

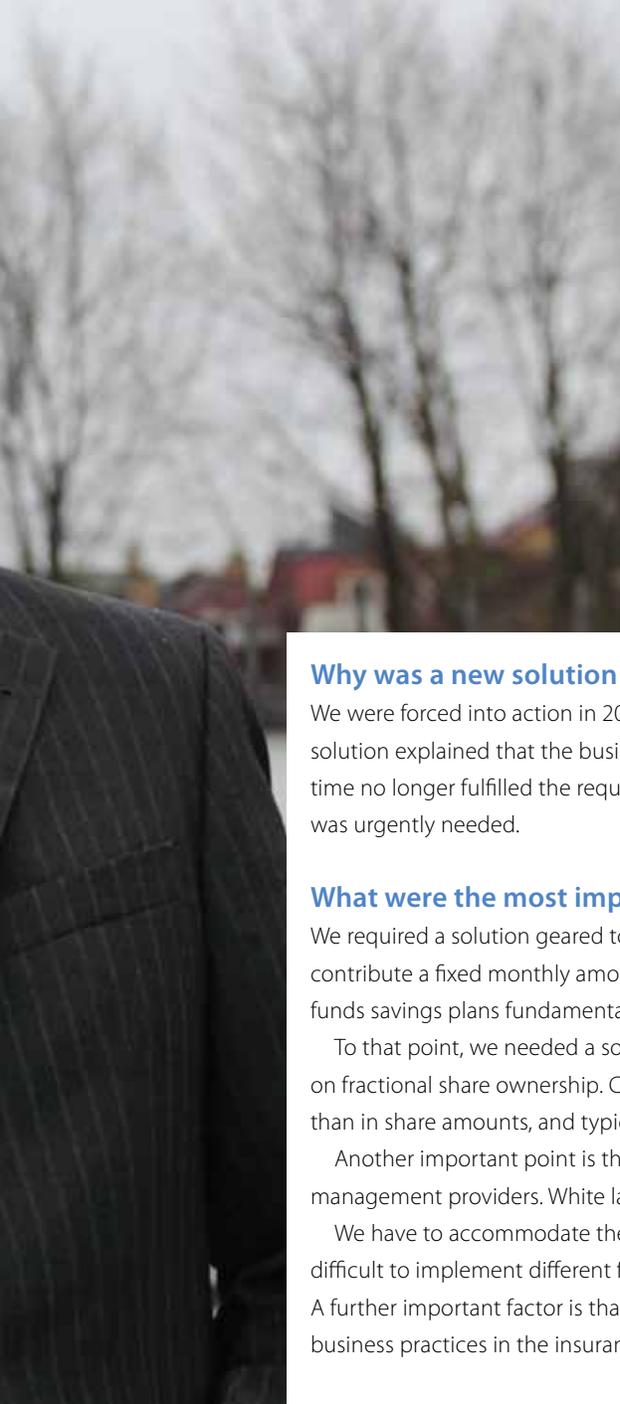
Lienhardt & Partner Privatbank Zürich AG



*Interview with Dr. Markus Graf, CEO,
Lienhardt & Partner Privatbank Zürich AG*

By **Thomas Fink**, Marketing Manager,
Switzerland & Southern Europe, TCS

Lienhardt & Partner Privatbank Zürich AG (LPZ) is a Swiss bank providing private banking services including asset management, fund management, trading in securities, derivatives, and currencies, and a variety of financial and real estate services.



Why was a new solution evaluated?

We were forced into action in 2008, when our previous software provider of our funds savings plan administration solution explained that the business would be closing and ceasing further development. Furthermore, the version at the time no longer fulfilled the requirements of our company or those of the market, meaning that a complete replacement was urgently needed.

What were the most important criteria in your decision making?

We required a solution geared to efficient processing of a large number of funds savings plans, which allow customers to contribute a fixed monthly amount toward share purchases. This combination of a savings and investment product makes funds savings plans fundamentally different from standard banking products.

To that point, we needed a solution with a mechanism to calculate the monetary value for individual accounts based on fractional share ownership. Customers with funds savings plans want to see their balances in Swiss francs rather than in share amounts, and typical funds solutions do not offer such capabilities.

Another important point is the white-labelling option, as our customers include insurance providers and asset management providers. White labelling is difficult to implement, making it an important criterion for the decision.

We have to accommodate the special requirements of each of our customers. On a typical bank platform, it would be difficult to implement different fee models or separate schedules for payment processing and batch processing. A further important factor is that the solution must be able to pay sales commissions, in accordance with standard business practices in the insurance sector. Typical banking systems are not sufficiently equipped to do this.

