Seamless STP™

End-to-End Corporate-to-Bank STP Payments
Seamless STP™

Tight control over working capital is of critical importance for improved profitability, increased cash flow and overall corporate success. This control must be automatic, transparent, electronic and secure. Straight-Through Processing (STP), which eliminates the manual tasks involved in managing payables and receivables, ensures these controls are in place and drives measurable improvement into working capital. Corporations can achieve STP through the consolidation of payments and collections utilizing a Software as a Service (SaaS)-based corporate payment hub integrated into their primary bank’s service offerings.

Through the introduction of Seamless STP™, Oracle, Fundtech, and Sierra Atlantic recognize that an integrated SaaS offering that addresses the technology gaps in the financial supply chain provides a strategic advantage to the corporate customer as well as the bank that offers that solution. The overall success of these key corporate customers is dependent on achieving STP from their ERP systems through a bank’s payment operations, out to the high-value and low-value payment clearing networks, with the appropriate information returned and integrated across the sending corporation’s multiple banks. The solution – the first of its kind in the market – leverages best-of-breed products to provide a fully integrated payments solution built upon leading edge Service Oriented Architecture (SOA) technology. It utilizes a SaaS-based approach to minimize the upheaval to a corporation’s existing software environment caused through implementing new software and having to test it within the corporate’s environment. Additionally, it minimizes the ongoing testing for version upgrades and enhancements.

The Seamless STP solution is targeted at Tier 1 banks that will benefit from running a SaaS environment on premises or utilize a third party processor for hosting the applications. The bank’s corporate customers can connect to the bank without changing their ERP systems or installing new software, drastically reducing the time-to-market both for the bank and its corporate customer.

Seamless STP™ is an ISO 20022-compliant and rules-based SOA solution available today that is comprised of the following key components as shown in the figure below:

- **Oracle’s Comprehensive CRM and Application Suites** integrates the selling, configuration, quote and account opening process plus Know Your Customer (KYC) and Anti Money Laundering (AML) tracking with the corporation’s ERP solutions using a state-of-the-art, SaaS-based solution from Sierra Atlantic to transparently connect the information. This saves time, reduces operating expenses, eliminates manual processing errors, and minimizes the ongoing support required for current environments.

- **Sierra Atlantic’s BankON™** integrates corporate customer ERP systems with bank treasury management systems, automating payables, receivables and associated cash reconciliation activities. BankON processes consolidated payment files, performs data validation and enrichment with secure data transmission, and automatically reconciles intraday and prior day bank statements. BankON also provides multi-currency and multi-language support. In addition, BankON integrates with multiple banks and multiple ERP systems, with no customization to ERP systems required.
FUNDtech’s **Global PAYplus–Services Platform®**, as a Bank Payments Services Hub drives the capture and mapping of payment information, enabling workflow, business, and regulatory rules, and optimizing execution of payments through a Bank’s existing payments infrastructure to country-specific, regional, and global clearing and settlement networks.

**Oracle’s Red Stack Infrastructure Components** power the solution: **Fusion 11g Middleware™** orchestrates and extends application capabilities, and provisions secure access and identity management across applications, provides enhanced agility and both transactional and business intelligence for proactive and re-active management. The market-leading **Oracle Database 11g™** provides the business applications with fast, reliable and scalable database grids. Oracle Sun Systems provide resilient and manageable server and storage capabilities to better manage the applications.
Seamless STP Benefits

Seamless STP gives corporate treasury executives a single, ISO 20022-compliant view of cash flow, while seeking to improve both the customer and bank experience by reducing the time and cost for implementation. Experience with early adopters suggests that the process of onboarding a new corporate customer can be completed in anything from a few weeks to two months depending on how global the customer is.

This collaborative solution was developed together with Oracle partner firm Sierra Atlantic, utilizing its BankON solution, and financial software company FUNDtech, leveraging their global PAYplus payment services platform.

There are numerous important benefits available through Seamless STP that will increase operational efficiencies and decrease costs for both corporates and banks. These benefits include:

Benefits For Corporates

- Reduces labor costs by eliminating manual and paper-based processes
- Securely delivers STP-ready payment files from any ERP system to banks without customization
- Provides a Single portal access to the status of banking transactions
- Utilizes rule-based validation and enrichment of payment files

Benefits For Banks

- Significantly reduces the time and complexity to on-board corporate customers
- Simplifies the process of introducing new products and making enhancements and upgrades
- Provides Single Payments Hub for all corporate ERP payments: multi-instrument and multi-currency
- Delivers new revenue sources e.g. real-time information, FX, and VIP services by customer segment
- Leverages existing payments infrastructure

Seamless STP is a fully integrated solution using best-of-breed component applications based on ISO 20022 standards and the latest SOA technology.
BankON Functions/Architecture

BankON offers a turnkey solution for corporate ERP-to-bank integrations. It enables Straight-Through Processing with automated payables, receivables and cash reconciliation. BankON supports multiple ERP's – Oracle E-Business Suite, JD Edwards EnterpriseOne, PeopleSoft, SAP, Microsoft Dynamics Great Plains and Navision. BankON also supports industry standard formats such as ISO 20022, XML, SWIFT MT/MX and CSV as well as proprietary bank-specific formats.

BankON enables corporates to gain additional leverage from their ERP investment, lowering their Total Cost of Ownership and providing faster Time-To-Value. Further benefits include reduced labor costs, increased productivity and minimized risk of check fraud. The two way end-to-end integrated flow provides improved reconciliation capabilities and in-depth visibility into cash flow.
Global PAYplus – Services Platform Functions/Architecture

Global PAYplus – SP Payment Services Hub is architected to use common SOA service components providing highly adaptive access to a broad range of discrete payment functions through Web services. It takes full advantage of standards such as: Java EE, XML (ISO 20022), Business Process Execution Language (BPEL), and Web Service Definition Language (WSDL).

It consists of the following software layers:

- Payments Applications Layer – Providing the payment business functions including high value payments, mass payments, SEPA, UK Faster Payments, liquidity management, STP accelerator, and a customer payments hub.
- U-Control Rules Engine – Robust and highly flexible rules structure that: will improve STP with advanced error detection and repair functionality; and enable generation of incremental fee income through more tailored services and greater pricing flexibility.
- Processing Services Layer – Highly configurable SOA services supporting payment management and payment execution that can be orchestrated into end-to-end, adaptive business processes.
- Business integration layer - ensures that the highest level of security and audit is applied at every service interaction and integration point.
- Enterprise Service Bus (ESB) – using the Oracle Red Stack as the foundation of the services orchestration and external integration. Standalone or as part of your enterprise infrastructure, it orchestrates the bank's LoB and Group-level services with GPP-SPs exposed services into highly modular, comprehensive, dependable business processes.
Summary

In an environment driven by increasing regulation for both corporations and financial institutions, flexibility is critical. Companies need to respond rapidly to changing market requirements to keep their businesses competitive. Financial institutions need to attract and retain customers by being quick to respond to change. Seamless STP enables banks to offer corporations transparency across multi-bank relationships, through a single global view, providing technical simplicity to manage treasury operations and have flexibility without the pain for technology based change.

For More Information

For more information, please visit http://www.sierraatlantic.com/seamless-stp/