and wealth management. The functional breadth of the individual solution was often huge. On the other side of the spectrum, four of the deals were pure Internet banking deals. While Finacle and its most recent version 10 offers extended Islamic banking capabilities, only one of the deals included Islamic banking. In three cases, local IT services vendors delivered the Finacle solution. Similar to 2006, Infosys did not disclose individual deal sizes. However, the deal sizes covered the full range of less than 500,000 Euro to between 5 and 10 million Euro.

- **SAP for Banking stabilized its success.** For 2007, Forrester counted 31 banking platform deals for SAP, as far as new named accounts are concerned. Referenceable client names included Absolut Bank, Landesbank Berlin, Nationwide, Punjab National Bank, and Trustworth Capital. In addition, SAP submitted eighteen 2007 deals that we did not count because the accounts, such as Postbank in Germany or ZKB, did not represent new names. SAP for Banking still

shows a European focus. However, with a lower share of the deals being European and counted deals in one more region of the world than in 2006, SAP for Banking has become a more globally balanced banking platform. Deal countries included Argentina, Canada, Egypt, France, Germany, India, Japan, Mexico, Peru, and Sweden. In addition, SAP won its first US-based more core-banking-oriented client in the loans management space.

Similar to 2006, the banking-specific functionality of the counted deals in 2007 focused around a single key area: core banking including customer data management. Regulatory compliance and risk management showed mediocre activity, while the remaining functional building blocks such as payment were not as hot. Overall, 2007 solutions were based on products such as Accounting for Financial Instruments, Bank Analyzer, Collateral Management, Deposits Management, Leasing, Loans Management, Payments, and Regulatory Reporting. A functional gap clearly existed in the multichannel space (with no offered functionality and thus no deals at all in 2007) as well as in branch solutions (with just a single deal in 2007). SAP did not disclose any information regarding deal sizes or IT service partners.

- **TCS BaNCS grew its business.** Tata Consultancy Services (TCS) participated in Forrester's 2007 global banking platform deal survey with its business unit TCS Financial Solutions (TCS FS) and its umbrella brand TCS BaNCS, all together representing a product portfolio that serves retail and universal banking, capital markets, and insurance. Based on the rules of the survey, TCS FS won a total of 28 deals with new customer names in 2007.¹⁴ A further 21 deals were not counted within the rules of the survey because, for example, they were not related to new names but to extended business or because their functionality was insurance-specific or focused on specialized functional areas such as anti-money-laundering or market infrastructure.¹⁵ Referenceable client names included BIN Bank, Guangdong Province Rural Credit Cooperative Union, Larrain Vial, RBC Dexia, The Rock Building Society, Shirpur Cooperative Bank, and TAIB Bank. TCS FS new named clients are located in countries such as Australia, France, India, Russia, South Africa, Switzerland, the United Arab Emirates, and the US, representing six world regions.

Deal numbers indicated a center of gravity around wealth management, customer data management, and risk management. Internet banking, customer relationship management, and regulatory compliance represented the middle field. Other areas of functionality — for example, branch solutions and multichannel enablement — were represented in a minority of TCS FS submitted banking platform deals for 2007. A more detailed look reveals functionality such as corporate action, fund administration, investment management, retail and wholesale core banking, variable annuities, and wealth management. Core banking is different: While its core-banking-related deal count was comparably low, TCS FS stated that core banking drives the majority of its revenue. This also indicates the size of TCS FS' core banking deals. TCS FS was also one of the three strongest vendors regarding Islamic banking. Counted deal sizes were typically in the range between less than 500,000 and less than 5 million Euros — with four exceptions distributed between more than 5 million and less than 50 million Euros. TCS FS did not disclose information regarding IT services partners.

The Pursuers Represent A Successful Group

The Pursuers group consisted of relatively successful banking platform vendors. In 2007, they sold one to three different product lines to between nine and fifteen new name clients in up to four regions of the world. However, to become more globally successful, all of the Pursuers either need to acquire new names or need to extend their geographic reach. Callataÿ & Wouters (C&W), for example, acquired one more new named customer than it did in 2006 — a strong percentage increase — and won new names in two world regions. In another example, Misys won a sufficient number of new names to qualify for the Global Challengers; however, it lacked a sufficient number of world regions and a more homogeneous product portfolio. What are the details for our Pursuers?

