

LGT | IMPLEMENTATION OF A GENERIC INTERFACE TO THE AVALOQ® BANKING SYSTEM

Initial situation and objectives

LGT stands for private banking in the true sense of the term as this is the wealth and asset management group of the Princely House of Liechtenstein. The core competencies of wealth management as well as traditional and alternative asset management are combined to create a comprehensive service for clients – a combination already proven successfully. LGT has approximately 1,600 employees at 29 locations in Europe, Asia, the Middle East, and America. As of June 30, 2007 LGT managed assets of 99.7 billion CHF.

In 2004, demands for transparency by the management, the client advisors as well as the responsible departments, led to the request for zeb/ to introduce zeb/profit-manager as the central Management Information System (MIS), as a way to integrate the views on the legal business units of the group and the management structure of the separate marketing channels into one platform. The technical implementation included (among others) the integration of an automated data feed from the operational core banking system LGT-BOSS into the zeb/datawarehouse.

In summer 2006, LGT decided for the group-wide introduction of the core banking system, Avaloq®. The gradual replacement of the former operating system would be accomplished in several steps. The first phase ensures initial production operations at the group banks in Liechtenstein, Switzerland, and Germany. Singapore operations would follow in a second phase. In the course of this migration, zeb/ was asked to establish a new data feed from the new core banking system, Avaloq®, although a basic condition in the technical configuration was to retain the earlier interface to the core banking system LGT-BOSS until the end of the second phase.

Project approach and current status

The first phase included an evaluation of various options for the architecture regarding the data feed from Avaloq® to zeb/profit-manager. Part of this evaluation process was a cost-benefit analysis of the identified alternatives, in cooperation with LGT, which subsequently decided the future architecture.

Based on the comprehensive Avaloq® parametrisation possibilities and the ongoing implementation project at LGT, decisions concerning the specific design of the various areas relevant for supplying zeb/profit-manager had not been made yet. This condition posed an interesting challenge to the zeb/ project team. The implementation of the interface had to be approached on the basis of incomplete information as a consequence of the ongoing changes in the parallel project at LGT. This challenge was answered by the implementation of a generic framework for the extraction and processing of data from Avaloq® – the zeb/-generic.interface.

Considering the detailed functional input from numerous workshops with LGT Group Controlling as well as the inclusion of the basic specifications in the Avaloq® object model, transformation and processing layers were realised in the zeb/generic.interface which are configurable to the individual Avaloq® parametrisation. The zeb/generic.interface itself is subdivided into an Avaloq® component as well as the downstream zeb/framework. The Avaloq® component is fully embedded in the Avaloq® -ReportWriter. To minimise the impact on the Avaloq® performance, the data processing logic was moved as far as possible into the downstream layers of the zeb/framework. The zeb/framework includes several, flexible configurable layers – considering the Avaloq® concepts – that contain the functionalities for data processing and transformation. The format of the processing and transformation logic is independent of zeb/profit-manager, so that the interface can basically be configured to reach the target data format of any analytical system (see Figure 1).

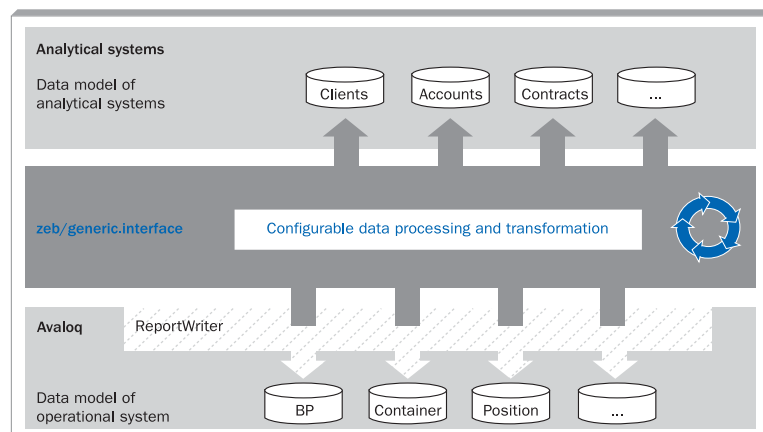


Figure 1: Integration by zeb/generic.interface

In order to ensure the full release compatibility of the zeb/generic.interface with Avaloq®, agreements are currently being prepared with Avaloq® for certification as the standardised interface for an integrated MIS.

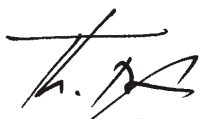


The currently defined Avaloq® parametrisation at LGT has already been considered in the zeb/generic.interface. Further configurations have been defined based on the Avaloq® model bank, that would be stepwise adapted to match the future LGT parametrisation.

Next steps and outlook

In order to ensure that any LGT decisions concerning the Avaloq® parametrisation are promptly considered in the zeb/generic.interface configuration, continuous verification and update of the existing setup will take place together with Group Controlling as well as the functional sub-projects. The current project plan schedules the final configuration with the completion of the Avaloq® parametrisation activities at LGT, at least three months before the start of productive operations. The operational start of the new interface is planned to follow the conclusion of final test activities after a successful cut over at the end of the year, thereafter at the end of the first month.

The configurable design of the zeb/generic.interface allows LGT to approach the implementation of zeb/profit-manager in parallel to the Avaloq® project. Further, the implemented generic framework gives LGT an interface – separated from the zeb/profit-manager – to integrate additional analytical systems.



Thomas Böni
Head of IT Architecture
& Strategy
LGT



Michael Bürge
Head of Group Controlling
& Accounting
LGT



Elke Vogt
Head of Group Controlling
LGT



Dr. Markus Wilpert
Senior Manager
zeb/



Sinan Demokan
Manager
zeb/



Remo Naeff
Consultant
zeb/