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Global Banking Platform Deals 2006: Vendors

by Jost Hoppermann
for Enterprise Architecture Professionals



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Global Banking Platform Deals 2006: Vendors

We Identified A Strong Group Of Globally Successful Vendors In A Growing Market

This is the first document in the "Banking Platform Deals 2006" series.

by **Jost Hoppermann**

with Gene Leganza, Caroline Hoekendijk, Matthew McCormack, and Antonin Shanahan

EXECUTIVE SUMMARY

Forrester surveyed 14 vendors of globally deployed banking platforms on their 2006 deals. The outcome of the deal analysis? i-flex solutions and TEMENOS are still the power sellers. Two of the new survey participants, **Polaris Software Lab** and TCS Financial Solutions, got off to a great start, joining Fiserv CBS Worldwide, Infosys Technologies, and SAP among the global challengers. The survey results also indicate that the number of off-the-shelf banking platform deals grew between 2005 and 2006 by at least 15%. The bottom line? Although more and more global banking platform vendors have truly global product suites, country-specific requirements remain important selection criteria — although less so than in the past.

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NOTES & RESOURCES

Forrester interviewed 14 vendors, including: Accenture, Callataÿ & Wouters, Computer Sciences Corporation (CSC), Fidelity Information Services, Fiserv CBS Worldwide, i-flex solutions, Infosys Technologies, InfracoreTech, Misys, Polaris Software Lab, SAP, SunGard System Access, Tata Consultancy Services/TCS Financial Solutions, and TEMENOS.

Related Research Documents

"The Forrester Wave™: Retail Banking Platforms, Q4 2006"

November 28, 2006

"Banking Platform Wins 2005: Vendors"

May 2, 2006

"Vintage Banking Platforms Need Renewal"

December 2, 2004

GLOBAL BANKING PLATFORMS: A RED-HOT APPLICATION SOFTWARE SPACE

When enterprise architects are involved in selecting an off-the-shelf banking platform for a bank or its international subsidiaries, they need architectural information as well as summaries regarding its functional breadth and depth.¹ Further key areas of interest typically include a banking platform vendor's ability to deliver software and services to specific target geographies, as well as the vendor's current market presence and role. To support banks — and particularly enterprise architects — in dealing with these topics, Forrester invited globally operating banking platform vendors to disclose their 2006 deals within Forrester's global banking platform deal 2006 survey.²

Off-The-Shelf Banking Platform Deals Enjoy Significant Growth

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 2006 survey (see Figure 1). The 14 banking platform vendors that participated submitted a total of 393 deals, of which Forrester recognized 242 as valid 2006 banking platforms deals (see Figure 2-1).³ Forrester identified three key trends:

- **The number of deals increased significantly.** Because of the establishment of the rules of the game, we can't directly compare the total deal numbers for 2005 and 2006.⁴ However, Forrester believes that the number of global banking platforms deals grew by at least 15% from 2005 to 2006.⁵
- **The top tier has not changed.** We can't easily or accurately state that all vendors saw an increase or decrease in their 2006 sales success; attaching the winner or loser label depends on your perspective and starting point. Fiserv and TEMENOS, for example, showed a significantly different share of selective application outsourcing (SAO)-type deals in 2005 and 2006, while SAP moved its focal area from risk management in 2005 to core banking in 2006.⁶ However, i-flex solutions and TEMENOS enjoyed the largest global footprint in terms of deals that comply with the rules of the game.
- **Referenceable deals are still an issue.** Six of the 14 surveyed banking platform vendors either stated that 50% to 100% of the client names of their 2006 deals are under nondisclosure or did not provide client names at all (see Figure 2-2). While some surveyed vendors have tried to increase the number of referenceable (and thus publishable) deals, there is still some way to go before enterprise architects obtain a huge group of client references for all the vendors in which they are interested.

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

RULES OF THE GAME

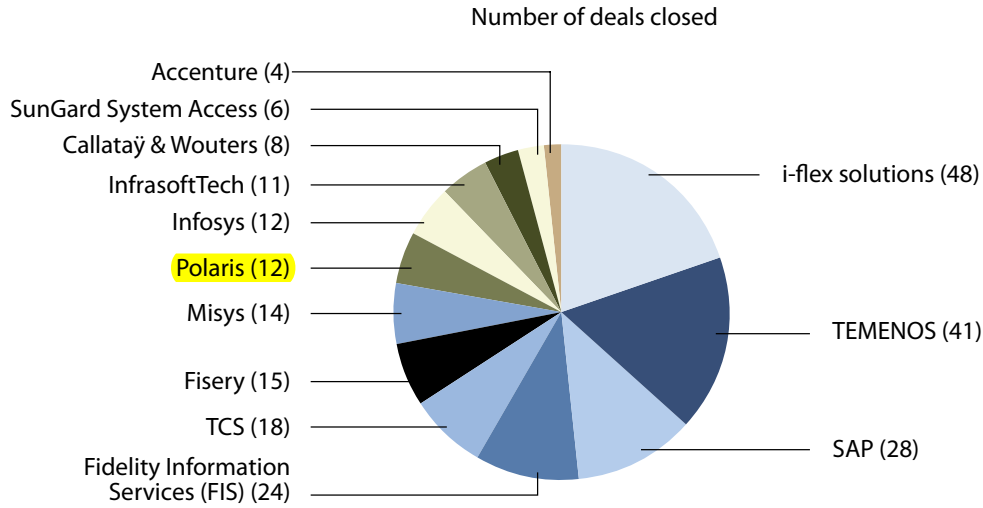
The survey covered:

