



THE SCANDINAVIAN FINANCIAL SECTOR IS ONE OF THE STRONGEST IN EUROPE, AND THIS PROVIDES A GOOD BASIS FOR AN IT SUPPLIER TO ENTER THE EUROPEAN MARKETS AS WELL. ONE COMPANY ALREADY HAS THE SERVICES AND SOFTWARE TO HELP IT ENTER THE DIGITAL AGE, WRITES **MATTI VILJO**, TIETOENATOR.



# HITTING THE NORDIC JACKPOT



**T**hanks to self-service and digitalised services, Nordic banks and insurance companies have become some of the most advanced and efficient in the world. TietoEnator provides consulting, developing and hosting services for the digital businesses of these companies, helping to build a more efficient information society.

‘Modern innovated industry needs deep vertical expertise and strong IT skills,’ says Matti Viljo, TietoEnator’s president of banking and insurance.

Three industry verticals make up the strategy with which TietoEnator intends to become a leading global player in carefully chosen businesses, and Viljo has no doubt about the company’s focus. ‘As a forerunner, we must provide our customers with state-of-the-art solutions and services,’ he says. ‘This has led us into

a true partnership with the leading Nordic banks and insurance companies, in some cases even into joint ventures. In the latter, we share not only the gains, but also eventual risks.’

TietoEnator has developed an infrastructure with all major banks in the Nordic

countries. At the same time it has become one of the biggest IT solutions and service companies in Europe. ‘By combining our deep industry expertise and strong IT skills, we are able to provide our customers with the most advanced solutions,’ says Viljo.

Banking and insurance is one of TietoEnator’s three selected business areas that are expected to provide a major contribution to the company’s

## KEY CHALLENGES FOR EUROPEAN BANKS

- How to increase efficiency
- How to improve business processes
- How to create new revenue-generating services
- How to meet the regulation requirements, such as Basel II, SEPA and MiFID
- How to keep the bank secure and up-and-running (24/7)

annual 20 per cent growth target. According to Viljo, this calls for internationalisation and deliberately chosen models for entering a variety of markets. 'There are no similar markets, but we must enter each market with a customised model,' he says. 'We must do our homework in advance. Once we have fulfilled our task in some markets, the grapevine will be of huge assistance for us almost everywhere.'

Viljo knows what he's talking about. He has been at the very heart of the IT industry for more than 25 years, having worked with the likes of IBM and Oracle.

### Business strengths

The Nordic countries are the most advanced region in the banking and insurance business, says Viljo, and as far as solution development is concerned, TietoEnator is the partner of choice. 'We are not just another IT vendor,' he explains. 'We are working closely with the EU on electronic payment and the Single Euro Payments Area, to mention just one example. Our strengths are based on the current position, deep expertise and a very competitive solution portfolio.'

Although the banking and insurance



### CASE STUDY: NORDEA

Nordea is one of the leading financial institutions in the Nordic and Baltic region:

- Total assets: €326bn
- Almost 11 million customers, of which 4.4 million are also e-customers
- 1,100 bank branches, 28,900 employees.

Nordia has gained cash-management opportunities using TietoEnator's solution. Implementing the new pan-Nordic cash management solution, TietoEnator provides the project implementation, roll-out services as well as application management including 24/7 application support. The cash management solution in Nordea has 760 customer hierarchies, including more than 11,500 accounts.

'We decided to partner with TietoEnator because of the superior functionality of their cash management solution and the strength of TietoEnator as an international supplier,' says Morten Holter, functional manager for cash pool services in Nordea.

industry is on the top of digitalisation, there is a lot of potential for further development. 'We must understand that the rapidly growing trend puts a lot of pressure on the back-office core banking systems,' he adds. 'And they are a real challenge for us.'

Good references make a great competitive tool. TietoEnator already has experience in core banking and cash management solutions with the leading Nordic banks, such as Nordea, Swedbank, Handelsbanken, as well as with some European banks, such as Rabobank and Banco Português de Negócios. The key words are flexible solution platforms and service-oriented approach.

Despite TietoEnator's strong position, Viljo has a humble attitude. 'We want to grow with our partners,' he says. 'Partnerships must always be win-win cases. Providing customers with world-class solutions must bring revenues to both parties. This is the only way we can keep our position as a forerunner in this highly competitive market.' <sup>FBA</sup>

Based on research by Marianne Lind

### CLIENT CONTROL

Corporate customers are looking for cash management services that will allow them to manage the daily liquidity of their businesses in a consolidated way, directly on the internet. The TietoEnator Cash Management Solution helps banks offer that service by providing:

- A single liquidity view across multiple currencies and countries, even banks, making it easier for customers to understand their total financial picture
- Cross-currency credit limit management, giving clients better control of credit use throughout the company and reducing the risk of errors or misuse
- Simpler account control and management, regardless of the company size, how many subsidiaries they have or how many countries they operate in

TietoEnator clients include companies such as Barclays, Nordea, Rabobank, Handelsbanken and Swedbank. The TietoEnator system gives complete control to the user through a single, user-friendly web interface. Multi-language functionality is used to make information available in the customer's language of choice.

The system is designed to co-exist with current systems, covering all customer segments, and gives corporate customers the ability to run and manage their own internal bank through internet banking. It provides the bank and its customer with an identical view of easily accessible information on balances, interest and transactions. Banks can offer their corporate customers a service comprising complete control of funds, reflecting any corporate hierarchy. The bank defines the boundaries and rules of a company's freedom of action.

All accounts are structured in hierarchies and fully managed by the customer, except for the conditions between the bank and the customer at the top level. Depending on the prevailing legislative framework and business practices of each country, clients are able to choose from a variety of functions for defining internal terms and conditions, while the bank uses similar functions to set up the external terms and conditions.

In the case of multi-currency account hierarchies, amounts are automatically converted when operations involve a range of currencies. The sum agreements in a multi-currency hierarchy can be of different currencies than in the associated agreements above or below the hierarchy. Conversion takes place automatically and it is possible to have balance control at any level in a multi-currency hierarchy.

The system eliminates the need to carry out exchange operations in order to restore the balances on overdrawn accounts on a regular basis, since a credit limit can be specified in the top-level agreement, serving as a cross-currency credit limit.



### Further information

Website: [www.tietoenator.com](http://www.tietoenator.com)