

From little acorns...

Apak's Aurius core system gets its first public airing at Unity Trust Bank, a small UK based bank operating in a specialist market. Has the system got what it takes to grow into a mainstream offering? Tom Alford reports

After some 'pretty intensive planning', the Aurius core platform from UK vendor Apak has gone live at Birmingham-based Unity Trust Bank (UTB). The banking specialist for UK trade unions, charities and ethical businesses becomes the first live user of the system, and praise from the bank's management is unrestrained. 'It's excellent,' says UTB's managing director, Kevin Turmore.

UTB had been using the Windows-based Ovation system from Canadian supplier, Fincentric, since 1996. Around four years ago, Fincentric had put out the message that its system had effectively reached end-of-life status, and that it was to deliver a new version, Wealthview. 'It became clear that they were not going to develop the product much further,' says UTB's finance director, Mike Osborne.

For the bank to have taken the new offering, which was seen more as a replacement than as an upgrade, it would have been very much like going back to basics in terms of cost, he says. That it was also a brand new version for Fincentric also meant that there was an element of uncertainty and risk in taking it on. UTB decided that it would go back to market.

Looking back, Osborne says the bank knew there was a change required, although it took about two years to acknowledge this need. Initially the situation was viewed as a simple issue of replacing a system that had reached the end of its life. But along the way, Osborne says UTB 'picked up a desire to strategise its IT in terms of business growth'. A move to another system therefore presented the

(he arrived just as the Aurius project got off the ground) admits had not been exploited 'in any great depth' at the early stages of the bank's life.

With the bank realising from a very early stage that its operational systems were to

offer tailored services such as group arrangements for collation of balances and poolings. Its account holders, which often have a number of signatories, tend to want a degree of 'menu picking' from the services available, such as the selection of



Kevin Turmore,
UTB

be 'mission critical', it only briefly looked at outsourcing as a possibility. It quickly rejected this option, deciding to keep 'the heart of its business' in-house. 'We wanted to retain ownership, and felt it was a manageable size to do so,' notes Osborne.

Indeed, with internal control in mind, amongst its selection criteria UTB was looking for a parameterised system that would enable the development of products in-house. 'It is the holy grail of most banks that they want to be in a position, if they are in a distinct market, where they can react to that market very quickly,' says Turmore. 'Parameterisation allows you to do that.'

rates and changing of terms. Flexibility is essential.

It was also important for the incoming system to enable the bank to maintain its existing IT structure. 'We'd been running in a Microsoft Windows environment with SQL across the bank for a long time, and all our other applications interface with Windows,' notes Osborne. 'We were reluctant to go somewhere that would be difficult.' The bank didn't entirely rule out solutions based on other technology but, he says, 'we would obviously want to ensure that the changeover was going to have the damage limitation, in terms of the infrastructure'.

As well as functional fit, which includes meeting the ever-increasing burden of compliance, cost was also an issue. UTB is not a large bank in terms of capital and business – it has 20,000 accounts serviced via 70 internal workstations operating from its headquarters in Birmingham and two small satellite offices. It found some of the solutions on offer to be expensive, and perhaps 'better suited to much larger

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bank with an opportunity to look at improving its MIS and delivering better customer relationship management – something which new boy, Turmore

Although UTB's primary business is in relatively simple current accounts and lending products, the nature of its customer base means it must be able

roll-outs'.

Already with a keen eye for what was needed, it called upon the services of a local system selection specialist to help create a preliminary list and eventual shortlist of potential core system vendors. Ultimately it was decided that going beyond the basic Microsoft environment would have involved 'some serious technology change', and it decided it was not prepared to do this. So, in terms of compatibility with UTB's size, and being able to meet its insistence on the Windows and SQL environment (running on HP servers), the selection team discovered there were few players to choose from. The final list included I-flex, Temenos and Fidelity, as well as Apak, which by that time was well into developing its own core solution, having been the UK implementation partner of Fincentric, and therefore a working partner with UTB for some ten years. Fincentric was included in the original assessment but, says Osborne, 'they didn't respond especially well'.

With a well-tuned list of wants and needs, it quickly became apparent that Apak's new Aurius system would offer the best all-round fit. That ten-year relationship with Apak certainly helped focus the bank's attention: 'In that period they have delivered,' says Osborne. It signed for Aurius in early 2005.

Functionality of the Apak system was selected to meet UTB's product offering of

to go. 'The product has a roadmap, we know what's in that roadmap, we know the flexibility of the system means we can grow very quickly and change direction if we need to.'

The implementation of the first phase – basically to replace what it had – was managed by both parties, with external expertise brought in for aspects such as the firewall and other Internet banking security. The work took just eight months to complete, with Aurius going live at the start of July 2006. Osborne describes the timing of phase one as 'fairly ambitious'. Although it over-ran by about six weeks, this was down to UTB taking the mid-project decision to align the system with the most recent SQL version (2005), rather than using its existing version and upgrading at a later date. 'It was our call,' confirms Turmore.

For the bank, the biggest project challenge was the conversion of data. 'We went through it ten years ago,' says Osborne. 'Last time we shifted from a mainframe environment to a Windows environment. That change was very difficult,' he recalls. Although moving within the Windows environment this time, it was highlighted right from the start that conversion was going to be 'a major piece' of the project, requiring a lot of planning. 'It looks easy, but there was a lot of work that went into it,' says Osborne, citing the difference in database structure between


section of functionality was delivered, the bank was able to start running conversion data on it. 'The conversion was a very good piece of work,' declares Osborne.

UTB is currently working on phase

Mike Osborne,
UTB



two of its project. This stage is focused on getting more from the system and developing the scope of the bank. Because UTB does not have a branch network, a major delivery channel for it is the internet, with around 5000 users. This number has been built up over the past five years, and is set to grow. UTB is also exploring the possibility of offering its customers card-based products, including the increasingly popular pre-paid variety.

Turmore says the advent of Aurius will put it at 'the forefront' of its market. It is a specialist market and therefore needs specialist products, he says. The charity and voluntary sectors are evolving and growing very quickly, not least in the way these organisations are funded. 'We have to be there to help them, and keep pace with that.' UTB is also looking to grow its customer base across profit-making businesses 'that have a social conscience at their core'. Developing niche products for these players is set to become an important activity at UTB – much is expected of the new system. Fortunately, both Turmore and Osborne are happy with the new relationship that has developed between bank and vendor. 'I never felt as though we were facing a gap in the support piece,' states Turmore. And clearly he, and the rest of UTB, are delighted with Aurius: 'Can you imagine having a brand new system in a small bank with all that capability?', he says. 'It puts us way ahead of the game.' 

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'basic banking services', but with an eye on product development and scalability. The initial specification therefore involved such tools as deposit account, current account, flexible loan arrangements, and a general ledger structure. It also opted for one piece that had not been used before by the bank, and that was a workflow module. The bank felt this was an essential part of its compliance management programme. 'We weren't looking for any enhancements at this point,' says Osborne.

Despite its fairly stock appearance at this stage, he adds that the solution enables UTB 'to know the extent of its capability from day one', and how the system can be developed to take the bank where it wants

the two systems as a typical problem, there being far more data tables in Aurius than in Ovation. The intended set-up of customer accounts required data for each account user, or signatory, within those accounts, where previously these fields did not exist. It caused 'some thinking' for the team.

Troubles aside, data migration was made slightly easier because donor and target systems were both Windows-based. In this environment, with Apak having written all the conversion pieces, the bank could start the conversion process earlier than usual. In fact, UTB was effectively passing data across in the testing environment, enabling it to see where all the issues were likely to be. And as each