- **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 2006.** We did not count any deals that may have been signed in 2005 — even those signed on December 31, 2005. The same is true for deals that may have been prepared but were not finalized (as in signed) in 2006.
- **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.

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.

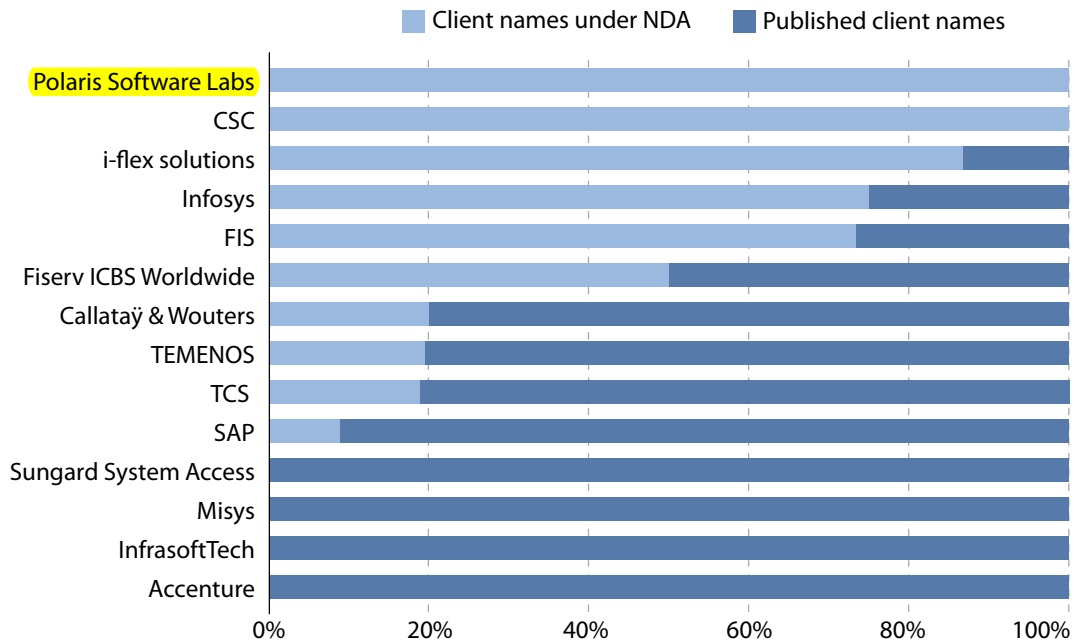
Figure 2 2006 Banking Platform Deals By Vendor And Referenceable Client Names

2-1 Vendors' 2006 global banking platform deals



Base: 242 banking platform deals closed in 2006 that comply with the rules of the survey

2-2 The percentage of published client names by vendor



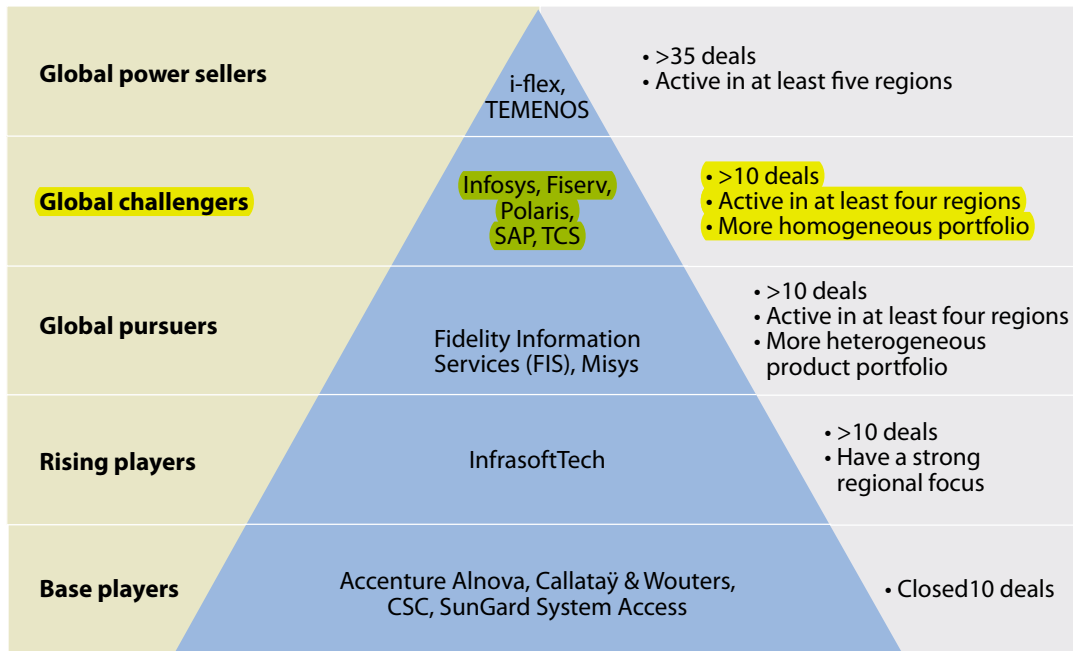
Base: 242 banking platform deals closed in 2006 that comply with the rules of the survey