- **Callataÿ & Wouters became a little bit more global.** C&W participated in Forrester's global banking platform deal survey for the second time with its THALER solution, supplemented by the KYUDO multichannel suite. In 2007, C&W won nine new clients with installations in Australia, Hong Kong, and Malta as well as European countries such as Belgium, the Netherlands, and Luxemburg. Client names included Commonwealth Bank of Australia, Dresdner Bank Luxemburg, Ethias Bank, and Robeco Direct. While this may be considered a relatively low number of new names, it represents an increase of more than 10% over C&W's eight new names in 2006. In addition, C&W extended its business with a 2006 client.

The delivered functionality showed a broad range, spanning from close to all domains of a retail bank to comparably specialized areas such as structured finance. Functionality had a clear focus on core banking and customer data management and included or touched further functional areas such multichannel enablement, regulatory compliance, fraud detection, risk management, payments, treasury, and wealth management. Furthermore, C&W's deals also included a single-branch solution as part of a larger deal.

- **Fiserv CBS Worldwide showed a slightly changed geographical focus.** In 2007, Fiserv CBS Worldwide (Fiserv) continued its global business with its banking platform (I)CBS, including its front-end solution Aperio, at a similar level of success compared with 2006. We counted a total of 11 global banking platform deals for Fiserv in 2007. The new named deals Forrester counted by no means represent Fiserv's overall success in 2007, as this survey targets the comparably small portion of the international banking platform business within the larger Fiserv. In this particular space, Fiserv has reached a nearly balanced state of business in North America, Europe, and Asia Pacific. The 2007 survey showed no *new* names in Central America in 2007 — as opposed to the 2005 and 2006 surveys, which, respectively, showed eight and seven new names in this region.

A significant number of submitted deals were not counted because they represented repetitive business either within the year 2007 or with existing long-term Fiserv customers — in some cases, with companies that became Fiserv customers in the nineties. An example of a new

referenceable client name is ShenZhen Rural Commercial Bank in China. Existing (and thus not counted) client banks were Banco De Oro in the Philippines and Commonwealth Bank in Jamaica. Overall, Fiserv won deals with new and existing clients in nine countries — including Australia, Greece, Romania, the United Kingdom, and the US. Related functionality was broad: With the exception of Islamic Banking, Fiserve's 2007 deals touched all surveyed functional areas. In particular, core banking, customer data management, branch solutions, Internet banking, as well as CRM were key areas.

- **Misys accelerated again but was still less global than the current key players.** Misys won a total of 15 counted banking platform deals with its product lines Midas and Midas Plus — which scored seven deals — as well as Bankmaster and Equation, which took two and six. In addition, two existing European clients decided in favor of Midas; however, due to the rules of the survey, we could not count these two deals. Referenceable client names are Al Baraka Banking Group in Bahrain, Bank Soyuz in Russia, Rafidain Bank in Iraq, and UBI Banca in Italy. However, the 2007 success of Misys was broader than the banking platform deals could indicate: Misys also enjoyed a total of 42 nonbanking platform deals with its Misys Loan IQ, Summit, Opics Plus, and Misys Trade Services.

Functionality of the counted deals showed a primary focus on core banking and a lesser focus on customer data management as well as multichannel enablement. Misys was one of the top three vendors in 2007 as far as Islamic banking is concerned: Three new clients decided in favor of Equation Islamic. Considering all submitted deals, the two functional hot spots were treasury and risk management. Misys disclosed information regarding neither deal sizes nor IT service vendors.

- **Open Solutions was one of the new participants.** US-based Open Solutions was founded in 1992 and currently employs more than 2,100 employees. Its revenue in the fiscal year 2007 came close to US\$500 million. Next to its banking platforms “The Complete Banking Solution” (TCBS) and “The Complete Credit Union Solution” (TCCUS), Open Solutions’ portfolio is composed of payments, imaging, Internet banking, cash management and financial accounting/profitability solutions, just to mention a few. Target customers are primarily banks and credit unions. Based on total assets, clients cover the full spectrum from smaller to medium-size financial services companies.¹⁶ Roughly one-third of Open's clients run its solutions in-house. Driven by direct sales as well as resellers in Canada, China, India, Mexico, the US, and Vietnam, Open's business shows a focus on the US market today. However, our 2007 global banking platform deal survey as well as ongoing implementations in China, Mexico, Thailand, and Vietnam indicate that Open's client base is beginning to become more global than in the past.

