SEEBEYOND®



CASE STUDY

BNP PARIBAS

Real-Time Automated Client Connectivity

Business Challenges

BNP Paribas Equities is the arm of BNP Paribas' worldwide activities in equities. The company is an outstanding player in European equities markets, enabling client transactions through market-making and trading of equity and listed derivative products as well as quality research and advice.

BNP Paribas Equities ensures a high degree of quality and integrity of execution developing innovative solutions with STP trading tools to serve efficiently institutional customers with different levels of automated trades. In 2002, BNP Paribas was ranked 3rd largest player in Euronext, the largest stock market in the Euro zone – created from the merger of the Paris, Amsterdam and Brussels stock exchanges – 2nd on the Monep and 3rd in Germany for share brokerage.

"To be able to serve our customers with a very high level of quality, SeeBeyond helped us to create a real-time STP integration infrastructure that leverages our legacy applications, with the scalability to handle our expected growth. In addition, the substantial reductions in processing costs we made, combined with increased volumes we are able to handle, have enabled BNP Paribas Equities France to become significantly more competitive on a cost-per ticket basis",

François Salzedo, Chief Operating Officer, BNP Paribas Equities France

With a slowdown in international equity markets and a complex economic environment where both customers and markets require faster response time, BNP Paribas Equities was looking for a way to improve transaction processing and automation to deliver efficient, reliable and consistent services, and at the same time reduce transaction costs. This meant standardising both fully-automated and semi-automated transactions to process simple orders, block orders and baskets of shares irrespective of buyers and markets.

"Full commitment to our research allows us to deliver value-added insight to institutional investors. We provide them with comprehensive and in-depth analysis covering Economics, Market sectors and

COMPANY DETAILS

- Part of BNP Paribas Group Outstanding player in European equity capital markets complementing Corporate Finance activities executing more than 9 million transactions in 2002, for a total capitalisation of Euros valued at 170 billion

LOCATION

- France

INDUSTRY

- Broker–Dealer

BUSINESS CHALLENGES

- Increased Competition on the Brokerage Market
- High-Volume Low-Margin Execution – Reduce Transaction Costs
- Use emerging Standards
- Continue to show leadership

SOLUTION OVERVIEW

- Leverage the full potential of SWIFT ISO15022 security message formats
- Offer Single Window SWIFT Alliance Access and Reuters InterTrade Direct
- Support SWIFTNet, FIX 4.0, FIX 4.3 messages

BUSINESS BENEFITS

- Real-Time, consistent order information for clients
- Single BNP trading hub for SWIFT and RITD
- Significantly reduced cost per transaction
- Dramatically reduced time to deployment – 20 days
- Enabled transparent migration of OMS
- Leadership on the new SWIFT standard and early adoption of SWIFTNet FIX

SEEBEYOND COMPONENTS

- eGate™ Integrator

INTEGRATIONS

- Order Management System
- SWIFT and RITD
- SWIFT ISO 15022, FIX 4.0 and FIX 4.3
- Oracle 8i

SIZING

- 1 Server Dell PowerEdge 1550, Intel® Pentium® III 933 Mhz, 1.0 GB SDRAM

HARDWARE/OS

- Windows 2000 Professional

Equities. However the execution side is a high-volume, low margin business due to the competitiveness of the brokerage market. With that kind of business, we needed a reliable, volume-insensitive system with a high level of efficiency" explained François Salzedo.

Solution Overview

In order to standardise transactions while improving reliability as well as level of services to customers, BNP Paribas first decided to move towards the new ISO 15022 security message format introduced by SWIFT – the Society for Worldwide Interbank Financial Telecommunication – for information related to settlement and delivery.

"Financial services companies historically use a lot of technology to automate and accelerate processes without leveraging the full potential of SWIFT messages," explained Andrea Masson, Integration Project Manager for BNP Paribas Equities France. "Our approach is less complicated. We fully utilise the new SWIFT messages to enrich some processes which allow us to eliminate some others all together, dramatically increasing efficiencies and cutting overall costs". As one of the earliest adopters of SeeBeyond in France, because of its several years SWIFT ReadyGold certification, BNP Paribas Equities leveraged the complete SeeBeyond complete SWIFT message library. This included business elements from the Data Field Dictionary, to integrate its most used SWIFT ISO 15022 message types.

The project was implemented in 20 man-days enabling BNP Paribas Equities, in July 2002, to be a very first user in France of SWIFT's new standard.

A second significant step in the programme of standardisation and rationalisation was the project Client Connectivity. It consists of offering to customers a real-time seamless connectivity including standardised processes and messages for communicating with them. At the same time, it covered and involved overall BNP Paribas Equities' locations. The project started with the migration to a latest release of the business specific Order Management System (OMS) that required porting the system from OpenVMS to UNIX. The project also included the migration to SWIFTNet, a new SWIFT environment that combines the security of the previous X.25 private network with the flexibility and the performance of Internet technologies. SeeBeyond was used to integrate seamlessly the OMS with institutional clients through both the single-window SWIFT Alliance Access (SAA), and Reuters InterTrade Direct (RITD). "The migration was totally transparent with SeeBeyond. We have completely includes the level reused the components already implemented, which drastically reduced the time to deployment. And as SeeBeyond is fully-compliant with SWIFTNet, it also includes the level of security SWIFT requires with the access layer SNL" added Andrea Masson.

SeeBeyond eGate Integrator processes monthly, in real-time, 25,000 orders received from institutional clients, transforms and routes them to the internal OMS and then routes these messages to various markets using their respective protocols. In the other direction, SeeBeyond transforms into SWIFT or FIX 4.0, the FIX 4.3 messages issued by the OMS' before sending back confirmations, invoices, and reports to clients via the SWIFT and various FIX networks.

Business Benefits

BNP Paribas Equities is providing its clients with real-time consistent information, accurate status and daily consolidated reports on their orders. Furthermore the security and the confidentiality offered by the combination of SWIFT and SeeBeyond are key factors of satisfaction and loyalty for customers, allowing the Bank to hold firm to its goal of creating value while also staying ahead of the competition during this difficult period. In France, BNP Paribas Equities is now acting as a single trading hub for SWIFT and RITD networks switch and routing serving all its branches, supporting BNP Paribas' Equities front-office professionals in a dozen different locations in Europe, US and Asia, with customers in 35 countries.

SeeBeyond's solution has reduced significantly the costs per transaction through three key features. Powerful error and exception handling – allowing a substantial reduction of the labour intensive required to tasks repair and correct messages; Native once and only once guaranteed delivery – eliminating the risk of losing or duplicating messages; Rapid, high performance and seamless connectivity to Oracle Database - enabling an event-driven move of information, lowering the memory usually required to provide real-time response-time.

"We found in SeeBeyond a strong technology delivering high-value for SWIFT transactions. We were also impressed by the performance and the flexibility of the product supporting our projects as well as by the professionalism and the skills of its consultants to find the right solution for us to be more efficient"

Andrea Masson, Integration Project Manager,
BNP Paribas Equities

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