GLOBAL BANKING PLATFORM VENDORS: CATEGORIES AND DYNAMICS

The surveyed global banking platform vendors for 2006 differed in terms of global sales success, global reach, and homogeneity — or lack of it — of their product portfolios. Overall, Forrester categorized the survey participants into five distinct groups (see Figure 3):

- **Deal leaders.** i-flex solutions and TEMENOS are still the undisputed heavyweights in the global banking platform arena; they each scored more than 40 deals in 2006 and delivered on them in seven and six regions of the world, respectively.⁷ Since Oracle acquired its first stakes in i-flex in 2005, i-flex has become a majority-owned subsidiary of Oracle. TEMENOS is now the largest independent global banking platform vendor.⁸ Both i-flex and TEMENOS enjoyed the highest number of deals in 2005 and 2006 and a broad geographical reach. If structural change and growth issues do not weaken their product portfolios, service capability, and go-to-market approaches, i-flex and Temenos will remain strong shortlist candidates for a multitude of requirement scenarios in financial services in the foreseeable future.
- **Global challengers.** Infosys Technologies, Fiserv CBS Worldwide, and SAP are again members of the global challenger group. Two of the new survey participants joined this group of key global players: Tata Consultancy Services (TCS), now with its specialized subsidiary TCS Financial Solutions, and Polaris. These five vendors are members of a group that is well positioned to make life less comfortable for i-flex and TEMENOS. All of them have sold a comparably homogeneous banking platform product line to at least four regions of the world. While some vendors, such as SAP, saw a significant increase in the number of deals won in 2006 compared with 2005, others, such as Infosys, have extended the breadth of the engagements — thanks to a more strategic go-to-market approach, rather than a footprint-oriented one.
- **Global pursuers.** Fidelity Information Services (FIS) was successful in five regions, and Misys was successful in four; however, both firms face their individual challenges. FIS won 24 deals in 2006, but these deals were split among six product lines; the most frequently sold product line was only good for 10 deals. Product consolidation may become a mandatory step in the not too distant future.⁹ Misys won 14 deals in 2006 with its two product lines, Midas Plus and Equation. After Misys' stabilization and some challenges with Equation Plus' timeline, the current Misys management team now needs to deliver its new product architecture BankFusion on time and with sufficient quality, breadth, and depth.
- **Rising players.** InfracsoftTech falls short of becoming a global challenger due to its lack of international delivery: In 2006, it saw banking platform deals in only three regions of the world — most of them in India. However, in other areas of banking software, InfracsoftTech is a much more global player, with clients in five regions of the world. If InfracsoftTech can leverage and extend its international sales, delivery, and support skills into the banking platform space, it could potentially rise into the upper leagues.

Figure 3 The 2006 Global Banking Platform Playing Field



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Source: Forrester Research, Inc.

- Base players.** This group of vendors is a mixed bunch. All of the vendors in this group won fewer than 10 deals in 2006 and delivered to just one or two regions of the world. Vendors like Callataj & Wouters and SunGard System Access still need to establish themselves as truly global players by permanently moving out of their European or Asia Pacific niche.¹⁰ Based on its broad banking platform client base, Accenture needs to increase traction to continue playing seriously in the global league. Alnova was the least successful global banking platform in 2006 — not considering CSC's unclear ambitions in the banking platform space.

GLOBAL BANKING PLATFORM VENDORS: SOME ARE MORE EQUAL THAN OTHERS

Each of the surveyed vendors offered detailed information about their 2006 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 the 14 vendors and the part of their product portfolios that is relevant in this context.

Accenture Again Shows A Focus On Europe And Architecture

In 2006, Accenture and its Spanish subsidiary Alnova Financial Solutions won a total of four new clients in Israel, Spain, and the UK: Alliance & Leicester, Banco Guipuzcoano, Caixa Geral de Depósitos, and Mercantile Discount Bank. This continues the evolutionary growth of Alnova's client base: In 1991, Alnova had 15 banking platform clients; in 2006, Alnova had 114 clients, 28 of them in Spain. While Alnova may be perceived, from a historical perspective, as a banking platform vendor with an overwhelmingly strong South and Central American focus, this is not true. Today, roughly two-thirds of Alnova's clients are European financial services firms, while more than one-third are Central or South American.