For 2007, we counted a total of 10 deals for Open Solutions; two of them were TCBS deals. In addition, Open submitted 11 outsourcing deals that were not counted since Open Solutions ran these implementations for its financial services customers without selling a license. New clients in 2007 included First Bank and Trust East Texas, IXE Banco in Mexico, and Palm Desert

National Bank. Open Solutions could acquire further new clients in countries such as China, Kenya, Thailand, and Trinidad and Tobago. While Open Solutions continues to derive most of its revenue from the US market, winning new clients in four other regions of the world in 2007 assured its foothold in the global markets. Key functional areas included core banking as well as customer data management and branch solutions, with a lesser focus on Internet banking and customer relationship management. Open Solutions did not provide information regarding deal sizes and IT services partners.

- **Polaris Software Lab did not change significantly.** Polaris Software Lab enjoyed nine new banking platform customers in 2007. On top of these deals, Polaris had five more global banking platform deals that we did not count. Reasons included out-of-scope functionality such as trade portals or pure card management, deals with existing customers, and deals with non-financial-services firms. MHB in Vietnam was the only referenceable counted client name. In total, Polaris offered three referenceable client names. This is a huge improvement compared with 2006, when all the client names it submitted were under nondisclosure. Polaris won business with new and existing clients in countries such as India, Nigeria, Saudi Arabia, Sweden, United Arab Emirates, the United Kingdom, and the US.

Functionality of the 2007 deals was widespread: The submitted deals covered core banking, cards management, investment management, Internet banking, loan origination, and liquidity management, just to mention a few. On a deal-by-deal basis, the functional scope was narrower. Given the business services focus of the Polaris Intellect platform (as opposed to a still more monolithic banking platform approach), this does not come as a huge surprise. Deal sizes ranged from less than 500,000 Euros to 2 to 5 million Euros. This is in line with the narrower and more granular functional approach that seems to be characteristic of Polaris' 2007 deals.

- **SunGard's broader participation showed increased success.** SunGard won 11 counted deals in 2007 with its product lines System Access Symbols, Bancware, and Apsys delivering core banking, private banking, and risk management. Both referenceable clients — Erste Bank Ukraine and First Gulf Bank in the United Arab Emirates — signed for System Access Symbols. We counted deals signed in 10 countries, including Bahrain, Greece, Russia, Switzerland, Taiwan, and the US and covering four regions of the world. In addition, there were more than 80 deals with functionality outside of the scope of the global banking platform survey as well as a smaller number of deals with existing customers that we could not count.

These deals were focused on a number of elements in SunGard's AvantGard Quantum, Bancware, and STeP Reconciliation and Exception Management product lines plus the card-processing element of the System Access product line. Overall, SunGard won deals in more than 30 countries — with a clear peak in the Spain and the US. The functional focus area of all submitted deals was related to risk management. SunGard disclosed neither IT service partners nor approximate deal sizes.

The Base Players Have Some Way To Go Toward Global Success

The Base Players group consisted of Accenture and New Technology Business Solution Limited (NTBSL). If CSC and Infracore had been considered within the scope of this survey, they most likely would have been members of this group. Overall, the group represents a mixed bunch of players. Many have — perhaps temporarily — lost traction in this particular segment of the banking software market. One example is Accenture, which was also the least successful vendor in the 2006 survey.¹⁷ Other vendors such as NTBSL are already decently mature but nevertheless are still more regional players that may become more-than-regional forces in the future. Base Players details include:

- **Accenture's 2007 success was strictly limited.** Accenture's banking platform, Alnova, only won a single new named deal in 2007. The client is the Chilean subsidiary of Banco Itaú, one of the largest banks in Brazil. Banco Itaú acquired the subsidiary from Bank of America in 2006 and got regulatory approval in 2007. The functionality that Banco Itaú uses mainly includes retail current accounts and savings, personal loans, and commercial banking. It also relates to areas such as multichannel enablement and payment. Overall, Accenture's 2007 banking platform success stood in stark contrast with the results from our 2005 and 2006 banking platform deals surveys: 10 and four deals, respectively. In addition, the geographical scope of Accenture's banking platform deals, which was broader with a certain European focus in the previous years, was concentrated on a single South American country.
- **New Technology Business Solutions Limited is a more regional player.** NTBSL is a banking software provider headquartered in Australia. Its predecessor firm, Effective Solutions Limited, was founded in 1992. Today, NTBSL offers a banking platform called the New Technology Banking System (NTBS). NTBS is designed to support all consumer retail banking and insurance products and services, such as loan, deposit and credit card products, stock broking, cash management, general and life insurance, and wealth management. The product suite is service-oriented and supports IFX and SOAP specifications and standards as well as channels such as call center, the Internet, IVR, and ATM.

For 2007, Forrester recognized both NTBS deals: one with Provident Capital Limited Australia and one with Toyota Financial Australia Limited. In past years, NTBSL also enjoyed deals with financial services firms such as AMP Banking Limited (1997) and Members Equity Bank Limited (2005). While NTBSL delivered solutions for Australian financial services firms in other regions of the world, the focus of its business is currently on Australia and — including the most recent 2008 deal — New Zealand. The deal size of each of the submitted 2007 deals was less than 500,000 Euros.

WHAT IT MEANS

BANKING PLATFORM SELECTION IS NOW BOTH EASIER AND MORE DIFFICULT

Many banking platforms have become truly global by now. Vendors such as Infosys, Oracle FS, TCS FS, TEMENOS, and SAP won clients in six to seven regions of the world. The Pursuers and even 2007 Base Players such as Accenture — with its Alnova banking platform — delivered to more world regions in the past than they seemed to according to the 2007 survey. Nevertheless, larger country-specific blank spots remain. Enterprise architects need to be aware that there will always be a certain combination of banking platform and country that needs close scrutiny.¹⁸ Now, in addition, a new decision-driver comes into play: consolidation.

The results of the 2007 global banking platform survey indicate that in the medium to long term, the Global Power Sellers and the Global Challengers will become a single group. Some of the Pursuers may also melt into this new top-tier group. And some Base Players and Pursuers may strongly accelerate or attain banking platform nirvana. Given the typical length of a banking platform project and the longevity of these solutions, a sound assessment of product viability is essential. This assessment must include an assessment of the vendor because vendors with a broader product portfolio may abandon less successful products and services. Architects must ask themselves: Would I undergo brain surgery if the improvement it provided was only temporary?

SUPPLEMENTAL MATERIAL

Methodology

Forrester defined a number of rules for the evaluation of the 2007 deals and sent these “rules of the game” to participating vendors before they submitted their information. Forrester used these rules as a guideline as to whether an individual banking platform deal counted for 2007. In the second step, Forrester scrutinized the submitted information to ensure compliance with the rules of the game. In a minor number of cases, this second step caused long and intense discussions with vendors.

Companies Interviewed For This Document

Accenture	New Technology Business Solutions Limited
Callataÿ & Wouters	Open Solutions
Computer Sciences Corporation (CSC)	Oracle
Fidelity National Information Services	Polaris Software Lab
Fiserv CBS Worldwide	SAP
Infosys Technologies	SunGard
InfrasoftTech	Tata Consultancy Services Financial Solutions
Misys	TEMENOS