How did TCS BaNCS measure up to those criteria?

We found TCS BaNCS to be unique in that the components required to support the Funds Plan Admin solution were embedded seamlessly in the TCS BaNCS environment. TCS BaNCS supports direct connections to the market, broker invoices, stamp and fee calculations, individual commission agreements with customers, and double-entry accounting, offering the flexibility to meet our requirements.

In one stroke, therefore, we could harness the advantages and functions of a proven software solution, enabling us to support funds savings plans at an industrial scale.

Also, we were looking for a partner who would remain competitive in the long term and who could contribute experience to our business. Even if we simply look at headcount, comparing TCS with its 277,000 employees with a software supplier having only a handful of staff shows that TCS clearly offers the greatest level of assurance. Furthermore, TCS was committed to our success from the very beginning and guaranteed us trustworthy and long-term support, which is not so easy to find elsewhere.

The decisive factors for us were the passion and commitment shown by TCS in finding a solution. You can simply sense that TCS is a partner whose employees have a lot of know-how and really think about what they're doing.



What was your experience with planning the deployment?

TCS migrated all of our accounts and customers from the previous solution to TCS BaNCS, including the required Funds Plan Admin components. We planned a six-month project, from establishing the new data environment, setting parameters within TCS BaNCS, and migrating data.

We quickly realized that TCS possessed extensive experience in this area and that they knew what was necessary in order to complete the project successfully.

What were the challenges during implementation?

The implementation was practically problem-free. We can speak in good conscience of 100-percent fulfilment of the requirements, without any issues proving to be “show stoppers.” We enjoyed very good cooperation and a highly positive experience with TCS.

Time was also an extremely important factor in this project, but the enormously active support provided by TCS made it possible to find and implement solutions to problems quickly and efficiently. TCS not only understood the technical aspects, but also the business aspects of our niche market, and this was important to us.

What business benefits have you been able to achieve from the deployment?

Thanks to TCS, we have good, active support in the acquisition of new customers and the fulfillment of their individual demands.

The TCS computer center guarantees us a high level of security and availability, and they react quickly, flexibly and efficiently to our requests and needs. This is not always the case these days, in an age of complex processes.

Other important factors include:

- Efficient, large-scale, and easy-to-monitor business processes
- Ability to create new products for client sales organizations that are independent from the general portfolio model
- Reliable processing of trade orders in the securities markets
- Standardized and integrated payment and booking processes

These capabilities allow us to operate efficiently relative to competitors, thus strengthening our market share.



FAST FACTS

- LPZ was founded in 1868.
- The private bank provides comprehensive advice and services in private banking, with a unique combination of traditional banking services with a broad range of real estate services.

AT A GLANCE

Company: Lienhardt & Partner Privatbank Zürich AG

Headquarters: Zürich, Switzerland

Business Challenge: To administer funds savings plans, a combined banking and investment product, directly to customers and as a white-labelled solution.

Solution: TCS BaNCS with components for Funds Plan Admin and ePortfolio

How has the customer experience changed?

We are using a web-based solution that provides the customer with a comprehensive online portal. This allows our customers to access all the information that is relevant to them. Customers have access to securities information, deposit balances, and documents such as taxation and account statements.

What challenges do you foresee for LPZ in the future?

At present, we at Lienhardt & Partner are not tasked with dealing in cross-border foreign currency transactions. Nevertheless, the framework and business conditions for private banking will undoubtedly change for us, and for that reason we must undertake a thorough review of our cost structures while implementing more efficient technical and organizational structures. In TCS, we have a partner with whom we are on the right path to reach these goals.

Increasingly, we shall have to confront various regulatory issues and challenges, such as FATCA regulations in the US. TCS regularly implements solutions for these challenges for its global customer base, and it is helpful for us to have a partner with the experience and knowledge of how to react to these constant challenges. Moreover, addressing regulatory challenges with TCS is a cost-effective approach, and the growing pressure on cost will continue to be a decisive factor in the future.

We now have a standard product that provides one single, combined solution for banking, investments and insurance, offered either directly to customers or white-labeled. It is always an advantage to use one integrated system instead of three separate systems. This is a huge competitive advantage that should not be underestimated.

How would you describe the level of cooperation with TCS?

We consider TCS to be a local company, but one that provides the advantages of access to global resources and knowledge.

The ever-growing size of our company means that over time our partnerships will become closer and more important. The right technology partner is an essential component in the retail sector. Flexible, agile, and standardized products are the only way forward here.

We rely on TCS to support us in finding joint solutions, in defining our road map, and in setting milestones well into the future. ■