Alnova's 2006 deals showed a strong focus on multichannel architecture. However, the contracted projects showed overall functional breadth, also covering branch solutions and customer data management as well as cash management, lending, deposits, retail, current accounts and savings, personal loans, and commercial banking. Deal sizes ranged up to €10 million.

Callataÿ & Wouters Is More Regional, But It Delivers Globally

Banking platform vendor Callataÿ & Wouters, headquartered in Brussels and founded in 1983, is one of the new participants in Forrester's global banking platform deal survey.¹¹ Callataÿ & Wouters has offices in Luxembourg, London, Paris, Singapore, Geneva, Jakarta (Indonesia), and Dubai. Its product portfolio consists of the banking platform THALER, the multichannel suite KYUDO, as well as the business intelligence solution TERAN. Callataÿ & Wouters has installations in Europe, Australia, Dubai, Indonesia, Singapore, and New Zealand. By the end of 2006, the company had about 400 employees.

The Belgian company won eight named deals in 2006 with European financial services firms, such as Bank Insinger de Beaufort, Staalbankiers in the Netherlands, and BNP Paribas in France. The functionality of the 2006 deals included core banking, wealth management, as well as securities management. There were also two further deals with unnamed clients. The eight named deals show that Callataÿ & Wouters worked on a more European basis in 2006; the two unnamed client banks, however, want to use Callataÿ & Wouters' solutions for their overseas business. While Callataÿ & Wouters didn't disclose any information about deal sizes, it seems that a large number of the 2006 deals are priced on a per-transaction basis.

CSC's Hogan Is Alive

In 2005, CSC won a single banking platform deal in Italy with its German banking platform K3000: 2006 again shows a single CSC banking platform deal. CSC states that it sold its Hogan Core Banking System with the Debit Card System, Online Delivery System, and Systems Navigator modules to a top 25 global bank that is headquartered in North America. However, CSC was not at liberty to disclose the name of that bank. Due to Forrester's rules of the game for the global banking platform deals 2006 survey, we didn't count this deal for CSC.

FIS's New 2006 Customers Center On Europe And Asia Pacific

In 2006, FIS won 24 new clients in four regions of the world with its portfolio of banking platforms and multichannel solutions. Seven of the counted license deals were for Profile, 10 were for ALLProfits and related products, while five were for FIS's multichannel solution TouchPoint. Corebank, Core24, and Systematics were also good for a total of five deals with new, named clients.¹² Forrester could not count 51 deals — including 36 deals with existing clients all over the world, as, in some cases, these involved the renewal of existing contracts and thus didn't comply with our survey rules. A further five deals in 2006 were from US domestic financial services firms for FIS's MISER solution, which primarily targets US credit unions and community banks.¹³

FIS's new clients that Forrester can disclose include John Deere Credit, Mirae Bank, United Mizrahi Bank, Hanmi Bank — all in the US — as well as Trinidad's First Citizens Bank. FIS's 2006 new client list also includes a couple of additional premier financial services names that we can't disclose. The 2006 deals covered a broad range of functionality, including multichannel, sales and service, Internet banking, core banking, deposits, savings, loans, mortgages, consumer lending, customer data, and product configurators. Deal sizes varied: They started at less than €100,000 and exceeded the €20 million mark in exceptional cases.

Fiserv CBS Worldwide Accelerates In 2006 — Although Initial Perceptions Can Differ

Fiserv won a total of 15 new banking platform customers in 2006, a drop from the 24 new deals it signed in 2005.¹⁴ While this may be perceived as lesser success than in 2005, it is not fully comparable. In 2005, two-thirds of the 24 deals were SAO-type deals, while 2006 showed a clear focus on direct licenses.¹⁵ Here, Fiserv grew its new business.¹⁶ Geographically, Fiserv still has a strong center of gravity in Central America, including the Caribbean: Close to two-thirds of its new clients are headquartered in this region.

Client names include: Banco Ahorro FAMSA, Mexico; Dah Sing Group's BCM Bank, Hong Kong; BMO Bank of Montreal, Canada; La Caisse Nationale des Caisses d'Epargne, France; and Republic Bank, Dominican Republic. Most new clients are smaller banks.¹⁷ However, some of Fiserv's new clients in Europe and Central America have quite prominent names.¹⁸ The functionality of the projects included core banking, telephone banking, CRM, application infrastructure, and front-end solutions, including teller workplace and telephone banking.

i-flex solutions' Business Remains Global

i-flex solutions, a majority-owned subsidiary of Oracle, won 49 banking platforms deals in 2006.¹⁹ One of these 49 clients is a cooperative bank in Asia Pacific that serves 19 further cooperative banks with its banking platform.²⁰ The i-flex banking software applications products recognized in the 2006 deals were Reveleus and various modules of FLEXCUBE, such as FLEXCUBE Corporate and Retail, as well as Islamic banking.²¹ At a more detailed level, i-flex sold functionality like deposits,

loans, general ledger, trade finance, treasury, payments and collections, funds transfer, branch solutions, ATM interfaces, Internet banking, risk management, customer information file, Basel II, and Islamic banking in 2006.