ENDNOTES

- ¹ Forrester measured functional breadth and depth of the retail banking platforms of Fiserv, i-flex solutions, Finacle, SAP, and TEMENOS against Forrester's functional map for banking. See the November 28, 2006, "[The Forrester Wave™: Retail Banking Platforms, Q4 2006](#)" report and expect the upcoming document "The Forrester Wave™: Retail Banking Platforms, Q4 2008."
- ² The first part of this series focuses on the global picture as well as individual vendors. Further parts of the series will look at the different regions of the world and functionality.
- ³ To establish a level playing field for survey participants and improve our basis for evaluating the deals, Forrester defined some "rules of the game," explaining the focus and intention of the global banking platform deal survey.
- ⁴ One banking platform vendor did not participate in the global banking platform deals survey 2007. Fidelity National Information Services (FIS) showed a good amount of success in Forrester's 2005 and 2006 global banking platform deals surveys. Due to its heterogeneous product portfolio, it never became a member of the top group as far as numbers of new named deals were concerned. For 2007, FIS decided not to participate in the evaluation and fact-checking process of the 2007 global banking platform deals survey. Based on user feedback, we believe that FIS and its four banking platform offerings have lost market traction compared with 2006 in terms of new named deals.
- ⁵ Some 330 deals were not counted because one or more rules of the game disqualified them or for individual reasons, such as a captive revenue situation. A significant portion of these 330 deals were not counted because they were not related to new clients or were too far away from a banking platform solution.
- ⁶ A direct comparison of the total number of banking platform deals in 2005 and 2006 is not a valid option because the 2007 survey works with two more vendors, New Technology Business Solutions Limited and Open Solutions, plus the extended scope of a third vendor (Oracle with former i-flex solutions). In addition, three 2006 participants are not considered in this survey. For a comparison, see the August 14, 2007, "[Global Banking Platform Deals 2006: Vendors](#)" report.
- ⁷ Founded in 1996, i-flex solutions has recently been renamed as Oracle Financial Services. On August 2, 2005, Oracle announced its intention to buy 41% of the Indian banking platform vendor i-flex solutions from Citigroup Venture Capital. In 2006, i-flex became a majority-owned subsidiary of Oracle Corporation. Today, Oracle Financial Services is part of Oracle's Financial Services Global Business Unit. See the August 26, 2005, "[i-flex Deepens Oracle's Banking Vertical](#)" report.
- ⁸ Budgets for the renewal of the application landscape are enormous. See the November 13, 2007, "[European Financial Services Apps Show New Focus And Pace](#)" report.
- ⁹ Furthermore, CSC did not provide the name of its Hogan client(s) under NDA.
- ¹⁰ Figure 3 shows a ranking of banking platform vendors based on new 2007 global banking platform customers. As in previous years, it is not meant to imply any ranking based on functional and nonfunctional capabilities of the related banking platforms.

- ¹¹ In 2005, CSC won a single banking platform deal in Italy with its German banking platform K3000. In 2006 and 2007, CSC only offered superficial information regarding the success or nonsuccess of its Hogan banking platform. Due to Forrester's rules of the game for the 2007 global banking platform deals survey, we didn't count any deal for CSC. InfracsoftTech successfully participated in Forrester's 2006 global banking platform deal survey. It won 11 clients with its OMNIEnterprise banking platform in the areas of core and Islamic banking plus eight further projects out of the banking platform scope. For 2007, InfracsoftTech did not provide sufficient information to apply the rules of the survey. Thus, InfracsoftTech was excluded from the survey. However, based on the available skeleton information, we assume that InfracsoftTech most likely won four banking platform deals with Indian clients and roughly 20 further deals out of the banking platform scope. However, available information did not allow for any validation of the deals.
- ¹² In compliance with the rules of the survey, we counted a client as a new name if it had already been an Oracle application infrastructure or horizontal application customer. However, Forrester did not recognize, for example, an existing Oracle FLEXCUBE client as a new name for OFSA — and vice versa.
- ¹³ TEMENOS' license revenue increased by 52% from 2006 to 2007, indicating potentially larger deal sizes than in 2006: business with existing customers as well as income from the ARC product line. Those deals were not submitted by TEMENOS.
- ¹⁴ Due to the scope of this survey, we did not count any insurance-specific functionality. Within the capital markets element of TCS FS' product portfolio, Forrester did not count, for example, securities processing deals.
- ¹⁵ Those functional areas only slightly touch the functional scope of a banking platform, if at all.
- ¹⁶ On a global level, Forrester considers banks with total assets between 100 and 400 billion Euros to be medium-size firms. Banks with smaller or larger total assets are considered small or large (global tier 1) financial services firms.
- ¹⁷ Based on its broad banking platform client base, Accenture needs to increase traction to continue playing seriously in the global league. See the August 14, 2007, "[Global Banking Platform Deals 2006: Vendors](#)" report.
- ¹⁸ Scrutinizing country-specific requirements is not yet a thing of the past for all countries of the world — although it is practiced in far fewer than previously. While the banking platform products' adaptability to various national requirements seems to indicate unlimited global versatility, there is good and bad news for enterprise architects supporting banking platform selection processes. See the August 14, 2007, "[Global Banking Platform Deals 2006: Vendors](#)" report.

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