



Highlights

- Deploy flexible payment systems
 - Adapt rapidly to market changes
 - Empower business users to update applications directly
 - Rely on excellent business rule technology
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Single Euro Payments Area

Powering payment systems with business rule management

Most observers believe that the Single Euro Payments Area (SEPA) will significantly reduce bank revenues. What is certain is that SEPA will probably impact the competitive landscape of retail banking. SEPA regulation will facilitate the entry of new players equipped with light infrastructures totally dedicated to payment, placing established institutions under tremendous pressure to participate in a new high-growth market.

Flexible payment platforms

New payment platforms based on business rule management systems (BRMS) offer greater flexibility than integrated banking systems. They enable the creation of new value-added services aimed at businesses and individuals, and easily support ongoing regulatory change. Where regulatory uncertainty may call for inaction or minor modifications to existing systems, these new agile platforms help users offer low-cost, “lean and mean” offerings.

Evolving with the market

As with other banking platforms and services, this new market will probably become organized around a few pan-European operators. This market concentration will be progressive and take place as the result of different strategies, such as acquisitions, organic growth, teaming in consortiums and creating new organizations. Technology



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Solution Brief

must support these strategies by enabling competitive operational costs, fast integration of partners, rapid deployment of new payment regimes and high straight-through processing (STP) rates. IBM® ILOG® BRMS is specifically engineered for change, evolving with organizations as their markets change.

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- Rely on proven business rule technology

Strategic approach, impact analysis and action plan

Implementation approaches require banks and other players in this market to address three primary activities: strategic, regulatory and operational. All should remain as open as possible to quickly accommodate important business events. For instance, a change in company strategy can rapidly translate into concrete actions at the operational level.

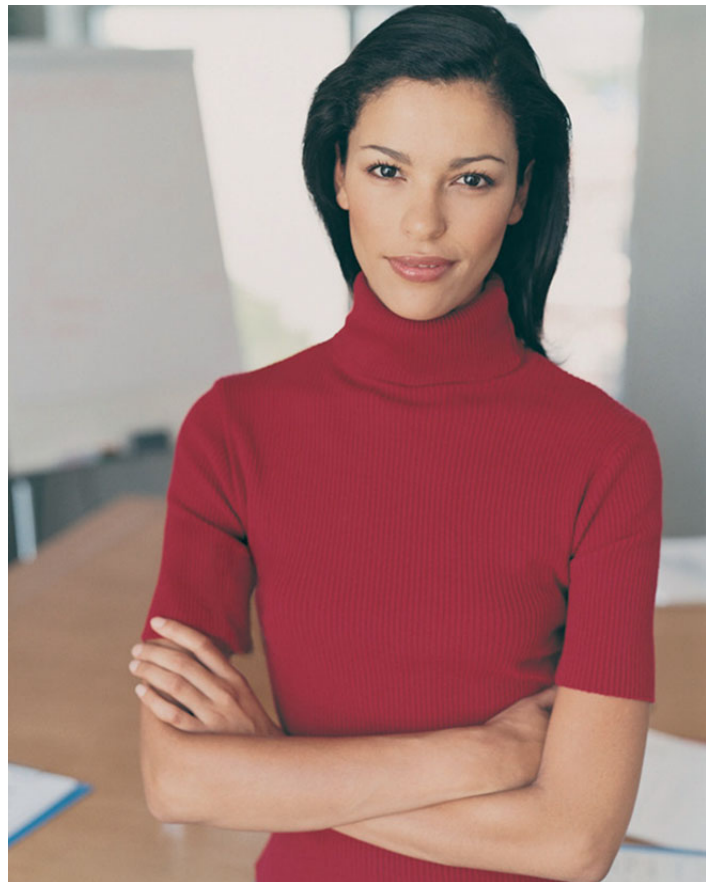
Business rule management brings flexibility

Banks greatly improve their flexibility when they externalize the business rules governing payment processes from their applications. This helps them manage the rules separately, without recoding the applications, and give non-IT business users direct access to the rules, allowing them to update the rules as policies are made. They can respond quickly to changes such as new payment regimes, acquisitions, offerings from competitors and system upgrades. Keeping the business rules of the payment process in a natural language further empowers business users to access and modify rules, verify their coherence, and control and audit their deployment.

Rely on IBM ILOG's proven BRMS

Financial institutions worldwide have relied on IBM ILOG BRMS in key enterprise applications for years. Today, IBM ILOG BRMS is used widely in retail banking, insurance and securities and capital markets. Furthermore, IBM ILOG's industry leadership and ongoing investment in research and development means IBM ILOG customers always get the most advanced technology.

IBM ILOG BRMS automates and governs decision making in numerous processes, including consumer lending, pricing, risk evaluation, broker commissioning, accounting practices and regulatory report generation. All these areas require high performance, scalability and compliance, focal points of IBM ILOG BRMS.



For More Information

To learn more about IBM ILOG's solutions in banking, please contact your IBM marketing representative or IBM Business Partner or visit www.ilog.com/industries/banking.



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