From a geographical perspective, i-flex was as successful in 2006 as it was in 2005.²² It closed deals in all regions of the world, but Africa, Asia Pacific, and Europe were the three key areas. 2006 clients include: Development Bank of Mauritius; Oberbank, Austria; People's Bank, US; Philippine National Bank; United Bank S.C., Ethiopia; and Interbank, Peru. With Wells Fargo, i-flex added a financial services heavyweight to its customer list — alas, it was only for Basel II. While i-flex is one of the most successful vendors in Forrester's global banking platform deal survey 2006, it still needs to implement core banking for the *main* business of a top-tier world bank. i-flex did not disclose any information regarding deal pricing.

Infosys Technologies Uses A More Strategic Approach For Finacle Sales

With 12 Finacle deals in 2006, Infosys seemed to be slightly less successful than in 2005. One of the reasons may be its more strategic — and thus selective — approach to the different regional markets and functional requirements. Forrester knows of at least one bank requesting a Finacle test installation that Infosys deliberately did not fulfill due to its strategic go-to-market approach; the potential customer viewed Infosys' decision positively. Banks such as First City Merchant Bank in Nigeria and United Bank of India purchased Finacle. Overall, target geographies included Europe, Africa, Asia Pacific, and Central America (including the Caribbean).

Functionality in the 2006 deals included deposits, loans, trade finance, customer data file, product configurator, treasury, Internet banking, as well as multichannel alerts. Two deals were pure Internet banking deals. Compared with the previous survey, the number of referenceable clients went down: While Forrester is aware of the names of all deals, only three of the bank names are not under NDA. Unlike in our global banking platform deal survey 2005, Infosys did not disclose individual or average deal sizes.

InfrasoftTech Is Still An Indian Banking Platform Vendor, But AML Is More Global

India's InfrasoftTech product offering covers core banking, wealth management, anti-money-laundering, "eChannel integration," as well as Islamic banking. In 2006, InfrasoftTech won 11 new clients with its OMNIEnterprise banking platform in the areas of core and Islamic banking. 2006 also saw seven pure anti-money-laundering deals, plus one custom development project.²³ Most of InfrasoftTech's 2006 banking platforms deals are located in India, but it had one in each of Africa and Europe. Its AML system was a more international business for InfrasoftTech in 2006, with clients in Africa, India, the Middle East, and the US. Overall, InfrasoftTech serves financial services clients in North America, Europe, Africa, the Middle East, and Asia Pacific.

Its 2006 banking platform clients include Indian banks, such as Goa Urban Co-Operative Bank and Mahanagar Co-Op Bank, as well as financial services firms like the UK's Universal Mercantile Building Society and Kenya's Trans National Bank. The 2006 deals that we counted are supposed to deliver broad functionality to Infracore clients, including treasury, trade finance, Internet banking, savings/current accounts, deposits, loans, lockers, interest, charges and limits, as well as letters of credit. Infracore did not disclose information about deal pricing.

Misys' Equation And Midas Plus Are Successful — But More So Are Its Other Products

Misys enjoyed a total of 14 banking platform deals with its product lines Equation — which scored 10 deals — and Midas Plus, which took four.²⁴ However, Bankmaster did not see a single deal in 2006. Furthermore, Misys enjoyed a total of additional 37 nonbanking platform deals with its Misys Loan IQ, Summit, and Opics product lines — just to mention a few. Geographically, the 2006 banking platform deals were close to being evenly distributed across North America, Europe, Africa, the Middle East, and Asia Pacific — with a slight peak in Europe.

Examples of Misys' banking platform clients are: Wells Fargo, US; Allfunds Bank, Spain; Angola's Development Bank; The United Bank, Egypt; Eskan Bank, Bahrain; and Cathay Bank, Singapore.²⁵ The functionality that those deals required included deposits, lending, IAS, MIS and reporting, accounting, foreign exchange, money markets, teller solutions, Internet banking, payments, security, treasury, as well as Islamic banking. Misys did not disclose any information regarding deal sizes.

Polaris Shows Success That Goes Beyond The Main Banking Platform Functionality

India's Polaris Software Lab won a total of 12 new banking platform customers with its Intellect Suite in 2006.²⁶ In addition, Polaris enjoyed a further 19 deals in 2006 that did not count under the rules of our survey.²⁷ Half of Polaris' 12 deals are located in Asia Pacific, while North America, Europe, and the Middle East saw two deals each. The functionality of the counted deals included lending, credit origination, and credit management. The deals that could not be counted covered functionality like pure card and cash management projects. Forrester cannot disclose the names of any of Polaris' 2006 clients.

SAP For Banking Has Accelerated Globally

SAP won a total of 28 banking platform deals in 2006 in North and Central America (including the Caribbean), Europe, Asia Pacific, and Africa. With close to three-quarters of SAP for Banking's 2006 deals, Europe represents the clear focus area — with clients such as: Cassa Depositi e Prestiti, Italy; Cajamar, Spain; the European Bank for Reconstruction and Development, the UK; Bank Center-invest, Russia; Commerzbank, Germany; and, more on the corporate side of the business, ABN AMRO, Netherlands. SAP for Banking's 2006 non-European clients include GMAC Financial Services in the US, Farm Credit Canada, First International Bank of Israel, as well as further banks in Asia Pacific.²⁸

The banking-specific functionality of the projects focused around two centers: SAP's Transaction Banking — with functionality such as deposits, loans, collaterals, and leasing — and the Basel II/compliance/risk management space — with Accounting for Financial Instruments, Basel II, hedge management, and Financial Database. With 16 of the 28 deals bringing in new Transactional Banking customers, 2006 saw a strong focus on the core banking space and a lesser focus on the Basel II/compliance/risk management space — as opposed to 2005, where the focus was the other way around.²⁹ SAP did not disclose any information regarding deal sizes.

SunGard System Access Still Shows A Focus On Asia Pacific

SunGard acquired Singapore-based System Access, its card management system CardPro, and its banking platform SYMBOLS in October 2006. This acquisition and its ability to operate as a division of SunGard elevated the new SunGard System Access to a higher level of global visibility. Before the acquisition, System Access had clients from outside of Asia Pacific, but there was a definite focus on Asia Pacific.

In 2006, four of System Access' 2006 deals were located in Asia Pacific, while two were European. Clients included India's Punjab & Sind Bank and Slovenia's Slovenska sporitelna. System Access' Chinese joint venture Digital China added quite a prominent name to the 2006 list: The Bank of East Asia signed up to use SYMBOLS for its Chinese branches.³⁰ The functionality of the 2006 projects included general ledger, retail deposits, teller solutions, loan origination, foreign exchange domestic payments, money market, Internet banking, as well as Islamic banking — just to mention a few. Deal sizes were in the range of €5 million or less.

TCS's BaNCS Consolidates In Asia Pacific

TCS acquired Australia's FNS and its banking platform BaNCS in 2005.³¹ With a total of 18 deals in 2006, TCS's new umbrella brand TCS BaNCS continued to extend its footprint in Asia Pacific and also won projects in Europe, South America, Africa, and the Middle East.³² BaNCS was good for 11 of the 2006 deals; Quartz was counted seven times in the private banking space.³³ In addition, TCS won four pure anti-money-laundering deals with BaNCS (Asia Pacific and South America) as well as 23 deals with its Quartz product line in North America, Europe, Asia Pacific, Africa, and the Middle East. BaNCS's clients included: Bank of China; Cathay United Bank, Taiwan; BANCO PICHINCHA, Ecuador; as well as Sudan Commercial Bank.

2006 deals covered functionality such as deposits, loans, cards, payments, customer data, treasury and liquidity, and Islamic banking. Most of the deals covered came close to the full functional spectrum, ranging from core banking to branch and multichannel support. Consequently, most of the banking platforms deals were of a significant size, in some cases exceeding the €20 million mark. On the Quartz side of TCS's banking product portfolio, functionality comprised prime brokerage, front- and back-office trading systems in the equity and derivatives segment, depository clearing and settlement platforms, as well as private banking.

TEMENOS Is At Par With i-flex As Far As 2006 Core Banking Deals Are Concerned

In 2006, TEMENOS won 41 banking platform deals in all regions except South America.³⁴ This may be perceived as a less successful year than 2005, which had 68 direct licenses and SAO-type wins. However, 2006 did not see a large proportion of SAO-type deals, thus making 2006 more successful than 2005. With the exception of a single TEMENOS CoreBanking (TCB) deal, all of these 41 deals were based on the T24 banking platform. With 30 solutions sold in 2004 and 34 in 2005, 2006 saw TEMENOS's footprint grow by about 20% in terms of licensed solutions. 2006 clients included: Banca Commerciale del Noreste, Mexico; Business Aegean Bank, Greece; Unicorn Investment Bank B.S.C., Bahrain; BMCE Bank, Morocco; and Global Bank, Vietnam.

Canada's North Shore Credit Union was the only new North American client in 2006. The March 2007 alliance between Metavante and TEMENOS has the potential to extend TEMENOS's US footprint. TEMENOS can benefit from Metavante's sales and support capabilities as well as its US banking know-how, while Metavante will get a core banking system. Deal functionality comprised deposits, loans, standing order, general ledger, foreign exchange, funds transfer, syndicated lending, Internet banking, Islamic banking, as well as customer management — just to mention a few.³⁵ In 2006, TEMENOS's clients had projects ranging from less than €100,000 to about €10 million.

WHAT IT MEANS

THE FREEDOM OF CHOICE AND THE PAIN OF SELECTION

In the past, financial services companies often needed to decide between regional off-the-shelf packages and homegrown or custom-built apps. Today, more than half of the banking platform vendors in this survey have the global reach and products to sell their application software to four or more regions of the world. While their 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:

- **Some vendors are more global than their 2006 success indicates.** Base and rising players in the banking platform space, such as Accenture, Callataÿ & Wouters, Infracore, and SunGard System Access, showed only limited global success in 2006. Overall, however, Accenture and SunGard System Access delivered banking platforms to about 25 countries, while Callataÿ & Wouters and Infracore are also more global than mere numbers indicate. For example, Callataÿ & Wouters' two unnamed 2006 deals point to additional global activities with potentially substantial global breadth: It's again about referenceable accounts. And Callataÿ & Wouters' participation in SAP's Industry Value Network for banks will not hurt the global extension of its business, either.³⁶
- **National barriers to entry are going down.** Three of the 14 vendors — i-flex, SAP, and TEMENOS — covered six or seven of the seven regions of the world. However, even i-flex and TEMENOS — with most likely the highest number of delivery countries — delivered their solutions to only roughly two-thirds of the world's countries. Many of the surveyed banking platform vendors have banking platforms that can deliver on new country-specific requirements faster and probably easier than in the past.³⁷ Nevertheless, scrutinizing country-specific requirements is not yet a thing of the past for all countries of the world — although in far fewer than previously.³⁸
- **Country-specific adaptability has inherent limits.** More and more vendors with global reach and internationally versatile products deliver to all corners of the earth. They can parametrize to a huge degree issues like functionality, banking products, all kinds of interfaces, as well as business processes. However, even this specific kind of agility has built-in limits. Some banking platforms offer tens of thousands of parameters, thus increasing a solution's complexity.³⁹ Real-life war stories also highlight banking platforms that have been customized beyond the limits of maintainability — ripping the solutions out of a vendor's usual product maintenance cycles and increasing maintenance costs. While country-specific requirements have lost some of their importance compared with the past, they still need serious consideration for the foreseeable future — with a preference for parameterization and configuration and avoidance of customization.

SUPPLEMENTAL MATERIAL

Methodology

Forrester defined a number of rules for the evaluation of the 2006 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 2006. 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	InfrasoftTech
Callataÿ & Wouters	Misys
Computer Sciences Corporation (CSC)	Polaris Software Lab
Fidelity Information Services	SAP
Fiserv CBS Worldwide	SunGard System Access
i-flex solutions	Tata Consultancy Services
Infosys Technologies	TEMENOS

ENDNOTES

- ¹ Forrester measured functional breadth and depth of the five retail banking platforms of Fiserv, i-flex solutions, Finacle, SAP, and TEMENOS against its functional map for banking. See the November 28, 2006, “[The Forrester Wave™: Retail Banking Platforms, Q4 2006](#)” report.
- 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 Some 150 deals were not counted because one or more rules of the game applied or for individual reasons, such as a captive revenue situation. A significant portion of these 150 deals was not counted because they were not related to new clients.
- ⁴ A direct comparison of the total number of banking platform deals in 2005 and 2006 is not a valid option because: 1) the number of surveyed vendors increased by six, and 2) Forrester improved deal analysis by introducing the rules of the game.
- ⁵ This growth estimate is based on the 198 deals in 2005, reduced by the 50-plus SAO-type deals. These deals can be roughly compared with the 2006 deals of the eight 2005 vendors after applying of the rules of the game.

- ⁶ The selective application outsourcing (SAO) approach is providing highly specialized services, skills, and expertise dedicated to the needs of the financial services clients. See the September 13, 2005, “[From ASP To Selective Application Outsourcing](#)” report.
- ⁷ Within the scope of this survey, Forrester defines seven regions of the world: North America, Central America (including the Caribbean), South America, Europe, Africa, the Middle East, and Asia Pacific.
- ⁸ The vision for i-flex’s next-generation banking platform will be crucial for success. See the August 26, 2005, “[i-flex Deepens Oracle’s Banking Vertical](#)” report.
- ⁹ Fidelity needs at least some banking platform product consolidation to provide a better cost basis. See the May 2, 2006, “[Banking Platform Wins 2005: Vendors](#)” report.
- ¹⁰ Callataj & Wouters’ participation in SAP’s Industry Value Network for Banks can be a right step in this direction: The emerging business services ecosystems have the chance to shape the next step in interoperability. See the September 11, 2006, “[Business Services Ecosystems In Banking](#)” report.
- ¹¹ Based on the responses of Accenture, CSC, Fidelity, Fiserv, i-flex, Infosys, SAP, and TEMENOS, Forrester prepared a geographically oriented 2005 deal overview. See the May 2, 2006, “[Banking Platform Wins 2005: Vendors](#)” report and see the April 26, 2006, “[Banking Platform Wins 2005: Regions](#)” report.
- ¹² One of the 24 new clients signed for ALLProfits and Systematics; two 2006 deals included TouchPoint as well as Profile.
- ¹³ Forrester could not count a total of 51 deals. In addition to the 41 aforementioned deals, Forrester could not count additional 10 deals — for example, because they did not abide by the rules of the game or because the deals were basically captured revenue.
- ¹⁴ This survey is focused on Fiserv products that are targeted at global markets — as opposed to more US domestic Fiserv products.
- ¹⁵ The selective application outsourcing (SAO) approach is providing highly specialized services, skills, and expertise dedicated to the needs of the financial services clients. See the September 13, 2005, “[From ASP To Selective Application Outsourcing](#)” report.
- ¹⁶ In addition, one existing client upgraded and extended an existing solution, thus increasing the total number of Fiserv’s 2006 deals — as opposed to the number of new clients.
- ¹⁷ On a global level, Forrester considers a bank to belong to the “small” category if total assets are below €100 billion.
- ¹⁸ Forrester cannot disclose the names of these Fiserv clients.
- ¹⁹ Seven deals were not counted because they were not within the scope of a banking platform, were not related to new clients, or related to nonfinancial services clients. An additional five deals were not evaluated within this report because i-flex submitted this information after completion of the evaluation process.

- ²⁰ Forrester does not count these banks as 20 individual deals but as one because this can be considered captured business — as is the case with many, but not all, cooperative banking groups. Forrester cannot disclose the names of those banks.
- ²¹ In contrast to 2005, Forrester did not count Daybreak in 2006. Daybreak is neither a fully integrated part of the i-flex banking platform nor of Reveleus, and it was sold as a standalone product.
- ²² i-flex enjoyed 57 wins in 2005 in all regions of the world. See the May 2, 2006, “[Banking Platform Wins 2005: Vendors](#)” report.
- ²³ Most of these deals were not counted due to their pure focus on “Know Your Customer” (KYC).
- ²⁴ Forrester considered one Midas Plus deal in Asia Pacific to be a deal with existing customers. Consequently, it was not counted.
- ²⁵ Wells Fargo signed for Misys Midas Plus in Q3 2006.
- ²⁶ In 1983, Polaris Software Lab was established in Delhi, India, as International Information Systems, working primarily in the offshore space for the financial services industry. See the January 23, 2004, “[Polaris: Well-Kept Multi-Channel-Secret](#)” report.
- ²⁷ Examples of why these deals were not counted as a banking platform deal include extensions of existing Polaris installations or very focused functionality, such as “Know Your Customer” (KYC) engines.
- ²⁸ Forrester cannot disclose the names of these banks.
- ²⁹ 2005 brought projects in most of SAP for Banking’s functional areas, with a strong focus on Basel II/ compliance and a lesser focus on core banking. See the May 2, 2006, “[Banking Platform Wins 2005: Vendors](#)” report.
- ³⁰ System Access also sold CardPro to five banks in Asia Pacific. However, these pure card management deals were not counted within the scope of this survey.
- ³¹ At the end of October 2005, India’s Tata Consultancy Services (TCS) acquired Australia’s Financial Network Services (FNS), a Sydney-based banking platform vendor, for approximately \$26 million. See the November 30, 2005, “[TCS Acquires Banking Platform Vendor FNS](#)” report.
- ³² In 2007, TCS consolidated its financial services application software offerings in its newly established subsidiary TCS Financial Solutions, using the umbrella brand TCS BaNCS.
- ³³ Four BaNCS deals were counted as a single deal, due a situation structure that was considered to be similar to i-flex’s captive revenue situation.
- ³⁴ This number includes a Kenya-based microfinance organization.
- ³⁵ TEMENOS’s client list contains only a few names that Forrester cannot disclose.
- ³⁶ SAP’s Industry Value Network for Banks represents a flavor of business services ecosystems. See the September 11, 2006, “[Business Services Ecosystems In Banking](#)” report.

- ³⁷ Evaluation criteria focus on key core banking functions and architectural agility. See the January 19, 2007, “[The Forrester Wave™: Core Banking Suites, Q1 2007](#)” report.
- ³⁸ Large newcomers in the banking platform market, such as Infosys and SAP, can enter new markets and gain the necessary know-how reasonably quickly. See the May 2, 2006, “[Banking Platform Wins 2005: Vendors](#)” report.
- ³⁹ The overall architectural approach needs to support an agile banking platform in such a way that the impact of changing business needs on applications and application infrastructure remains manageable. See the November 28, 2006, “[The Forrester Wave™: Retail Banking Platforms, Q4 2006](#)” report.

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